nexus/ag

Annual Report 2022

__ Financial Highlights

	2022	2021	Change
Sales, operating result and cash flow	KEUR	KEUR	(in %)
Sales	209,128	188,178	11.1
Segment revenues NEXUS / DE (unconsolidated)	69,915	64,616	8.2
Segment revenues NEXUS / DIS (unconsolidated)	51,166	44,292	15.5
Segment revenues NEXUS / ROE (unconsolidated)	97,590	86,529	12.8
Domestic sales	112,150	103,044	8.8
Sales in foreign countries	96,978	85,134	13.9
EBITDA	44,292	40,770	8.6
EBITA	32,557	28,872	12.8
EBIT	27,788	24,114	15.2
EBT	27,260	23,055	18.2
Consolidated net income	19,769	17,459	13.2
Cash flow from operating activities	33,875	31,386	7.9
Cash flow from investment activities	-98,552	-21,249	> 100,0
Earnings per share (undiluted / diluted) in EUR	1.21	1.09	11.0
Ongoing development costs and depreciations			
Capitalization of software developments	2,380	2,531	-6.0
Development costs	39,023	34,633	12.7
Total depreciation	16,504	16,656	-0.9
Depreciation from purchase price allocation	4,769	4,758	0.2
Assets and equity capital			
Non-current assets	184,511	181,118	1.9
Current assets	159,685	66,223	> 100,0
Liquid assets including shortterm financial depositions	110,019	26,172	> 100,0
Equity capital	238,946	142,403	67.8
Share price (closing price, Xetra, in EUR)	55.80	71.60	-22.1
Employees (annual average)	1,551	1,469	5.6

As rounded figures are used in this report, it is possible that the totals and calculated percentage figures may vary slightly.

Content

01 __ Letter to our Shareholders

Dear Shareholders:

The year-end review of our business is marked by **contrasts**: war, inflation, pandemic, energy crisis, stock market crash and shortage of skilled workers: The macro level could hardly appear gloomier and the challenges for our daily work were huge. This was also true for our customers, hospitals, rehabilitation facilities, nursing homes and doctors, who were particularly affected by the pandemic and the high sick rates. They deserve **our thanks** for the great commitment that the employees have made to these facilities. NEXUS did everything in this phase to facilitate the daily work of employees with first-class service and tailor-made software offerings.

Against the backdrop of these many challenges, we are very pleased to be able to report **exceptionally positive results** for 2022: **strong results, high cash flow, record new orders,** successful new products and two smoothly implemented capital increases. We are very satisfied with the operating result of the Nexus AG 2022. There is also reason for optimism in the long term. The current government programs for the digitalization of the healthcare system offer us the unique opportunity to increase our sales and market shares in the coming years. Hospitals in many countries are currently awarding large contracts under state programs, and e-health applications remain a core topic in the health care sector.

__ Dr. Ingo Behrendt Chief Executive Officer (CEO)

__ 2022: Pandemic, Inflation, Skills Shortages and War

As well as we are doing in the current difficult situation, the consequences of crises have **affected us at critical points**. The pandemic had a significant impact on our business in the first months of 2022. Travel restrictions, contact bans, high sick leave, home office and quarantine rules led to declining demand, project postponements and efficiency losses during this time. It was only in the second quarter that we were able to work without restrictions, use trade fairs and personal encounters again and develop our business further.

The sharp rise in inflation accompanied us all year round and led to **rising staff and energy costs in 2022**. While the consequences in the year under review have not yet been significant for business success, we are **facing significant cost increases in 2023,** which we will counter with savings measures.

After the pandemic, we also see challenges in **human resources management and employee recruitment.** It is important to re-establish cooperation regulations and to step up the implementation of measures to attract new employees. The "Freedom to Innovate" employee program, set up for this purpose, appeals to young talented people and provides clear guidelines for new forms of work. We have also expanded our development center in Poznan (PL) and are increasingly recruiting development staff there.

The Russia's war of aggression forced us to temporarily suspend our business there in 2022. We provide software there for determining the risk of pregnancies in approx. 145 clinics. However, the contribution to sales and earnings is relatively small.

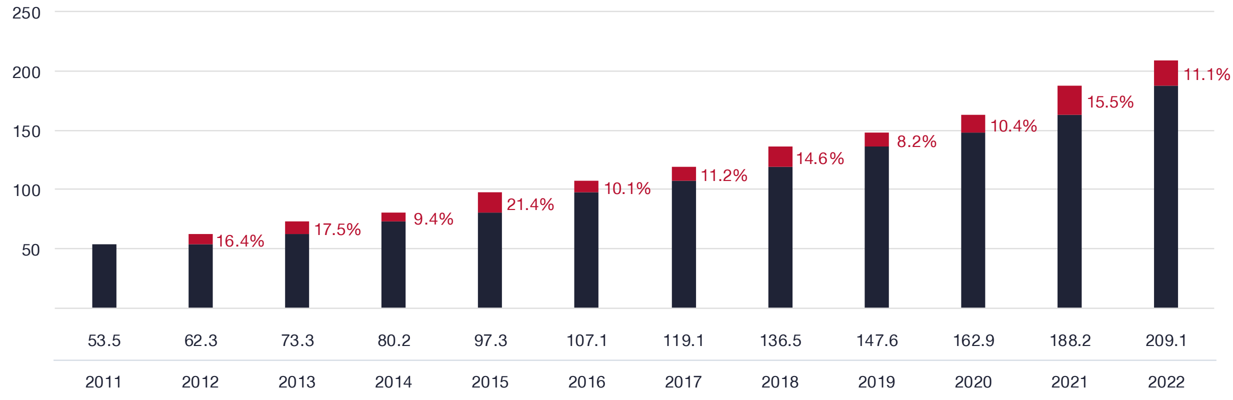
__ 2022: Focus on Innovation as a Success Factor

Amid all these uncertainties, we again focused on **innovation projects** in 2022. For a good reason: our customers have a great need for solutions that directly help them to cope with their work. This aspect is particularly obvious against the background of the shortage of nursing staff and doctors.

NEXUS is well positioned to meet these needs. Our **modular, platform-oriented** system makes users' work easier and lets them enjoy a positive user experience (UX). The technology itself allows for **rapid development**. The last year in particular has shown that this technological approach is an important competitive advantage. While monolithic system solutions for healthcare facilities were preferred in many countries, the strategy of modular, interoperable systems implemented by NEXUS is currently prevailing. This has been reinforced by the major national digitization initiatives in the health care sector. In many countries, interoperable ecosystems in health IT are used, meaning that the IT components of the providers must be compatible with each other. This is a requirement that NEXUS has been demonstrating for many years with the slogan **"lived interoperability"** and summarizes new developments as a ONE / NEXUS program.

"NEXUS / ADVANCED REPORTING" (NEXUS / NAR) is one of the ONE / NEXUS priority topics in 2022. This module supports the creation of findings texts and diagnoses based on image analyses, predefined terminologies and experience (AI). As a result, findings can be produced significantly faster and in higher quality. Starting with demanding endoscopic, cardiological and radiological findings, we will use the module in **all** our software applications (e.g., pathology, psychiatry, and urology) across the board and internationally in the future.

2011 to 2022 __ Group Sales in EUR million



We are convinced of the **success of this development** and are speaking of a definite increase in efficiency (time savings of up to 80% in the preparation of reports) and a significant improvement in quality (structured statements) in clinical informatics. We are proud that we have already received the first international orders for this module.

The **"NEXUS/Portal"** module is equally very important, which improves digital communication between those providing treatment and patients. The same applies to our **"NEXUS / VNA"** module, i.e., hospital-wide image and document archiving, which enables a complete view of patient records.

Our ONE / NEXUS developments are all designed under the Total Experience approach, i.e., we want to create new spaces of experience for employees and patients through these technologies and thus also create personal experiences and enthusiasm. The success of our ONE / NEXUS product offensive confirms our strategy. For this reason, we again invested approx. **19% of our sales** or approx. **MEUR 39** in new developments in 2022. This is a high value that is unique in our industry. Our strong position and good market prospects continue to justify these investments.

__ 2022: Further Market Consolidations

Our **market** remains **attractive** even in the current crises. In 2022, we again saw major acquisitions in our segment. The sale of Cerner Corporation (US) to Oracle Corporation (US) was certainly especially noteworthy. In addition, other and larger transactions have been implemented. These include Medifox DAN Group (D), Maincare S.A, (F) and EMIS Group (UK). Obviously, investors still expect significant potential in these companies. However, we were also able to observe that larger deals did not come about and important market participants withdrew completely from the market with product cancellations despite lengthy preparations. It is obvious that the market is now incorporating **product strategy and integration strategy** very strongly into future assessments.

In 2022, NEXUS itself acquired six **smaller, highly specialized teams** and strengthened our “Laboratory” business unit and our Swiss subsidiary. We are currently focusing on companies with special know-how, with which we can jointly tap new market potential and provide synergies in the face of technological and sales challenges. We have held a 60% interest in oneICT AG since February 2022. The company is strengthening NEXUS / Schweiz in the area of ICT services. We have strengthened our **"Laboratory" business segment** by acquiring 70% of the shares in IFMS GmbH, Saarbrücken as of 31/05/2022 and an asset deal on the business operations of On-Lab GmbH, Offenburg as of 02/05/2022. On 21/12/2022, we acquired the majority in GePaDo GmbH, Dresden, a specialist provider of laboratory information systems in genetics and molecular pathology. These three highly specialized teams enable us to serve the laboratory and pathology market even more broadly and expand our position there.

Acquisitions will continue to be part of the Nexus strategy. We aim to facilitate our access to know-how, technologies and markets. This is a strategy that expands our product portfolio and intensifies our customer loyalty. To be able to realize **larger acquisitions** in the coming years, we implemented a capital increase of 9.17% in 2022, with which we received a total of **MEUR 72.5**. We want to use the new funds for further growth and invest especially in internationalization and product innovations. We have decided on the cash capital increase to the exclusion of the subscription right to be able to win a long-term oriented core shareholder. We were able to acquire the company **Luxempart S.A.** as a new shareholder, which subscribed to the new shares at a placement price of EUR 50.00 each. As a result, Luxempart S.A. holds approx. 8.4% of the shares of Nexus AG. With Luxempart S.A. NEXUS has acquired a long-term anchor shareholder, which will closely accompany our company in this growth phase. Luxempart is an investment company listed in Luxembourg with a total portfolio of around EUR 2.1 billion, specializing in long-term investments in growth companies. Prof. Dr. rer. Oec Alexander Pocsay has resigned his position as Supervisory Board of Nexus AG in this connection. Mr. Florian Herger has joined the Supervisory Board of Nexus AG. Mr. Herger is Investment Director of Luxempart S.A.

__ 2022: Dynamic Incoming Orders

In terms of sales, we concentrated on processing bid invitations from national funding programs in 2022. We posted significant new orders here in Germany and France. Among the many interesting orders, the order for **10 hospitals of Johannesstift Diakonie**, Berlin, certainly stands out. The order includes the digitization of the entire process spectrum of the hospital group and includes **unlimited license access** to all innovations until 2026.

In **France**, we have concentrated completely on the national program "Ségur de la Santé" and have been able to **successfully implement phase 1**. In **Poland**, we were able to win many contracts related to the government's cyber security initiative. Cyber security in the health care sector has been received special attention in Poland in the context of the threat posed by Russia.

It is gratifying that we have also been able to win **large new orders** in addition to those in these programs. These include his customers such as the **Maria-Hilf Hospital** in Mönchengladbach, the heliomare group in the Netherlands and the **Centro Poschiavo** in Ticino. We have been very successful in numerous national and international diagnostic projects. For example, we are installing the Nexus diagnostic solution as a **clinic-overlapping**, overall platform at **Rostock University Hospital**. At the University of Bonn, we have implemented the introduction of digital pathology and laboratory medicine, and we have received the order for the equipment of gastroenterology and pulmonology at all locations of **Charité, Berlin**,. The renowned clinic **Fundació Puigvert, Barcelona (SP)**, has commissioned us to digitize their urology, and we are implementing diagnostics in neurophysiology at **UMC in Maastricht (NL)**. In **St Thomas Hospital in London (UK)**, we are integrating our obstetric solution and we are introducing our laboratory information system in the **District Hospital Reutte**.

These are some examples of highly interesting projects. Our list of national and international new projects is pleasingly long. It is obvious that the market trusts our products and our company. In a competitive environment characterized by many changes, we have a market advantage as a stable and reliable company.

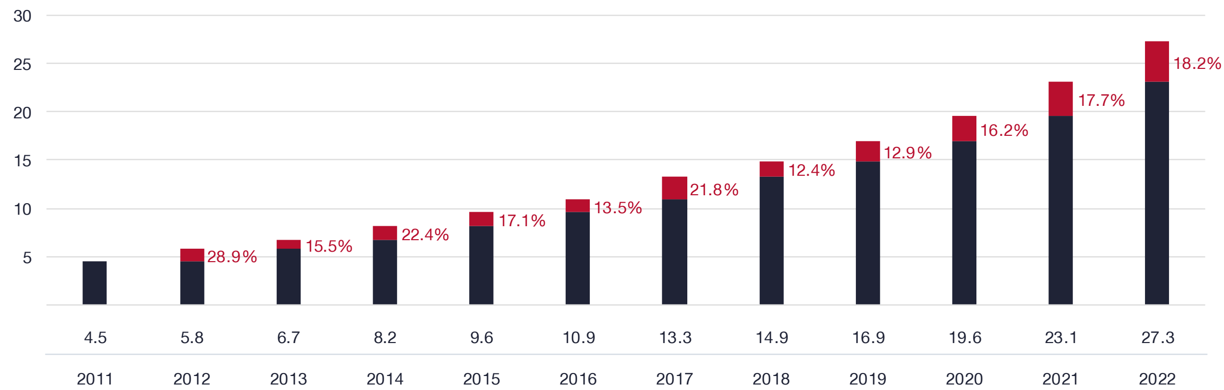
Just in the last few weeks, two large market participants published changes to their strategy and **product discontinuations**. This is a **chance** for us; We have experience in the migration of legacy systems from the competitive environment and are available with modern systems as a reliable alternative.

However, we also had some **disappointing** developments in 2022. Our cloud IT business was unable to meet its sales and earnings targets. We were not positioned well enough there to convince our customers. We have reacted to this development with a realignment.

Overall, we can be very satisfied with incoming **orders and project implementations in 2022**. It has been confirmed once again that our product strategy is increasingly meeting market expectations and that our modular approach is gaining international acceptance.

__ Ralf Heilig, Chief Sales Officer (CSO)

2011 to 2022 __ EBT in EUR million



__ 2022: Very Strong Sales and Earnings Development

Good economic results were not a matter of course in 2022. We are all the more pleased that we were again able to show a very convincing increase in sales and earnings in 2022. We were able to successfully continue the development of continuously increasing sales and profits, which has lasted for more than **two decades**.

Total sales rose very significantly in the reporting year to **KEUR 209,128** (previous year: KEUR **188,178**). Compared to the previous year, sales were approx. 11.0% higher. Revenues from license sales have developed strongly, rising from EUR 30.2 million to EUR million in total 36.6 (+ 21.5%). International business in 2022 represented a share of 46.4% in the total Group in 2022 following 45.2% in the previous year. **Organically, Nexus AG grew by approx. 10.3% in 2022.** The sales figures include company acquisitions for the current year amounting to KEUR 3,683 consolidated. It must be noted in this context that the special hardware sales of KEUR 1,839 in the "Deutsche Rente" project in the previous year were a one-off effect that was adjusted to calculate the organic sales comparison. the sales and results of NEXUS / DIGITAL PATHOLOGY GmbH have and integrated in the laboratory business segment and therefore are no longer reported as acquired sales. Currency effects were mainly due to the stronger Swiss franc and the weaker Polish Zloty. These contributed a total of KEUR 2,810 to sales.

NEXUS once again invested more in the development of its products in 2022. At approx. **MEUR 39.0**, investments were approx. MEUR 4.4 higher than in the previous year. The investment ratio– measured in terms of sales– was thus approx. 19%. Despite the major challenges that we faced this year, we managed to invest a significant proportion of our sales in future innovations.

Despite or precisely because of these high expenditures for new development, our annual results in 2022 were once again very much higher than the previous year. We were able to increase **EBT** from KEUR 23,055 by approx. +18.2% to **KEUR 27,260**. **EBIT** amounted to **KEUR 27,788** following KEUR 24,114 (+15.2%) in the previous year. **EBITDA increased to KEUR 44,292** following KEUR 40,770 (+8.6%). Corporate acquisitions in 2022 increased EBITDA by a total of **KEUR 530** (1.2%). **Consolidated net income** increased from KEUR 17,459 to **KEUR 19,769** (+13.2%). Currency effects were mainly caused by the stronger Swiss Franc and the weaker Polish Zloty and contributed a total of with KEUR 535 to consolidated net income.

__ Edgar Kuner, Chief Development Officer (CDO)

Once again, **cash flow** from operating activities was very strong, which reached **KEUR 33,875 in 2022**, and consequently was 8.0% higher than the previous year's level (previous year: KEUR 31,386). This includes larger tax payments in the amount of KEUR 5,641.

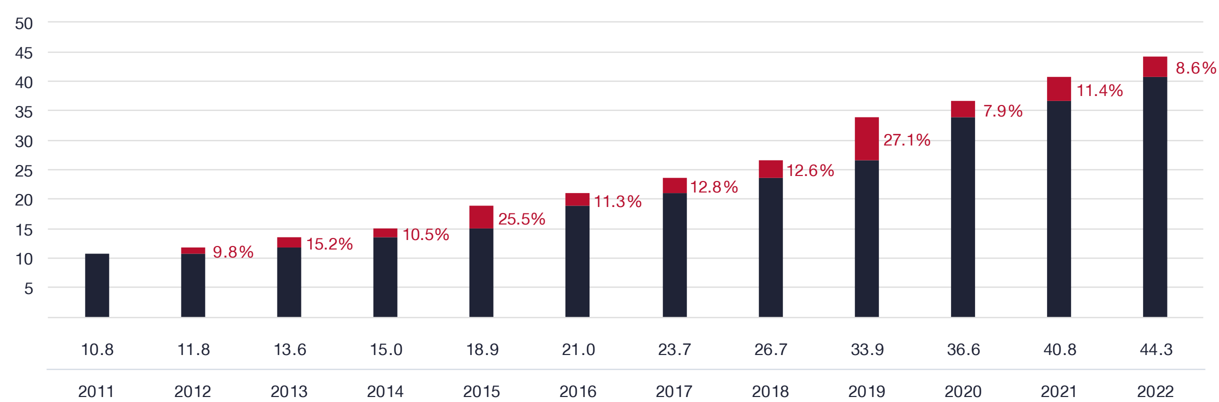
The liquid assets of NEXUS Group increased significantly due to the strong cash flow and the capital increase. As of 31/12/2022, the total cash including short-term financial positions was **KEUR 110,019** (previous year: KEUR 26,172). Without the capital increase, the value of cash as of 31/12/2022 would have been KEUR 37,519 (KEUR 11,347).

Earnings per share reached a value of **EUR 1.21** after EUR 1.09 in the previous year (+11.0%).

These strong results include special expenses for acquisitions and company integrations. In addition to the direct costs, we invest significant corporate resources in the successful integration of new companies. We calculate the total costs for this to be approx. **MEUR 1.69.**

The NEXUS team is very proud of these results and has **achieved** high growth rates in sales (CAGR: 15.1%) and earnings (CAGR: 34%) for the 21st consecutive year!

2011 to 2022 __ EBITDA in EUR million



__ 2023: We Remain Optimistic

Our environment remains demanding: war, high inflation and the shortage of skilled workers. The challenges are quite diverse. Nevertheless, we are very **optimistic about the rest of the year 2023**. The European digitization programs are in the middle of the implementation phase and the competitive environment will become more attractive after the withdrawal of some products. Our strategy of expanding teams, product offerings and regional presence with the acquisition of smaller software companies is proving successful. We are pleased that the integration measures create **large product and sales synergies** in the Group.

In addition, the **product range** of NEXUS is very attractive. Our product strategy – to offer a platform-based, modular HIS – corresponds to the market trend and is well received by the customers. With our position as an integrated HIS provider and provider of interoperable modules, we have an exceptional position in the market, which we will further expand.

We presented our outlook until 2026 at this year's Berenberg German Corporate Conference. We are also optimistic in the medium term, i.e., for the period up to 2026. Thanks to the positive market environment in the digitalization of the healthcare system and of numerous government funding programs, we expect average organic growth of **8-9% p.a. until 2026**. The key to this assessment is our strong product positioning and the focus on interoperability of our systems. In addition, we plan to achieve further growth through company acquisitions. The approximately MEUR 110 liquid funds available to us, including short-term financial arrangements, are to be 1.21 after used for further **European acquisitions in the healthcare market**.

Our outlook assumes that we can keep the business consequences of the diverse crises at a low level in the future for NEXUS. We are prepared for dealing with them. Especially with respect to costs for staff and energy, we must continuously evaluate further developments of inflation, the pandemic, other possible crises and – not the least – the shortage of skilled workers – and make adjustments there if necessary. NEXUS is in a good position: We are well-positioned financially and do not depend on any critical value chains. As a result, we can focus on managing remaining risks.

__ 2022: NEXUS Shares: Success in a Difficult Environment

The stock market environment for **growth values was very negative in 2022** and significantly weakened our shares. NEXUS shares started the year 2022 at a price of EUR 71.60 (closing price 31/12/2021, Xetra). At the outbreak of the war, the stock fell to an annual low price of EUR 42.05 (closing price 10/05/2022, Xetra). At the end of the year, the price then recovered to EUR 64.70 (closing price 05/12/2022, Xetra) in October. At the end of the fiscal year 2022, the level could not be fully maintained and the price fell to EUR EUR 55.80 (closing price 30/12/2022, Xetra). Compared to the previous year, the share thus posted a **loss of 22.1%** after an **increase of 40.4%** in the previous year. The DAX 40 lost approx. 15.8% during this time, and the TECDAX approx. 25.5%.

Dear Madam/Sir and Dear Shareholders: The NEXUS team is **once again very proud** of the operating result for 2022. Although the poor performance of our share price is clouding our success, it must be assessed accordingly against the background of the market development and the exceptionally strong performance of the previous year.

It is important for us that we **were able to serve our customers well during this difficult year, improve our market position and further increase our results**. These results motivate the NEXUS team in the long term.

Dear Shareholders: Your trust and loyalty to the company has enabled us to succeed in recent years and we would like to **thank** you very much for that. Together with you, with our customers, employees and partners, we want to continue the extraordinary development and continue to make a significant contribution to the digitization of the healthcare system.

Warm regards,

Living Interoperability

Together for the Best Treatment.

With NEXUS / EFA 2.0, all service providers in North Rhine-Westphalia are on the same level of knowledge. The intersectoral electronic patient record enables all university clinics, hospitals and resident physicians to work together on the treatment of patients. Just one example from many of the benefits of living interoperability with NEXUS.

- Master Patient Index
- EFA 2.0
- Teleconsult
- Secure data exchange and communication

Living Interoperability

NEXUS / ADVANCED REPORTING

The future of diagnostics:
NEXUS / ADVANCED REPORTING is the fast and intelligent way to create diagnostic findings. By integrating digital data from medical devices paired with results of artificial recognition algorithms (AI), the appropriate text structures are automatically inserted into the findings report. The generated findings-text proposals support diagnostic decision-making and consequently speed up documentation by 80 %.

- Device data directly in the findings text
- Structured entry
- Contextual wiki (e.g., Thieme) – directly at the input
- In all departments

02 __ Report of the Supervisory Board

The Supervisory Board was informed promptly in written and oral reports at regular intervals by the Executive Board about the respectively current development of business, the risk situation and especially about important events in the company and the NEXUS Group in the fiscal year 2022. The Supervisory Board has fulfilled its checking and monitoring obligations. The transactions requiring approval to be submitted to the Supervisory Board in accordance with the statutory provisions in conjunction with the Articles of Association of Nexus AG and the Supervisory Board's Rules of Procedure were examined, discussed with the Executive Board and decided upon by a corresponding Supervisory Board resolution. Furthermore, the Chairman of the Supervisory Board and his deputy were kept regularly informed of the earnings situation, the course of business and current key topics by the Executive Board.

__ Executive Board and Supervisory Board

In the fiscal year 2022, Prof. Dr. Felicia Rosenthal, Dr. Hans-Joachim König (Chairman), Prof. (em.) Dr. Ulrich Krystek (Deputy Chairman), Dr. Dietmar Kubis and Juergen Rottler were members of the Supervisory Board for the entire year. Prof. Dr. rer. Oec. Alexander Pocsay was a member of the Supervisory Board until 30/08/2022. Mr. Florian Herger was appointed to the Supervisory Board on 13/10/2022.

In the fiscal year 2022, Dr. Ingo Behrendt (Chairman), Edgar Kuner and Ralf Heilig were members of the Executive Board for the entire year.

__ Supervisory Boar d Meetings

The Supervisory Board had four regular meetings in the fiscal year 2022 on 07/03/2022, 29/04/2022, 30/09/2022 and 20/12/2022. In addition, other Supervisory Board meetings were held or Supervisory Board resolutions passed on 29/08/2022, 30/08/2022, 10/11/2022 and 23/11/2022 in the context of video and telephone conferences as well as in written proceedings. No member of the Supervisory Board was absent from half or more of the Supervisory Board meetings. Participation is documented in the table below.

The Supervisory Board meeting on 07/03/2022 dealt with the audit of the annual financial statements and consolidated financial statements of Nexus AG for the 2021 fiscal year as well as the adoption of the annual financial statement and the approval of the consolidated financial statement. The audit and adoption of resolutions on other mandatory disclosures to be included in the management report were also addressed at this Supervisory Board meeting. In addition, the agenda items for the Annual General Meeting and the proposed resolutions to the agenda items for the Annual General Meeting were discussed and adopted. In particular, a proposal regarding the appropriation of profits was submitted to the Annual General Meeting in agreement with the Executive Board. The election of the auditor was also proposed to the Annual General Meeting.

	07/03/2022	29/04/2022	29/08/2022	30/08/2022	30/09/2022	10/11/2022	23/11/2022	20/12/2022
	Personal / virtual session	Virtual session	Virtual session	Virtual session	Personal session	Virtual session	Virtual session	Personal session
Dr. Hans-Joachim König	X	X	X	X	X	X	X	X
Prof. (em.) Dr. Ulrich Krystek	X	X	X	X	X	X	X	e
Dr. Dietmar Kubis	X	X	X	X	X	X	X	X
Prof. Dr. rer. oec Alexander Pocsay	X	X	X	X	-	-	-	-
Florian Herger	-	-	-	-	-	X	X	X
Prof. Dr. med. Felicia M. Rosenthal	X	X	X	X	X	X	X	X
Juergen Rottler	X	X	X	X	X	X	X	X

e = excused / - = Not a member of the Supervisory Board of Nexus AG

At the regular Supervisory Board meetings, the Executive Board provided extensive reports on the business situation to the Supervisory Board and the Supervisory Board discussed these reports in detail. With regard to transactions requiring approval, several resolutions were passed regarding the acquisition of companies and/or shares after a detailed discussion regarding the determination of the purchase price and the results of the respective due diligence measures.

In the course of a preliminary discussion, the Supervisory Board dealt intensively with a capital increase in its meeting on 29/08/2022, excluding the subscription right to the participation of Luxempart S.A. The resolution on this was taken on 30/08/2022.

The Supervisory Board meeting on 30/09/2022 dealt in detail with the medium-term strategic orientation of the NEXUS Group on the basis of a corresponding presentation by the Executive Board.

Within the framework of the resolutions of the Supervisory Board of 10/11/2022 and 23/11/2022, a further increase in the company's share capital was carried out with the exclusion of the subscription right for the purpose of acquiring shares by employees.

The Executive Board also provided the Supervisory Board with detailed information on the Compliance Management System in place at Nexus AG and its subsidiaries The Supervisory Board has dealt with the rights and obligations of the Supervisory Board, in particular in connection with the design of remuneration systems for the Executive Board and the design of remuneration reports, also by means of internal further training sessions.

__ German Corporate Governance Codex

At its meeting on 20/12/2022, the Supervisory Board dealt in detail with general compliance issues. In particular, the compliance statement was submitted for the adoption of a resolution Accordingly, the Supervisory Board passed a resolution on the joint compliance statement from the Supervisory Board and the Executive Board pursuant to Section 161 of the German Stock Corporation Act (AktG). The corresponding declaration is available on the internet at www.nexus-ag.de/unternehmen/investor-relations/ESG-Nachhaltigkeit. In addition, the Supervisory Board dealt intensively with the declaration on the (Group) Corporate Governance Statement (Sections 289f and 315d of the German Commercial Code (HGB).

__ Committees

The Audit Committee formed by the Supervisory Board met once in the 2022 fiscal year on 07/03/2022; at this Audit Committee meeting, all Audit Committee members, Prof. Dr. Ulrich Krystek (Chairman), Dr. Dietmar Kubis and Prof. Dr. Alexander Pocsay took part. The Human Resources Committee did not meet in the fiscal year 2022. In addition to the cited committees, the Supervisory Board did not have any other committees in the fiscal year.

__ Audit of the Annual Financial Statements

The Nexus AG annual financial statements compiled by the Executive Board, the management report, the consolidated financial statements and the Group management report and the ESEF documents for the fiscal year 2022 have been audited with the inclusion of the accounting records by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart. In addition, the remuneration report was formally audited by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, in accordance with Section 162 AktG. Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart was appointed auditor of Nexus AG as well as of the NEXUS Group for the fiscal year 2022 at the annual general meeting on 29 April 2022 and consequently appointed to conduct this audit. The auditors did not raise any objections and confirmed this in an unrestricted audit certificate. The Annual Financial Statement documents and the auditing report were submitted to the Supervisory Board on time; it checked them thoroughly and discussed them in detail in the meeting of the Auditing Committee and the Supervisory Board of 06/03/2022. The auditor also participated in the Audit Committee meeting and the Supervisory Board meeting on 06/03/2022. The auditor reported on the key findings from the audit and remained available for further clarification The auditor confirmed to the Supervisory Board the effectiveness of the supervisory system within the meaning of Section 91 (2) of the German Stock Corporation Act (AktG). In addition, the auditors assured that they did not provide any significant services for the company in the reporting year beyond the audit and that there are no circumstances that could impair their independence. Based on the review of the Audit Committee and its own audit, following further discussions, the Supervisory Board approved the result of the audit with its resolution on 06/03/2022. No objections were raised by the Supervisory Board following the final result of the review by the Audit Committee and the audit. The Supervisory Board adopted and approved the annual financial statements compiled by the Executive Board, the Nexus AG management report, the consolidated financial statements and the group management report for the fiscal Year 2022 by resolution on 06/03/2022.

The Supervisory Board would like to thank the staff and the Executive Board of the company for their work and high degree of commitment to Nexus AG and all affiliated companies. The Supervisory Board would also like to express its congratulations for another successful business year.

Donaueschingen, 06/03/2022

Dr. HansJoachim König

Chairperson of the Supervisory Board

Living Interoperability

The Portal for All Cases.

The provision of portal solutions is an essential requirement of the Hospital Future Act. In NEXUS / HIS^{NG}, users in hospitals can access all patient appointments and documents directly via the electronic patient record. In addition to the 100% Hospital Future Act-compliant patient portal, the NEXUS / PORTAL is also used as a comprehensive overall solution as a referral portal or for all telemedicine and telemonitoring applications.

+ FHIR plugin
+ Direct access from the electronic patient record
+ Appointment calendar and documents
+ Telemedicine and telemonitoring

Living Interoperability

A Look into the Genes.

In modern medicine, genetic and molecular diagnostics play an increasing role and open up new possibilities for treatment. NEXUS digitizes all workflows for genome sequencing and provides a database of variants for genetics and molecular oncology. The latest communication standards enable cross-institutional searches for mutations and specific patient characteristics for hospitals and research.

- Genome sequencing
- Rare diseases
- Distributed genome database
- Online Analytical Processing Technology (OLAP)

03 __ Our Software

ONE / NEXUS Solutions – Interoperability in Practice

Healthcare systems are increasingly dependent on technical systems communicating with one another without problems. New software must be seamlessly integrated into existing landscapes: Lengthy integration processes are a thing of the past.

Especially during the pandemic, a number of programs were launched under the heading **„interoperability"** and are designed to reduce communication barriers between systems.

ONE / NEXUS solutions are already designed architecturally as **interoperable** solutions. Thanks to modern FHIR interfaces, MICRO services and a consistent container architecture, NEXUS modules can be integrated into many IT landscapes. Within the ONE / NEXUS world, the modern user interface ensures uniform user guidance in all modules.

ONE / NEXUS solutions are based on an integrated platform strategy.

UX PLATFORM

With our uniform user experience platform, we ensure that users find themselves easily in all modules: We provide a unique user experience thanks to modern „workspace navigation".

HIS PLATFORM

The HIS platform brings together all processes relating to patient stays and billing. The administrative data of the patient are processed from the first patient contact to discharge.

CLINICAL CHART AND PROCESSES

The „Clinical Chart and Processes" platform records all medical clinical and nursing processes. Doctors and nurses receive support in all work steps: during anamnesis, in the operating theater or at the patient's bedside.

DIAGNOSTIC PLATFORMS

The three diagnostic platforms of the ONE / NEXUS solution focus on:

+ The overall process in the laboratory and in pathology. From recording samples to communicating findings.
+ Special processes in other diagnostic areas: NEXUS offers market-leading solutions for cardiology, urology and endoscopy, integrated in ONE / NEXUS
+ The specific requirements of radiology: Integrated RIS / PACS including the leading teleradiology solution

VENDOR NEUTRAL ARCHIVE (VNA)

We offer uniform archiving of all patient documents with our „Vendor Neutral Archiving" platform, regardless of the type or format of the documents, all images from the medical devices (VNA) are displayed in a uniform view. In addition, ONE / NEXUS also supports the entire document workflows (ECM) of a clinic.

PORTALS

We ensure digital patient contact via our portals. This includes patient and referrer portals with the aim of sharing information between patients and practitioners at every treatment step.

ONE / NEXUS MOBILE PLATFORM

With the ONE / NEXUS mobile platform, we offer all users of our software location-independent work with our applications.

ONE / NEXUS SOLUTIONS

Our interoperable ONE / NEXUS solutions are uniquely positioned on the market: We focused on a modular architecture and special applications with a uniform interface at an early stage. This is a step that anticipated the current market development.

NEXUS / ADVANCED REPORTING

The future of diagnostics:
NEXUS / ADVANCED REPORTING is the fast and intelligent way to create diagnostic findings. By integrating digital data from medical devices paired with results of artificial recognition algorithms (AI), the appropriate text structures are automatically inserted into the findings report. The generated findings-text proposals support diagnostic decision-making and consequently speed up documentation by 80%.

Living Interoperability

Seamless Processes – Clinical and Administrative.

Patient management and billing are seamlessly integrated into medical processes and operations in the NEXUS Ecosystem. In this way, modules and solutions can be integrated into any system landscape in an optimal and inherently interoperable manner. Either as a complete hospital information system or as a supplement to missing functionalities, for example in the area of diagnosis or billing. For this, we consistently rely on SMART on FHIR®.

- SMART on FHIR®
- Billing and patient management
- Clinical processes
- Diagnostics

Living Interoperability

Acute Care and Rehabilitation at a Glance.

NEXUS / REHA[NG] ensures that the multitude of different processes, documentation requirements and billing methods can be recorded at a glance. In a unified and clear application environment, in the traditional workplace, mobile or via portal functions.

- Uniform case management
- Mobile functionalities
- Portal connection
- Holistic care concepts

04 __ Stock Market and Financial Data

Frankfurt stock exchange stock prices (5-year period)

Investor Relations – Successful Together!

We rely on transparent, regular and timely communication in dialog with the capital market. Our goal is to build trust and work together with our investors on the success of NEXUS. We provide our investors a wide range of opportunities to exchange ideas at conferences, road shows and one-on-one meetings.

Stock Market Prices

CLOSING PRICES XETRA	2022	2021	2020	2019
Highest	73.10	80.70	53.00	36.00
Lowest	42.05	47.90	21.00	22.70
Stock Market Capitalization (fiscal year in millions of euros)	965.43	1.132.3	803.4	545.0
Result per share (diluted) in EUR	1.21	1.09	0.95	0.69

Company Profile

Nexus AG develops and sells software solutions for the international healthcare market. With our core Hospital Information System (NEXUS / HIS) and integrated diagnostic modules, we have a unique product range, which can cover almost all functional requirements of hospitals, psychiatric institutions, rehabilitation facilities and diagnostic centers within our own product families.

NEXUS employs approx. 1,700 people, is present in seven European countries with its own sites and serves customers in an additional 71 countries via certified dealers. Thanks to continuously growing demand for NEXUS products, we have been able to build up a large customer base in recent years and regularly show increases in sales and results.

Melanie Ilic

Investor Relations
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Living Interoperability

Test, Laboratory and Findings with One Click.

The corona test center of the city and the district of Würzburg has been converted to a fully digital workflow with the ONE / NEXUS solutions. From patient registration via smartphone to sample labeling in the test center to digital laboratory orders, to the transmission of findings to the patient's smartphone and all the way to digital reporting to authorities. With NEXUS / SWISSLAB, NEXUS / LAURIS, the NEXUS / Patient Portal and Living Interoperability, this project was realized in fewer than four weeks.

+ Patient portal
+ Web-based order entry
+ Mobile communication of findings
+ Fully digital workflow

05 __ NEXUS at a glance

Stefan Born __ NEXUS Deutschland

Marc-Francois Bradley __ SOPHRONA (USA)

Ivo Braunschweiler __ NEXUS Schweiz

Clas Clasen __ NEXUS / QM

Sabine Dold __ Nexus AG

Uwe Engelmann __ NEXUS / CHILI

Markus Erler __ NEXUS Deutschland

David Fernández Fernández __ NEXUS Spain

Klaus Fritsch __ NEXUS / LAB

Christine Gärtner __ NEXUS / ASTRAIA & CMC

Joost van Geijn __ RVC (Nederland)

Udo Geißler __ NEXUS / E&L

Andreas Giebisch __ NEXUS / DIGITAL PATHOLOGY

Wolfgang Hackl __ NEXUS Österreich

Uwe Hannemann __ NEXUS/ASTRAIA, NEXUS/E&L

Marion Härtel __ NEXUS / IPS

Daniel Heine __ NEXUS Deutschland

Fred Hiddinga __ NEXUS Nederland

Timo Hornig __ Nexus AG

Melanie Ilic __ Nexus AG

Dennis Klein __ ANT-Informatik

Jacek Kobusinski __ NEXUS Polska

Harry Kolles __ IFMS GmbH

Eric van Kooten __ NEXUS Nederland

Hagen Kühn __ NEXUS / REHA

Thomas Lichtenberg __ NEXUS / MARABU

Arnd Liman __ NEXUS / DIGITAL PATHOLOGY

Pawel Masadynski __ NEXUS Polska

Heiko Münch __ NEXUS / CHILI

Sebastian Münch __ NEXUS / SWISSLAB

Cornelia Neuendorf __ NEXUS / ASTRAIA

Thomas Nieth __ NEXUS / HIGHSYSTEM

Jürg Ott __ osoTec

René Pfeiffer __ NEXUS Deutschland

Jörg Polis __ ifa systems

Roland Popp __ Nexus AG

Svenja Randerath __ Nexus AG

Loïc Raynal __ NEXUS France

Friedhelm Rösner __ NEXUS Schweiz


Claus Rückert __ ITR Software


Michael Schaaf __ NEXUS / DIGITAL PATHOLOGY


Tobias Schlecht __ NEXUS Deutschland


Wolfgang Schmezer __ NEXUS / ENTERPRISE IMAGING


Thorsten Schmidt __ NEXUS / ENTERPRISE IMAGING


Andreas Schwengeler __ NEXUS / CREATIV


Ulrike Stahnke __ NEXUS / E&L


Marc Sterenberg __ RVC (Nederland)


Sabine Süsskind __ NEXUS / CHILI


Ewa Szalczyk __ NEXUS Polska


Jean-Marc Trichard __ NEXUS France


Sylvia Unger __ NEXUS / EPS


Hannes Wehinger __ Nexus AG


Tobias Wunden __ ANT-Informatik


Michael Ziegler __ NEXUS Schweiz

__ Office Locations

__ Economy, Purpose, Sustainability

EUR 209.1 M
SALES

EUR 44.3 M
EBITDA

EUR 110 M
LIQUID ASSETS

1,700 EMPLOYEES
WORK AT NEXUS

ON
39 SITES

560 THEREOF
IN DEVELOPMENT

9,323 CUSTOMERS
IN 78 COUNTRIES
USE THE SOLUTIONS
OF NEXUS

THEREOF

2,543 CUSTOMERS
RADIOLOGY

516 CUSTOMERS
CARDIOLOGY

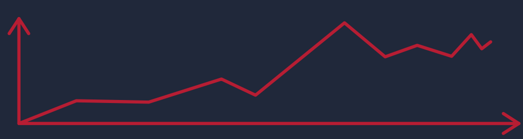
453 CUSTOMERS
PATHOLOGY

AS

985
RETIREMENT
HOMES

EUR 39 M
DEVELOPMENT
INVESTMENTS

SHARE PRICE
DEVELOPMENT



TOP 4 IN SUSTAINABILITY
ASSESSMENT
(GAIA REPORT)

KWH 1.6 M
ELECTRICITY
CONSUMPTION
↘ -27.15 % FROM 2019

Living Interoperability

The Fast Way to Digital Findings.

The digital way of order and findings transmission by NEXUS / IBS provides the advantage that examination orders are transmitted securely, quickly and unambiguously. Thanks to uniform interfaces, the findings are automatically delivered digitally to the sender after approval in the laboratory.

- No confusion in the laboratory
- Safe and traceable return to the doctor
- Compatible with most practice systems
- Uniform interfaces (LDT 3, HL7)

06 __ Group Management Report of Nexus AG

BASIC PRINCIPLES OF THE GROUP

__ Business model

NEXUS develops, sells and services software solutions for facilities of the healthcare system. All software solutions are designed to enable hospitals, rehabilitation facilities, specialist clinics and nursing homes to manage processes more efficiently and provide the staff with more time for patients. NEXUS develops software solutions by bringing together the know-how and ideas of customers and its own employees and can draw on extensive expert knowledge from various European countries. NEXUS offers the following product groups:

+ NEXUS / HIS^{NG}: Complete information system for somatic hospitals in Germany
+ NEXUS / PSYCHIATRY: Complete information system for psychiatric institutions
+ NEXUS / REHA: Complete information system for rehabilitation facilities
+ ITR: Software for rehabilitation, private, acute care clinics not providing surgery and hotels with medical care
+ NEXUS / ARCHIVE and NEXUS / PEGASOS: Archiving and process management in healthcare
+ NEXUS / QM: Information systems for quality management in the healthcare system
+ NEXUS / INTEGRATION SERVER: Interface management for hospital information systems
+ NEXUS / CLOUD IT: Outsourcing solutions in healthcare
+ NEXUS / EPS: Software solutions to supplement SAP personnel management as well as HR consulting in the SAP environment
+ ifa systems: Software solutions in ophthalmology
+ Sophrona Solutions: Patient and referral platform in ophthalmology
+ NEXUS / DIS: Interdisciplinary diagnostic information system
+ NEXUS / SWISSLAB: Premium Laboratory Information System
+ NEXUS / LAURIS: Order communication in diagnostics
+ NEXUS / PATHOLOGY and NEXUS / CYTOLOGY, dc-Pathos and dc-LabMan: information systems for pathological and cytological devices, print management for cassette and slide printers
+ NEXUS / CHILI: Teleradiology solutions, Information (RIS) and image system (PACS)
+ NEXUS / ASTRAIA: Information system for women's hospitals and special findings in obstetrics and gynecology
+ NEXUS / SPECIAL DIAGNOSTICS and Clinic WinData (CWD): Information systems for medical specialist diagnostics and device integration
+ NEXUS / HIS: Complete information system for somatic hospitals in Switzerland
+ NEXUS / HOME: Complete information system for senior citizen homes and nursing home chains
+ NEXUS / OUTPATIENT CARE and Asebis: The complete Spitex (home care) solution for the Swiss market
+ NEXUS / PAT: Complete administration information system for Swiss hospitals
+ SINAPSI: Special hospital information system for Ticino hospitals
+ osoTEC: Software solutions for billing personal and other services
+ highsystemNET: Life cycle client management
+ CREATIV OM: CRM for non-profit organizations and healthcare institutions
+ SEXTANT: Cloud CRM for non-profit organizations
+ Emed: Web-based hospital information system for French and Spanish healthcare institutions
+ NEXUS / AEMP, NEXUS / SPM and EuroSDS: Information system for product sterilization processes in hospitals
+ NEXUS / EPD: Complete information system for somatic and psychiatric institutions in the Netherlands
+ RVC Software: Medical diagnostics

+ **NEXUS / VITA and TESIS VITA:** Complete information system for In-vitro clinics

+ **NEXUS / ESKULAP:** Complete information system for somatic and psychiatric institutions in Poland

+ **One ICT:** ICT intrastructure installations

+ **PathoPro:** Information system for pathological laboratories

+ **IBS:** Findings communication solution

+ **Heimsoft:** Resident administration for the nursing home sector

+ **Wintime 2000:** Workforce deployment planning

+ **GEPADO Xpro:** Software solution for genetic laboratories

NEXUS markets software solutions, installs them at customers' and handles maintenance of the solutions in the sense of further development and consulting. If requested, NEXUS operates the software in own or rented data centers and provides overall customer support.

NEXUS software architecture is modular, interoperable and service-oriented. The service orientation of the products makes it possible to integrate functions (services) also into third-party products. In this way, regular customers and newly acquired companies can profit directly from additional functions.

The various modules of the software solutions are used for improving administration processes, billing processes and the course of treatments as well as for optimizing the quality of the documentation of patient data. The goal of our products is to offer tools for facilities in the healthcare system, with which they can digitalize, accelerate and improve the quality of their business processes. IT services round out our range of services.

NEXUS Group is represented at the sites Donaueschingen, Berlin, Dossenheim, Nuremberg, Frankfurt am Main, Freiburg im Breisgau, Hanover, Dresden. Magdeburg, Ismaning, Lindenberg, Heiligenhaus, Gladbeck, Saarbrücken, Otterberg, Ulm, Jena, Kassel, Neckarsulm, Offenburg, Ratingen, Münster, Frechen, Singen (Hohentwiel), Siegburg, Vienna (AT), Antwerpen (BEL), Affoltern am Albis (CH), Wallisellen (CH), Widnau (CH), Altishofen (CH), Basel (CH), Lugano (CH), Zürich (CH), Zollikofen (CH), Bottighofen (CH), Grenoble (F), Vichy (F), Baarn (NL), Nieuwegein (NL), Amersfoort (NL), Fort Lauderdale (USA), St. Paul (USA), Oklahoma City (USA) as well as Sabadell (ES) and Posen (PL). Nexus AG sets the decisive strategic orientation of the Group.

The following changes were made in the ownership structure in 2022:

+ SINAPSI Sagl, Lugano (Switzerland), was merged into NEXUS Schweiz AG on 01/01/2022.

+ With a share purchase agreement dated 09/02/2022, NEXUS Schweiz AG acquired 60% of the shares in oneICT AG, Wallisellen, Switzerland. A put/call option contract exists for a further 40% of the shares.

+ ASTRAIA Software GmbH was renamed NEXUS / ASTRAIA GmbH on 04/03/2022.

+ NEXUS Schweiz AG acquired a further 25% of the shares of the subsidiary osoTec GmbH, Affoltern am Albis, Switzerland, on 16/03/2022 from the existing option agreement.

+ Nexus AG acquired 70% of the shares in IFMS GmbH, Institut für medizinische Software, Saarbrücken, on 18/03/2022 with the closing date of 31/05/2022 and the associated transfer of the shares as well as the initial consolidation at that time. A put/call option contract exists for a further 30% of the shares.

+ NEXUS Schweiz AG acquired the remaining 20% of the shares of the subsidiary Creativ Software AG, Widnau, Switzerland, on 18//03/2022 from the existing option agreement.

+ NEXUS/ CSO GmbH was renamed NEXUS / REHA GmbH on 15/04/2022.

+ DC-Systeme Informatik GmbH acquired the business operations of On-Lab GmbH, Offenburg, as part of an asset deal on 02/05/2022.

+ Nexus AG acquired the remaining 10.94% of the shares of the subsidiary NEXUS Polska sp. z o.o., Poznan, Poland, on 09/05/2022 from the existing option agreement.

+ E&L medical Systems GmbH was renamed NEXUS / E&L GmbH on 11/07/2022, and its headquarters were relocated to Nuremberg.

+ NEXUS Schweiz AG acquired 100% of the shares in Zwicky Electronic AG, Bottighofen, Switzerland on 31/05/2022.

+ NEXUS Schweiz AG acquired 100% of the shares in HeimSoft Solutions AG, Zollikofen, Switzerland on 01/06/2022.

+ DC-Systeme Informatik GmbH was renamed NEXUS / DIGITAL PATHOLOGY GmbH on 12/08/2022, and its headquarters were relocated to Donaueschingen.

+ RVC Medical IT GmbH was renamed Enterprise Imaging GmbH on 12/09/2022.

+ Nexus AG acquired a further 0.19% of the shares of the subsidiary RVC Medical IT Holding B.V. Amersfoort, Netherlands, on 29/08/2022 from the existing option agreement.

+ Nexus AG purchased a 51% interest in GePaDo – Softwarelösungen für Genetik – GmbH, Dresden, on 21/12/2022. A put/call option contract exists for a further 49% of the shares.

__ Control System

NEXUS Group is divided into three divisions ("DE", "DIS" and "ROE") and into various business areas within the business areas. Each business area has its own business model. The basis of the business area strategies are the product program, market, technology and sales strategies of the NEXUS Group. The segments and business areas are controlled via measurement of two uniform key figures (according to IFRS accounting standards): sales and Sales and EBT. The Executive Board checks the key figures quarterly.

__ Research and Development

NEXUS Group does not conduct any of its own research, but instead exclusively software development. In 2022, investments were especially made for developments for the products NEXUS / HIS, NEXUS / HIS[NG], NEXUS / RADIOLOGY, CWD, Emed and NEXUS / MOBILE apps. Additional supplementary products were developed new and launched on the market directly. The NEXT GENERATION software (NG) product platform is being developed within Nexus AG and supported by the creation of a separate development group.

Total expenses for developments in 2022 amounted to KEUR 39,023 in (previous year: KEUR 34,633), and consequently represented 18.7% of sales revenues (previous year: 18.4%). Of the total development expenses, KEUR 2,380 (previous year: KEUR 2,531) were capitalized. This corresponds to a capitalization rate of 6.1% (previous year: 7.3%). Depreciation on capitalized own development costs amounted to KEUR 4,053 (previous year: KEUR 4,070).

For the fiscal year 2023, it is expected that there will be an increasing number of developments requiring capitalization. A total of people 553 were employed in the development sector at the end of the fiscal year (previous year: 529 employees).

ECONOMIC REPORT

__ Macroeconomic and General Industry-Related Factors

NEXUS sells mainly to customers in the public healthcare system domestically and abroad with focuses on Germany, Switzerland, the Netherlands, France, Poland and Austria. The order situation depends on the competitive environment as well as budget developments in the healthcare system of the individual countries. This was again demonstrated in the COVID-19 pandemic. There has been and will be increased investment in the healthcare system to remedy the weaknesses experienced at that time. Digitization is one of the main objectives of the investment projects.

This positive development was partly interrupted during 2022 by the consequences of the war in Russia, the energy crisis, economic development and inflation. There is still a risk that public finances in European countries will face increasing pressure due to these burdens and savings will be necessary. This can result in a reduction in the growth expectations of the NEXUS Group in the short and medium term. A reliable forecast of these developments is not possible at this time. However, the ongoing discussions about the hospital reform measures of the German government indicate that there will be changes in hospital financing in Germany.

At the moment, we still expect that improvements in healthcare through modern information systems will remain a fixed priority for the healthcare system of almost all countries.

This view is supported by the German Health information Act, the Ma Santé 2022 program in France and other similar programs in European countries. Significant resources for the digitalization of healthcare have been and will be made available in these programs in the coming years. Based on that, we are going to derive the priorities of our development for the coming years. On the other hand, economic developments are less important for the business development of the Nexus Group.

__ Technology Trends

The tracking of technological trends is an important part of the strategy development of the NEXUS Group. Technology decisions have a long-term effect in software development and significantly determine the long-term success of our company. In addition to our market observations and own developments, we follow the reports of research institutes (e.g., Nucleus's top 10 predictions for 2023, Gartner 12 TOP Strategic Technology Trends for 2023, and Forrester Predictions 2023) on current technology trends and thus create a framework for our technology strategy. We have classified the following trends as significant for us in 2023:

__ Trend I: Chatbot Technologies

The language model “Generative Pretraining Transformer (GPT)” has attracted attention in recent months with the prototype chatbot “Chat GPT”. Chatbots can provide human-like and adaptable answers to user questions by training them on large amounts of text data and other sources of information. Regardless of the concrete future of the prototype, it can already be said that AI-based language models represent a significant technology trend.

NEXUS also deals with the use of GPT technology, both in the field of customer communication as well as in medical text generation and software development. Very interesting product additions or efficiency gains can result in all areas.

__ Trend II: Vertical Scaling of Cloud Platforms

Cloud-based platforms are increasingly changing toward the “Vertical Cloud" and "Distributed cloud “and are being “developed on “cloud-native platforms. In the “Distributed Cloud”, cloud services are distributed across physical locations. However, the operation, control and development remain the responsibility of the public cloud provider (hyper regionalization). The advantage: Customers can continue to benefit from the public cloud and do not have to manage a private cloud, which can be costly and complex. To scale their business, companies also use specialized clouds for vertical markets.

Distributed cloud platforms and vertical cloud offerings are also increasing rapidly in healthcare. Cloud acceptance is now high in actual practice. Platform programs are developing at the same time, which will enable use of new technologies in a more flexible and scalable manner. The aim is to improve application portability and hosting flexibility with containers, abstractions and programming interfaces (APIs). These cloud-native platforms and technologies also make it possible to create new application architectures that are elastic and agile. They replace the traditional lift-and-shift approach to cloud migration, which has proven to be unsuccessful in many cases. The era of distributed enterprise software through cloud-native technologies such as container platforms and serverless computing as well as cloud-to-edge integrations has already begun according to the research institutes. NEXUS sees this trend as an opportunity. Our platform strategy especially enables us to innovate and become increasingly cloud-native.

__ Trend III: Virtualization of the Healthcare Market

Healthcare institutions are increasingly operating virtually: in administration, in telemedical applications and through biofeedbacks. The use of telemedicine has become more and more a matter of course for patients and healthcare professionals in recent months. We see this in actual practice every day. The healthcare landscape is expected to move further toward a digital model, especially as wearables, voice assistants and increasing connectivity become the norm.

The advantages are obvious: Predictive models and proactive recommendations of wearable devices enable personalized preventive medicine and will result in better health results. This will increasingly be done in the context of virtual care. It is easier to get an appointment, vital signs are monitored regularly and better information about health and lifestyle issues is made possible. Finally, advances in the development of AI technology through the further development of precision medicine and targeted drugs will result in more personalized healthcare. NEXUS is supporting this trend through its own telemedicine products (TKmed), portals (NEXUS / PORTAL) and participates intensively in research projects (e.g., at Charité Berlin) for the digital support of chronically ill people in the home environment.

__ Trend IV: Industry-Specific CRM Solutions

The horizontal CRM solutions that have dominated the market to date have their limitations when it comes to mapping industry-specific business processes. The industry solutions of the major CRM providers have so far not been able to fully meet the requirements of the markets for specific process support. In recent years, industry-specific CRM solutions have therefore become more and more popular. Brand differentiation, the shift to cloud services, and front office modernization are key drivers of this trend.

NEXUS became involved in the market of industry-specific CRM solutions for non-profit organizations and healthcare institutions at an early stage with the NEXUS / CRM division. The importance of patient and donor communication can hardly be overestimated for the long-term financing of these industries. We are still at the beginning of these developments, but we expect hospitals and residential-care institutions to demand CRM industry solutions relatively soon.

__ Trend V: Cyber security and the Internet of Behaviors (IoB)

Many cybercriminals have been active in the healthcare sector since the outbreak of the pandemic and the war. Facilities have been attacked and databases encrypted. It is assumed that the ransomware crime will again reach new dimensions in the coming years. Veritable “cartels” are increasingly forming, which coordinate their attacks in a targeted manner and pursue long-term strategies. Working from home, the progressive digitalization of society and the increasing online orientation offer many possibilities for phishers, hackers and extortioners. But governments, public agencies, and businesses are also using IT to control the specific behavior of employees and citizens. Wearables, phones, GPS trackers, facial recognition, time tracking, social media: The leftover “digital dust” is used to analyze, reward (e.g., lower health insurance premiums) or punish (e.g., termination of insurance coverage) activities.

As a result, new technologies and procedures that protect the privacy of data are becoming increasingly important. The term privacy-enhancing computation encompasses new processes for processing personal data in untrustworthy environments. This includes building flexible, composite architectures (Cybersecurity Mesh) that integrate widely distributed and disparate security services and improve overall security. These check identity, context, and policy compliance in cloud and non-cloud environments.

NEXUS must incorporate these trends in architectural design and product development. We are particularly challenged in our sensitive environment, in which personal data is processed.

__ Trend VI: Change in the handling of legacy systems – wrap & trap

The change in the way in which we use legacy systems is one of the key trends for the NEXUS Group The advancement, or potential elimination, or monolithic legacy systems has become increasingly important in hospitals. In many hospitals, most of the available resources are tied to legacy systems and gradual changes are too complex or too slow to meet the demands of digitalization. NEXUS is pursuing the strategy of gradually integrating, legacy systems into the new IT infrastructure. Under the working title wrap & trap, we separate individual functionalities from the legacy systems and integrate them into a modern micro-service-oriented IT architecture. Encapsulated in this way, proven systems can continue to be used particularly for highly regulated areas (e. g., billing or patient management), and new architectures can be expanded. has defined wrap and trap methods as a strategy to modernize acquired systems and to implement modernization strategies in collaboration with hospitals.

__ Trend VII: Data Lakehouses Are Becoming the Center of Business Analytics

For several years now, data lakes have been increasingly used for data analysis tasks. The advantage over data warehouse systems is that unstructured raw data can be collected and analyzed in many formats without having to define structures first. Data warehouses, on the other hand, require well-defined schemas and are designed to answer large numbers of concurrent queries to many concurrent users.

Data lakehouses take advantage of improvements in data architectures and metadata management to collect all data on a common data platform. In addition, data lakehouses store the data in a way that makes it available to a variety of technologies, from traditional business intelligence and reporting systems to machine learning and artificial intelligence.

For NEXUS, this development is significant, because data lakehouses enable the use of data previously trapped in legacy or silo systems. By migrating the isolated data from old data warehouses to a centralized data lakehouse, medical information can be brought together and used for new evaluations.

__ Trend VIII: Creating Trust for "Artificial Intelligence (AI)"

The acceleration in AI development has been clearly noticeable in recent years. This is especially true in the medical field, where more and more AI applications are being used. This can be clearly seen in diagnostic and therapeutic applications, e.g., in radiology, ophthalmology and dermatology.

As artificial intelligence algorithms become more sophisticated and complex, persons responsible increasingly need to integrate governance, trustworthiness, fairness, reliability, efficiency, and data protection into AI operations. The framework AI TRiSM (AI TRiSM: Artificial Intelligence (AI) Trust, Risk and Security Management) developed by Gartner is representative of the requirement. It combines tools and processes that make AI models easier to interpret and explain, while improving overall data protection and security. Gartner predicts that organizations that operationalize AI visibility, trust, and security will see a 50 percent improvement in AI model outcomes related to acceptance, business goals, and user adoption.

NEXUS is involved in the integration of artificial intelligence algorithms in various areas of software development. Especially in the medical field, the aspect of “being able to easily explain and understand AI results” is of particular importance. Physicians must be able to identify the basis on which AI provides a diagnostic recommendation and explain it to their patients.

__ Trend IX: Technology, Sustainability and Green Coding

Customers, investors, legislators and employees: Meanwhile, the demand for more sustainable products and practices is widely shared among all corporate stakeholders. The focus is not only on adding value to the business itself, but also on whether technology can provide a smarter way to a more sustainable future. In this sense, work on new technologies will also be in a targeted manner for individual employees and investors. The requirements for compliance with ESG factors document this view and show that an increasing trend toward meaningful technology is developing. The role of NEXUS as a technology provider is also changing rapidly in this sense. We are already assessing all development projects for their environmental and social impact – both at our company and at our customers – and are focusing our development capacities on this area. This also includes our initiatives on the topic of “Green Coding”, which we have consistently followed and documented in our Sustainability Report.

__ Trend X: Development of Super Apps

Gartner sees the development of super apps as new ways of addressing customers. Super apps combine some of the features of a regular app with the features of an app platform and ecosystem, according to the research institute. Super apps not only have their own differentiated functions, but can also be combined with third-party applications based on a common data model.

This development is currently in full swing in the healthcare sector. The multitude of apps that doctors and nurses are supposed to use for monitoring, documentation and control are already exceeding the acceptance limits. Super apps play a consolidating role in this respect. With its own mobile platform, NEXUS has the opportunity to develop offers here.

__Outlook

Tracking key technology trends is a key aspect of the NEXUS development strategy. As part of our strategic planning for 2022-2026, we have also revised our technology strategy. Topics such as “Data Lakehouses”, “Industry-specific CRM solutions” or “Vertical cloud native platforms” have already become part of our development program. “Chatbot technologies” will be incorporated into our development planning in the coming months and other areas of “artificial intelligence” will be pursued intensively as part of research projects and prototype development.

We need to continue to pay particular attention cybersecurity on all levels, both for our internal systems and for the customer systems. “Privacy-enhancing” computation plays a key role in this.

The trend towards sustainability and in this context towards green coding has also found a firm place in our development strategy and is already recognizable in the new software generation.

__ Competitive Environment and Market Position

NEXUS is well positioned on the market as an innovative solution provider in the European healthcare sector. Our successes, growth and the number of installations has led to an increase in the name recognition of the NEXUS. We continued to pursue further expansion of our European activities in a sustainable manner in 2022 and consequently achieved an increase in sales.

However, the fiscal year was initially difficult. We had to take numerous measures to counter the pandemic restrictions, the shortage of skilled workers and the consequences of the war. The war in Russia forced us to temporarily suspend our business there in 2022. However, the contribution to sales and earnings is relatively small. However, we were able to achieve strong sales and results as well as achieve a record number of incoming orders.

The digitalization of healthcare programs has helped us expand our market share in Germany and France. However, we were also able to achieve significant increases in sales in Switzerland, Austria, the Netherlands, France and Poland. New customers were won last year in all product areas. The products NEXUS / CWD, NEXUS / HIS^{NG}, NEXUS / CHILI and NEXUS / PEGASOS enjoyed particular success in this regard, which developed positively in the area of licensing, care and service income. In the area of overall systems, we were able to win some important orders, especially in Germany, the Netherlands, Poland and Switzerland.

The market for software systems in the healthcare sector is still characterized by tough competition and high concentration of suppliers. Consolidation within our sector continued to progress considerably in 2022. In 2022, the takeover of the healthcare IT company Cerner Corporation, North Kansas City (USA) by Oracle Corporation, Austin (USA) was completed for a total price of USD 28.3 billion. SAP Deutschland SE & Co. KG has announced that its product “Patient Management” will be phased out. Medifox (D), a healthcare company, was sold to US-based Resmed, and UK-based EMIS Group Plc. was sold to a US-based subsidiary of the United Health Group.

NEXUS belonged to a slight extent to one of the active consolidators on the market in 2022 and strengthened its position with acquisitions in Switzerland and in Germany. It can be assumed that the consolidation pressure will continue in the coming years and that the new market situation will lead to shifts. NEXUS was able to continue benefiting from its strong consolidation and take advantage of the opportunities offered by its independent position in the market. NEXUS is one of the leading competitors in Europe in terms of total annual revenue.

__ Key Financial Performance Indicators

The key financial performance indicators (KPI) for NEXUS, namely “Revenue” and “Earnings Before Taxes” experienced positive growth within the Group Nexus's significant non-financial performance indicators (KPIs) are environmental concerns.

__ Business Performance

__ Presentation of the Asset, Financial and Profit Situation

__ Profit Situation

In 2022 NEXUS has consolidated sales of KEUR 209,128 after KEUR 188,178 in 2021. The increase in sales amounted to KEUR 20,950 or an increase of 11.1% compared to the previous year. The strong increase in sales had a positive impact on the earnings situation due to the economies of scale.

In the financial year, a total of KEUR 2,380 of own services were capitalized, which is approximately 6% less than in the previous year (previous year: KEUR 2,531). Other operating income increased from KEUR 5,312 in the previous year by KEUR 364 to KEUR 5,676, including non-recurring income from the derecognition of current liabilities in the amount of KEUR 2,105. The cost of materials was KEUR 35,049 and increased by 10.9% to compared to the previous year (KEUR 31,614); the increase was thus higher than the increase in sales in percentage terms. The increase in personnel expenses from KEUR 107,095 to KEUR 117,847 (10.0%) mainly results from the increase in the number of employees and personnel costs incurred as a result of the company acquisitions of the fiscal year.

EBITDA 2022 reached KEUR 44,292 (after KEUR 40,770 in 2021) and was thus 8.6% above the previous year. Depreciation amounted to KEUR 16,504 (previous year: KEUR 16,656). This mainly concerns scheduled depreciation on capitalized development costs, technologies and customer relations.

EBT improved significantly from KEUR 23,055 in the previous year to KEUR 27,260 (18.2%). This outperformed the forecast, slightly increasing sales as well as the forecast slightly increasing EBT.

The Group annual surplus increased compared to the previous year (KEUR 17,459) to KEUR 19,769 (13.2%). The lower increase in consolidated net income compared to the EBT can be explained by the tax rate of 27.0%.

In the NEXUS / DE division, sales of KEUR 67,119 were realized after KEUR 62,723 in the previous year (7.0%). In the NEXUS / DIS division. sales of KEUR 46,513 were realized after KEUR 40,786 in the previous year (14.0%). In the NEXUS / ROE division, sales of KEUR 95,496 were realized after KEUR 84,669 in the previous year (12.8%).

Slightly increasing sales 2022 were assumed in the forecast report 2022. This forecast was slightly exceeded. The initial consolidation of the oneICT AG, Wallisellen, IFMS GmbH, Saarbrücken, Zwicky Electronic AG, Bottighofen, HeimSoft Solutions AG, Zollikofen and GePaDo - Softwarelösungen für Genetik - GmbH, Dresden affected sales by the amount of KEUR 3,683.

EBT within the segments developed as forecast. The NEXUS/ DE division had significantly improved EBT from KEUR 10,423 in the previous year to KEUR 5,740 (81.6%). The NEXUS/ DIS division had improved EBT from KEUR 7,097 in the previous year to KEUR. 6,700 (5.9%). In the NEXUS / ROE division, sales of KEUR 9,740 were realized after KEUR 10,615 in the previous year (-8.2%). The initial consolidation of oneICT AG, Wallisellen, IFMS GmbH, Saarbrücken, Zwicky Electronic AG, Bottighofen, HeimSoft Solutions AG, Zollikofen and GePaDo - Softwarelösungen für Genetik - GmbH, Dresden affected EBT by the amount of KEUR 350.

The development of the earnings situation of the Nexus Group is positive from the point of view of the Executive Board.

__ Asset situation

Goodwill and brands with an indefinite useful life of KEUR 117,972 (previous year: KEUR 111,739) have risen significantly. This is mainly due to the inflows of goodwill in the context of the acquisitions in the reporting period. For the other intangible assets in the amount of KEUR 33,985 (previous year: KEUR 37,784), which are composed mainly of our own capitalized developments as well as acquired technology and customer relations, there were no indications of value reductions in 2022. Intangible assets total KEUR 151,957 (previous year: KEUR 149,523) and thus to 44.2% (previous year: 60.5%) of the balance sheet total.

As of 31/12/2022, inventories decreased by KEUR 697, mainly due to hardware inventories.

Trade and other receivables increased by 19.5% and amounted to KEUR 38,154 on 31/12/2022 following KEUR 31,930 in the previous year.

Cash and cash equivalents short-term cash management and forecasts amounted to KEUR 110,019 as of 31/12/2022 (previous year: KEUR 26,172). This corresponds to 32.0% (previous year: 10.6%) of the balance sheet total.

The equity capital of NEXUS Group amounted to KEUR 238,946 on the cut-off date following KEUR 142,403 in the previous year, which corresponds to an equity capital rate of 69.4% (previous year: 57.6%).

A dividend of EUR 0.20 per share (previous year: EUR 0.19) was paid to stockholders in 2022.

The contract liabilities amounting to KEUR 16,610 (previous year: KEUR 13,859) relate essentially to the down payments received from customers for software projects.

__ Financial situation

The inflow and outflow of funds is shown in the cash flow statement. In 2022, the cash flow from operating activities amounted to KEUR 33,875 and was thus slightly higher than the level of the previous year (KEUR 31,386). The cash flow from investment activities was KEUR -98,552 as of the balance sheet date (previous year: KEUR -21,249). Payments for investments in short-term cash management and forecasts as well as for intangible assets and payments for acquired companies were the focus of investment activities. The cash flow from financing activities amounted to KEUR 57,969 (previous year: KEUR -11,084) and mainly includes payments from capital increases. for dividends payments, payments for the repayment of lease liabilities, incoming and outgoing payments for the sale and purchase of treasury stock and the acquisition of non-controlling interests of already fully consolidated companies as well as incoming payments from capital increases.

No loans were taken from banks in the fiscal year. Existing credit lines at banks did not have to be used.

__ Investments / Acquisitions

Please refer to the "Business model" section of the consolidated financial statements to learn about changes to the Nexus AG ownership structure.

__ Principles and Objectives of Financial Management

NEXUS financial management targets ensuring the financial stability and flexibility of the company. A balanced ratio between own and outside capital plays an essential role in this. The capital structure of NEXUS Group is composed of 69.4% equity capital, 11.5% long-term debts and 19.1% short-term debts. The long-term debt consists of pension obligations and other non-current liabilities. The current liabilities essential concern accruals, other financial liabilities and trade payables.

INFORMATION RELEVANT TO ACQUISITIONS

__ Composition of Subscribed Capital and Stock Exchange Listing

NEXUS AG is listed on the Frankfurt securities market in Prime Standard under securities identification number (WKN) 522090. The subscribed capital in the amount of EUR 17,274,695.00 (previous year: EUR 15,814,695.00) is composed of the following: Common stocks: 17,274,695 shares (previous year: 15,814,695 shares) at the accounting par value of EUR 1.00 each. Refer to the German Stock Corporation Law (Subsection 8 ff AktG) for information about the rights and obligations with respect to the individual den share certificates. A total of 17,229,256 shares (previous year: 15,801,450) have been issued as of the cut-off date.

__ Type of voting right control in the case of employee participations

There is no separation between voting right and stock for the employees with capital shares. Employees can exercise control rights directly.

__ Appointing and dismissing Executive Board members and amendments to the articles of incorporation

There are no more far-reaching provisions in the articles of incorporation beyond the statutory provisions for the appointment and dismissal of Executive Board members. In addition, there are no essential bylaw provisions, which deviate from legal regulations and flexible regulations.

__ Rights of the Executive Board in terms of the ability to issue or buy back shares, authorization to purchase treasury stocks

With its resolution on 12/05/2017, the Annual General Meeting of Nexus AG authorized the Executive Board to purchase treasury stocks up to a total amount of 10% of the capital available upon convocation of the Annual General Meeting prior to 30/04/2022, namely to purchase a maximum of 1,573,566 no-par value shares with a respective book value of EUR 1.00. The Executive Board is authorized to redeem the purchased treasury shares with the approval of the Supervisory Board without further shareholders' resolution as well as the shareholders' subscription rights in the case of the use of the treasury shares subject to the detailed provisions of point 7 from the agenda of the Nexus AG Annual General Meeting, as published in the Federal Gazette on 17 May 2017. The hitherto existing authorization of 18 May 2015 was thus revoked.

The Executive Board is also empowered to offer the stocks purchased with approval of the Supervisory Board to a third party within the context of company mergers or at purchase of companies or participating shares in companies. The subscription rights of stockholders to their own stocks are insofar excluded.

With regard to the information pursuant to Section 160 (1) no. 2 of the German Stock Corporation Law (AktG), we refer to the Appendix.

__ Authorized capital

The Executive Board is empowered to increase the capital stock of the company in the period until 31 March 2026 with approval of the Supervisory Board one time or several times up to a total of EUR 3,100,000.00 via issue of new no-par bearer stocks (individual share certificates) against cash and/or capital subscribed in kind (authorized capital 2021). The new shares can also be issued to employees of the company or an affiliated company. The Executive Board shall decide about the conditions of the stock issue subject to approval by the Supervisory Board. The Executive Board is also empowered – subject to approval by the Supervisory Board – to decide about the exclusion of stock rights of stockholders in the following cases:

+ For fractional amounts

+ For issue of new stocks to employees of the company or an affiliated company

+ For issue of new stocks against capital subscribed in kind for purchase of companies, company parts or shares in companies

+ At issue of new stocks against cash investment, if the issue amount of the new shares does not fall substantially short of the already the listed price of shares already listed on the securities markets of the same class and same investment at the time of final determination of the issue amount by the Executive Board in the sense of Sections 203 (1) and (2), 186 (3) sentence 4 of the German Stock Corporation Law (AktG) and the proportional amount of the capital stock for the new shares does not exceed 10% of the capital stock existing (EUR 15,752,231.00) at the time of entering this empowerment in the commercial register and – cumulatively – 10% of the new stocks existing at the time of the issue, for which the subscription right was excluded. The proportional share of capital stock is to be deducted at the highest limit of 10% of capital stock, which applies to the new or repurchased shares, which were issued or sold since entry of this empowerment in the commercial register with simplified purchase right exclusion pursuant or corresponding to Section 186 (3) sentence 4 of the German Stock Corporation Law (AktG) This applies as well to the proportional share of capital stock, which refers to the option and/or conversion rights from option and/or convertible bonds and/or conversion requirements, which were issued or sold since entry of this empowerment in the commercial register pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Law (AktG).

__ Contingent capital

The capital stock of the company was increased conditionally by KEUR 1,400 via issue of up to 1,400,000 registered share certificates with an accounting par value of EUR 1.00 each (contingent capital 2012). The contingent capital serves for securing purchase rights from stock options, which were granted based on the empowerment of the annual general meeting of Nexus AG on 23 May 2012. The contingent capital increase will only be carried out insofar as stock options are issued, the bearers of these share options use their subscription rights and the Group does not offer treasury shares to fulfill subscription rights.

Contingent capital in the amount of KEUR 1,400 was created (contingent capital 2012) with the annual general meeting resolution of 29/04/2022.

The contingent capital amounted to KEUR 0 (previous year: KEUR 1,400) in the fiscal year.

CORPORATE GOVERNANCE STATEMENT AND COMPLIANCE STATEMENT

The (Group) declaration on corporate governance as well as the declaration of conformity pursuant to § 161 of the German Stock Corporation Act (AktG) were published on the company website: https://www.nexus-ag.de/unternehmen/investor-relations/ESG-Nachhaltigkeit.

SEPARATE NON-FINANCIAL STATEMENT

The Non-Financial Group Report in accordance with Sections 315b and 315c of the German Commercial Code (HGB) in conjunction with Sections 289c and 289e HGB was published on the company website https://www.nexus-ag.de/unternehmen/investor-relations/ESG-Nachhaltigkeit.

OPPORTUNITIES AND RISKS

The business operations of NEXUS Group are associated with opportunities and risks. Nexus AG has introduced a risk control and monitoring system for early detection, valuation and correct handling of opportunities and risks. The system covers Nexus AG including all majority-owned subsidiaries and is the responsibility of the Executive Board and the managing directors of the subsidiaries.

In addition, NEXUS is confronted with short-term, mid-term and long-term strategic and operative risks as a result of changes and stumbles within the regulatory environment of the industry and the in-house provision of services Risks from the war in Ukraine, the energy crisis and the COVID-19 pandemic exist currently in addition. Although NEXUS successfully managed the risks in 2022 and before that, the further course of crises could result in reduced revenues, higher costs, customer solvency issues and/or staff availability issues. NEXUS has focused risk management on all these aspects. The opportunities and risks listed below pertain to all three segments of the NEXUS Group.

__ Opportunity Report

Market and industry environment:

There are decisive chances, which could entail a considerable change of the economic situation at NEXUS, in the **market and industry environment** as well as in the development of the pandemic. NEXUS Group earns its sales revenues mainly from the sale of software licenses and services for the healthcare system in Germany, Switzerland, Austria, the Netherlands, France, Poland and Spain. The current macroeconomic environment is unstable and highly dependent on the further development of the energy crisis, the war, a possible recession, rising inflation as well as the development of the pandemic. In many European public budgets, medium-term budget cuts are to be feared, which also have an impact on the financing of public investments. In European countries, this includes the healthcare system and in particular hospitals. On the other hand, there are opportunities arising from the state programs to strengthen the healthcare system. In Germany in particular, considerable funds are being made available for the digitization of the healthcare system within the framework of the Hospital Future Act. It is striking that the digitization strategies of the public sector and many providers are now being conceived and designed across sectors, i.e., involving family doctors, rehabilitation institutions and patients. This is a development that will sustainably improve the efficiency of health IT.

According to the current forecast of the research and consulting firm Gartner, global IT spending is expected to rise by 2.4% to € 4.2 billion next year. Even more significant growth is seen in the area of enterprise software, which is expected to increase by approx. 9.3%.

The current global growth expectations for information technologies in the healthcare sector are very positive. Long-term forecasts assume average growth of 14% between 2022 and 2030 (GMI232, from 09/2022), and other forecasts even assume a GAGR of 18.5% in the period 2019-2030 (Emergen Research 2022). Regardless of the actual growth increase, published forecasts for the healthcare IT market indicate good prospects for the coming years. Currently, the market is primarily influenced by the digitization programs in many European countries. However, the positive assessments could be challenged by the high cost of solutions, implementation and infrastructure, as well as data security concerns.

Even if the figures do not provide direct information about revenue effects in relation to NEXUS Group, NEXUS assumes that the target group (somatic and psychiatric hospitals, medical care centers, rehabilitation, senior citizen and nursing homes as well as diagnostic center) will also continue to participate in the trend to increasing investments in business software. This provides considerable chances for NEXUS to achieve above-average growth. We therefore continue to be well equipped to take advantage of the opportunities on the market, attract new customers and improve our margin.

Technology and market position:

Our **technology**, our **market position**, our new **acquisitions** and our previously installed **customer base** are an excellent basis for this. The technology strategy of the Nexus Group, in particular the modular approach of our solutions, is becoming increasingly accepted on the market. The success of NEXUS is reflected in the large number of tenders won and new customer orders. We can use the current market situation (product discontinuations and multi-product problems at competitors) to present ourselves as an agile and focused company on the market. Nevertheless, the risks in our business remain. The risks relevant to the NEXUS Group are discussed in detail in the following risk report.

__ Risk Report

__ Basic principles

__ Risk management

NEXUS has implemented an internal monitoring system as well as controlling instruments and risk management appropriate for its relations. In addition to intensive cost and result management, which is monitored within the framework of management supervisory board meetings at regular intervals, there is a risk management manual. The primary objective of financial risk management is to define the acceptable risk and ensure that risks are not taken beyond the risk limits. The operational and legal risk management measures are designed to ensure the proper functioning of internal policies and processes, thereby minimizing operational and legal risks. The risk management system is explained in detail in the following sections.

__ Identification

NEXUS has identified the following risk groups:

+ Customer projects
+ Development projects
+ Lack of market acceptance of products
+ Expertise leaving the company
+ Risks of information security
+ Reputation
+ Data security and data protection
+ Occupational safety
+ Process risks
+ Regulatory and tax risks
+ Fraud risk
+ Development of subsidiaries
+ Macroeconomic and political risks

__ Organization

Reporting, documentation and development of measures are regulated in the risk manual of Nexus AG. The Executive Board checks its implementation at regular intervals. In 2022, nine risk reports were submitted to the Executive Board from the offices responsible for them, and the Executive Board evaluated them.

Purchasing is essentially order-related and arranged after discussing and agreeing on this with the project manager responsible. Payments are approved by the Executive Board at Nexus AG and by the respective managing director at the subsidiaries. The personnel settlement process for the domestic companies is carried out centrally in Donaueschingen and is subject to the double verification principle.

An Oracle database is used for recording performance of the development department. Steering is via quarterly planning. NEXUS Group uses ERP software (Enterprise Resource Planning), with which information is made available for workflow process and internal controls as well as for the purposes of reporting. In addition, there is regular exchange of information between the finance departments of the decentral subsidiaries and the central Group finance department.

Increased attention is being paid to the development of business areas. They report their results monthly to the Executive Board. The Executive Board is directly involved in decisive decisions. For the control and monitoring, the subsidiaries are currently combined according to products and markets, and they are in turn allocated to the three segments NEXUS / DE, NEXUS / DIS and NEXUS / ROE.

__ Valuation and control

The following table shows the risks of the NEXUS Group before risk management (gross risk):

Risk type	Probability of occurrence	Compared with previous year	Degree of financial impact	Compared with previous year
Operational risks				
Customer projects	High	→	Low	↓
Development projects	High	→	Average	↑
Lack of market acceptance of our products	Average	→	Average	→
Expertise leaving the company	High	↑	Average	↑
Information Security risk	Average	↑	Average	↑
Reputation	High	↑	Average	→
Data security and data protection	Particulary high	↑	Average	↑
Occupational safety	Low	→	Low	→
Legal and compliance risks				
Process risks	High	↑	Average	↑
Regulatory and tax risks	High	↑	Average	↑
Fraud risk	Low	→	Low	→
Financial risks				
Performance of subsidiaries	Particulary high	↑	Low	↓
General economic and political risks	High	-	Average	-

__ Operational risks

__ Customer projects

Implementation problems, especially technical ones, could result in penalties or undoing in the existing large projects, which could affect revenues and the market reputation negatively. Non-payment and payment delays in large projects due to temporary shortage of liquid funds or customer refusal to pay can result in liquidity problems for the company, especially when substantial advance performances are provided in large projects. Non-payment risk concentrations are created temporarily in the Group especially within large projects. The maximum risk amount is derived from the book value of the capitalized receivables and – if applicable – from damage claims or liability claims. This risk is reduced to the greatest extent possible by the agreement to provide down payments. Non-payment risks or risks that a contractual partner cannot fulfill his payment obligations are controlled actively within the framework of debt management (e.g., credit checks).

It is also to be feared that the potential for implementing large-scale projects in hospitals and providers is partly lacking. In most of these hospitals, there is a lack of staff and organizational strength to achieve ambitious digitization goals.

__ Development projects

In the context of development projects, there is a risk of cost overruns if the planned man-days are not sufficient to complete the project, in particular if the project cannot be implemented technically. Development projects are subject to fixed deadlines. Exceeding these limits can result in considerable financial effects. Another risk is that development projects do not meet market needs. Through milestone plans with an integrated controlling process, NEXUS counteracts this risk and specifically counteracts it by regularly reassessing the market acceptance of the individual development projects.

__ Lack of market acceptance of our products

There is a risk that the high development state achieved by NEXUS is lost due to competitor innovations and consequently market shares lost. Risks also exist during the scheduling and budgeting of developments as well as in the design and quality of our developments, which can cause substantial effects on marketing and cost positions if scheduling and budgeting deviate from marketing specifications. In software development, third-party products are also used in part, the loss of which or if there is deficient technological quality could result in delays of our own software deliveries. Nexus AG faces these risks with annual, quality-checked releases, which go through a pre-defined quality management process.

		Probability of occurrence			
Degree of financial impact		Low	Average	High	Very high
		≤ 30 %	> 30 % to ≤ 50 %	> 50 % to ≤ 80 %	> 80 %
Existential risk (high)	≥ 50 MEUR				
Significant risk (medium)	≥ 1 MEUR				
Relevant risk (low)	≥ 100 TEUR				

__ Expertise leaving the company

The development of NEXUS AG is strongly dependent on the knowledge and Group-wide willingness to perform of its staff. There is a risk in principle to lose competent employees due to fluctuation and consequently lose market advantages. If a larger number of core know-how staff members leave the company, this can result in substantial difficulties in operational business dealings, at least in the short term. In addition, the labor market has experienced a lack of specialists for years. NEXUS counters this risk with active personnel development, an important component for far-sighted and reliable safeguarding of our human resources.

__ IT security and availability

Different risks may arise in the area of IT security and availability, which can result in penalty and recourse claims. Interventions and attacks by third parties (e.g., trojans and hackers) on the IT system of Nexus AG (external threat to IT security) pose a latent risk to IT security. In the area of performance and thus the availability of IT servers for our customers, there is another risk, which has a direct impact on IT availability. These risks can have serious material consequences for Nexus AG and its subsidiaries, since they depend on a functioning IT infrastructure. This risk is minimized by regular monitoring of the IT systems and ensuring the accessibility of the IT servers as well as redundant data backup.

__ Reputation

Reputational risk can have material effects on Nexus AG and its subsidiaries. It can occur due to the deterioration of the general asset, financial and revenue situation of Nexus AG, deterioration of its reputation on the capital market as well as a recall action of faulty software and misalignments in large projects. This risk is counteracted accordingly by regular review schedules by the persons correspondingly responsible persons.

__ Data security and data protection

Data security is understood to mean the protection of data by measures and software against loss, corruption, damage or deletion. This also means the protection of the individual from being impaired by the handling of his personal data in his right to informational self-determination. Data security is a prerequisite for data protection. It is an essential part of overall information security and also serves to prevent and combat cybercrime.

__ Occupational safety

Occupational safety is the safety of employees at work, i.e., the control and minimization of risks to their safety and health. Consequently, it is an integral part of occupational health and safety within the meaning of the Occupational Health and Safety Act, which requires measures to prevent accidents at work and Safety and Health at Work Act related health hazards, including measures for structuring work in according with the needs of people. Anyone who commissions or permits work as an entrepreneur or as a work commissioned by the entrepreneur that does not comply with the rules and standards of the respective industry can be personally prosecuted under criminal and civil law. A work safety officer for the Group has been appointed to minimize risks, who monitors occupational safety and trains employees accordingly.

__ Legal and compliance risks

__ Process risks

As a company listed on a stock exchange, Nexus AG is currently much more vulnerable than before in terms of the visibility of disputes. Significant risks could arise from commission suits brought by sales agents and employees, actions brought by shareholders for lack of equal treatment, information violation sand customer actions for non-performance, nonfulfillment or damages. This risk is counteracted by a higher process reliability by means of our documentation.

__ Regulatory risks

At Nexus AG there are regulatory risks due to legal changes (especially the medical requirements for medical devices and regulatory changes with an impact on customer settlements), regulatory changes with regard to the capital market and regulatory changes in the accounting regulations (German Commercial Code [HGB, IFRS and tax law). These risks can have an impact on the operating business of Nexus AG and thus have an impact on the software development of Nexus AG and its subsidiaries. There is a risk of penalties from our customers. Regulatory risks with regard to the capital market can significantly increase the scope of the required activities in the framework investor relations. Furthermore, there is the risk of penalties imposed by the Federal Financial Supervisory Authority (BaFin) as and as the risk of back tax payments due to domestic and foreign audits. Changes in the rendering of accounts regulations may have an impact on the results of the consolidated and annual financial statements. The annual and consolidated financial statements are prepared centrally in Donaueschingen. The process of composing the year-end report is monitored centrally by the Chief Financial Officer as well as by the Executive Board of Nexus

AG. The double verification is maintained on principle each time. Regular monitoring of the legal environment, relevant capital market laws and accounting regulations minimizes this risk.

__ Fraud risk

Fraud is understood to mean fraud, deception, bogus transactions or embezzlement in business enterprises. Fraud is the deliberate action of one or more managers and/or employees to obtain an unjustified or illegal advantage. Fraud is caused by the combination of three factors: Motivation is usually seen as a financial need (enrichment), which can also arise from subjectively perceived pressure (e.g., through bonus agreements/targets). The perpetrator must be able to justify the act to himself. Justification can be, for example, “I am entitled to the money anyway,” “This is how I create justice." or “I can't achieve my goals any other way.” The perpetrator has the opportunity (e.g., through the position of the employee or weaknesses in the internal control system due to “management override") to commit an offense. This risk is counteracted by regular monitoring of the cash and account balance of the business unit as well as ensuring functional controls within the framework of the ICS.

__ Financial risks

__ Risks due to the performance of subsidiaries

In the case of subsidiaries, different risks may arise due to the need to devalue the investment approaches, over-indebtedness and liquidity problems as well as integration problems. Due to the great number of subsidiaries, these risks must be regarded as particularly serious, since the misalignment of individual subsidiaries/profit centers can substantially influence Nexus AG overall. To minimize these risks, monthly business review dates, calendar quarterly reviews of business prospects and plans as well as the Executive Board's handling of integration plans are undertaken.

__ Macroeconomic and political risks

In particular, these are risks that may arise from political changes or the influence of macroeconomic developments. Nexus currently markets products and services in locations in 10 countries. Both the establishment of business relations in these countries and the business activity itself are associated with the usual risks for international business. In general, particular attention must be paid to the prevailing general economic or political situation of the individual countries, the clash of different tax systems, legal obstacles such as import and export restrictions, competition rules as well as regulations for the use of the internet, or guidelines for the development and provision of software and services. NEXUS counteracts these risks by regularly consulting national consultants at the time of market entry and in the further course of business in these countries and by maintaining an exchange with the local authorities. In principle, however, risks that can arise from changes in macroeconomic factors can never be completely excluded.

__ Monitoring and reporting

Controlling the internal monitoring and risk management system is the responsibility of auditing committee of the Supervisory Board. The risk manual of Nexus AG defines detailed measures for early risk detection, reporting and the respective risk holders.

__ Summarized depiction of the chance and risk situation of the NEXUS Group

NEXUS as well as its subsidiaries work according to a uniform method of chance/risk analysis and chance/risk management. Early detection of risks is given decisive importance in this. In a risk-bearing capacity calculation, the gross risks are determined and shown as net risks after risk avoidance/mitigation measures and compared with the risk coverage potential (equity at book values).

The monitoring of risks by unambiguous key figures (sales and EBT) enables a clear assessment and its significance.

From the perspective of individual risks and from an overall risk position, it can currently be seen that the continued existence of the company is not endangered. At the same time, management still sees considerable potential for improving the risks and opportunities position of NEXUS Group.

__ Internal monitoring and risk management system with respect to the accounting process

The internal monitoring and risk management system has the objective with respect to the accounting process to ensure the appropriateness and effectiveness of accounting and financial reporting. The annual and consolidated financial statements are prepared centrally in Donaueschingen. The process of composing the year-end report is monitored centrally by the Chief Financial Officer as well as by the Executive Board of Nexus AG. The double verification is maintained on principle each time.

OUTLOOK FOR 2023

We presented our outlook until 2026 at the Berenberg German Corporate Conference in Munich in 2022. We remain very optimistic for the period up to 2026. Thanks to the positive market environment in the digitalization of the healthcare system and the numerous government funding programs, we at the NEXUS Group continue expect average organic sales and revenue growth until 2026. The key to this assessment is our strong product positioning and the focus on interoperability of our systems. In addition, we plan to achieve further growth through company acquisitions.

In 2022, we were able to win a large number of tenders for the NEXUS Group and are starting 2023 with a high order backlog in the Group. We expect a large number of further tenders in 2023 and are optimistic that we will generate additional order backlogs in the NEXUS Group. As much as we are pleased with this development as a provider, it is to be feared that the positive development will be limited by a lack of potential for implementation in hospitals. In most of these hospitals, there is a lack of staff and organizational strength to achieve ambitious digitization goals. Uncertainties about the further course of investment could also arise if the financing of the projects becomes more difficult in many countries in the coming months. Financial shortages in public and hospital budgets could result in projects being postponed or canceled.

Our outlook still currently assumes that the business consequences of the numerous crises will remain small for NEXUS in the future. Especially with respect to costs for staff and energy, we must continuously evaluate further developments of the war, inflation, the pandemic, other possible crises and – not the least – the shortage of skilled workers – and make adjustments there if necessary. Our planning also takes into account further investments in internationalization as well as the expansion of our product range. Should significant changes occur in the consolidated Group in 2023, this could result in a change in planning.

We are therefore starting the year 2023 with a positive expectation for Nexus AG and its subsidiaries. We will closely monitor the risks and take suitable measures if necessary. At the same time, however, we will also take advantage of the opportunities that arise here. in 2023, we will continue to focus on: them. We need to implement our large projects with high quality, internationalize products and actively address new sales opportunities.

Nexus AG expects sales to increase slightly in all three segments and EBT to rise slightly.

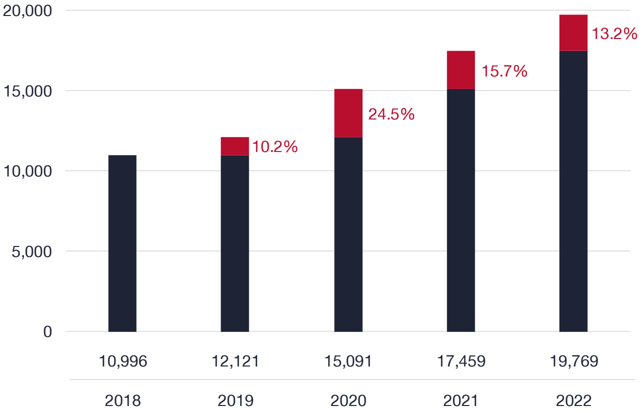
Nexus AG
Donaueschingen, 03/03/2023

The Executive Board

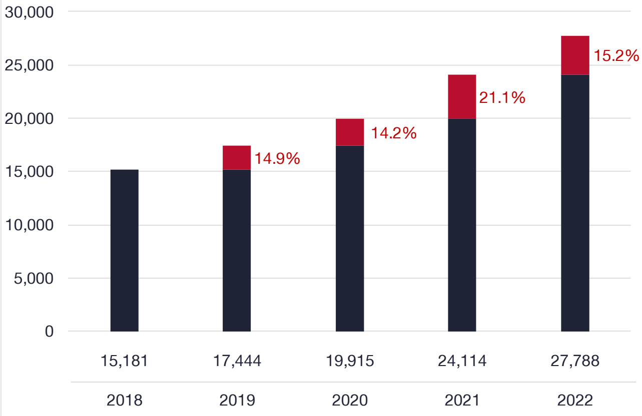
Dr. Ingo Behrendt Ralf Heilig Edgar Kuner

Economic key figures

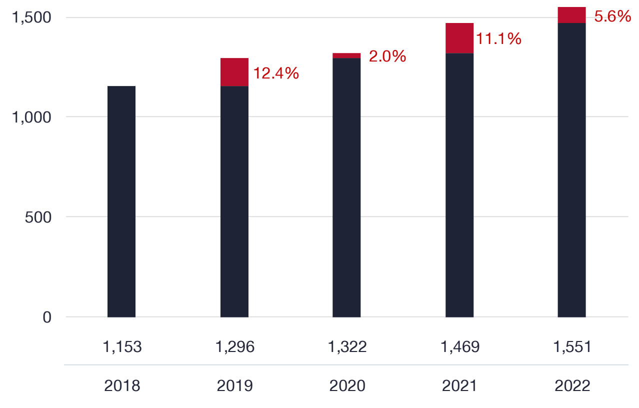
CONSOLIDATED NET INCOME IN KEUR
+ 13.2% in comparison to the previous year



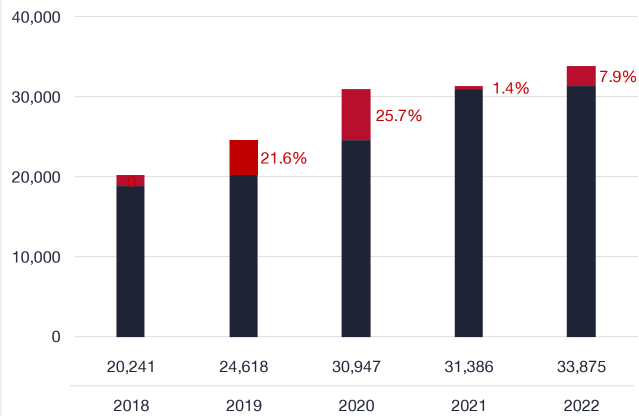
EBIT IN KEUR
+ 15.2% in comparison to the previous year



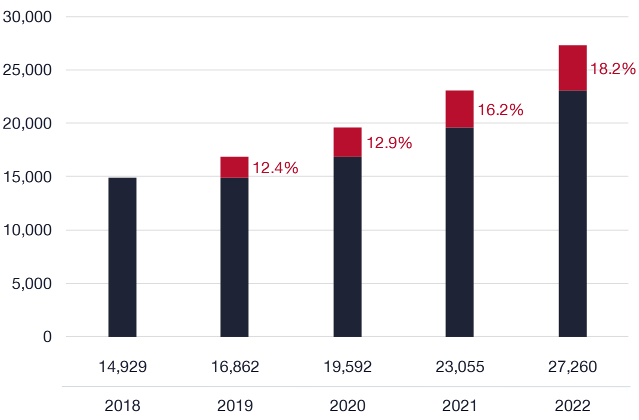
NUMBER OF EMPLOYEES
average number of employees and trainees



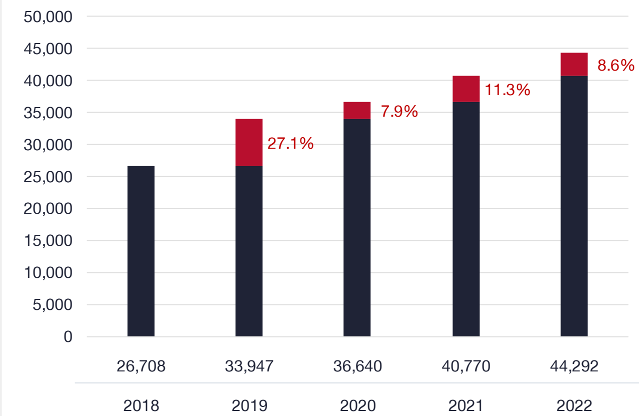
CASHFLOW IN KEUR
from operating activities



EBT IN KEUR
+ 18.2% in comparison to the previous year



EBITDA IN KEUR
+ 8.6% in comparison to the previous year



Living Interoperability

All Data Are Always Available Reliably.

As part of the ONE / NEXUS platform architecture, NEXUS / VNA ensures the archiving and distribution of multimedia data and documents. Users can conveniently access all information from one interface. The core of NEXUS / VNA is the Clinical Data Repository, which stores data in a granular, structured and vendor-neutral manner along established standards.

- IHE, FHIR, MIOs
- Integration into existing systems
- Strategic data management

Living Interoperability

Image and Laboratory Combined for Precise Diagnostics.

The non-invasive early detection of risks in pregnancy is one of the very great achievements of modern obstetrics and forms the basis for optimal care for mother and child. Using integrated algorithms, the FMF UK, astraia.software calculates the patient's individual risk for certain pregnancy complications. Blood values from the laboratory are automatically assigned to the right patient in astraia.software and combined with the results of imaging diagnostics, so that risks can be calculated with one click. Thanks to the seamless interoperability of the different departments of a hospital, all relevant data are automatically provided in real time where they are needed.

+ Integration with existing HIS and LIMS
+ Transfer of all laboratory values plus meta-information via HL7
+ Time savings and error reduction
+ No manual data transfer

Living Interoperability

Revolutionized Digital Treatment Process.

The future of treatment processes in urology with our new modular system from NEXUS / E&L in conjunction with the NEXUS / HIS^{NG} is already available today. The new system provides full coverage of the treatment process, from the admission request in the referrer portal to scheduling and all the way to surgery and billing. The system is the perfect solution for hospital departments, urological networks, specialist clinics and large practices that want to improve and accelerate their processes digitally. Already today into a more efficient future for your urology with NEXUS.

- Integration with existing HIS^{NG}
- + Time savings and error reduction

Living Interoperability

Make Better Decisions Every Day.

Methods of artificial intelligence already support diagnosis in radiology in our RIS and PACS of NEXUS / CHILI GmbH We rely on AI platforms that provide numerous specialized AIs for different evaluations with just one interface. These are deeply integrated into the workflow, so that they support radiologists in their daily work without additional effort.

+ CHILI PACS
+ Artificial Intelligence
+ HL/7
+ FHIR

07 __ Consolidated Statement of Income

	Appendix	01/01/2022-31/12/2022	01/01/2021-31/12/2021
		KEUR	KEUR
Revenue	1	209,128	188,178
Capitalized development costs	12	2,380	2,531
Other operating income*	2	5,676	5,312
Cost of goods sold	3	35,049	31,614
Personnel expenses*	4	117,847	107,095
Impairment Loss on Financial Assets	5	195	162
Other operating expenses	6	19,801	16,380
EBITDA		**44,292**	**40,770**
Depreciation		16,504	16,656
EBIT		**27,788**	**24,114**
Financial income	7	518	-
Financial expenses	8	1,046	1,059
EBT		**27,260**	**23,055**
Income taxes	9	7,491	5,596
Consolidated net income		**19,769**	**17,459**
Consolidated net income apportioned to:			
– Shareholders of the Parent Company		19,347	17,153
– Non-controlling interests		422	306
Consolidated earnings per share			
Weighted average (undiluted) of issued shares in circulation (in thousands)	10	15,955	15,749
Weighted average (diluted) of issued shares in circulation (in thousands)	10	16,006	15,799
Undiluted	10	1.21	1.09
Diluted	10	1.21	1.09

** In the 2021 Consolidated Financial Statement, the revenue from non-cash benefits of private car use of employees was shown in the amount of KEUR 1,898 in other operating income item; it was offset against personnel expenses in the 2022 Consolidated Financial Statement.*

08 __ Consolidated Statement of Comprehensive Income

	Appendix	01/01/2022- 31/12/2022	01/01/2021- 31/12/2021
		KEUR	KEUR
Consolidated net income		19,769	17,459
Other comprehensive income	22		
Items that will not be reclassified to profit / loss			
Remeasurement from pension plans recognised in equity	23	9,556	4,447
Deferred taxes on revaluation from pension plans recognised in equity	16	-1,620	-692
Items that may be reclassified to profit / loss			
Currency translation differences		820	-12
Deferred taxes on currency translation differences	16	78	104
Other comprehensive income before taxes		10,376	4,435
Deferred taxes on other comprehensive income		-1,542	-588
Other comprehensive income after taxes		8,834	3,847
Consolidated income		**28,603**	**21,306**
Consolidated income apportioned to:			
– Shareholders of the Parent Company		28,172	20,995
– Non-controlling interests		431	311

09 __ Consolidated Balance Sheet

ASSETS	Appendix	31/12/2022	31/12/2021
Non-current assets		KEUR	KEUR
Goodwill	11	109,132	102,927
Other intangible assets	12	42,825	46,597
Property, Plant and Equipment	13	12,681	11,938
Right-of-use assets	14	18,375	16,475
Deferred tax assets	16	1,115	2,788
Other financial assets	17	383	393
Total non-current assets		**184,511**	**181,118**
Current assets			
Inventories	18	994	1,691
Trade and other receivables	19	38,154	31,930
Contract assets	15	5,362	2,234
Other non-financial assets*	20	2,170	1,601
Income tax receivables *	21	1,465	2,069
Other financial assets	17	91,521	526
Cash and cash equivalents	26	20,019	26,172
Total current assets		**159,685**	**66,223**
Total assets		**344,196**	**247,341**

** In the 2021 Consolidated Financial Statement, income tax receivables in the amount of KEUR 2,069 were reported under Other non-financial assets; they are reported as separate items in the 2022 Consolidated Financial Statement.*

EQUITY AND LIABILITIES	Appendix	31/12/2022	31/12/2021
Equity		KEUR	KEUR
Subscribed capital	22	17,275	15,815
Capital reserves	22	106,227	34,470
Retained earnings	22	112,058	95,863
Other comprehensive income	22	1,998	-6,827
Capital redemption reserve	22	-2,533	-529
Shareholders’ equity attributable to parent		**235,025**	**138,792**
Non-controlling interests		3,921	3,611
Total equity		**238,946**	**142,403**
Non-current liabilities			
Pension obligations	23	7,885	16,295
Deferred tax liabilities	16	8,643	10,363
Other financial liabilities	24	8,716	6,211
Lease liabilities	14/24	14,313	12,072
Total non-current liabilities		**39,557**	**44,941**
Current liabilities			
Accrued liabilities	25	4,492	6,016
Deferred liabilities	24	15,793	13,399
Other non-financial liabilities**	24	3,843	7,510
Trade payables	24	9,989	5,043
Contract liabilities	24	16,610	13,859
Other financial liabilities	24	1,548	5,384
Income tax liabilities **	24	9,060	4,227
Lease liabilities	14/24	4,358	4,559
Total current liabilities		**65,693**	**59,997**
Balance sheet total		**344,196**	**247,341**

*** In the 2021 Consolidated Financial Statement, income tax liabilities in the amount of KEUR 4,227 are reported in the item Other non-financial liabilities; they are reported as a separate item in the 2022 Consolidated Financial Statement. In the 2021 Consolidated Financial Statement, the deferred income in the amount of KEUR 9,812 is reported in the item Other non-financial liabilities; it is reported under contract liabilities in the 2022 Consolidated Financial Statement.*

10 __ Consolidated Statement of Changes in Equity

	Appendix	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income
		KEUR	KEUR	KEUR	KEUR
Equity capital as at 01/01/2021	22	15,752	33,307	81,703	-10,669
Remeasurement from pension plans recognised in equity		-	-	-	4,440
Deferred taxes on revaluation from pension plans recognised in equity		-	-	-	-691
Currency translation differences		-	-	-	-11
Deferred taxes on currency translation differences		-	-	-	104
Other comprehensive income after taxes		-	-	-	3,842
Consolidated net income		-	-	17,153	-
Consolidated income		-	-	17,153	3,842
Capital increase		63	843	-	-
Dividend payouts		-	-	-2,993	-
Dividend payouts to non-controlling interests		-	-	-	-
Purchase of treasury stock		-	-	-	-
Issuance of treasury stock		-	-	-	-
Access within the framework of share-based payment		-	320	-	-
Equity capital as at 31/12/2021		15,815	34,470	95,863	-6,827
Equity capital as at 01/01/2022		15,815	34,470	95,863	-6,827
Remeasurement from pension plans recognised in equity		-	-	-	9,543
Deferred taxes on revaluation from pension plans recognised in equity		-	-	-	-1,617
Currency translation differences		-	-	-	821
Deferred taxes on currency translation differences		-	-	-	78
Other comprehensive income after taxes		-	-	-	8,825
Consolidated net income		-	-	19,347	-
Consolidated income		-	-	19,347	8,825
Capital increase		1,460	71,664	-	-
Dividend payouts		-	-	-3,152	-
Dividend payouts to non-controlling interests		-	-	-	-
Purchase of treasury stock		-	-	-	-
Issuance of treasury stock		-	-	-	-
Access within the framework of share-based payment		-	93	-	-
Equity capital as at 31/12/2022		17,275	106,227	112,058	1,998

	Capital redemption reserve	Shareholders' equity attributable to parent	Non-controlling interests	Total equity capital
	KEUR	KEUR	KEUR	KEUR
Equity capital as at 01/01/2021	108	120,201	3,382	123,583
Remeasurement from pension plans recognised in equity	-	4,440	7	4,447
Deferred taxes on revaluation from pension plans recognised in equity	-	-691	-1	-692
Currency translation differences	-	-11	-1	-12
Deferred taxes on currency translation differences	-	104	-	104
Other comprehensive income after taxes	-	3,842	5	3,847
Consolidated net income	-	17,153	306	17,459
Consolidated income	-	20,995	311	21,306
Capital increase	-	906	-	906
Dividend payouts	-	-2,993	-	-2,993
Dividend payouts to non-controlling interests	-	-	-82	-82
Purchase of treasury stock	-840	-840	-	-840
Issuance of treasury stock	203	203	-	203
Access within the framework of share-based payment	-	320	-	320
Equity capital as at 31/12/2021	-529	138,792	3,611	142,403
Equity capital as at 01/01/2022	-529	138,792	3,611	142,403
Remeasurement from pension plans recognised in equity	-	9,543	13	9,556
Deferred taxes on revaluation from pension plans recognised in equity	-	-1,617	-3	-1,620
Currency translation differences	-	821	-1	820
Deferred taxes on currency translation differences	-	78	-	78
Other comprehensive income after taxes	-	8,825	9	8,834
Consolidated net income	-	19,347	422	19,769
Consolidated income	-	28,172	431	28,603
Capital increase	-	73,124	-	73,124
Dividend payouts	-	-3,152	-	-3,152
Dividend payouts to non-controlling interests	-	-	-121	-121
Purchase of treasury stock	-2,161	-2,161	-	-2,161
Issuance of treasury stock	157	157	-	157
Access within the framework of share-based payment	-	93	-	93
Equity capital as at 31/12/2022	-2,533	235,025	3,921	238,946

11 __ Consolidated Cash Flow Statement

	Appendix	01/01/2022-31/12/2022	01/01/2021-31/12/2021
1. Cash flow from operating activities	26	KEUR	KEUR
EBIT		27,788	24,114
Depreciation (+) / amortization (-) on intangible assets and fixed assets		11,510	11,641
Depreciation on rights of use leased assets		4,994	5,015
Other non-operating expenses (+) / income (-)		-499	-127
Increase (-) / decrease (+) in inventory		809	1,373
Gains (-) / losses (+) on the disposal of assets and investments		-	1,685
Increase (-) / decrease (+) in receivables and other assets		-9,420	-1,121
Increase (+) / decrease (-) in provisions		-1,619	-5,241
Increase (+) / decrease (-) in liabilities		6,923	365
Interest paid (-) / interest received (+)		-970	-666
Income taxes paid (-) / income tax refunds (+)		-5,641	-5,652
		33,875	**31,386**
2. Cash flow from investment activities	26		
Payments for investments in intangible assets and property, plant and equipment		-5,575	-5,569
Proceeds from the disposal of intangible assets and property, plant and equipment		-	43
Payments for the acquisition of consolidated companies less the funds acquired		-2,977	-15,723
Payments (-)/proceeds (+) from the acquisition / divestment of shortterm financial depositions		-90,000	-
		-98,552	**-21,249**
3. Cash flow from financing activities	26		
Incoming payments from capital increases		73,124	685
Payments for purchase of non-controlling interests for already consolidated companies		-4,625	-2,410
Payments for redemption of lease liabilities		-5,252	-4,946
Payments for redemption of loan liabilities		-	-701
Dividends paid		-3,153	-2,993
Dividends paid to non-controlling interests		-121	-82
Payments for the purchase of treasury stock		-2,161	-840
Proceeds from the sale of treasury stock		157	203
		57,969	**-11,084**
Change in cash and cash equivalents		-6,708	-947
Effect of exchange rate changes on cash and cash equivalents		555	670
Cash and cash equivalents at the start of the period		**26,172**	**26,449**
Cash and cash equivalents at the end of the period		**20,019**	**26,172**
Composition of cash and cash equivalents			
Cash and bank balances		20,019	26,172
shortterm financial depositions		90,000	-
		110,019	**26,172**

12 __ Notes to the Consolidated Financial Statements

SIGNIFICANT OF ACCOUNTING PRINCIPLES

1 __ General Information

Nexus Group develops and sells software and hardware solutions with its corporate divisions NEXUS / DE, NEXUS / DIS and NEXUS / ROE and provides IT services, especially for customers in the health care system. The Group focuses in the area of “Healthcare Software” on information systems for hospitals and psychiatric, rehabilitation and welfare institutions. The “Healthcare Service” unit provides IT services for IT operation, especially in the healthcare system. Nexus AG is the highest ranking parent company.

Nexus AG is registered in the commercial registry of the Freiburg local court under number HRB 602434. Nexus AG is a listed corporation and in the Prime Standard segment at the Frankfurt securities market. This Group Financial Report was drawn up by the Executive Board and approved for forwarding to the Supervisory Board on 03/03/2022. Publication is after checking and approving by the Supervisory Board on 07/03/2022.

The registered office of Nexus AG, Donaueschingen, is:

Irmastrasse 1, 78166 Donaueschingen, Germany

2 __ Principles of Creating and Consolidating

This Consolidated Financial Statement has been prepared in keeping with the provisions of International Accounting Standards Board (IASB) required by the European Union following the balance sheet cut-off date in accordance with Section 315e (1) of the German Commercial Code (HGB) and the supplementary commercial law regulations. It is in keeping with the provisions of International Financial Reporting Standards applicable on the cut-off date whose application is mandatory in the European Union (IFRS) and supplementary interpretations (IFRIC and SIC). All IFRS and interpretations, which are mandatory for the 2021 fiscal year, were taken into consideration.

__ Going Concern

The consolidated financial statements have been prepared based on the historical acquisition or production cost principle, assuming a positive going concern prognosis. Exceptions to the historical acquisition or production cost principle are presented below, where applicable.

__ Balance Sheet Format

The assets and liabilities in the balance sheet were classified according to their maturity. The Profit and Loss Account was drawn up according to the total cost type of short-term results accounting.

__ Report Currency

The Consolidated Financial Statements are prepared in euros. If not otherwise noted, all values are rounded to thousands (KEUR).

__ Consolidated Group

In addition to the Nexus AG as parent company, all domestic and foreign subsidiaries are included in the Consolidated Financial Statement, for which Nexus AG has the majority of voting rights directly or indirectly.

__ Consolidation Principles

All companies included as of 31/12/2022 drew up their Annual Reports as of 31/12. The Annual Reports are shown in uniformly prepared, consolidation-capable financial reports in line with the IFRS.

The purchase method is used for company purchases. Capital is consolidated at the time, at which ownership became effective. The shown equity capital of the acquired companies is offset against the book value of participation. The asset values as well as debts and possible debts are included with their fair values. Within the context of an identification process, balance sheets did not previously include IFRS 3, but intangible assets were capitalized if it was possible to carry them in the balance sheet. In addition, possible debts should be considered. Remaining value of potential earnings in excess of the book value is capitalized as goodwill and/or negative difference amounts are adopted affecting revenue after another check. Purchase price increases due in the future, which are probable, are capitalized as contingent purchase price payments expected in the future at the corresponding market value at the purchase time in goodwill and shown as trade accounts payable.

Trade accounts receivable and payable between the consolidated companies are offset within the context of debt consolidation. Internal sales have been eliminated within the framework of expenditure and revenue consolidation. Interim results have been eliminated insofar as applicable.

The consolidated surplus is determined as a completely consolidated period result according to the total costs procedure, in which all revenues and expenses are consolidated between the included companies.

The operating result shares, which other companies are entitled to, are shown separately below the consolidated surplus according and their shares are shown as separate items within equity capital.

The assets and liabilities of foreign subsidiaries whose functional currency is not the euro are converted in accordance with IAS 21. The functional currency is the respective country currency for all companies. The balance sheets of the Group Companies in Switzerland are converted with the cut-off date exchange rate of 0.9847 CHF / EUR (previous year: 1.0333 CHF / EUR), the consolidated statement of comprehensive income with the average exchange rate of 1.0052 CHF / EUR (previous year: 1.0811 CHF / EUR), and the equity capital at historic rates. The balance sheet of the Group Company in Poland is accordingly converted with the cut-off date exchange rate of 4.6808 PLN / EUR (previous year: 4.5944 PLN / EUR), the consolidated statement of comprehensive income with the average exchange rate of 4.6845 PLN / EUR (previous year: 4.5660 PLN / EUR), and the equity capital at historic rates. The balance sheets of the Group Companies in the USA converted with the cut-off date exchange rate of 1.0666 USD / EUR (previous year: 1.1320 USD / EUR), the consolidated statement of comprehensive income with the average exchange rate of 1.0539 USD / EUR (previous year: 1.1828 USD / EUR), and the equity capital at historic rates. Any conversion differences resulting from that are entered in the other result in equity capital without effect on net income. Currency exchange differences arising from debt consolidation are recognized in profit or loss.

3 __ Changes of the Accounting and Valuation Method

The adopted accounting and valuation methods correspond in principle to the methods used in the previous year.

In the reporting year, the items income tax receivables and income tax liabilities were added. The previous year's figures were adjusted for reasons of comparability.

Deferred income recognized in Other non-financial liabilities in 2021 (previous year: KEUR 9,812) from software maintenance contracts, for which the performance period differs from the fiscal year, were reclassified to contractual liabilities in the reporting year. This provides the Consolidated Financial Statements addressee with a better overview of the Group's existing performance obligations. The previous year's figures have been adjusted accordingly.

In the year under review, the revenue from non-cash benefits of the private car use by employees is included in Staff costs. In the previous year, these were recorded in Other operating income in the amount of KEUR 1,898. The changed statement results in a better understanding of what is necessary for the provision of services Staff costs.

The new or modified standards or interpretations are displayed in the following table, which were used by NEXUS in the fiscal year or were not used admissibly.

New, currently applicable requirements:

Standard/Interpretation	Title of the Standards/Interpretation or Amendment	Application for fiscal years starting from	Effects on the NEXUS consolidated financial statement
Amendments to IFRS 3	Business combinations - Reference to master concept	01/01/2022	Principle significance
Amendments to IAS 16	Fixed assets - Revenues before planned usage	01/01/2022	No effects
Amendments to IAS 37	Accruals, contigent liabilities and contigent assets - Wearing contracts - Costs for the fulfillment of a contract	01/01/2022	Principle significance
Yearly improvement process (Cycle 2018-2020)	Changes in IFRS 1, IFRS 9, IFRS 16 and IAS 41	01/01/2022	No effects

Future requirements:

Standard/Interpretation	Title of the Standards/Interpretation or Amendment	Application for fiscal years starting from	Effects on the NEXUS consolidated financial statement
EU endorsement is still outstanding			
Amendments to IAS 1	Presentation of financial statement - Classification of liabilities in shortterm and longterm	outstanding	No effects
Amendments to IFRS 16	Lease liabilities at Sale and leaseback transactions	outstanding	No effects
IFRS 17, Amendments to IFRS 17	Insurance contracts	01/01/2023	No effects
Amendments to IFRS 17	Insurance contracts - Presentation of comparison information on first use of IFRS 17 and IFRS 9	01/01/2023	No effects
Amendments to IAS 1, IFRS Practice Statement 2	Disclosure of accounting and valuation methods	01/01/2023	Principle significance
Amendments to IAS 8	Accounting and valuation methods, changes in estimates and errors – Definition of accounting estimates	01/01/2023	Principle significance
Amendments to IAS 12	Taxes – Deferred taxes related to assets and liabilities that arise from a single transaction	01/01/2023	Principle significance

4 __ Essential discretionary decisions, estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires judgments, estimates and assumptions that affect the values presented in the consolidated financial statements. NEXUS continuously evaluates discretionary decisions, estimates and assumptions. Discretionary decisions, estimates and assumptions are based on experience and other factors that NEXUS considers reliable and comprehensible. Actual future results may differ from judgments, estimates and assumptions and may affect future consolidated financial statements.

The main discretionary decisions, estimates and assumptions are explained below.

__ Impairment of intangible assets

The Group checks at least once annually whether goodwill and brands with unlimited utilization periods have depreciated. This requires estimation of the achievable amount of the cash-generating units, to which these intangible assets are allocated.

The attainable amount of an asset is the higher of the two amounts from the adjusted current value of a cash-generating unit minus sales costs and the utilization value. To estimate the utilization value, the Group must also estimate the future cash flow on one hand as well as an appropriate discount rate to determine the cash value of this cash flow.

__ Identified customer relations and technology at company acquisitions

The fair value of the acquired software maintenance contracts (customer relations) and acquired technology at the time of the company acquisitions was determined on the basis of estimated benefits, especially on the basis of future expected payment surpluses discounted by an appropriate interest rate and amortized over the expected time of use based on an assumed annual loss of customers (residual value method). The fair value of acquired technology at the date of acquisition is determined on the basis of the license price analogy method and amortized over its expected utilization period.

__ Contractually agreed future, contingent purchase price payments for company acquisitions

At the time of the acquisition of companies, contingent purchase prices can be contractually agreed with the seller. The fair value (Fair Value Hierarchy Class 3) is calculated based on the planned sales, revenue and partially qualitative target dimensions and determined anew each year. This value is discounted over its duration with a correspondingly reasonable interest rate.

__ Non-controlling interests in company acquisitions

The share of the acquired non-controlling shares in an acquired company at the time of acquisition is measured with the corresponding share of the identified, revalued net assets of the acquired company.

__ Deferred tax assets on losses carried forward

Deferred tax assets are entered for all losses carried forward for taxes in the amount, in which it is probable that the income to be taxed for this will be achieved and remain available, so that losses carried forward can actually be used. Competent authority discretion of company management is to be used for determining the amount of credited deferred taxes on the basis of the expected fulfillment time and the amount of the income to be taxed in the future as well as the future tax planning strategies.

__ Pensions and other post-employment benefits

The expenses from performance-oriented plans are calculated using actuarial principles. The actuarial assessment is made based on the assumptions with respect to the discount rate allowed on advance payment of taxes, future wage and salary increases, mortality and future pension increases. Corresponding to the long-term orientation of these plans, such estimates are subject to substantial uncertainties.

5 __ Essential Accounting and Valuation Methods

__ Financial instruments

A financial instrument is a contract, which at the same results in creation of financial asset for one company and creation of financial liability or an equity capital instrument for another company. The financial instruments shown in the balance sheet (financial assets and financial liabilities) in the sense of IAS 32 and IFRS 9 cover specific financial assets, trade account receivables, securities, cash and bank balances, trade and other payables as well as certain other assets and liabilities based on contractual agreements.

A normal market purchase or sale of a financial instrument is accounted for on the trading day – the day on which the Group commits to purchase or sell it.

Financial assets and liabilities are to be recognized as net assets in the consolidated balance sheet if a legal claim exists to offset the amounts and it is intended to either offset them on a net basis, or to realize the asset and settle the liability simultaneously.

__ Financial assets

When a financial asset is first recognized, it is measured at fair value plus directly attributable transaction costs in the case of financial assets that are not recognized in profit or loss at fair value. The fair value plus transaction costs is regularly equal to the cost of acquisition.

After the initial entry, the classification takes place in one of the three following evaluation categories:

+ Financial assets valuated at amortized cost (AC)
+ Financial assets valuated affecting net income at fair value (FVPL)
+ Financial assets valuated not affecting net income at fair value (FVOCI)

The classification according to IFRS 9 depends on cash flow criteria, according to the contractual cash flows consist exclusively of interest and repayment (SPPI) as well as on the fulfillment of the business model criterion, in which the classification takes place depending on the control of the financial assets for the generation of cash flows. The SPPI test is carried out at the level of the financial instrument, and the business model criterion is assessed at the portfolio level.

Financial instruments measured at amortized cost are non-derivative financial assets that have not been designated for fair value measurement. Assets measured at amortized cost cumulatively meet the following conditions:

+ The financial instrument is held within the framework of a business model, the aim of which is to hold the financial instrument to generate contractual cash flows from it.
+ In addition, the contractual terms and conditions lead to cash flows on dates already specified, which consist exclusively of interest and repayment in respect of the nominal amount.

Except for the securities included in the short-term financial assets item in the previous year, all financial assets are classified as AC, as they are held until settlement and have passed the SPPI test. The subsequent valuation of the contract assets that are classified by AC is carried out using the effective interest method and taking into account impairments. Changes in value at the disposal, change or impairment of the financial asset are recognized in profit or loss.

The securities did not pass the SPPI test and are therefore classified as FVPL. A value change resulting from the subsequent measurement, including interest and dividends, is recognized in the profit and loss statement

A financial asset is derecognized when the contractual entitlement to cash flows from a financial asset expires or NEXUS transfers the financial asset.

Although the Group is active internationally, most of its business is in Europe and consequently it only has limited market risks due to changes of exchange rates.

Default risks are recognized using an impairment model based on expected credit losses (ECL model). This includes impaired financial assets as well as financial assets for which there are no signs of impairment. The ECL model is to be applied to financial assets classified by AC in NEXUS.

The ECL model distinguishes between the general and simplified approach:

The general approach is based on the three-step model, starting with the "12-month expected credit loss" (level 1), with migration to the "lifetime expected credit loss" (levels 2 and 3) if necessary. NEXUS always applies the general procedure unless the simplified procedure is prescribed (trade and other receivables and contract assets). In the simplified procedure, the lifetime expected credit loss is always calculated for the financial asset.

Impairment losses are recognized in the profit and loss statement. Appropriate and reliable information is used to assess the expected losses, which can be made available with reasonable effort. The default risks are determined, if available, on the basis of external credit ratings and historical default rates.

__ Financial liabilities

When all financial liabilities are first recognized in the application scope of IFRS 9, they are measured at fair value plus directly attributable transaction costs in the case of financial assets that are not recognized in profit or loss at fair value.

After initial recognition, financial liabilities are classified as either AC or FVPL.

Except for the contingent compensatory measures from corporate acquisitions, all financial liabilities are classified as AC and subsequently valued using the effective interest method. Changes in value are recognized in the profit or loss, at the disposal of the financial liability or in the event of changes due to the effective interest rate method.

Financial liabilities classified as FVPL include contingent compensatory measures from corporate acquisitions. Changes in fair value are recognized in profit or loss.

Financial liabilities are derecognized when the obligations referred to in the contract have been fulfilled, canceled or expire.

__ Intangible assets

The intangible assets contain maintenance contracts/customer relations, acquired software, technologies, goodwill, brands and capitalized development costs.

Acquired intangible assets are evaluated in the first-time report about procurement costs. The procurement costs of intangible assets, which were acquired at a company merger, correspond to the fair value at the acquisition time. Acquired intangible assets are shown if it is probable that the future economic benefit allocated to the asset will go to the company and that procurement costs of the asset can be measured reliably. After first-time reporting, acquired intangible assets are reported with their manufacturing costs minus every cumulated depreciation and all cumulated expenditures for impairment of value.

Self-procured intangible assets are not capitalized with exception of capitalized development costs.

Whether intangible assets have a limited or unlimited utilization period must be determined. Intangible assets with limited utilization period are written off over the useful economic life and examined for possible decrease in value. The depreciation period and the depreciation method are checked for an intangible asset with a limited utilization period at least until the end of each fiscal year. If the expected utilization period of the asset changed, a different depreciation period or a different depreciation method is selected. Such changes are treated as changes of an estimate. Write-offs on intangible assets with limited period of use are shown in the Profit and Loss Account under amortizations. Impairment tests are conducted for intangible assets with limited utilization period at least once per year. These intangible assets are not written off systematically. The utilization period of an intangible asset with unspecified utilization period is checked once annually to determine whether the estimate of an unspecified utilization period remains justified.

If this is not the case, the estimate is changed from an unspecified utilization period to a limited utilization period on a tentative basis.

An intangible asset shall be derecognized on disposal or if no further economic benefit is expected from its use. Profits or losses from the writing off of intangible assets are determined from the net capital gain and the accounting value of the asset and are entered affecting operational results in the period, in which the item was written off.

a) Maintenance contracts, customer relations

The Group acquired software maintenance contracts within the context of company acquisitions in previous years as well as in the past year. An average period of use of 10 years was assumed for customer relations. The write-off method corresponds to the expected consumption of the future economic benefit of the asset.

b) Purchased software

Acquired software is capitalized at its acquisition cost and is depreciated on a straight-line basis over a period of 4 to 6 years.

c) Technologies

Technology-related assets refer to process and development know-how, which were acquired within the context of company acquisitions in the past years as well as in last year. Technologies are available in the long term and are amortized linearly over a period of five years on principle.

d) Goodwill

The excess of procurement costs of a company at the adjusted market values over the sum of identifiable assets and debts at the purchase time is called goodwill and entered in the balance sheet as an asset. For the purpose of checking whether deprecation exists, the goodwill must be allocated from the takeover day to each of the cash-generating unit or groups of cash-generating units, which should reap benefits from the synergies of the merger. This applies independent of whether other assets or debts of the Group have already been allocated to these units or groups of units. Each unit or group of units, which is allocated to goodwill, represents the lowest level within the Group on which goodwill is monitored for internal management purposes; it is not larger than a business segment as it is specified according to IFRS 8 "Business segments". The depreciation is determined by the calculation of the achievable amount of the cash-generating unit (group of cash-generating units), to which the goodwill refers. The attainable amount of an asset is the higher of the two amounts from the fair value of a cash-generating unit minus sales costs and the utilization value. If the utilization amount of the cash-generating unit is less than the accounting value, expenditure for depreciation is entered. The value reduction is first allocated to the complete amount of goodwill. Any further value reduction is allocated proportionately to the carrying amounts of the other assets of the payment-generating unit. Depreciated goodwill is no longer subject to appreciation.

In cases, in which the goodwill represents a part of the cash-generating unit and part of this business area is sold, the goodwill attributed to the sold business area is included as a component of the accounting value of the business area in determining the result from the sale of the business area. Goodwill, which is sold in this way, is determined on the basis of the ratio of the sold business area to the part of the cash-generating unit not sold.

e) Brands

Valuation of a brand considers the dissemination and utilization within different information systems on the market and is based on the brand strength and dissemination within the target group. It is conducted using a procedure oriented to capital value and based on the three-year planning of management and the fiscal year when the acquisition was made. Based on this fiscal year, the revenues are calculated using a constant growth rate. Brands are available unlimited to the Group and consequently are not subject to depreciation. The valuation base is tested for impairment at least once a year.

f) Development Costs

Development costs are capitalized as intangible assets with their manufacturing costs insofar as the prerequisites pursuant to IAS 38.57 are fulfilled. If these prerequisites do not exist, the development costs are entered in profit or loss in the year they occurred. In the case of capitalizing, the manufacturing costs cover all cost directly attributable to the development process as well as appropriate parts of development-related overhead costs. Financing costs are not capitalized. The future course of benefits is to be estimated for determining the depreciation type and period of capital expenditure for manufacturing costs. Depreciation is written off linearly during a period of four to six years starting from completion. The depreciation of the development costs is contained in the amortizations of the Profit and Loss Statement. As long as the use readiness of a capitalized development does not exist yet or there are indications of depreciation, the capitalized amount of development costs is checked for depreciation once annually.

__ Property, plant and equipment

Property, plant and equipment assets are shown at the procurement costs minus cumulated, regular amortization and cumulated depreciation. The original procurement costs of tangible assets cover the purchase price as well as all directly attributable costs, which are required to put the asset in an operational state. Regular write-offs are made under consideration of normal operational life. Linear depreciation is used as depreciation method.

The estimated period of use is:

1: For buildings: 20 to 33 years

2. For renter installations: 5 to 10 years

3. For other equipment, factory and office equipment: 3 to 8 years

The accounting value of plants, equipment and other tangible assets is checked if there are indications that the accounting value of an asset exceeds its attainable amount. Property, plant and equipment are either written off at disposal or if no economic benefit can be expected from further use or sale of the asset. Profits or losses resulting from derecognition of an asset are determined as difference between the net disposal proceeds and the accounting value of the asset and are entered in profit or loss. The remaining value of the asset values, utilization periods and depreciation methods are checked at the end of each fiscal year and adapted if necessary.

__ Leasing relations

At the contract start date, it is assessed whether a contract establishes or includes a lease. This is the case when the contract gives the right to control the use of an identified asset for a certain period in exchange for payment of a fee.

For lease contracts with a term of more than twelve months, assets for the right of use and lease liabilities are recognized in the Group.

Application simplifications are used for leasing items of low value and for short-term leases (fewer than 12 months).

Within the framework of a software-supported contract analysis, the total amount of contracts in accordance with IFRS 16 is to be assessed and identified according to the type of contract clustered and after appropriate contract period. The following types of contracts have been identified:

+ Leasing contracts for office buildings and parking spaces
+ Leasing contracts for motor vehicles
+ Leasing contracts for hardware and software

For all leases in which NEXUS is the lessee, the right to use an asset and a lease liability are recognized. The right to use is depreciated over the term of the contract in accordance with the provisions for intangible assets. The lease liability is accounted for in accordance with the provisions for financial instruments in IFRS 9. Depreciation of the asset and interest from the liability are shown in the Profit and Loss Statement as depreciation and/or financial expenses.

__ Depreciation of long-term non-financial assets

The Group evaluates on each balance sheet date whether indications exist that an asset could have depreciated. If such indications exist or if annual checking of an asset for depreciation is required, the Group estimates the attainable amount of the respective asset. The attainable amount of an asset is the higher of the two amounts from the adjusted current value of an asset or a cash-generating unit minus sales costs and the utilization value. The attainable amount should be determined for each individual asset unless an asset does not generate any injection of funds, which are mainly independent from other assets or other groups of assets. If the accounting value of an asset exceeds its attainable amount, the asset is considered depreciated and written off at its attainable amount. The estimated cash flows are discounted at their cash value (based on a discount rate allowed before payment of taxes) and are used for determining the utilization value, which reflects current market expectations with respect to the rate of interest effect and the specific risks of the asset.

Impairment expenses of business areas to be continued are entered depreciation items. A check is made on each reporting cut-off date with exception of the goodwill to determine whether indications exist that expenditure for depreciation, which was entered in previous reporting periods, no longer exists or could have decreased. If such an indication exists, the attainable amount is estimated. A previously entered impairment expense should be canceled if estimates have changed since the entry of the last impairment expense, which was used for determining the attainable amount. If this is the case, the accounting value of the asset should be increased to its attainable amount. This increased accounting value may not exceed the accounting value that would result after consideration of depreciation if no impairment expense had been entered in previous years. Such a value adjustment is to be entered immediately in profit or loss. After a value has been adjusted, the expenditure for depreciation should be adjusted in future reporting periods to split the corrected accounting value of the asset, minus any remaining accounting value, among its remaining utilization period.

__ Deferred taxes

Deferred taxes are determined using accounting-based method on all existing temporary differences the reported value of an asset or a liability in the balance sheet and the taxable value on the balance sheet date. Deferred tax liabilities and assets are entered for all temporary differences to be taxed. The following exceptions apply to this:

+ A deferred tax liability from the first-time reporting of goodwill
+ Deferred tax liabilities or deferred tax assets from the first-time reporting of an asset or liability for a business transaction, which is not a company merger and which does not influence either the result in the balance sheet before taxes or the result to be taxed
+ Deferred tax liabilities from temporary differences to be taxed, which are related to participation in subsidiaries, branches, affiliated companies and shares in joint ventures, when the temporal course of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.
+ Deferred tax assets are entered for all temporary differences liable for deductions, taxable losses carried forward not used yet, and tax credits not used yet in the measure, in which it is probable that the income to be taxed will be available against which the temporary differences liable for deductions, taxable losses carried forward not used yet, and tax credits can be used. This also applies to deferred tax claims from temporary differences liable for deductions, which are in connection with shares in subsidiaries, branches, affiliated companies and joint ventures.

The accounting value of the deferred tax claims is checked on each balance sheet date and reduced in the amount, in which it is no longer probable that a sufficiently large result to be taxed will be available against which the deferred tax claim can be used at least in part. Not shown deferred tax claims are checked on each balance sheet date and shown in the amount, in which it has become probable that a result to be taxed in the future will make it possible to use the deferred tax claim. Deferred tax claims and liabilities are measured using the tax rates, the validity of which is expected for the period in which the asset will be realized or a debt paid. When this is done, the tax rates (and tax regulations) are used as a basis, which are valid or announced for the balance sheet date. Deferred taxes, which refer to items that are recorded in other comprehensive income, are entered in other comprehensive income. Deferred tax claims and deferred tax liabilities are offset if the Group has a cause of action for offsetting actual tax refund claims against actual tax liabilities and these refer to revenue taxes of the same tax subject, which were levied by the same tax authority.

__ Inventories

Inventories mainly include hardware and third-party licenses. Inventories are measured at the lower value of procurement costs and net realizable value. The net realizable value is the estimated sale price, which can be expected in a normal business transaction, minus the estimated sale costs.

__ Contract assets

The contract assets represent a legal claim for consideration for transferred goods or services for the Group, which are subject to conditions other than a mere payment target. The contract assets mainly relate to the Group's claims for compensation for completed but not yet settled services from contract production of hospital information systems at the reporting date. The contractual assets are reclassified into trade receivables if the rights become unconditional. This is usually done when the Group issues an invoice to the customer. A corresponding risk provision is formed for the credit risk in accordance with IFRS 9. The procedure corresponds to the determination of risk provisions for trade and other receivables.

__ Cash and cash equivalents

Cash and cash equivalents are composed of cash balance and credit balances at banks. These have a remaining term of fewer than three months and comply with the requirements pursuant to IAS 7.7. The Group applies the general approach of IFRS 9 to measure expected credit losses on cash and bank balances.

__ Treatment of options

Options consist exclusively of in the form of put and call options related to acquisitions of companies with respect to the increase of already controlled companies. The balance sheet is shown as part of an anticipated acquisition in accordance with IFRS 3.

__ Share-based payment

The Group applies IFRS 2 for accounting for share-based payment in the following cases:

(a) share-based payments with equity instruments

(b) share-based payments with cash settlement

(c) transactions in which the company receives or acquires goods or services, and the company or the supplier of such goods or services has the choice of whether the settlement shall be in cash (or in other assets) or by issuing equity instruments

In NEXUS, share-based payments with equity instruments exists for transactions in which services are received.

For share-based payments with equity instruments, NEXUS recognizes the goods or services received and the corresponding increase in equity directly at the fair value of the goods or services received unless this cannot be estimated reliably. If the fair value of the goods or services received cannot be estimated reliably, NEXUS shall determine their value and the corresponding increase in equity indirectly by reference to the fair value of the equity instruments granted. For transactions with employees and others who provide similar benefits, the fair value of the benefits received is determined by reference to the fair value of the equity instruments granted, since it is usually not possible to reliably estimate the fair value of the benefits received. The fair value on the date of grant is used for the measurement of equity instruments.

In the case of transactions in which services are received, the equity instruments granted are exercisable immediately if the party is not bound by a specified period of service before acquiring an unrestricted right to those equity instruments. Unless there is substantial evidence to the contrary, NEXUS assumes that the services to be provided by the contracting party as remuneration for the equity instruments have already been received. In this case, NEXUS recognizes the benefits received in full on the date of grant with a corresponding increase in equity.

If the exercise of the equity instruments granted is dependent on the performance of a certain period of service by the contracting party, NEXUS assumes that the services to be provided by the contracting party in return for these equity instruments will be received in the future during the vesting period. NEXUS recognizes these services at the time they are rendered during the vesting period with an associated equity increase.

The granting of equity instruments may be linked to the fulfillment of certain exercise conditions and non-exercise conditions. Exercise conditions that are not market conditions are not included in the estimate of the fair value of the shares or stock options on the assessment date. Instead, NEXUS takes into account exercise conditions that are not market conditions as well as non-exercise conditions by adjusting the number of equity instruments included in the determination of the transaction amount.

__ Subscribed capital

If the Group purchases its own shares, these are recorded at cost and deducted from equity. The purchase, sale, issue or redemption of treasury shares is recognized as performance-neutral.

__ Pension accruals

The Group has eight pension plans in Germany. The benefits are financed by a company through a pension trust; pledged reinsurance policies are available for two plans. In addition, financial obligations from the pension scheme according to Swiss federal law exist in Switzerland for employee old-age, survivors' and disability benefits (BVG). The pension obligations in the Netherlands are matched by plan assets of the same amount. The cash value of the obligations earned was offset against the fair value of the respective plan assets, and the difference was recognized in the balance sheet as a pension accrual. Expenditures for the services granted within the context of the performance-oriented plans are determined separately for each plan using the potential pension cash value method (IAS 19). Actuarial profits or losses are entered under other revenue in equity capital after consideration of deferred taxes without affecting the operational result. The reference tables

2018 G are used in Germany as biometric calculation basis (death and disability probability of beneficiaries, probability of being married at time of death). In Switzerland, the statistics of the years 2015- 2019 based on the tariff of the Occupational Pensions Act (BVG) 2020 were used as a basis. In the Netherlands, the Royal Dutch Actuarial Association (AG) projection table 2022 was applied.

__ Other accruals

Accruals are created if a current obligation exists with respect to a third party from a past event, which will probably result in outflow of resources in the future and the amount of which can be estimated reliably. Valuation of accruals is according to IAS 37 with the best possible estimate of expenditures, which would be required for fulfilling the current obligations as of the balance sheet cut-off date. Accruals for outlays are not shown. If an essential interest effect results from the fulfillment time of the obligation, the accrual is carried in the balance sheet at cash value. An increase of accruals over time is entered under financial expenditures.

__ Contract liabilities

Contractual liabilities create an obligation to the customer if partial invoices and payments received from the customer are received before the promised service is provided. Contractual liabilities arising from payments received from the customer are written off against the processed services as soon as they have been provided. If a contract contains several separate performance obligations, only one contractual asset or contractual liability from this contract is to be determined on a net basis.

__ Other non-financial liabilities

Other non-financial liabilities are accounted for at the settlement amount.

__ Current taxes

Actual tax refund claims and tax liabilities are determined in the Group under the application of the respective local tax regulations. In this determination, estimates and assumptions are made, which may be estimated differently by the respective local tax authorities.

__ Deferred revenue

Prepayments from customers are shown as deferred revenue. As soon as the contractual services are provided, they are recognized as revenue.

__ Contingent liabilities

Contingent liabilities are not shown in the Consolidated Financial Statement until their use becomes probable. They are shown in the Consolidated Financial Statement if their use is not improbable.

__ Revenue recognition

Group revenue comes from software licenses and services connected with that, which provide support in the areas of implementation, maintenance and other services. The company normally grants its customers use of the software for unlimited time. The Group also sells hardware. Proceeds from the supply of goods and rights are recognized in accordance with IFRS 15 if the service obligation assumed was provided by the transfer of the power of disposal to the customer, the inflow of the consideration is probable and the amount can be determined reliably. Revenues from services are recorded as soon as the services have been provided and the customer can obtain essential benefit from them. Revenue realization does not take place if there are significant risks with regard to the receipt of consideration or a potential return of goods. The NEXUS Group reports its sales revenues with deduction of revenue reductions.

__ Multi-component contracts

The realization of revenues from contracts that contain several performance obligations (multi-component contracts) takes place when the respective performance obligation has been delivered or rendered and is based on the objectively ascertainable, relative individual sale prices of the individual performance obligations. Performance obligations resulting from multi-component contracts are partly accounted for using the percentage-of-completion method. Thereafter, the revenue is shown according to the degree of performance completion. In measuring performance progress to determine revenue, the Group applies an output-oriented method, whereby the total performance to be provided within the contractual relationship is set in relation to the performance already provided on the balance sheet date.

On the balance sheet, the generated revenues from production orders minus advance payments received are recognized in the contract assets in accordance with IFRS 15. Changes in the commissioned services are only taken into account within the scope of an existing production order if acceptance by the customer is considered probable and an assessment of the amount can be made reliably. If the result of a production order cannot be estimated with sufficient certainty, the likely revenues that can be achieved are recorded at least up to the amount of the costs incurred. Order costs are recorded as expenses in the period, in which they occur.

As part of the fulfillment of the performance obligations, third parties are regularly commissioned with the transfer of goods or services. Management has generally concluded that NEXUS acts as a principal in its performance obligations, since it is primarily responsible for the contract fulfillment and for influencing pricing. Accordingly, NEXUS recognizes the gross revenue from these transactions.

Warranty obligations generally do not meet the requirements for an independent performance obligation, since they do not go beyond the legal scope.

If non-cash consideration is agreed within the framework of contracts with customers, it is assessed on the basis of the contractually agreed cooperation services in person days with the customer-specific cooperation day rate.

NEXUS does not capitalize contract initiation costs if the depreciation period is one year or less.

The main sales types and their realization are presented below: NEXUS applies the portfolio approach for this in accordance with IFRS 15.4.

__ Software licenses

This includes revenues from software license sales, which are usually remunerated once. The license entitles use of the software permanently. The license fee is contractually fixed and does not trigger any future license payments or use-dependent invoices. The underlying license is decisive in accordance with IFRS 15. The right of use is provided to the customer at a defined time, which results in a time-related sales realization. The revenue realization from software components within the framework of work contracts may deviate from this. We refer to "multi-component contracts/ work contracts" concerning this.

As part of the fulfillment of the performance obligations, third parties are regularly commissioned with the transfer of goods or services.

Management has generally concluded that NEXUS acts as a principal in its performance obligations, since it is primarily responsible for the contract fulfillment and for influencing pricing. Accordingly, NEXUS recognizes the gross revenue from these transactions.

__ Software maintenance

This includes sales revenues from contracts that give the customer access to new versions of software products after they have been delivered. These updates are used for troubleshooting, improving performance and other properties, but also for adapting to changed general conditions. A software maintenance contract also includes hotline support. The revenue generated in this connection is recorded pro rata temporis.

As part of the fulfillment of the performance obligations, third parties are regularly commissioned with the transfer of goods or services.

Management has generally concluded that NEXUS acts as a principal in its performance obligations, since it is primarily responsible for the contract fulfillment and for influencing pricing. Accordingly, NEXUS recognizes the gross revenue from these transactions.

__ Services

Sales from services that are remunerated on an hourly basis or at contractually agreed fixed prices fall under the sales type services. The activities carried out in the sales order include, for example, project management, analyses, training, system configuration and customer-related programming. Revenue is realized for the services to be provided with the completion of the service. The revenue realization from services within the framework of work contracts may deviate from this. We refer to "multi-component contracts/ work contracts" concerning this.

__ Hardware

Revenues from the sale of hardware and infrastructure components include, for example, PCs, servers, monitors, printers, switches, racks, network components, etc. These revenues are realized immediately upon provision of the performance obligation by delivery of the hardware components. The revenue realization from hardware within the framework of work contracts may deviate from this. We refer to "multi-component contracts/ work contracts" concerning this.

As part of the fulfillment of the performance obligations, third parties are regularly commissioned with the transfer of goods or services.

Management has generally concluded that NEXUS acts as a principal in its performance obligations, since it is primarily responsible for the contract fulfillment and for influencing pricing. Accordingly, NEXUS recognizes the gross revenue from these transactions.

__ Discounts and rebates

The Group reports its revenues minus any revenue reductions, such as discounts or rebates.

__ Financial Income / Financial expenses

Financial income and expenses are entered at the time they occur.

__ Foreign currencies

Foreign currency transactions are entered in the report currency by converting the foreign currency at the exchange rate between the report currency and the foreign currency valid at the time of the business transaction. Conversion differences from processing monetary positions as well as from the cut-off date evaluation of exchange rates, which differ from those original entered during the period, are entered as expenses or revenue in the period, in which they occurred.

1. REVENUE

Revenues are classified by region and operations in the following overview:

Nexus / DE	2022		2021	
	KEUR	%	KEUR	%
Germany	63,046	93.9	58,838	93.8
Switzerland / Lichtenstein	310	0.5	344	0.5
The Netherlands	135	0.2	117	0.2
Poland	—	—	1	0.0
France	—	—	6	0.0
Austria	2,632	3.9	2,604	4.2
Other regions	995	1.5	813	1.3
Total	**67,118**	**100.0**	**62,723**	**100.0**

Nexus / DIS	2022		2021	
	KEUR	%	KEUR	%
Germany	39,490	84.9	34,358	84.2
Switzerland / Lichtenstein	589	1.3	504	1.2
Niederlande	791	1.7	748	1.8
Polen	63	0.1	55	0.1
Frankreich	10	0.0	9	0.0
Austria	397	0.9	347	0.9
Other regions	5,173	11.1	4,766	11.7
Total	**46,513**	**100.0**	**40,787**	**100.0**

Nexus / ROE	2022		2021	
	KEUR	%	KEUR	%
Germany	9,614	10.1	9,848	11.6
Switzerland / Lichtenstein	42,521	44.5	36,207	42.8
Niederlande	23,380	24.5	20,456	24.2
Polen	8,768	9.2	8,929	10.5
Frankreich	6,905	7.2	6,617	7.8
Austria	1,926	2.0	351	0.4
Other regions	2,383	2.5	2,260	2.7
Total	**95,497**	**100.0**	**84,668**	**100.0**

of which attributed to:

	2022		2021	
	KEUR	%	KEUR	%
Services and software maintenance	159,438	76.3	145,403	77.3
Licenses	36,638	17.5	30,152	16.0
Deliveries	13,052	6.2	12,623	6.7
Total	**209,128**	**100.0**	**188,178**	**100.0**

For information on the individual types of revenue and their realization, please refer to the section "Revenue Recognition" in the notes on the consolidated financial statements.

Of the balance of KEUR 4,047 (previous year: KEUR 2,244) reported in contract liabilities at the beginning of the period, KEUR 3,623 (previous year: KEUR 1,761) was recognised as revenue in the financial year.

Revenues from performance obligations that have been fulfilled (or partially fulfilled) in previous periods (such as changes in the transaction price) were recognised in the financial year in the amount of KEUR 1,036 (previous year: KEUR 1,325).

Unfulfilled performance obligations arise in the context of multi-component contracts. The Group assumes that these will largely be met in 2023.

Approximately 90-95% of revenues are realized over time.

2. OTHER OPERATING INCOME

Other operating income is composed of the following:

	2022	2021
	KEUR	KEUR
Revenues from the derecognition of current liabilities	2,105	319
Revenues from purchase price adjustments	1,834	962
Revenues from the reversal of provisions	753	3,337
Miscellaneous	551	391
Income from Foreign currency gains	433	303
	5,676	**5,312**

In the 2021 Consolidated Financial Statement, the revenue from non-cash benefits of private car use of employees was shown in the amount of KEUR 1,898 in other operating income item; it was offset against Staff costs in the 2022 Consolidated Financial Statement.

3. COST OF GOODS SOLD AND ASSOCIATED SERVICES

	2022	2021
	KEUR	KEUR
Costs for associated goods	16,667	16,511
Costs for associated services	18,382	15,103
	35,049	**31,614**

Costs for materials and supplies, and associated goods, primarily comprise expenses from the purchase of licenses and hardware intended for resell. Associated services primarily pertain to services subcontracted to third parties in the course of project transactions.

4. NUMBER OF EMPLOYEES AND PERSONNEL EXPENSES

The following number of employees and trainees were employed on average in the respective fiscal years:

	2022	2021
Employees	1,526	1,439
Senior staff	25	30
	1,551	**1,469**

Personnel expenses increased as follows over the reporting period:

	2022	2021
	KEUR	KEUR
Salaries and wages	98,284	90,285
Social security contributions and expenses for pension costs and support	19,563	16,810
	117,847	**107,095**

In the 2021 Consolidated Financial Statement, the revenue from non-cash benefits of private car use of employees was shown in the amount of KEUR 1,898 in other operating income item; it was offset against Staff costs in the 2022 Consolidated Financial Statement.

In the event that the Group terminates the employment relationship of an employee prior to regular retirement or an employee voluntarily accepts the offer to leave prematurely in exchange for these benefits, benefits will accrue on the occasion of termination of the employment relationship. These are recognized as a liability and expense in the Group if it is probable that the Group will not be able to evade the obligation. In the event of a maturity on the reporting date of more than 12 months, the benefits are derived at their cash value.

5. IMPAIRMENT LOSS

The following tables show the impairment loss on financial assets in the reporting year:

	2022	2021
Trade and other receivables		
	KEUR	KEUR
Impairment due to credit risks as at 01/01/	1,097	920
Utilization of credit risk	–256	—
Changes in impairments	110	177
Impairment due to credit risks as at 31/12/	951	1,097

	2022	2021
Contract assets		
	KEUR	KEUR
Impairment due to credit risks as at 01/01/	21	34
Changes in impairments	56	–13
Impairment due to credit risks as at 31/12/	77	21

	2022	2021
Other Financial Assets		
	KEUR	KEUR
Impairments from credit risks as at 01/01/	5	5
Changes in impairments	45	-
Impairments from credit risks as at 31/12/	50	5

	2022	2021
Cash equivalents		
	KEUR	KEUR
Impairment due to credit risks as at 01/01/	26	28
Changes in impairments	-16	–2
Impairments from credit risks as at 31/12/	10	26

	2022	2021
Sum of impairing loss of financial assets		
	KEUR	KEUR
Impairment due to credit risks as at 01/01/	1,149	987
Utilization of credit risk	–256	—
Changes in impairments	195	162
Impairments from credit risks as at 31/12/	1,088	1,149

6. OTHER OPERATING EXPENSES

Other operating expenses are composed of the following:

	2022	2021
	KEUR	KEUR
Operating costs	3,971	2,929
Distribution costs	5,091	3,280
Administrative costs	8,060	7,847
Other operating expenses	2,679	2,324
	19,801	**16,380**

Currency loses in the amount of KEUR 819 (previous year: KEUR 605) are contained in Other operating expenses.

The other operating expenses in the above table include the following payments to the accountancy firm for the audit of the consolidated financial statements:

	2022	2021
	KEUR	KEUR
Audit services	235	224
- From the previous year	10	10
Other services	1	37
	236	**261**

The fee for other services pertains to business consultancy services. In addition to the consolidated financial statements, the auditor also audited the annual financial statements of Nexus AG.

7. FINANCIAL INCOME

Other financial assets and current financial assets comprise the following:

	2022	2021
	KEUR	KEUR
Interest income from bank deposits	476	0
Other interest and similar income	42	0
	518	**0**

Financial income includes expenses from various fixed-term deposits in the amount of KEUR 476 (previous year: KEUR 0).

8. FINANCIAL EXPENSES

	2022	2021
	KEUR	KEUR
Other interest and similar expenses	707	762
Interest expenses from rights of use	330	290
Miscellaneous	9	7
	1,046	**1,059**

9. INCOME TAXES

Income taxes comprise actual tax liabilities, namely the effective tax amount, and deferred tax expenses or income. The actual tax liabilities or receivables are calculated with the amounts estimated to be owed to or by the tax authorities through the application of the tax regulations in force on the reporting date. Deferred tax liabilities and receivables are calculated on the basis of the tax regulations in force on the reporting date at the tax rate which is projected to apply in the period in which the respective liability is settled or the receivable is due. In 2022, the recoverability of all loss carryforwards was assessed on the basis of a five-year plan. Deferred tax assets were only recognised in the amount to which recognition is probable through future gains. Deferred tax liabilities which primarily arise due to the capitalisation of development costs as well as customer relationships / technology are classified as deferred tax expenses or, if possible, settled with deferred tax assets. The taxes on EBT are split into the actual and deferred income taxes as follows:

	2022	2021
	KEUR	KEUR
Current tax expenses	-9,567	-6,734
– Current year	-9,495	-6,865
– Previous years	–72	131
Deferred tax expenses / income	2,076	1,138
– Development / reversal of deferred differences	2,076	1,138
	-7,491	**-5,596**

Corporate income taxes, including the solidarity surcharge and trade tax in addition to similar taxes calculated on the basis of foreign income, are reported as income taxes. Deferred taxes for all substantial differences between the trade balance and fiscal balance, as well as any consolidation measures, are also recognised under these items. Substantial indications for the recognition of deferred tax assets on unused tax loss carryforwards that exceed the earnings from the reversal of existing, taxable temporary differences, result from:

+ The continual improvement in the earnings of core operations;
+ The increasing maintenance volume;
+ The planning of the individual companies that belong to the Nexus Group.

In determining the tax rates, a domestic tax rate of 15.0% plus the solidarity surcharge, namely 15.82% in total, was recognised for the Group tax burden, and rates between 11.08% and 17.16% were recognised for trade tax, which differs depending on the municipality. Foreign income tax rates are between 14.0% and 28.0%. The reported tax expenses deviated from the projected tax expenses calculated on the application of the nominal tax rate for Nexus AG of 30.77% (previous year: 29.98%) on earnings as per IFRS. The relationship between the projected tax expenses and the actual tax expenses resulting from the consolidated profit and loss statement result is represented in the following transitional calculations:

	2022	2021
	KEUR	KEUR
Earnings before taxes	27,260	23,055
Projected tax expenses 29.83% (previous year: 29.98%)	-8,388	-6,911
Change in non-capitalised deferred taxes on loss carryforwards	51	-483
Tax rate differences amongst subsidiaries	1,200	1,276
Deviations from non-deductible expenses	-346	-100
Taxes and other deviations from previous years	-8	622
Tax expenses according to the consolidated profit and loss statement	**-7,491**	**-5,596**
Effective tax expenses (in %)	27.5	24.3

10. EARNINGS PER SHARE

The undiluted earnings per share are calculated on the basis of the division of the consolidated net income owed to the shareholders by the average weighted number of shares in circulation during the period. In order to calculate the diluted earnings per share, the consolidated net income owed to the shareholders and the average weighted number of shares in circulation during the period is adjusted by the effects of all potentially diluted shares, which result from the exercise of granted options.

An average number of stocks of 15,955 thousand (previous year 15,749 thousand) was used as the basis for calculating the undiluted result per share.

An average number of stocks of 16,006 thousand (previous year 15,799 thousand) was used as the basis for calculating the diluted result per share under consideration of the existing stock options.

Presentation of earnings per share:

	2022	2021
Consolidated net income (Group share) in KEUR	19,347	17,153
Undiluted average of issued shares in circulation (in thousands)	15,955	15,749
Earnings per share in EUR (undiluted)	1.21	1.09
Diluted average of issued shares in circulation (in thousands)	16,006	15,799
Earnings per share in EUR (diluted)	1.21	1.09

The weighted average of ordinary shares (undiluted and diluted) for the fiscal years 2022 and 2021 has been calculated as follows:

	Common shares				Buy-backs (-) Treasury shares		Issuance (+) Treasury shares		Total Common shares	
	2022	2021			2022	2021	2022	2021	2022	2021
January	15,801,450	15,747,823	—	—	21,192	-	-	-	15,780,258	15,747,823
February	15,780,258	15,747,823	—	—	13,808	-	-	-	15,766,450	15,747,823
March	15,766,450	15,747,823	—	—	-	-	-	-	15,766,450	15,747,823
April	15,766,450	15,747,823	—	—	-	-	-	-	15,766,450	15,747,823
May	15,766,450	15,747,823	—	—	-	-	-	1,157	15,766,450	15,748,980
June	15,766,450	15,748,980	—	—	-	-	-	-	15,766,450	15,748,980
July	15,766,450	15,748,980	—	—	-	-	-	-	15,766,450	15,748,980
August	15,766,450	15,748,980	—	—	-	4,418	352	161	15,766,802	15,744,723
September	15,766,802	15,744,723	1,450,000	—	-	3,150	-	865	17,216,802	15,742,438
October	17,216,802	15,754,902	—	12,464	-	3,550	-	98	17,216,802	15,751,450
November	17,216,802	15,751,450	—	—	-	-	2,454	-	17,219,256	15,751,450
December	17,219,256	15,801,450	10,000	50,000	-	-	-	-	17,229,256	15,801,450
Total			**1,460,000**	**62,464**	**35,000**	**11,118**	**2,806**	**2,281**		
Average (undiluted)									15,954,762	15,748,580
Effect of shares from AOP Executive Board 2015-2017									24,000	24,000
Effect of shares from AOP Executive Board 2018-2020									20,048	20,048
Management level below the Executive Board									7,401	6,704
Average (diluted)									16,006,211	15,799,332

11. GOODWILL

In the fiscal year 2022, the cash-generating units (CGU) were redefined due to a change in the management's internal control and reporting level. The cash-generating unit NEXUS / CMS has been integrated into the cash-generating unit NEXUS / DE. The goodwill of the cash-generating unit NEXUS / CMS was allocated to the cash-generating unit NEXUS / DE due to the full integration in the amount of KEUR 2,853. The reassignment by means of a relative value approach was therefore not applied. The change in corporate governance is considered an indication of an impairment test of goodwill. The impairment test carried out for the cash-generating unit NEXUS / CMS and the cash-generating unit NEXUS / DE in the previous structure did not result in any depreciation requirement.

Within the context of the annual impairment test according to IAS 36, goodwill is allocated respectively on 30/09/ to assess the recoverability of the cash generating units (CGU). The following table shows the CGUs in addition to the relevant assumptions and parameters. The recoverable amount is determined on the basis of the calculation of the value in use on the respective balance sheet date. Accordingly, there is no requirement to amortise at present. The calculated value in use is based on forecasts that account for estimation uncertainty. Substantial uncertainty has been determined in the following items:

a) __ Profit Margin

The profit margin is calculated based on an average value, which is formed partially on the basis of existing contracts and an expansion of license transactions in consideration of the historic profit margin. The profit margins were also adjusted by the expected increase in efficiency.

b) __ Discount Rate

The discount rate for the respective CGU is determined by a standard WACC (weighted average cost of capital).

c) __ Performance of Market Shares and Service Revenues

These assumptions are of particular importance, as this estimation reflects how the CGU will perform in comparison to its competitors over the planning period. At the same time, it must be taken into account that this does not pertain to clearly defined markets, but instead primarily to project transactions, which do not permit clear comparisons.

d) __ Detailed Planning Phase

The growth rates in the detailed planning stage are based on published, industry-related market research. They are also significantly influenced by the individual estimates of future potential made by the CGUs. The specific risks of each CGU are accounted for in these regard. These assumptions are supported by concrete sales, development and marketing plans.

e) __ Sensitivity Analysis

In a sensitivity analysis, the key parameters of the impairment test are adjusted in line with reasonable assumptions concerning probable performance. An increase of the discount rate by 25 basis points and a decrease of the relevant cash flow by 5% would not result in any need to decrease the value of goodwill.

Presentation of the cash-generating units and relevant assumptions and parameters:

Cash-generating unit	Assignable company	Organic growth in % for the detailed planning period of 3 years [1]		Discount rate in % before taxes for the cash flow forecast		Goodwill (in KEUR)	
		2022	2021	2022	2021	2022	2021
NEXUS / DE	NEXUS / CLOUD IT GmbH NEXUS / ENTERPRISE SOLUTIONS GmbH NEXUS / IPS GmbH NEXUS / MARABU GmbH NEXUS / QM GmbH Nexus AG Nexus Deutschland GmbH NEXUS SWISSLAB GmbH	7	8	12.73	10.16	17,189	17,189
NEXUS / DIS	GePaDo - Softwarelösungen für Genetik - GmbH ifa systems AG ifa united i-tech Inc. ifa-systems informationssysteme für augenärzte GmbH IFMS GmbH LPC Laboratory Process Consulting GmbH NEXUS / ASTRAIA GmbH NEXUS / CHILI GmbH NEXUS / DIGITAL PATHOLOGY GmbH NEXUS / DIS GmbH NEXUS / E&L GmbH Sophrona Solutions Inc.	6	7	12.9	10.28	31,189	27,445

Cash-generating unit	Assignable company	Organic growth in % for the detailed planning period of 3 years [1])		Discount rate in % before taxes for the cash flow forecast		Goodwill (in KEUR)	
		2022	2021	2022	2021	2022	2021
	ANT-Informatik AG						
	ANT-Informatik GmbH						
	Creativ Software AG						
	HeimSoft Solutions AG						
	highsystem ag						
	ITR Software GmbH						
	NEXUS / REHA GmbH						
	NEXUS Digitale Dokumentationssysteme Projektentwicklungsges.m.b.H.						
	Nexus Enterprise Imaging GmbH						
NEXUS / ROE	NEXUS Nederland B.V.	5	9	11.2	9.05	60,754	58,293
	NEXUS POLSKA Sp. z o.o.						
	NEXUS Schweiz AG						
	NEXUS SISINF SL						
	Nexus/France S.A.S.						
	oneICT AG						
	osoTec GmbH						
	RVC Medical IT B.V						
	RVC Medical IT Holding B.V.						
	RVC Medical IT N.V.						
	Zwicky Electronic AG						
Total						**109,132**	**102,927**

A growth rate of one percent was assumed for the extrapolation of the cash flows after the detailed planning period.

The development of the goodwill is shown in the following table.

	Procurement and conversion costs						
	01/01/2022	Inflows from business combinations within the Group	Currency changes	Inflows	Reclassification	Outflows	31/12/2022
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Goodwill	103,104	4,912	1,293	-	-	-	109,309
Total	**103,104**	**4,912**	**1,293**	**-**	**-**	**-**	**109,309**

	Cumulated depreciation						Carrying amount	
	01/01/2022	Currency changes	Inflows	Reclassification	Outflows	31/12/2022	31/12/2022	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Goodwill	177	-	-	-	-	177	109,132	102,927
Total	**177**	**-**	**-**	**-**	**-**	**177**	**109,132**	**102,927**

	Procurement and conversion costs						
	01/01/2021	Inflows from business combinations within the Group	Currency changes	Inflows	Reclassification	Outflows	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Goodwill	87,670	14,349	1,085	-	-	-	103,104
Total	**87,670**	**14,349**	**1,085**	**-**	**-**	**-**	**103,104**

	Cumulated depreciation						Carrying amount	
	01/01/2021	Currency changes	Inflows	Reclassification	Outflows	31/12/2021	31/12/2021	31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Goodwill	177	-	-	-	-	177	102,927	87,493
Total	**177**	**-**	**-**	**-**	**-**	**177**	**102,927**	**87,493**

12. OTHER INTANGIBLE ASSETS

The development of other intangible assets is presented in the following fixed-asset movement schedule:

	Acquisition or manufacturing costs							
	01/01/2022	Additions from business combinations	Currency changes		Additions	Reclassification	Disposals	31/12/2022
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Concessions / patents	7,621	-	6		156	-371	105	8,049
Development costs	65,092	-	43		2,380	371	-	67,144
Customer base / technology	58,716	2,640	235		98	-	26	61,663
Trademark rights	8,812	-	28		-	-	-	8,840
Total	**140,241**	**2,640**	**312**		**2,634**	**—**	**131**	**145,696**

	Cumulated depreciation						Carrying amount	
	01/01/2022	Currency changes	Additions	Reclassification	Disposals	31/12/2022	31/12/2022	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Concessions / patents	6,690	—	408	427	7	7,518	531	931
Development costs	55,022	2	4,053	-427	—	58,650	8,494	10,070
Customer base / technology	31,932	3	4,768	—	—	36,703	24,960	26,784
Trademark rights	-	-	-	-	-	-	8,840	8,812
Total	**93,644**	**5**	**9,229**	**—**	**7**	**102,871**	**42,825**	**46,597**

	Acquisition or manufacturing costs							
	01/01/2021	Additions from business combinations	Currency changes		Additions	Reclassification	Disposals	31/12/2021
	KEUR	KEUR	KEUR		KEUR	KEUR	KEUR	KEUR
Concessions / patents	7,125	-	61		641	-	206	7,621
Development costs	63,049	-	153		2,531	-	641	65,092
Customer base / technology	50,052	9,184	390		-	-	910	58,716
Trademark rights	8,788	-	24		-	-	-	8,812
Total	**129,016**	**9,184**	**628**		**3,172**	**—**	**1,757**	**140,241**

	Cumulated depreciation						Carrying amount	
	01/01/2021	Currency changes	Additions	Reclassification	Disposals	31/12/2021	31/12/2021	31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Concessions / patents	5,937	53	762	-	62	6,690	931	1,188
Development costs	51,440	153	4,070	-	641	55,022	10,070	11,609
Customer base / technology	27,791	256	4,795	-	910	31,932	26,784	22,261
Trademark rights	-	-	-	-	-	-	8,812	8,788
Total	**85,168**	**462**	**9,627**	**-**	**1,613**	**93,644**	**46,597**	**43,846**

__ Research and Development

Total expenses for developments were KEUR 39,023 in 2022 (previous year: KEUR 34,633). Of the total development expenses, KEUR 2,380 (previous year: KEUR 2,531) were capitalized.

13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment primarily comprises land and buildings, furniture, fixtures, and equipment as well as construction in progress. Property, plant and equipment is not subject to any restrictions in terms of the respective disposal options. There are restrictions on disposal rights as well as tangible assets pledged as collateral for debts in the class of properties, leasehold rights and buildings in the amount of KEUR 1,300 (previous year: KEUR 1,300). The development of fixed assets and property, plant and equipment is included in the following assets analysis:

	Acquisition and manufacturing costs						
	01/01/2022	Additions from business combinations	Currency changes	Additions	Reclassification	Disposals	31/12/2022
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leasehold improvements	1,384	-	4	383	3	87	1,687
Other operating supplies and equipment	10,943	30	20	2,611	-20	413	13,171
Properties, leasehold rights and buildings	8,001	18	1	2	17	-	8,039
Total	**20,328**	**48**	**25**	**2,996**	**-**	**500**	**22,897**

	Cumulated depreciation					Carrying amount	
	01/01/2022	Currency changes	Additions	Disposals	31/12/2022	31/12/2022	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leasehold improvements	850	-	141	87	904	783	534
Other operating supplies and equipment	6,899	-	1,913	368	8,444	4,727	4,044
Properties, leasehold rights and buildings	641	-	227	-	868	7,171	7,360
Total	**8,390**	**-**	**2,281**	**455**	**10,216**	**12,681**	**11,938**

	Acquisition and manufacturing costs						
	01/01/2021	Additions from business combinations	Currency changes	Additions	Reclassification	Disposals	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leasehold improvements	1,321	-	10	53	-	-	1,384
Other operating supplies and equipment	9,516	284	122	1,686	-	665	10,943
Properties, leasehold rights and buildings	5,779	1,840	-	382	-	-	8,001
Facilities under construction	14	-	-	-	-	14	-
Total	**16,630**	**2,124**	**132**	**2,121**	**-**	**679**	**20,328**

	Cumulated depreciation					Carrying amount	
	01/01/2021	Currency changes	Additions	Disposals	31/12/2021	31/12/2021	31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leasehold improvements	700	7	143	-	850	534	621
Other operating supplies and equipment	5,604	221	1,694	620	6,899	4,044	3,912
Properties, leasehold rights and buildings	464	-	177	-	641	7,360	5,315
Facilities under construction	-	-	-	-	-	-	14
Total	**6,768**	**228**	**2,014**	**620**	**8,390**	**11,938**	**9,862**

14. LEASES AND USAGE RIGHT LIABILITIES

The Group has primarily concluded lease agreements for its furniture, fixtures, and equipment (incl. IT hardware) and its company cars and lease agreements for the premises. These agreements are used to finance and procure the necessary operational assets. The benefits that led to the decision to conclude or maintain these leases are primarily the lack of capital commitment for the company in the procurement of the necessary operational assets. Furthermore, lease financing does not pose any utilisation risk for the company and enables us to secure the current state of technological development at short notice.

For recognition and measurement purposes, Nexus AG applies the portfolio approach in accordance with IFRS 16.B1 and combines individuals leases for buildings, motor vehicles and contracts for printers, servers, hardware and other items on the basis of similar characteristics, resulting in no material differences compared to accounting for the individual agreements.

The development of the separately reported rights of use for assets that are accounted for in fixed assets under leases is as follows:

	Acquisition and manufacturing costs						
	Interest rate on capital borrowed in other countries	01/01/2022	Additions from business combinations	Currency changes	Additions	Disposals	31/12/2022
		KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	2.06%	18,959	174	113	6,553	1,931	23,868
Leases for motor vehicles	1.65%	6,189	24	84	1,285	1,962	5,620
Leases for printers, servers, hardware an miscellaneous	2.63%	147	-	-	40	-	187
Total		**25,295**	**198**	**197**	**7,878**	**3,893**	**29,675**

	Accumulated depreciations					Carrying amount	
	01/01/2022	Currency changes	Additions	Disposals	31/12/2022	31/12/2022	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	5,321	66	3,119	507	7,999	15,869	13,638
Leases for motor vehicles	3,410	55	1,836	2,128	3,173	2,447	2,779
Leases for printers, servers, hardware an miscellaneous	89	-	39	-	128	59	58
Total	**8,820**	**121**	**4,994**	**2,635**	**11,300**	**18,375**	**16,475**

	Procurement and conversion costs						
	Interest rate on capital borrowed in other countries	01/01/2021	Additions from business combinations	Currency changes	Additions	Disposals	31/12/2021
		KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	1.82%	13,758	152	115	7,149	2,215	18,959
Leases for motor vehicles	1.57%	6,125	23	61	1,377	1,397	6,189
Leases for printers, servers, hardware an miscellaneous	1.67%	264	-	6	39	162	147
Total		**20,147**	**175**	**182**	**8,565**	**3,774**	**25,295**

	Accumulated depreciations					Carrying amount	
	01/01/2021	Currency changes	Additions	Disposals	31/12/2021	31/12/2021	31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	4,049	68	3,043	1,839	5,321	13,638	9,709
Leases for motor vehicles	2,854	36	1,910	1,390	3,410	2,779	3,271
Leases for printers, servers, hardware an miscellaneous	178	4	62	155	89	58	86
Total	**7,081**	**108**	**5,015**	**3,384**	**8,820**	**16,475**	**13,066**

The following tables show the interest expenses on lease liabilities, the breakdown of liabilities into current and non-current, the expenses for current and low-value leases, variable lease expenses not included in the measurement of lease liabilities and total cash outflows for existing leases in the fiscal year 2022:

Interest expenses, liabilities, lease payments 2022	Interest expenses	Current liabilities	Non-current liabilities	Current lease payments
	KEUR	KEUR	KEUR	KEUR
Leases for buildings	276	3,002	13,111	263
Leases for motor vehicles	52	1,328	1,170	70
Leases for printers, servers, hardware and miscellaneous	2	28	32	7
Total	**330**	**4,358**	**14,313**	**340**

Interest expenses, liabilities, lease payments 2021	Interest expenses	Current liabilities	Non-current liabilities	Current lease payments
	KEUR	KEUR	KEUR	KEUR
Leases for buildings	237	3,004	10,756	231
Leases for motor vehicles	52	1,521	1,290	63
Leases for printers, servers, hardware and miscellaneous	1	34	26	16
Total	**290**	**4,559**	**12,072**	**310**

Cash outflows	2021	2022	2023	2024-2027	from 2028
	KEUR	KEUR	KEUR	KEUR	KEUR
Leases for buildings	3,441	3,584	3,283	8,741	5,154
Leases for motor vehicles	2,026	1,957	1,329	1,183	-
Leases for printers, servers, hardware and miscellaneous	80	41	30	34	-
Total	**5,547**	**5,582**	**4,642**	**9,958**	**5,154**

15. CONTRACT ASSETS

Contract assets		31/12/2022
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Gross total	5,439	-
Risk provisions according to IFRS 9	-77	-
Total	**5,362**	**-**

Contract assets		31/12/2021
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Gross total	2,256	-
Risk provisions according to IFRS 9	-22	-
Total	**2,234**	**-**

For the determination of risk provisions, see Note 29.

16. DEFERRED TAXES

Deferred tax assets and liabilities were settled in accordance with IAS 12.

As at 31/12/2022, no deferred tax liabilities were recognised on gains received from subsidiaries or companies valued at equity because the Group assumed that the profits that have not yet been distributed will not be distributed in the foreseeable future. Furthermore, the amount of taxes resulting for the Group is insubstantial in the case of distribution to the parent company under the German tax system.

Corporate income tax loss carryforwards amounted to KEUR 1,005 (previous year: KEUR 514) domestically, in addition to trade tax loss carryforwards, which amounted to KEUR 979 (previous year: KEUR 237. Foreign Group companies reported tax loss carryforwards amounting to KEUR 717 (previous year: KEUR 409). Loss carryforwards in the total volume amounted to KEUR 26 (previous year: KEUR 26), which have been assessed as non-utilisable (corporate income tax KEUR 26 (previous year: KEUR 26), trade tax KEUR 0 (previous year: KEUR 0)). Of which a total of KEUR 26 (previous year: KEUR 26) can be carried forward indefinitely without any restrictions.

Presentation of the causes of deferred tax assets and liabilities:

		Group – Balance Sheet		Group – P&L
	31/12/2022	31/12/2021	01/01/2022-31/12/2022	01/01/2021-31/12/2021
	KEUR	KEUR	KEUR	KEUR
Deferred tax assets				
Tax loss carryforwards	470	385	51	-975
Measurement differences for tax goodwill	4	4	-	-
Measurement differences for pensions	1,540	3,220	-270	-287
Measurement differences for provisions	105	101	7	-94
Measurement differences for securities	-	-	-	-88
Other	54	-	57	-
	2,173	**3,710**	**-155**	**-1,444**
Settlement with deferred tax liabilities / expenses	-1,058	-922	155	1,444
Total deferred tax assets	**1,115**	**2,788**	**-**	**-**
Deferred tax liabilities				
Development Costs	2,309	2,977	647	477
Measurement differences for receivables	163	101	-51	-3
Technology / expertise	7,316	7,879	1,202	1,133
Project orders	-536	-99	445	626
Property and buildings	114	127	13	2
Other liabilities	335	300	-25	347
	9,701	**11,285**	**2,231**	**2,582**
of which settled with deferred tax receivables/income	-1,058	-922	-155	-1,444
Total deferred tax liabilities	**8,643**	**10,363**	**2,076**	**1,138**

	2022	2021
	KEUR	KEUR
Adjustment of deferred taxes as profit or loss	2,076	1,138
Adjustment of deferred taxes entered in other comprehensive income under pension provisions	-1,620	-692
Adjustment of deferred taxes entered in other comprehensive income due to currency translations	78	104
Inflows and outflows of deferred taxes in the context of inflows to consolidated companies	-487	-1,619
Adjustments to deferred taxes in balance sheet items	**47**	**-1,069**

17. OTHER FINANCIAL ASSETS AND CURRENT FINANCIAL ASSETS

Other financial assets and current financial assets comprise the following:

	31/12/2022	
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Other financial assets		
Loans to employees and third parties	40	20
Security deposits	499	314
Travel expense advances	49	-
Fixed deposit account	90,442	-
Miscellaneous	491	49
Total other financial assets	**91,521**	**383**

	31/12/2021	
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Other financial assets		
Loans to employees and third parties	65	-
Security deposits	275	337
Travel expense advances	57	-
Miscellaneous	130	56
Total other financial assets	**526**	**393**

Please refer to Note 28 for the calculation of risk provisions for other financial assets.

As of 31/12/2022, Other financial assets include various time deposits in the amount of KEUR 90,000, which do not meet the criteria of IAS 7.7 and are therefore reported under Other financial assets; there is also realized interest in the amount of KEUR 442.

18. INVENTORIES

Inventories are composed of the following:

	31/12/2022	31/12/2021
	KEUR	KEUR
Finished good and services	865	1,691
Advance payments	129	—
	994	**1,691**

No impairment losses or gains were recognised in the reporting year, as in the previous year. There are no inventories that have been accounted for at the net realisable price in the current fiscal year.

19. TRADE AND OTHER RECEIVABLES

	2022	2021
	KEUR	KEUR
Gross carrying amount	43,886	37,754
Risk provisions according to IFRS 9	–951	–1,097
Revenue adjustment for items still under clarification	–4,781	–4,727
Total	**38,154**	**31,930**

Non-current receivables with a payment due date of over one year amounting to KEUR 24 (previous year: KEUR 29) were listed under trade and other receivables.

Trade and other receivables in the amount of KEUR 517 (previous year: KEUR 336) were derecognised in the fiscal year 2022. Incoming payments on derecognised receivables amounted to KEUR 123 (previous year: KEUR 15). Trade and other receivables were impaired with a nominal value of KEUR 5,732 (previous year: KEUR 5,824) on 31/12/2022.

20. OTHER NON-FINANCIAL ASSETS

Other non-financial assets are composed of the following:

	31/12/2022	31/12/2021
	KEUR	KEUR
Prepaid expenses and deferred income	1,658	1,142
Receivables within the scope of social security	37	13
Advanced payments	310	24
Value added tax	91	224
Wage and salary advances	54	49
Other	20	149
Total other non-financial assets	**2,170**	**1,601**

In the 2021 Consolidated Financial Statement, income tax receivables in the amount of KEUR 2,069 were reported under Other non-financial assets; they are reported as separate items in the 2022 Consolidated Financial Statement.

21. RECEIVABLES FROM INCOME TAXES

Receivables from income taxes are composed of the following:

	31/12/2022	31/12/2021
	KEUR	KEUR
Income tax receivables	1,465	2,069
Total Income tax receivables	**1,465**	**2,069**

In the 2021 Consolidated Financial Statement, income tax receivables in the amount of KEUR 2,069 were reported under Other non-financial assets; they are reported as separate items in the 2022 Consolidated Financial Statement.

22. EQUITY

Equity amounted to KEUR 238,946 (previous year: KEUR 142,403) on the reporting date. Please refer to the statement of changes in Group equity for more information.

a) __ Subscribed Capital

As at 31/12/2022, subscribed capital is split into 17,274,695 (previous year: 15,814,695) in no-par value bearer shares with a theoretical par value of EUR 1.00 each and paid in the full amount. There are no other classes of shares. All shares are ordinary shares and grant the same rights provided for by law.

b) __ Capital Reserves

Capital reserves primarily comprise surcharges from the capital increase in the fiscal year 2000 associated with the IPO of Nexus AG in addition to the increase of the capital reserves in the amount from the issuance of new shares against a non-cash capital contribution as well as the exercise of stock options by Executive Board members, members of the management of subsidiaries and employees of the NEXUS Group. The directly attributable expenses incurred within the context of the cash capital increase and capital increase through contributions in kind were settled with capital reserves. With regard to the share-based payment, we refer to the Note 27.

c) __ Retained Earnings

Retained earnings include profit carryforwards, other retained earnings, statutory reserves and consolidated net income.

d) __ Accumulated Other Comprehensive Income

The equity difference from foreign currency translation results from differences incurred by the currency translation of the annual financial statements of foreign subsidiaries. The pension provisions include actuarial accumulated gains and losses from the measurement of pension provisions after the settlement of deferred taxes.

	Revaluation from pension plans recognized in equity	Deferred taxes on revaluation from pension plans recognized in equity	Currency translation differences	Deferred taxes on currency translation differences	Total
	KEUR	KEUR	KEUR	KEUR	KEUR
01/01/2021	-13,600	2,030	855	46	-10,669
Actuarial profit / loss 2021	4,440	—	—	—	4,440
Deferred taxes on revaluation from pension plans recognized in equity	—	–691	—	—	–691
Deferred taxes Foreign currency differences	—	—	—	104	104
Foreign currency differences on revaluation from pension plans recognized in equity	—	—	–699	—	–699
Changes in unrealized gains/losses	—	—	688	—	688
31/12/2021	**–9,160**	**1,339**	**844**	**150**	**–6,827**
01/01/2022	-9,160	1,339	844	150	-6,827
Actuarial profit / loss 2022	9,543	—	—	—	9,543
Deferred taxes on revaluation from pension plans recognized in equity	—	–1,617	—	—	-1,617
Deferred taxes Foreign currency differences	—	—	—	78	78
Foreign currency differences on revaluation from pension plans recognized in equity	—	—	–565	—	-565
Changes in unrealized gains/losses	—	—	1,387	—	1,387
31/12/2022	**383**	**–278**	**1,666**	**228**	**1,999**

e) __ Authorised Capital

In partial utilization of the authorization, resolved on 27/04/2021 by the Annual Meeting of Nexus AG and still available after partial utilization, to increase the share capital of the company once or several times in the period up to 31/03/2026 by up to a total of EUR 3,037,536.00 with the approval of the Supervisory Board by issuing new bearer shares (no-par value bearer shares) denominated in the bearer against cash and / or non-cash contributions (Authorized Capital 2021), the Executive Board decided on 30/08/2022 with the approval of the Supervisory Board on the same day to increase the share capital of the company against cash contributions, excluding the subscription rights of the shareholders, from currently EUR 15,814,695.00 by EUR 1,450,000.00 to up to EUR 17,264,695.00 against cash contributions by issuing up to 1,450,000 new no-par value bearer shares with a pro rata amount of EUR 1.00 per share. All new shares were offered for subscription only to employees of the company and affiliated companies of the company. The registration of the implementation of the capital increase was made in the commercial register in Freiburg i. Br. (Commercial Register No. 602434) on 05/09/2022. Capital stock increased by EUR 1,450,000.00 to EUR 17,264,695.00. As a result, authorized capital 2021 is still EUR 1,587,536.00 after partial exploitation. The selling price amounted to a total of EUR 72,500,000.00, and the proceeds from the sale (EUR 71,050,000.00) were allocated to capital reserves.

In partial utilization of the authorization, resolved on 27/04/2021 by the Annual Meeting of Nexus AG and still available after partial utilization, to increase the share capital of the company once or several times in the period up to 31/03/2026 by up to a total of EUR 1,587,536.00 with the approval of the Supervisory Board by issuing new bearer shares (no-par value bearer shares) denominated in the bearer against cash and / or non-cash contributions (Authorized Capital 2021), the Executive Board decided on 10/11/2022 with the approval of the Supervisory Board on the same day to increase the share capital of the company against cash contributions, excluding the subscription rights of the shareholders, from currently EUR 17,264,695.00 by EUR 37,000.00 to up to EUR 17,301,695.00 against cash contributions by issuing up to 37,000 new no-par value bearer shares with a pro rata amount of EUR 1.00 per share. The registration of the implementation of the capital increase was made in the commercial register in Freiburg i. Br. (Commercial Register No. 602434) on 30/11/2022. Capital stock increased by EUR 10,000.00 to EUR 15,774,695.00. As a result, authorized capital 2021 is still EUR 1,577,536.00 after partial exploitation. The selling price amounted to a total of EUR 624,000.00, and the proceeds from the sale (EUR 614,000.00) were allocated to share capital.

No significant additional costs were incurred as part of both capital increases.

f) __ Contingent Capital and Stock Option Plans (SOP)

The Group's contingent capital was increased by EUR 1,400,000.00 with the resolution of the Annual General Meeting on 23/05/2012. The capital stock was raised conditionally corresponding to execution of a stock option program by EUR 1,400,000.00 bearer shares. Contingent capital in the amount of KEUR 1,400,000.00 was canceled (contingent capital 2012) with the annual general meeting resolution of 29/04/2022. The contingent capital amounted to KEUR 0.00 (previous year: KEUR 1,400,000.00) in the fiscal year.

g) __ Own shares

The own shares were deducted with the total procurement costs in one sum from equity (cost method). As of 31/12/2022, the value of the own shares was KEUR -2,533 according to the cost method. The company may not use this empowerment to purchase its own stocks for the purpose of trading with its own stocks.

The buy-back was made via a share buy-back program, which the Executive Board approved with the consent of the Supervisory Board on 25/10/2016 decided. In the fiscal year 2016, share certificates without a par value were acquired at acquisition costs of KEUR 296. In the fiscal year 2017, 10,321 share certificates without a par value were acquired at a cost of KEUR 240. In the fiscal year 2018, 52,579 share certificates without a par value were purchased at a price of KEUR 1,345. In the fiscal year 2019, 16,602 share certificates without a par value were purchased at a price of KEUR 424. In the fiscal year 2020, 15,401 share certificates without a par value were purchased at a price of KEUR 699. In the fiscal year 2021, 11,118 share certificates without a par value were purchased at a price of KEUR 782. In the fiscal year 2022, 35,000 share certificates without a par value were purchased at a price of KEUR 2,161.

The development of own shares can be found in the table below:

Granting of authorisation in the Annual General Meeting on ...	Authorisation valid until ...	Maximum buy-back volumes of max. 10 % of the share capital (in no-par value shares)	Fiscal year in which the transaction occurred	Buy-back (+)/issuance (-) (of no-par value shares)
			Inventory as at 01/01/2016	4,760
18/05/2015	30/04/2020	1,573,566	2016	-4,844
			2016	16,056
			2017	-1,100
			2017	2,699
12/05/2017	30/04/2022	1,573,566	2017	-1,637
			2017	7,622
			2018	-36,750
			2018	52,579
			2019	-52,727
			2019	16,602
			2020	-14,253
			2020	15,401
			2021	-2,281
			2021	11,118
			2022	-2,806
			2022	35,000
			Inventory as at 31/12/2022	**45,439**

__ Capital management

The goal of capital management is to maintain the financial standing of the Group in addition to assuring the required financial flexibility in the long term. The equity ratio is also used to measure the financial security of the Group. The ratio is calculated by dividing total equity reported in the balance sheet by total assets. Accordingly, the finance structure is characterised by a conservatively reported capital structure dominated by internal financing. The equity ratio is 69.4% (previous year: 57.6%) on the balance sheet date. Debt financing almost exclusively pertains to liabilities resulting from business operations. There are no interest-bearing current financial liabilities.

To be able to realize larger acquisitions in the coming years, we implemented a capital increase of 9.17% in 2022, with which we received a total of KEUR 72,500. The new funds are to be used for further growth and be invested especially in internationalization and product innovations. We have decided on the cash capital increase to the exclusion of the subscription right to be able to win a long-term oriented core stockholder.

In May 2022, a dividend of EUR 0.20 was paid on the 15,766,450 no-par value bearer shares with dividend rights. A dividend pay-out of EUR 0.21 per no-par value bearer share with dividend rights was proposed for the fiscal year 2022.

23. PENSION OBLIGATIONS

Pension provisions have been accrued for Nexus / IPS GmbH, NEXUS / CLOUD IT GmbH and for the direct pension obligations (direct commitments) taken on from Forest Gesellschaft für Products & Services mbH as of 30/09/2000, as well as for the pension obligations taken on from NEXUS / ENTERPRISE SOLUTIONS and NEXUS SWISSLAB GmbH. The pension obligations of Nexus AG (direct commitment) are congruently covered by a plan assets (reinsurance).

The majority of defined benefit plans in Germany pertain to pension plans based on bargaining agreements from the pension obligations taken on from NEXUS SWISSLAB GmbH. The provision of the pension benefit is contingent on prerequisites such as the period of employment. The pension contribution amounts to 3.5% of the pensionable remuneration that does not exceed the standard income threshold of general pension insurance, in addition to 13.5% of the part of pensionable remuneration that exceeds the standard income threshold of general pension insurance. 95% of the pension contribution and deferred compensation amount is used to purchase shares in funds to finance the guaranteed pension capital. 5% of the pension contribution and deferred compensation amount is debited to a risk compensation account. The guaranteed pension capital constitutes the minimum benefit owed by NEXUS SWISSLAB GmbH. 1% of the respective pensionable remuneration must be contributed as deferred compensation during the contribution period. The contributions are paid into a pension plan established at Pensionstreuhand e.V. solely for the purpose of the occupational pension plan.

The defined benefit plans in Switzerland pertain to the pension plans according to the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). These plans represent complete insurance policies, in which an insurance provider is responsible for all actuarial risks, including capital market risks, at least temporarily. The retirement benefits in the pension plans for the respective companies are based on a defined contribution plan with a guaranteed minimum interest rate and defined conversion rate, which determines benefits in the case of death and disability in a percentage of the insured salary.

The pension plan grants benefits that exceed the statutory minimum benefits under the Federal War Victims Relief Act (BVG). The pension plan must be fully funded on the basis of a static valuation in accordance with the provisions of the BVG. In the event of underfunding, the pension fund must take restructuring measures, such as providing for additional employee and employer contributions or a reduction in benefits. The pension plan providers are legal entities and responsible for managing the pension plan.

At the Swiss company Creativ Software AG, there were plan changes regarding the reduction of the conversion rates in 2022. Past service cost was recognized immediately in other income and amounted to KCHF -37 (previous year: KCHF -2,052 concerning NEXUS Schweiz AG, highsystems AG and Creativ Software AG).

In the 2022 fiscal year, the pension obligations of oneICT AG, Wallisellen, and Heimsoft Solutions AG, Zollikofen, were added in Switzerland.

In the Netherlands, the performance-oriented pension plan expired on 31/12/2017 and was changed to a contribution-oriented pension plan with effect from 01/01/2018. As a result of the adjustments to the pension plan, a defined benefit obligation matched by plan assets in the same amount exists on the reporting date.

The level of benefits for pension commitments taken on is based on the number of years of employment and the respective salary of the employee entitled to benefits. The provision has been established for payable benefits in the form of old-age pensions, disability pensions and survivor's pensions. It pertains to unchallengeable claims.

Plan assets similarly exist for obligations in Switzerland and for three companies in Germany and the Netherlands.

The defined benefit plans put pressure on the Group in terms of actuarial risk, namely longevity, currency, interest rate and market (investment) risks.

__ Financing

Whilst the domestic pension obligations, with the exception of Nexus AG, NEXUS / ENTERPRISE SOLUTIONS GmbH and NEXUS SWISSLAB GmbH are financed by the company, the obligations in the Netherlands and Switzerland as well as in Nexus AG, NEXUS / ENTERPRISE SOLUTIONS GmbH and NEXUS SWISSLAB GmbH are managed and financed by insurance companies. The funding requirements are based on the actuarial funding method.

__ Calculation Principles

Pensions are calculated on the basis of recognised actuarial principles using the projected unit credit method. The calculation of the pension obligations takes into account market interest rates as well as wage, salary and pension increases. In Germany, the reference tables 2018 G (Verlag Heubeck-Richttafeln-GmbH, Cologne), which include the likelihood of death, disability and being married at the time of death, are used as the biometric bases for calculation. In Switzerland, the statistics for the years 2015-2019 based on the 2020 BVG tariff are used as a basis.

In the Netherlands, the Royal Dutch Actuarial Association (AG) projection table 2022 was applied with mortality experience adjustments.

The table below shows the basis for the valuation:

	2023 1)	2022	2021
	%	%	%
Actuarial interest rate (DE)	4.26	4.26	1.65
Interest rate (NL)	4.20	4.20	1.50
Interest rate (CH)	2.00	2.00	0.40
Average labour turnover rate (DE)	-	-	-
Average labour turnover rate (NL)	-	-	-
Average labour turnover rate (CH)[2]	1,7-31,0	1,7-31,0	1,7-31,0
Wage and salary increase (DE)	1.29	1.29	1.29
Wage and salary increase (NL)	-	-	-
Wage and salary increase (CH)	1.20	1.20	0.50
Annual increase in current pensions (DE)	1.43	1.43	1.11
Annual increase in current pensions (NL)	-	-	-
Annual increase in current pensions (CH)	-	-	-

1) Basis for the sensitivity analysis.

2) The assumption of the likelihood of leaving the company includes age-dependent gradation. This is 31.0% at the age of 20 and is then gradually lowered until age 60, when the likelihood that an employee leaves the company is 1.7%.

On 31/12/2022, the weighted average term of defined benefit obligations was 22 years in Germany (previous year: 28 years), 19 years in the Netherlands (previous year: 23 years), and 16 years in Switzerland (previous year: 18 years).

__ Change in Net Liabilities from Defined Benefit Obligations

The changes in the present values of defined benefit obligations and the plan assets are as follows:

	2022	2021
	KEUR	KEUR
Present value of the obligation at the start of the reporting period	75,404	69,954
Recognised in profit or loss		
Current service cost	1,527	1,741
Past service cost	-38	-1,986
Interest cost	587	449
Recognised in other comprehensive income		
Actuarial gains (–) / losses (+) from		
– demographic assumptions	172	-2,588
– financial assumptions	-19,226	-2,054
– empirical adjustments	737	402
Currency changes	2,515	2,105
Miscellaneous		
Accrual of pension obligations	1,432	8,559
Paid benefits and departures	-1,982	-1,986
Employee contributions	1,409	1,234
Administrative costs	-501	-426
Present value of the obligation at the end of the reporting period	**62,036**	**75,404**

The actuarial gains (-) / losses (+) mainly result from a change in the demographic assumptions with regard to changed resignation, death and disability probabilities in accordance with the BVR 2020 tariff the pension plans in Switzerland.

	2022	2021
	KEUR	KEUR
Fair value of the plan assets at the start of the reporting period	59,109	51,136
Recorded in profit or loss		
Interest income	498	402
Recorded in other comprehensive income		
Income (+) / (-) expenses from plan assets without interest income	-8,571	497
Currency changes	1,767	1,291
Miscellaneous		
Accrual of plan assets	1,085	5,879
Employer contributions	1,502	1,348
Employee contributions	1,409	1,234
Lump-sum payments	-1,949	-1,944
Administrative costs	-699	-734
Fair value of the plan assets at the end of the reporting period	**54,151**	**59,109**

	2022	2021
	KEUR	KEUR
Present value of the externally financed obligations	61,240	74,299
Fair value of the plan assets	54,151	59,109
Deficit	7,089	15,190
Present value of the internally financed obligations	796	1,105
Funding status	7,885	16,295
Reported pension liabilities	7,885	16,295
of which reported as pension provisions	7,885	16,295

The obligation is divided into the following groups of participants:

	2022	2021
	KEUR	KEUR
Current employees	7,020	14,988
Employees who have left the company with vested benefits	276	462
Retirees	589	845
	7,885	**16,295**

Actuarial gains (-) and losses (+) amounting to KEUR -9,556 (previous year: KEUR -4,447) were recognised in other comprehensive income in 2022 before adjustment for deferred taxes. Accumulated actuarial losses were recognised as KEUR 1,407 (previous year KEUR 10,397) less deferred taxes in other comprehensive income.

The total expenditure for defined benefit employer's pension commitments, which are listed under staff costs, includes the following:

	2022	2021
	KEUR	KEUR
Current and past service costs	1,489	-245
Interest cost	587	449
Interest income from plan assets	-498	-402
Administrative costs	19	18
Net pension expenditure	**1,597**	**-180**

The table below shows the development of the defined benefit plans over the last five financial years, including adjustments based on experience:

The effective return on plan assets amounted to KEUR -8,072 (previous year: KEUR 899) on the balance sheet date. The plan assets account for the Swiss plans in addition to NEXUS Nederland B.V., Nexus AG, NEXUS / ENTERPRISE SOLUTIONS GmbH and NEXUS SWISSLAB GmbH, and are composed of claims against pension plans.

The plan assets in the Netherlands, Switzerland and Germany are as follows:

	2022	2021
	KEUR	KEUR
Bond	29,247	41,673
Real estate	8,739	5,720
Shares	8,934	4,298
Liquid assets and fixed deposits	2,970	3,302
Miscellaneous	4,261	4,116
Total	**54,151**	**59,109**

	2022	2021	2020	2019	2018
	KEUR	KEUR	KEUR	KEUR	KEUR
Present value of pension obligations	62,036	75,404	69,954	66,322	51,118
Fair value of the plan assets	54,151	59,109	51,136	49,124	40,280
Plan deficit	7,885	16,295	18,818	17,198	10,838
Empirical adjustments to the pension obligations	737	402	194	1,695	324
Empirical adjustments to the plan assets	-8,749	207	-171	4,735	-589

The empirical adjustment of the pension obligations amounted to KEUR 737 (previous year: TEUR 402) and to KEUR -8,749 (previous year: KEUR 207) for the plan assets. In Germany, the social pension fund is considered a defined contribution pension plan. The expenses recognised under statutory pension insurance for employees subject to social insurance contributions amounted to KEUR 4,257 in the fiscal year (previous year: KEUR 4,142). Expenses were also incurred for other defined contribution plans for Executive Board members amounting to KEUR 107 (previous year: KEUR 117) in the fiscal year. These pertain to provident fund commitments.

__ Sensitivity Analysis

If other assumptions had remained constant, the possible changes on the reporting date may have influenced the defined benefits plans in the following amounts based on one of the significant actuarial assumptions. We assume that the factors of turnover rate and mortality are not subject to any substantial volatility due to the duration of the key obligations. As such, we have not concluded a sensitivity analysis in this regard.

The table below shows the effects of valuation parameters on the defined benefit obligation:

	2022	2021
Change of the obligation	KEUR	KEUR
Current assumption as of 31/12/		
Total obligations	62,036	75,404
Externally financed obligations	61,240	74,299
Internally financed obligations	796	1,105
Discounting interest rate +0.5 PP	-5,345	-7,193
Discounting interest rate -0.5 PP	2,703	7,434
Wage increase rate +0.5 PP[1)]	762	880
Wage increase rate -0.5 PP[1)]	-800	-882
Wage increase rate +0.5 PP[2)]	-1,525	-409
Wage increase rate -0.5 PP[2)]	-1,527	-415
Pension increase +0.5 PP[3)]	1,685	4,837
Pension increase -0.5 PP[3)]	-4,590	-5,281

PP = Percentage points

[1)] Due to the assumption of 0% annual salary increases in Germany (with the exception of NEXUS SWISSLAB GmbH) and Netherlands, the sensitivity analysis only pertains to the salary increase rate for externally financed obligations in the Netherlands and Switzerland.

[2)] The stated amounts solely pertain to the pension obligations of NEXUS SWISSLAB GmbH.

[3)] Due to the assumption of annual pension increases of 0% in Netherlands, the result only pertains to domestic obligations and those from Switzerland.

Despite the fact that this analysis does not account for the complete distribution of the projected cash flows according to the plan, it nevertheless provides an approximate value for the sensitivity of the assumptions given. The impact on the projected cash flows in subsequent periods from internal financial commitments is of less importance.

For the fiscal year 2023, pension expenditures of KEUR 1,411, a present value of obligations amounting to KEUR 65,066 and a future value of the plan assets of KEUR 55,980 are forecast.

Employee benefits paid directly by the employer are projected to reach KEUR 276. The projected contributions to the plan assets are forecast to amount to KEUR 1,549 in 2023.

The table below provides an overview of the maturities of the expected benefit obligations over the next ten years.

	31.12.2022	Within 1 year	Within 1 to 5 years	After more than 5 years
Maturity analysis	KEUR	KEUR	KEUR	KEUR
Expected performance obligations	23,634	1,582	8,932	13,120

Active risk management in connection with the benefits plan is currently not implemented due to the manageable risks for the entire group.

24. LIABILITIES

The liabilities in terms of maturity are as follows:

		31/12/2022
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Accruals	15,793	-
- Salary obligations	10,429	-
- Miscellaneous	5,364	-
Other non-financial liabilities[1] [2]	3,843	-
- Other taxes	3,843	-
Trade and other payables	9,989	-
Contract liabilities[1]	16,610	-
Other financial liabilities	1,548	8,716
Income tax liabilities	9,060	-
Lease liabilities	4,358	14,313
Total	**61,201**	**23,029**

1) The deferred revenue are presented in the 2022 Consolidated Financial Statement under Contract liabilities.

2) In the 2021 Consolidated Financial Statement, income tax liabilities in the amount of KEUR 4,227 are reported in the item Other non-financial liabilities; they are reported as a separate item in the 2022 Consolidated Financial Statement.

		31/12/2021
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Accruals	13,399	-
- Salary obligations	8,722	-
- Miscellaneous	4,677	-
Other non-financial liabilities[1] [2]	7,510	-
- Other taxes	7,510	-
Trade and other payables	5,043	-
Contract liabilities[1]	13,859	-
Other financial liabilities	5,384	6,211
Income tax liabilities[2]	4,227	-
Lease liabilities	4,559	12,072
Total	**53,981**	**18,283**

1) In order to improve comparability, the deferred income of KEUR 9,812has been reclassified from Other non-financial liabilities to Contractual liabilities.

2) In the 2021 Consolidated Financial Statement, income tax liabilities in the amount of KEUR 4,227 are reported in the item Other non-financial liabilities; they are reported as a separate item in the 2022 Consolidated Financial Statement.

Income tax liabilities pertain to effective tax liabilities for the current period and previous periods. They are assessed on the basis of the amount projected to be paid to the tax authorities. The tax rates and regulations that apply on the balance sheet date in the respective country are taken as a basis for the calculation of this amount.

Revenue deferrals are required if the performance period for the recognition of revenues for software maintenance deviates from the fiscal year. The deferred revenue is then recognised in profit or loss over the performance period in the subsequent fiscal year.

Other taxes mainly concern sales, wage and church taxes as well as social security contributions.

Contract liabilities primarily pertain to advances received from customers. The other financial liabilities relate exclusively to liabilities from purchase prices.

As in the previous year, other financial liabilities relate to purchase price obligations arising from company acquisitions.

The following table shows the book value development of the purchase price obligations in the reporting year:

	KEUR
Status of contingent purchase price payments as at 01/01/2022	11,595
Disposal due to payment of the pro rata payment purchase price liability of osoTec GmbH	-448
Disposal due to payment of the pro rata payment purchase price liability of RVC Medical IT Holding B.V.	-30
Disposal due to payment of the remaining purchase price liability of Creativ Software AG	-2,533
Disposal due to payment of the remaining purchase price liability of NEXUS POLSKA Sp. zo. o.	-1,491
Disposal due to payment of the remaining purchase price liability of SINAPSI Sagl	-123
Accruals due to compounding	96
– OneICT AG[1)]	34
– ANT Informatik AG[1)]	31
– highsystem ag[1)]	11
– osoTec GmbH[1)]	10
– Sophrona Solutions Inc[1)]	3
– RVC Medical IT Holding B.V.	3
– ITR Software GmbH	3
– HeimSoft Solutions AG[1)]	1
Increase in the purchase price liability due to changes in the estimates related to	632
– ITR Software GmbH	571
– highsystem ag	58
– oso Tec GmbH	3
Reduction in the purchase price liability due to changes in the estimates related to	-1,435
– NEXUS POLSKA Sp. z o. o.	-773
– RVC Medical IT Holding B.V.	-465
– OneICT AG	-143
– On-LAB	-38
– SINAPSI Sagl	-16
Accruals due to company acquisitions	3,728
Adjustments due to exchange rate changes	273
Status of contingent purchase price payments as at 31/12/2022	**10,264**

1) Inclusive exchange rate effects

	KEUR
Status of contingent purchase price payments as at 01/01/2021	13,306
Disposal due to payment of the remaining purchase price liability of NEXUS AEGERUS SL	-150
Disposal due to payment of the remaining purchase price liability of ASTRAIA Software GmbH	-1,142
Disposal due to payment of the remaining purchase price liability of NEXUS SWISSLAB GmbH	-2,500
Disposal due to the derecognition in profit or loss due to the pro rata payment of NEXUS POLSKA Sp. z o.o.	-1,268
Accruals due to compounding	99
– highsystem ag[1)]	10
– RVC Medical IT Holding B.V.	4
– NEXUS AEGERUS SL	4
– ITR Software GmbH	2
– Nexus Swisslab GmbH	7
– NEXUS POLSKA Sp. z o. o.[1)]	26
– Sophrona Solutions Inc[1)]	3
– ANT Informatik AG[1)]	21
– SINAPSI Sagl[1)]	1
– osoTec GmbH[1)]	10
– Creativ Software AG[1)]	11
Increase in the purchase price liability due to changes in the estimates related to	1,350
– RVC Medical IT Holding B.V.	410
– highsystem ag	72
– ASTRAIA Software GmbH	178
– NEXUS POLSKA Sp. z o.o.	619
– oso Tec GmbH	71
Reduction in the purchase price liability due to changes in the estimates related to	-854
– ANT Informatik AG	-291
– NEXUS AEGERUS SL	-243
– Creativ Software AG	-320
Accruals due to company acquisitions	2,953
Adjustments due to exchange rate changes	-199
Status of contingent purchase price payments as at 31/12/2021	**11,595**

1) Inclusive exchange rate effects

25. PROVISIONS

Provisions are composed of the following:

	As at 01/01/2022	Additions from business combinations	Currency changes	Utilization2022	Reversal 2022	Additions 2022	As at 31/12/2022
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Services yet to be rendered	4,359	51	142	2,778	—	2,230	4,004
Remaining provisions	1,657	57	2	582	753	107	488
	6,016	**108**	**144**	**3,360**	**753**	**2,337**	**4,492**

The payments still to be made pertain to risks in the project business from impending follow-up costs, which are calculated based on empirical values and the costs still to be expected. Use of them is expected in the coming year.

26. CASH FLOW STATEMENT

The Consolidated Cash Flow Statement shows how cash and cash equivalents changed due to inflows and outflows in the reporting year. The Consolidated Cash Flow Statement is structured according to payment flows from current transactions, investments and financing activity. The cash flow from current business transactions is determined according to the indirect method.

The funds balance is composed for the balance sheet items cash and cash equivalents in the amount of KEUR 20,019 (previous year KEUR 26,172). Only insignificant cash and cash in banks are included.

The following tables show a reconciliation of liabilities from financing activities.

	01/01/2022	Cash changes	Business combi-nations	Differences from foreign currency translation	Change in fair value	Changes in leases	Effective interest rate method	Miscellan-eous	31/12/2022
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Other financial liabilities	11,595	-4,625	3,728	272	-803	-	96	-	10,263
Lease liabilities	16,631	-5,252	197	477	-	6,618	-	-	18,671
Liabilities from financing activities	**28,226**	**-9,877**	**3,925**	**749**	**-803**	**6,618**	**96**	**-**	**28,934**

	01/01/2021	Cash changes	Business combi-nations	Differences from foreign currency translation	Change in fair value	Changes in leases	Effective interest rate method	Miscellan-eous	31/12/2021
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Financial liabilities	-	-701	701	-	-	-	-	-	-
Other financial liabilities	13,306	-2,410	2,953	-199	496	-	99	-2,650	11,595
Lease liabilities	13,154	-4,946	175	75	-	8,173	-	-	16,631
Liabilities from financing activities	**26,460**	**-8,057**	**3,829**	**-124**	**496**	**8,173**	**99**	**-2,650**	**28,226**

27. SEGMENTED REPORTING BY OPERATION

According to IFRS 8, operating segments must be separated on the basis of internal controlling and reporting.

In the fiscal year 2022, the segments were redefined due to a change in management's internal control and reporting level. The companies of the NEXUS / CMS (NEXUS /CLOUD IT GmbH and NEXUS / ENTERPRISE SOLUTIONS GmbH) business units previously assigned to the Healtcare Service business segment were realigned in the fiscal year and integrated into the NEXUS / DE business unit in the Healthcare Software business segment. The new segments form the previous business units of the Healthcare Software business segment: segments NEXUS / DE, NEXUS / DIS and NEXUS / ROE.

As the highest decision-making body in the Group, the Nexus AG Executive Board is responsible for monitoring the profitability of the Group and makes its decisions on the allocation of resources based on the business units NEXUS / DE (Germany), NEXUS / DIS (Diagnostic systems), NEXUS / ROE (Rest of Europe). These business units are accordingly regarded as the operative segments as per IFRS 8. The legal units included in the consolidated financial statements are also each allocated in full to a business unit. Each business unit therefore comprises one or more legal units.

The NEXUS / DE segment develops and distributes software solutions for the healthcare sector in the administrative and medical sectors for the German market. In the NEXUS / DIS segment, diagnostic software solutions are developed and distributed for both the German and international markets. The NEXUS / ROE segment develops and distributes software solutions for the healthcare sector in the administrative and medical sectors for the international market. The economic development of these segments reacts uniformly to external influences.

Management uses the respective segment earnings and revenues to determine planning for the segments.

The accounting policies for the segments with mandatory reporting correspond to the same accounting policies as external reporting. Transactions between segments are settled at customary market conditions.

The revenue and earnings as well as segment assets and liabilities are presented for the individual Group segments subject to mandatory reporting:

The geographic segments of the Group are determined according to the location of the Group's assets. Sales to external customers, which are entered in the respective geographic segments, are listed in the individual segments according to the geographic locations of the customers.

The geographic segments are as follows:

	2022	2021
	KEUR	KEUR
Revenue		
Germany	112,150	103,044
Switzerland / Lichtenstein	43,420	37,055
The Netherlands	24,306	21,321
Poland	8,831	8,985
France	6,915	6,632
Austria	4,955	3,302
Other regions	8,551	7,839
	209,128	**188,178**
Fixed assets		
Germany	89,994	86,733
The Netherlands	38,411	40,220
Switzerland	36,981	32,813
Poland	7,391	7,714
France	3,170	3,327
Spain	3,299	3,432
USA	3,725	3,643
Austria	42	55
	183,013	**177,937**

Reporting according to business segment	NEXUS / DE		NEXUS / DIS		NEXUS / ROE		Consolidation		Group	
	2022	2021 1)	2022	2021	2022	2021	2022	2021	2022	2021
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	KEUR	KEUR	KEUR	KEUR
Revenue										
Sales to third parties	67,119	62,723	46,513	40,786	95,496	84,669	-	-	209,128	188,178
– Services and software maintenance	50,761	47,030	30,546	28,113	78,131	70,260	-	-	159,438	145,403
– Licenses	14,847	10,984	10,252	8,909	11,540	10,259	-	-	36,639	30,152
– Supplies	1,511	4,709	5,715	3,764	5,825	4,150	-	-	13,051	12,623
Sales between segments	2,796	1,893	4,653	3,506	2,094	1,860	-9,543	-7,259	-	-
Segment revenues	69,915	64,616	51,166	44,292	97,590	86,529	-9,543	-7,259	209,128	188,178
EBIT	10,097	5,963	7,203	6,773	10,488	11,378	-	-	27,788	24,114
Financial income	451	-	1	-	66	-	-	-	518	-
Financial expenses	-125	-223	-107	-73	-814	-763	-	-	-1,046	-1,059
EBT	10,423	5,740	7,097	6,700	9,740	10,615	-	-	27,260	23,055
Income taxes	3,076	1,878	2,614	1,914	1,801	1,804	-	-	7,491	5,596
Consolidated net income	**7,347**	**3,862**	**4,483**	**4,786**	**7,939**	**8,811**	**-**	**-**	**19,769**	**17,459**
of which attributable to:										
– Shareholders of the parent company	-	-	-	-	-	-	-	-	19,347	17,153
– Non-controlling interests	-	-	-	-	-	-	-	-	422	306
Segment assets	149,256	58,633	67,996	60,579	126,944	128,129	-	-	344,196	247,341
Segment liabilities	48,319	37,890	8,582	6,941	48,349	60,107	-	-	105,250	104,938
Investments	3,545	5,019	5,274	4,117	4,689	4,722	-	-	13,508	13,858
– Leases	1,560	2,422	3,431	2,684	2,887	3,459	-	-	7,878	8,565
– Intangible assets and property, plant and equipment	1,985	2,597	1,843	1,433	1,802	1,263	-	-	5,630	5,293
Amortisation	5,152	5,783	5,092	4,534	6,260	6,339	-	-	16,504	16,656
– Leases	1,384	1,518	1,182	1,035	2,428	2,462	-	-	4,994	5,015
– Intangible assets and property, plant and equipment	3,768	4,265	3,910	3,499	3,832	3,877	-	-	11,510	11,641

1) In the 2022 fiscal year, adjustments were made to the segment reporting due to changes in the internal organization and reporting structure. As a result of these changes, the previous year's figures have been adjusted accordingly.

28. SHARE-BASED PAYMENT

__ Executive Board

The bonus cycles 2015-2017 and 2018-2020 included a share-based remuneration with settlement by equity instruments for the Executive Board. In the 2021-2023 bonus cycle, there is no share-based compensation for the Executive Board members.

The Executive Board members were entitled to a total of 160,000 shares of Nexus AG from the bonus cycle 2015-2017. The current fair value at granting was KEUR 788. The entitlement of the Executive Board members was deferred in 2017 to enable Nexus AG to fulfill its obligations under the current share repurchase program. As of 31/12/2022, CEO Dr. Ingo Behrendt was entitled to 14,000 shares and Chief Sales Officer Ralf Heilig was entitled to 10,000 shares. The exercise price has been and will be EUR 0.00. The settlement is planned in 2023. Expenses were not incurred in the reporting period.

CEO Dr. Ingo Behrendt was entitled to 20,048 shares of Nexus AG from the bonus cycle 2018-2020. The current fair value at granting was KEUR 1,022. The entitlement of the Executive Board members was deferred in 2022 to enable Nexus AG to fulfill its obligations under the current share repurchase program. As of 31/12/2022, the CEO Dr. Ingo Behrendt was entitled to 20,048 shares. The exercise price is EUR 0.00. The settlement is planned in 2023. Expenses were not incurred in the reporting period.

The net present value of this direct commitment amounts to KEUR 3,305 as of 31/12/2022.

__ Managers below the Executive Board level

In the management level below the Executive Board, two managers, who are employed by subsidiaries, have a share-based payment with settlement through equity instruments of Nexus AG.

The number of options granted depends on the development of the Group EBITDA of the Nexus Group in the period from 01/01/2020 to 31/12/2022. Remaining in the company during the bonus cycle is required. The fair value of the options was KEUR 413 at granting. KEUR 480 also represent the agreed upper limit. This corresponds to 7,401 options as of 31/12/2022. The exercise date is four weeks after approval of the consolidated financial statements of Nexus AG on 31/12/2022. The exercise price is EUR 0.00. Expenses were incurred in the reporting period in the amount of KEUR 93, which was recorded in staff costs and the capital reserves.

In addition, shares are sold irregularly during the year to executives below the Executive Board on advantageous terms (2022: 2,806 shares, previous year: 2,281 shares). Due to the insignificance for the consolidated financial statements of Nexus AG in this respect, a detailed assessment for reasons of materiality was omitted.

__ Other employees

In 2022, employees were given the opportunity between 11/11/2022 and 18/11/2022 to acquire up to 35 shares of Nexus AG at a price of EUR 38.43 (exercise price). The shares acquired by the employees during this period (10,000) were created by means of a capital increase. This program is an irregular program; a repetition is currently not planned. The difference between the exercise price and the actual price on the day of issue (EUR 62.40) was fully recognized in staff costs and in capital reserves in the amount of KEUR 240.

The following table shows the development of the share-based settlement of the Executive Board:

Reporting period 2022	Bonus cycle 2015-2017	Bonus cycle 2018-2020	Total
	Units	Units	Units
Exercisable options at the start of the reporting period	24,000	20,048	44,048
Pending options at the start of the reporting period	24,000	20,048	44,048
Options granted during the reporting period	-	-	-
Options forfeited during the reporting period	-	-	-
Options exercised during the reporting period	-	-	-
Pending options at the end of the reporting period	-	-	-
Weighted average share price on the day on the performance	24,000	20,048	44,048
Exercisable options at the end of the reporting period	24,000	20,048	44,048

Reporting period 2021	Bonus cycle 2015-2017	Bonus cycle 2018-2020	Total
	Units	Units	Units
Exercisable options at the start of the reporting period	74,000	20,048	94,048
Pending options at the start of the reporting period	74,000	20,048	94,048
Options granted during the reporting period	-	-	-
Options forfeited during the reporting period	-	-	-
Options exercised during the reporting period	50,000	-	50,000
Pending options at the end of the reporting period	65.30	-	-
Weighted average share price on the day on the performance	24,000	20,048	44,048
Exercisable options at the end of the reporting period	24,000	20,048	44,048

29. FINANCIAL INSTRUMENTS

NEXUS is active internationally in part, whereby it is subject to market risks due to changes of exchange rate. NEXUS does not believe that these risks can have a substantial influence on the revenue and financial situation of the Group.

The following notes supplement the explanations about the information about risks in Management Report.

__ Default risks

Financial instruments, which might cause a concentration of a non-payment risk for the company, are mainly bank deposits at – without exception – renowned financial institutes in Germany, Switzerland and the Netherlands as well as trade and other receivables. The bank deposits of the company are mainly in euros and Swiss francs. The company continually monitors its investments at financial institutes, who are its contractual partners for the financial instruments, as well as their credit worthiness, and cannot detect any risk of non-fulfillment.

Trade receivables are essentially due for payment within fourteen days and do not contain any significant financing components. Default risks or risks that a contractual partner cannot fulfill his payment obligations from supplies of goods and services are controlled via use of credit lines, fulfillment of payments and other control methods within the framework of debt management (e.g., credit checks). Contract assets within the scope of IFRS 15 do not contain a significant financing component either. Therefore, the Nexus Group applies the simplified method for determining impairment of trade and other receivables and contract assets and generally determines the expected credit loss over the entire remaining term of these financial assets.

To measure expected credit losses, trade and other receivables and contract assets are combined based on an industry-specific credit distribution using a statistical estimation procedure in an impairment matrix. Default risk classifications are defined by means of qualitative and quantitative factors.

Outstanding receivables are continuously monitored locally to determine whether there are objective indications that the receivables are impaired in their creditworthiness. The expected default risks are taken into account by appropriate value adjustments. For trade rand other receivables with an insolvent counterparty, the Group does not expect significant inflows from impaired trade and other receivables. Impaired financial assets may nevertheless be subject to enforcement measures to collect overdue receivables in order to act in accordance with the Group Policy.

NEXUS Group mainly sells its products largely to healthcare institutions with high credit ratings. Due to the customer structure of the NEXUS Group, there is no significant default risk with regard to trade receivables.

For all financial assets for which IFRS 9 does not require the simplified approach, NEXUS applies the general approach under the three-level model.

The expected credit loss for bank deposits is determined on the basis of external ratings. Cash and cash equivalents are deposited with banks and financial institutions classified as investment grades within the context of the credit ratings of the Deutsche Bundesbank and the external credit rating agencies authorized in the Eurosystem. The estimated allowance for cash and cash equivalents has been calculated on the basis of expected losses within 12 months and reflects the short maturities. NEXUS assumes that its cash and cash equivalents have a low risk of default based on the external ratings of banks and financial institutions. NEXUS has used the probability of default of the external credit rating agencies authorized by the Deutsche Bundesbank and the Eurosystem to determine the expected losses for cash and cash equivalents.

The expected credit loss of all other financial assets is based on the described impairment matrix.

At each reporting date, financial assets are examined to determine whether there has been a deterioration in credit quality resulting in a change in classification. As default event (classification in level 3), receivables are considered for which an increased risk of insolvency can be assumed due to disrupted payment behavior.

The following table shows the three-level approach applied to the financial assets within the scope of IFRS 9 and compares the book values.

	Risk provision approach	Level of risk provisions	Carrying amount 31/12/2022 KEUR	Carrying amount 31/12/2021 KEUR
Trade and other receivables	lifetime-expected-credit-loss	N/A	38,154	31,930
Contract assets	lifetime-expected-credit-loss	N/A	5,362	2,234
Other Financial Assets	12-month-expected credit loss	Level 1	91,904	919
Bank deposits	12-month-expected credit loss	Level 1	20,019	26,172

The development of the credit risk prevention as well as the impairment losses suffered in the financial year can be found in Note 5. There were default risk provisions in the amount of KEUR 1,088 on 31/12/2022 (previous year: KEUR 1,149). Of this amount, KEUR 195 (previous year: KEUR 162) affected expenses in the fiscal year. The default risk is limited to the book value. Credit collateral does not exist.

__ Liquidity Risks

The Group strives to have sufficient means of payment and equivalents for these or have corresponding credit lines to fulfill its obligations over the coming years. In addition, the company has approved capital available in the amount of KEUR 1,578 (previous year: KEUR 3,037) for further capital increases.

The liquidity situation of the Group is continuously monitored and reported to management. There are no significant liabilities to banks in the Group. The realization of trade and other receivables is monitored by receivables management. Significant liquidity risks therefore do not exist from a Group point of view as of the reporting date.

The table below shows the effect of the cash flows not discounted from original financial payables on the liquidity position of the Group. The table compares these with the book values:

	Carrying amount	Cash flow	Cash flow	Cash flow
	31.12.2022 (previous year)	Within 1 year (previous year)	Within 1 to 5 years (previous year)	After more than 5 years (previous year)
	KEUR	KEUR	KEUR	KEUR
Contract liabilities	16,610	16,610	-	—
	(13,859)	(13,859)	-	
Trade and other payables	9,989	9,989	-	-
	(5,043)	(5,043)	-	
Miscellaneous	10,264	1,548	8,716	-
	(11,595)	(5,384)	(6,211)	
Total	**36,863**	**28,147**	**8,716**	**-**
	(30,497)	**(24,286)**	**(6,211)**	**-**

Negative values correspond to a cash inflow. Payment flows deviating significantly from this (deadlines or contributions) are not expected.

__ Currency Risks

Exchange rate risks are created by sales in CHF, NOK, GBP, PLN, USD and CAD as well as the resultant receivables, which are subject to exchange rate fluctuations until payment. Exchange rate developments are constantly monitored to counter currency risks. Due to the short payment terms in the area of receivables, the Group does not expect any significant impact on the financial and revenue situation.

The book value based on historic purchase costs is also very close to the current time value for claims and debts, which are subject to normal trade credit conditions.

__ Conversion Risk

NEXUS invoiced approx. 28.0% of its sales outside of the euro sphere 2022 (previous year: 27.5%). We incur costs in Swiss Francs due to our operations in Switzerland, in Polish Zloty in Poland, in USD in the USA, but only slight costs in Norwegian krones, in CAD in Canada and British pounds.

As of 31/12/2022, the Group had the following holdings of PLN, USD and CHF:

31/12/2022		31/12/2021	
8547 KPLN	1826 KEUR	3784 KPLN	824 KEUR
290 KUSD	272 KEUR	473 KUSD	418 KEUR
10681 KCHF	10847 KEUR	11958 KCHF	11572 KEUR

The following trade and other receivables in foreign currency existed as of 31/12/2022:

31/12/2022		31/12/2021	
1867 KNOK	177 KEUR	1056 KNOK	106 KEUR
8842 KPLN	1889 KEUR	26455 KPLN	5758 KEUR
152 KUSD	143 KEUR	375 KUSD	331 KEUR
111 KGBP	125 KEUR	7 KGBP	8 KEUR
55 KCAD	38 KEUR	0 KCAD	0 KEUR
3549 KCHF	3604 KEUR	3890 KCHF	3764 KEUR

The following trade and other payable in foreign currency existed as of 31/12/2022:

31/12/2022		31/12/2021	
1569 KPLN	335 KEUR	1454 KPLN	316 KEUR
41 KUSD	38 KEUR	42 KUSD	37 KEUR
0 KCAD	0 KEUR	37 KCAD	26 KEUR
8 KZAR	0 KEUR	0 KZAR	0 KEUR
2051 KCHF	2083 KEUR	1314 KCHF	1272 KEUR

A hedging relation did not exist on the balance sheet cut-off date. Based on the balance sheet prices of the relevant currencies, the determination of sensitivities of a hypothetical change of the exchange rate relations was set at 10 percent respectively.

If the euro had appreciated (depreciated) in value 10% compared to the foreign currency on the balance sheet cut-off date, the Group result before taxes would have been reduced (increased) as follows:

	31/12/2022	31/12/2021
Norwegian Krone (NOK)	18 KEUR	11 KEUR
Polish Zloty (PLN)	338 KEUR	690 KEUR
US Dollar (USD)	38 KEUR	79 KEUR
British Pound (GBP)	13 KEUR	1 KEUR
Canadian Dollar (CAD)	4 KEUR	3 KEUR
Swiss Franc (CHF)	1237 KEUR	1664 KEUR

__ Net Profits/Losses from Financial Instruments

The net profits and losses from financial instruments (according to valuation category) in fiscal year can be summarized as follows:

	2022
	KEUR
FVPL	490
Net change in the fair value from purchase price liabilities	586
Interest expense due to compounding of purchase price liabilities	-96
Net changes in the fair value from securities	-
Interest income from securities	-
AC	201
Net gains/losses of the category at amortised cost	201
	691

	2021
	KEUR
FVPL	-350
Net change in the fair value from purchase price liabilities	-297
Interest expense due to compounding of purchase price liabilities	-99
Net changes in the fair value from securities	28
Interest income from securities	18
AC	-147
Net gains/losses of the category at amortised cost	-147
	-497

Interest income from securities is reported in Other operating income. The net gains or losses of the FVPL category include income or expenses from the adjustment of the purchase price liabilities at their fair value in the amount of KEUR 586 (previous year: KEUR -297), which are recorded under Other operating income or Other operating expenses. The interest on the purchase price liabilities in the amount of KEUR -96 (previous year: KEUR -99) is recognized in financial expenses. In addition, the net gains or losses include income from reinstated original value of securities in the amount of KEUR 0 (previous year: KEUR 28), which is recorded in the item Other operating income and interest income from securities in the amount of KEUR 0 (previous year: KEUR 18).

The net profits / losses of the category AC essentially contains income from interests from time deposits KEUR 450 (previous year: KEUR 0) and revenue adjustments for items still under clarification in value of KEUR 54 (previous year: KEUR 105). These are shown in the item Revenue. Changes from credit risks in the amount of KEUR -195 (previous year: KEUR 54) are shown under Other operating Income.

__ Financial income and expenses from financial instruments

Financial income and expenses from financial instruments, which were not valuated with fair value as revenue, were as follows in the fiscal year 2022:

Financial income and expenses from financial instruments	2022	2021
	KEUR	KEUR
Financial income	450	-
Financial expenses	9	7
	441	**-7**

The following table shows the book value according to valuation categories in line with IFRS 9 and the fair value according to classes of financial assets and financial liabilities::

As at 31/12/2022 in KEUR	Measurement category	Fair value	Carrying amount	Recognised value in the balance sheet according to the measurement category	
	Measurement	As at 31/12/2022	As at 31/12/2022	FVPL	AC
Assets					
Cash in banks	At amortised cost	20,019	20,019	-	20,019
Trade receivables	At amortised cost	38,154	38,154	-	38,154
Contract assets	At amortised cost	5,362	5,362	-	5,362
Other financial assets	At amortised cost	91,904	91,904	-	91,904
		155,439	**155,439**	**-**	**155,439**
Liabilities					
Trade and other payables	At amortised cost	9,989	9,989	-	9,989
Contract liabilities	At amortised cost	—	16,610	-	-
Purchase price liabilities	At fair value	10,264	10,264	10,264	-
		20,253	**36,863**	**10,264**	**9,989**

As at 31/12/2021 in KEUR	Measurement category	Fair value	Carrying amount	Recognised value in the balance sheet according to the measurement category	
	Measurement	As at 31/12/2021	As at 31/12/2021	FVPL	AC
Assets					
Securities	At fair value	—	—	—	—
Cash in banks	At amortised cost	26,172	26,172	-	26,172
Trade receivables	At amortised cost	31,930	31,930	-	31,930
Contract assets	At amortised cost	2,234	2,234	-	2,234
Other financial assets	At amortised cost	1,148	919	-	1,148
		61,484	**61,255**	**—**	**61,484**
Liabilities					
Trade and other payables	At amortised cost	5,043	5,043	-	5,043
Contract liabilities	At amortised cost	4,047	4,047	-	4,047
Purchase price liabilities	At fair value	11,595	11,595	11,595	-
		20,685	**20,685**	**11,595**	**9,090**

The individual levels in the measurement of financial instruments are defined as follows:

__ Level 1:

Measurement with (unadjusted) prices listed on active markets for similar assets and liabilities.

__ Level 2:

Measurement for the asset or liability is either directly (as price) or indirectly (derived from prices) based on observable market inputs other than Level 1 inputs.

__ Level 3:

Measurement on the basis of inputs is not based on observable market data.

The financial instruments that have been classified as FVPL are classified as follows in the Group:

				31/12/2022
	Level 1	Level 2	Level 3	Total
Purchase price liabilities	-	-	10,264	10,264

				31/12/2021
	Level 1	Level 2	Level 3	Total
Securities	-	-	-	-
Purchase price liabilities	-	-	11,595	11,595

Please refer to Note 24 for the reconciliation of financial liabilities in Level 3. The following table summarises the non-observable inputs for contingent considerations from purchase price liabilities for which fair values are measured as Level 3 instruments.

Type of insurance	Measurement method	Substantial, non-observable inputs	Relationship between substantial, non-observable inputs and the measurement at fair value
Purchase price liability	– Discounted cash flows: The measurement model takes into account the present value of the expected payments, discounted at a risk-adjusted discount rate – Revision of versions provided to end customers	– Budgets with EBITDA or EBITA for the subsequent fiscal year – Updating of the budget with revenues and earnings for the respective fiscal years from the contingent consideration – Attainment of qualitative goals in software development and the roll -out of new versions to end customers – Risk-adjusted discount rate	The estimated fair value would increase (decrease), if: – The projected EBITDA or EBITA was higher (lower). – The risk-adjusted discount rate was lower (higher). – The new versions were not delivered to end customers as agreed (only decrease)

The calculation of the fair value of the contingent purchase price liabilities classified in Level 3 of the measurement hierarchy is based on the significant unobservable input factors listed in the table. The essential, unobservable input factors are determined as part of the budget planning for the following financial year for the respective companies. After analysing the need for adjustment of the contingent purchase price liability, the calculation is adjusted as of the balance sheet date. This takes place in close coordination between Group Accounting, the Head of Finance and the Executive Board. Where applicable, compounding effects resulting from an approximation of the maturity date are also included in the valuation.

		Profit or loss
	Increase	Decrease
	KEUR	KEUR
Projected EBITDA and EBIT (10% change)	812	-752
Risk-adjusted discount rate (1% change 100 basis points)	-149	149

30. RELATIONSHIPS WITH RELATED COMPANIES AND PARTIES

__ Related Companies

Nexus AG is the parent company of the Group. Further information on the Group structure, the subsidiaries and the parent company is provided in "Basis of Consolidated Financial Statements" and Note 34.

__ Related Parties

Management members in key positions solely consist of management members (Supervisory Board and Executive Board) of the Group parent company Nexus AG. In addition to their activities on the Supervisory Board, members of the Supervisory Board occasionally perform services for the Group or appoint an affiliated company to do so and invoice this work in line with customary market conditions. In 2022, the expenses for services fees in this regard amount to KEUR 151 (previous year: KEUR 107). Outstanding trade and other receivables from this in the amount of KEUR 40 (previous year: KEUR 16) were reported on the balance sheet date. In addition, Group companies provide services to Supervisory Board members and invoice them in line with customary market conditions. In 2022, the revenues from these services amounted to KEUR 105 (previous year: KEUR 111). Outstanding trade and other payables from this in the amount of KEUR 18 (previous year: KEUR 0) were reported on the balance sheet date. There are no other relationships to affiliated parties that need to be reported other than the information already reported here and in other reports.

Outstanding items at the end of the fiscal year have not been collateralised, are interest-free and will be settled through cash payment. No warranties have been concluded for receivables or payables towards affiliated companies. As at 31/12/2022, the Group has no adjusted payables towards related companies and parties, as was the case on the previous balance sheet date. The need to recognise an impairment loss is assessed annually by reviewing the financial position of the related party and the market in which it operates.

With regard to the information and remuneration of the Executive Board of Nexus AG, we refer to the following section Organs of the Group. There were outstanding trade account receivables in the amount of KEUR 0 on the balance sheet cut-off date (previous year: KEUR 0). There were outstanding trade and other payables in the amount of KEUR 0 (previous year: KEUR 0) at the end of the business year.

31. MANAGEMENT BOARD

The following individuals are members of the Supervisory Board:

+ Dr. jur. Hans-Joachim König, Singen, Chairman
+ Prof. (em.) Dr. Ulrich Krystek, Berlin, Deputy Chairman
+ Prof. Dr. med. Felicia M. Rosenthal, Freiburg i. Br.
+ Prof. Dr. Alexander Pocsay, St. Ingbert (effective until 30/08/2022)
+ Dr. Dietmar Kubis, Jena
+ Dipl.-Inf. Juergen Rottler, Singen
+ Dipl.-Kfm. Florian Herger, Frankfurt am Main (effective from 13/10/2022)

The total remuneration paid to the Supervisory Board in 2022 amounted to KEUR 128 (previous year: KEUR 129).

The Executive Board:

+ Dr. Ingo Behrendt, Donaueschingen, Chief Executive Officer
+ Dipl.-Betriebswirt Ralf Heilig, Kreuzlingen (CH), Chief Sales Officer
+ Dipl.-Ing. Edgar Kuner, St. Georgen, Chief Development Officer

The total remuneration of the Executive Board is as follows:

	2022	2021
Salary components	KEUR	KEUR
Components not based on performance	935	900
a) Short-term benefits	863	828
b) Post-employment benefits	72	72
Components not based on performance with no long-term incentives	899	899
Performance-based components with long-term incentives	1,046	916
Total	**2,880**	**2,715**

32. STATEMENT PURSUANT TO ART. 161 AKTG ON THE GERMAN CORPORATE GOVERNANCE CODE

The Nexus AG Executive Board and the Supervisory Board submitted the statement required as per Art. 161 AktG and published it online at https://www.nexusag.de/unternehmen/investor-relations/ESG-Nachhaltigkeit to ensure that it remains permanently accessible.

33. COMPANY MERGERS

Nexus completed several smaller acquisitions in the past fiscal year. The purchase prices paid for this in cash amounted to KEUR 4,632. Call and put option contracts in the amount of KEUR 3,728 exist for purchase prices still to be paid for the remaining shares. According to IAS 32.23, the obligation to buy shares of non-controlling partner is to be carried in the balance sheet as liability with the expected purchase price. The expected future purchase price payment of KEUR 3,728 was recognized as a purchase price liability and represents the best estimate from the Group's point of view from a slightly different range for the fair value. The purchase price liability is not limited in amount. An adjustment to income may be necessary in subsequent periods at failure to achieve the set goals.

The identified and evaluated contract assets in the purchase price allocation are essentially composed of customer relations (KEUR 1,385) and technology (KEUR 1,255) at the purchase time. The receivables are shown at their gross value. The value was not adjusted, because complete intake of all outstanding receivables is expected. Goodwill resulted from den purchase price allocation in the amount of KEUR 4,912. The goodwill results mainly from the skills and expertise of the SINAPSI workforce and the expected synergies from the integration of the company into the Group's existing software business. None of den recorded goodwill is expected to be deductible for tax purposes.

For 2022, sales with third parties from the consolidation time amounted to TEUR 3,683, and the contribution to the consolidated surplus was TEUR 187. The miscellaneous procurement costs in the amount of KEUR 104 are entered affecting the result. If the company had been acquired at the beginning of the year, sales revenue would have amounted to KEUR 5,417 and the contribution to consolidated net earnings to KEUR 181. The purchased assets and debts were included in the balance sheet with their adjusted, current value and are as shown as follows:

Assets / Liabilities	Fair value at the acquisition date
	KEUR
Cash assets	1,656
Intagible Assets	2,640
Rights of use	345
Property, plant and equipment	30
Inventories	112
Other assets	449
Trade and other receivables	554
	5,786
Deferred tax liabilities	565
Tax provisions	4
Other provisions	360
Liabilities	1,409
	2,338
Net assets at the acquisition date	3,448
Goodwill	4,912
Total acquisition costs	**8,360**
The acquisition costs are composed of the following	
Purchase price paid in cash	4,632
Purchase price still to be paid	3,728
Total acquisition costs	**8,360**
Cash from this acquisition developed as follows	
Purchase price paid in cash	4,632
Acquired cash	1,655
Inflow of cash	2,977

__ Adjustment of the expected future purchase price payment for highsystem ag

In relation with the purchase of highsystem ag an expected future purchase price in the amount of KCHF 723 was entered on the liabilities side in the fiscal year 2017. This was increased by an additional KCHF 40 in the fiscal years 2017 to 2022 due to compounding of interest. The option purchase price and period were adjusted with an amendment dated 19/01/2021 to the existing option contract. As of 31/12/2021, a purchase price liability of KEUR 1,075 was recognized. For the 2022 fiscal year, the change in the earnings forecast results in a profit and loss adjustment of KEUR 58. As a result, an expected future purchase price of KEUR 1,197 results due to currency effects on the cut-off date.

__ Adjustment of the expected future purchase price payment for ITR Software GmbH

At the purchase of ITR Software GmbH, an expected future purchase price in the amount of KEUR 989 was entered on the liabilities side in the fiscal year 2021. This was increased by an additional KEUR 5 in the fiscal years 2021 to 2022 due to compounding of interest. There was an adjustment to income of KEUR 571 in the 2022 fiscal year. As a result, an expected future purchase price of KEUR 1,565 results on the cut-off date.

__ Adjustment of the future expected purchase price payment for RVC Medical IT Holding B.V.

In relation with the purchase of RVC Medical IT Holding B.V., an expected future purchase price in the amount of KEUR 1,464 Holding B.V. was entered on the liabilities side in the fiscal year 2020. This was increased by KEUR 9 in the fiscal years 2020, 2021 and 2022 due to compounding of interest. As of 31/12/2021, a purchase price liability of KEUR 1,879 was recognized. NEXUS AG acquired a further 0.19% of the shares of the subsidiary for KEUR 30 from the existing option agreement of 29/08/2022. There was an adjustment to income of KEUR 465 in the 2022 fiscal year. An expected future purchase price of KEUR 1,387 results on the cut-off date.

__ Adjustment of the expected future purchase price payment for ANT Information Technology AG

In relation with the purchase of ANT Information Technology AG, an expected future purchase price in the amount of KCHF 1,187 was entered on the liabilities side in the fiscal year 2021. As of 31/12/2021, a purchase price liability of KEUR 988 was recognized. This was increased by KEUR 31 in the fiscal year 2022 due to compounding of interest. An expected future purchase price of KEUR 1,068 results on the cut-off date after currency adjustments.

__ Adjustment of the future expected purchase price payment for osoTec GmbH

In relation with the purchase of osoTec GmbH an expected future purchase price in the amount of KEUR 645 was entered on the liabilities side in the fiscal year 2021. As of 31/12/2021, a purchase price liability of KEUR 780 was recognized. NEXUS Schweiz AG acquired a further 25% of the shares of the subsidiary osoTec GmbH, Affoltern am Albis, Switzerland, for KEUR 448 in cash on 16/03/2022 from the existing option agreement. The remaining purchase price liabilities were increased by KEUR 10 in the fiscal year 2022 due to compounding of interest. An expected future purchase price of KEUR 351 results on the cut-off date after currency effects.

__ Adjustment of the future contingent purchase price payment for Sophrona Solutions Inc.

In relation with the purchase of Sophrona Solutions Inc., a contingent purchase price in the amount of KEUR 872 was entered on the liabilities side in the fiscal year 2020. This was increased by KEUR 6 in the fiscal years 2020, 2021 and 2022 due to compounding of interest. As of 31/12/2021, a purchase price liability of KEUR 946 was recognized. As a result, an expected future purchase price of KEUR 1,010 results on the cut-off date after currency adjustments

__ Acquisition of remaining shares in NEXUS POLSKA Sp. z o.o.

Nexus AG acquired the remaining 10.94% of the shares of the subsidiary NEXUS Polska sp. z o.o., Poznan, Poland, for KEUR 1,981 in cash on 09/05/2020 from the existing option agreement.

__ Acquisition of remaining shares in Creativ Software AG

NEXUS Schweiz AG acquired the remaining 20% of the shares of the subsidiary Creativ Software AG, Widnau, Switzerland, for KEUR 2,533 on 18/03/2022 from the existing option agreement.

__ Remaining purchase price payment for the shares of SINAPSI Sagl

An expected future purchase price of KEUR 131 was entered on the liabilities side with the purchase agreement. The outstanding purchase price payment was paid in cash in the amount of KEUR 123 on 09/08/2022.

A total of KEUR 4,625 (previous year: KEUR 5,060) was paid in cash for the acquisition of non-controlling shares in the 2022 fiscal year. Of this, KEUR 4,625 was shown in the cash flow from financing activities.

34. LIST OF CONSOLIDATED SUBSIDIARIES

List of consolidated subsidiaries		31/12/2022	31/12/2021
Full consolidation	Country	Capital share in %	
ANT-Informatik AG, Zurich [1]	Switzerland	100.00	100.00
ANT-Informatik GmbH, Siegburg [2]	Germany	100.00	100.00
Creativ Software AG, Widnau [3]	Switzerland	100.00	100.00
GePaDo - Softwarelösungen für Genetik - GmbH, Dresden [4]	Germany	100.00	-
HeimSoft Solutions AG, Zollikofen [5]	Switzerland	100.00	-
highsystem ag, Zurich [6]	Switzerland	95.00	95.00
ifa systems AG, Frechen	Germany	52.56	52.56
ifa united i-tech Inc., Fort Lauderdale [7]	USA	100.00	100.00
ifa-systems informationssysteme für augenärzte GmbH, Vienna [7]	Austria	100.00	100.00
IFMS GmbH, Saarbruecken	Germany	100.00	-
Inoveon Corp., Oklahoma City [9]	USA	-	100.00
ITR Software GmbH, Lindenberg [10]	Germany	100.00	100.00
LPC Laboratory Process Consulting GmbH, Dresden [11]	Germany	100.00	-
NEXUS / ASTRAIA GmbH, Ismaning (vormals: ASTRAIA Software GmbH) [12] [13]	Germany	100.00	100.00
NEXUS / CHILI GmbH, Dossenheim	Germany	83.73	83.73
NEXUS / CLOUD IT GmbH, Donaueschingen [12]	Germany	100.00	100.00
NEXUS / DIGITAL PATHOLOGY GmbH, Donaueschingen (formerly: DC-Systeme GmbH) [12] [14]	Germany	100.00	100.00
NEXUS / DIS GmbH, Frankfurt Main [12]	Germany	100.00	100.00
NEXUS / E&L GmbH, Nuremberg (formerly: E&L medical systems GmbH) [12] [15]	Germany	100.00	100.00
NEXUS / ENTERPRISE SOLUTIONS GmbH, Donaueschingen	Germany	100.00	100.00
NEXUS / IPS GmbH, Donaueschingen [12]	Germany	100.00	100.00
NEXUS / MARABU GmbH, Berlin [12]	Germany	100.00	100.00
NEXUS / QM GmbH, Singen Hohentwiel [12]	Germany	100.00	100.00
NEXUS / REHA GmbH, Donaueschingen (formerly: NEXUS / CSO GmbH) [12] [16]	Germany	100.00	100.00
Nexus Deutschland GmbH, Donaueschingen [12]	Germany	100.00	100.00
NEXUS Digitale Dokumentationssysteme Projektentwicklungsges.m.b.H., Vienna	Austria	100.00	100.00
Nexus Enterprise Imaging GmbH, Freiburg im Breisgau (formerly: RVC Medical IT GmbH) [17]	Germany	100.00	100.00
NEXUS Nederland B.V., Nieuwegein	Netherlands	100.00	100.00
NEXUS POLSKA Sp. z o.o., Posen [18]	Poland	100.00	100.00
NEXUS Schweiz AG, Altishofen	Switzerland	100.00	100.00
NEXUS SISINF SL, Sabadell	Spain	100.00	100.00
NEXUS SWISSLAB GmbH, Berlin [12]	Germany	100.00	100.00
Nexus/France S.A.S. Grenoble	France	100.00	100.00

List of consolidated subsidiaries		31/12/2022	31/12/2021
Full consolidation	Country	Capital share in %	
oneICT AG, Wallisellen [19]	Switzerland	100.00	-
osoTec GmbH, Affoltern am Albis [20]	Switzerland	100.00	100.00
RVC Medical IT B.V., Amersfoort [21]	Netherlands	100.00	100.00
RVC Medical IT Holding B.V., Amersfoort [22]	Netherlands	100.00	100.00
RVC Medical IT N.V., Antwerp [21]	Belgium	100.00	100.00
SINAPSI Sagl, Lugano [23]	Switzerland	-	100.00
Sophrona Solutions Inc., St Paul [24]	USA	100.00	100.00
Zwicky Electronic AG, Bottighofen [25]	Switzerland	100.00	-

1) NEXUS Schweiz AG, a 100% subsidiary of Nexus AG, purchased 63.92% of the shares in ANT-Informatik AG, on 01/04/2021. The remaining 36.08% of shares are governed by an option agreement.

2) The shares are held indirectly by ANT-Informatik AG.

3) NEXUS Schweiz AG acquired the remaining 20% of the shares of the subsidiary Creativ Software AG on 18/03/2022 from the existing option agreement

4) Nexus AG purchased a 51% interest in GePaDo – Softwarelösungen für Genetik – GmbH on 21/12/2022. A put/call option contract exists for a further 49% of the shares.

5) NEXUS Schweiz AG purchased 100% of the shares in HeimSoft Solutions AG on 01/06/2022.

6) The shares are held indirectly via NEXUS Schweiz AG Share under company law is only 80%. There is an option agreement for another 15% of the shares.

7) The shares are held indirectly by ifa systems AG.

8) Nexus AG purchased a 70% stake in IFMS GmbH on 01/06/2022 There is an option agreement for another 30% of the shares.

9) Inoveon Corp., Oklahoma City, was merged into ifa united i-tech Inc., Fort Lauderdale, as of 30/06/2022.

10) Nexus AG purchased 51% of the shares in ITR Software GmbH, on 04/02/2021. The remaining 49% of shares are governed by an option agreement.

11) The shares are held indirectly via GePaDo – Software Solutions for Genetics GmbH and were acquired on 21/12/2022 together with GePaDo - Software Solutions for Genetics GmbH.

12) Use of the exemption rule pursuant to Art. 264(3) HGB.

13) ASTRAIA Software GmbH was renamed NEXUS / ASTRAIA GmbH on 04/03/2022.

14) DC-Systeme Informatik GmbH was renamed NEXUS / DIGITAL PATHOLOGY GmbH on 12/08/2022,.

15) E&L medical Systems GmbH was renamed NEXUS / E&L GmbH on 11/07/2022.

16) NEXUS/ CSO GmbH was renamed NEXUS / REHA GmbH on 15/04/2022.

17) RVC Medical IT GmbH was renamed Enterprise Imaging GmbH on 15/04/2022. The shares are held indirectly via RVC / IT Holding B.V.

18) Nexus AG acquired the remaining 10.94% of the shares of the subsidiary NEXUS Polska sp. z o.o, on 09/05/2022 from the existing option agreement.

19) NEXUS Schweiz AG purchased 60% of the shares in oneICT AG on 09/02/2022. A put/call option contract exists for a further 40% of the shares.

20) NEXUS Schweiz AG purchased a further 25% of the existing shares in osoTec GmbH on 16/02/2022.
Share under company law is now 80%. There is an option agreement for the remaining 20% of the shares.

21) The shares are held indirectly by RVC Medical IT Holding B.V.

22) Nexus AG purchased a further 0.19% share in RVC Medical RVC Holding B.V. on 29/08/2022 There is an option agreement for the remaining 7.35% of the shares.

23) SINAPSI Sagl, Lugano, was merged into NEXUS Schweiz AG, Altishofen, on 01/01/2022.

24) The shares are held indirectly by ifa united i-tech Inc.. The stake subject to corporate law is only 80%. The remaining 20% of shares are governed by an option agreement.

25) NEXUS Schweiz AG purchased 100% of the shares in Zwicky Electronic AG on 31/05/2022.

35. EVENTS AFTER THE BALANCE SHEET DATE

Reportable events after the balance sheet date did not take place.

Donaueschingen 03/03/2023

Nexus AG
The Executive Board

13 __ Statement from the Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the earnings, financial and net assets position of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Donaueschingen, 03/03/2023

Nexus AG

The Executive Board

14 __ Audit Certificate of the Independent Auditor

To Nexus AG, Donaueschingen

Note on the audit of the Consolidated Financial Statement and the Group Management Report

Audit Opinion

We have audited the Consolidated Financial Statement of Nexus AG, Donaueschingen and its subsidiaries (the Group) consisting of the Consolidated Financial Statement as of 31 December 2022, the consolidated profit and loss statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated cash flow statement for the fiscal year from 1 January to 31 December 2022 as well as the notes to the Consolidated Financial Statement, including a summary of significant accounting methods. In addition, we audited the Group Management Report of Nexus AG, Donaueschingen, for the fiscal year from 1 January to 31 December 2022. We did not review the content of the separate non-financial Group report published on the company's website and the (Group) Corporate Governance Statement published on the company's website, to which reference is made in each case in the Group Management Report in section “Separate Non-Financial Group Report” or “(Group) Corporate Governance Statement and Compliance Statement” in accordance with German legal requirements.

In our opinion and based on the findings of our audit:

+ The attached consolidated financial statements comply in all essential aspects with IFRS to be applied in the EU and the additional requirements of § 315e para. 1 of the German Commercial Code (HGB). Under compliance with these regulations, the consolidated financial statements give a true and fair view of the assets and financial position of the Group as of 31 December 2012 as well as its financial performance for the fiscal year from 1 January to 31 December 2012.

+ The attached group management report as a whole conveys a true picture of the situation of the Group. In all essential aspects, this Group Management Report is consistent with the Consolidated Financial Statement, complies with legal requirements and suitably presents the opportunities and risks of future development. Our audit opinion on the Group Report does not extend to the above-mentioned non-substantively audited components of the Group Report.

In accordance with § 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not resulted in any objections to the regularity of the Consolidated Financial Statement and the Group Management Report.

Basis for the Audit Report

We conducted our audit of the Consolidated Financial Statement and the Group Management Report in accordance with § 317 of the German Commercial Code (HGB) and the EU Auditors' Regulation (No. 537/2014; hereinafter referred to as "EU-APrVO") in compliance with the generally accepted standards in Germany for the audit of financial statements promulgated by the Institute of Auditors (IDW). Our responsibility in accordance with these regulations and principles is described in more detail in the section "Responsibility of the auditor for the audit of the Consolidated Financial Statement and the Group Management Report" of our audit certificate. We are independent of the Group companies in accordance with European and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. In addition, in accordance with Article 10 (2 letter f of the EU-APrVO, we declare that we have not provided any prohibited non-audit services in accordance with Article 5 (1) of the EU-APrVO. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide the basis for our audit report of the Consolidated Financial Statement and the Group Management Report.

Particularly important audit issues in the audit of the Consolidated Financial Statement

Particularly important audit issues are those matters that we consider to be the most significant in our audit of the Consolidated Financial Statement for the fiscal year from 1 January until 31 December 2021. These matters were taken into account in connection with our audit of the Consolidated Financial Statement as a whole and in the preparation of our opinion thereon; we do not express a separate opinion on these matters.

In the following, we present the audit issues that we consider to be particularly important:

1) Credit quality of goodwill
2) Recognition of revenue

Concerning 1) Credit quality of goodwill

a) The risk for the Consolidated Financial Statement

In the Consolidated Financial Statement of Nexus AG, Donaueschingen, a total goodwill of EUR 109.1 million is reported under the balance sheet item "Goodwill“. This corresponds to 31.7% of the consolidated balance sheet total. Goodwill is subject to an impairment test by the company on the balance sheet cut-off date of the respective fiscal year.

The annual impairment test for goodwill is based on a discounted cash flow valuation model at the lowest level of cash-generating units. If the book value of goodwill exceeds the recoverable amount of the respective cash-generating unit, a devaluation requirement arises. For explanations of goodwill and impairment testing, please refer to the subsection in the “4. Significant Discretionary Decisions, Estimates and Assumptions”” in the section entitled “Basis of Consolidated Financial Statement”, in the sections 11. “Goodwill”, 12.

“Other Intangible Assets” and 33. “Business combinations” of the Notes to the Consolidated Financial Statement and to the section entitled “Presentation of Assets, Financial Position and Results of Operations” in the Group Management Report.

The determination based on the discounted cash flow method is complex and the outcome of this valuation is highly dependent on the legal representatives' assessment of future cash inflows from the expected business and earnings development of the cash-generating units during the planning period and on the determination of the discount rate used.

Against this background, there is a risk for the Consolidated Financial Statement that an impairment loss existing at the balance sheet cut-off date is not recognized. Consequently, we consider this situation to be of particular importance in the context of our audit.

b) Audit procedure and conclusions

To assess the appropriateness of the planning assumptions, we gained an understanding of the planning process and existing, relevant controls during discussions with legal representatives and the planning managers. We compared the planned values used in the impairment test with the corporate planning prepared by the legal representatives and approved by the Supervisory Board.

The reliability of business planning was assessed based on a retrospective plan/actual comparison between the plan figures on which the previous year's valuation was based and the actual course of business in the 2022 fiscal year. Insofar as significant deviations were noted, these were discussed with the employees responsible at Nexus AG, Donaueschingen, regarding their relevance for the present financial Consolidated Financial Statement.

We assessed the company's calculation method and the key parameters used, including, but not limited to, the Weighted Average Cost of Capital, the market risk premium, the beta factor and the growth discount, for appropriateness with participation of our valuation specialists.

To ensure that the valuation model used is correct, we have reproduced the company's calculations on the basis of risk-oriented, selected elements.

We also verified whether the book value of the respective cash-generating unit was properly determined based on the assets and liabilities to be taken into account on the valuation cut-off date.

We have examined the sensitivity analyses carried out by the company for the cash-generating units, which include a change in the discount rate and cash inflows, in terms of their meaningfulness and checked the mathematical correctness.

We consider the calculation method of Nexus AG, Donaueschingen, for carrying out impairment tests to be appropriate to determine a potentially necessary devaluation requirement. Overall, the valuation parameters and assumptions applied appear comprehensible and appropriate and are in line with our expectations.

Concerning 2) Recognition of revenue

a) The risk for the Consolidated Financial Statement

In the Consolidated Financial Statement of Nexus AG, Donaueschingen, four revenue streams can be identified: Revenues from hardware, software licenses, hardware and software maintenance as well as services. Revenues from hardware and software maintenance are downstream of the other revenue streams. Revenues from hardware, software licenses and services essentially occur jointly within the framework of multi-component contracts. Thus, the sales can also be divided into revenues by multi-component contracts or one-component contracts. For the explanations regarding the Nexus Group's revenue recognition, please refer to the subsection "_Revenue recognition" in the section "5_Essential Accounting and Valuation Methods" and to the section "1. Revenue" in the Notes to the Consolidated Financial Statements.

Against the background of recent IFRIC statements on accounting for software resellers (principal versus agent accounting), we have reviewed the principal position assumed for the Nexus Group. Risks exist in that the revenue recognition in the case of a possibly incorrectly assumed principal position takes place without deduction of reference values (gross), while in the context of an agent position a realization to net values would have to take place. The risk exists in particular in the area of hardware and software licenses as well as maintenance revenues.

With regard to multi-component contracts, performance obligations are to be identified according to IFRS 15. In this case, we distinguish between separate and bundled performance obligations. In particular, in the case of bundled performance obligations that are fulfilled over a certain period of time, sales revenues are generally to be recorded according to the percentage-of-completion (PoC) method. This also corresponds to the approach of the Nexus Group. The risk to the consolidated financial statements therefore consists, on the one hand, in the potentially erroneous identification of performance obligations (separately or bundled) and, on the other hand, in a possibly erroneous PoC accounting.

Since the provisions of IFRS 15 are complex in terms of contracts with customers and there is considerable discretion in the identification of performance obligations, PoC accounting and classification as principal or agent, these aspects were of particular importance in our view in the context of the audit.

b) Audit procedure and conclusions

As part of an upstream design review, we have updated and clarified our understanding of the underlying processes. Due to the risks mentioned above, the focus – in the area of statement-related audit procedures – was on individual case audits.

In the context of the examination of whether there is a principal or agent position, we have in particular carried out the following audit procedures:

+ For hardware sales: We took a representative sample of separate hardware transactions using the Monetary Unit Sampling method (value-proportional sampling method). In the following, we have assessed the principal position for each transaction. W compared and weighed the indicators that speak for a principal position against indicators that speak for an agent position there.

+ Software licenses and maintenance revenues: A risk of incorrect principal position exists only in the area of third-party licenses and third-party maintenance revenues. Since these occur in combination in the Nexus Group, we have obtained the master contracts for major suppliers of the above services. These master contracts were examined with regard to indicators that speak for and against a principal position.

With regard to the identification of performance obligations, we determined a representative sample size using a monetary unit sampling method. We allocated this sample size to multi-component and one-component contracts. In the area of multi-component contracts, we assessed the delimitation and bundling of performance obligations. For one-component contracts, we also reviewed the relevant requirements for revenue recognition in accordance with IFRS 15.

To check the PoC accounting, we assessed the classification as a bundle for selected projects, period-related revenue recognition and the derivation of the degree of completion in accordance with IFRS 15. We also validated the degree of completion with the project managers. Overall, we performed analytical audit procedures and assessed unexpected deviations. In addition, external balance confirmations were obtained from customers as part of the receivables audit and alternative audit procedures were carried out. There were overlaps with the revenues, so that additional audit security was generated.

In the course of our audit, we have not obtained any findings that would predominantly speak against the assumption of a principal position by the Nexus Group. In our view, the accounting policies of the Nexus Group with regard to the above-mentioned aspects of revenue recognition – taking into account materiality aspects – are suitable to enable a proper presentation in the Consolidated Financial Statement.

Other Information

The legal representatives or the Supervisory board are responsible for other information. Other information includes:

+ The separate non-financial (Group) report to be published on the Group's website, referred to in the "Separate Non-Financial Group Report“ section of the Group Management Report

+ The (Group) corporate governance statement published on the Company's website, to which reference is made in the consolidated report in section “(Group) Corporate Governance Statement and Compliance Statement”

+ The Report of the Supervisory Board,

+ The other parts of the published annual report, but not the Consolidated Financial Statement, not the Group Management Report information included in the substantive audit and not our accompanying audit certificate

+ The affirmation pursuant to § 297 (2) sentence 4 of the German Commercial Code (HGB) for the Consolidated Financial Statement and the affirmation pursuant to § 315 (1) sentence 5 of the German Commercial Code (HGB) for the Group Management Report

The Supervisory Board is responsible for the report of the Supervisory Board. The legal representatives and the Supervisory Board are responsible for the declaration pursuant to § 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code, to which reference is made in the Group Management Report in the section "(Group) Declaration on Corporate Governance and Declaration of Conformity". The legal representatives are responsible for other information.

Our opinions on the Consolidated Financial Statement and the Group Management Report do not extend to the other information and we accordingly do not express an opinion or any other form of audit conclusion on them.

In connection with our audit of the Consolidated Financial Statement, it is our responsibility to read the other information and assess whether the other information:

+ Shows significant discrepancies to the Consolidated Financial Statement, the Group Management Report or to our knowledge obtained during the audit

+ Otherwise appears significantly misrepresented

If, on the basis of the work we have carried out, we conclude that there is a material misrepresentation of this other information, we are obliged to report this fact. We have nothing to report in this context.

Responsibility of the legal representatives and the Supervisory Board for the Consolidated Financial Statement and the Group Management Report

The legal representatives are responsible for the preparation and fair presentation of the Consolidated Financial Statement in accordance with IFRS as adopted by the EU and the additional requirements of German law pursuant to § 315e (1) of the German Commercial Code (HGB) in all essential respects and for ensuring that the Consolidated Financial Statement give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. In addition, the legal representatives are responsible for the internal controls that they consider necessary to enable the preparation of financial statements that are free from essential misstatements due to fraudulent material misstatement (i.e., manipulation of the accounts and asset misappropriation) or errors

In preparing the Consolidated Financial Statement, the legal representatives are responsible for assessing the Group's ability to continue its business activities. Furthermore, they have the responsibility to disclose matters relating to the continuation of business activities if relevant. In addition, they are responsible for accounting on the basis of the accounting policy of continuing operations unless there is an intention to liquidate the Group or discontinue operations or there is no realistic alternative.

The legal representatives are also responsible for the preparation of the Group Management Report, which as a whole provides a suitable view of the Group's position and is consistent with the Consolidated Financial Statement in all essential respects, complies with German legal requirements, and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are also responsible for the precautions and measures (systems) that they deem necessary to enable the preparation of a Group Management Report in accordance with the applicable German legal requirements and to provide sufficient suitable evidence for the statements in the Group Management Report.

The Supervisory Board is responsible for monitoring the Group's accounting process for preparing the Consolidated Financial Statement and the Group Management Report.

Responsibility of the auditor for the audit of the Consolidated Financial Statement and the Group Management Report

Our objective is to obtain reasonable assurance as to whether the Consolidated Financial Statement as a whole is free of essential misstatements due to fraud or errors and whether the Group Management Report as a whole provides a suitable view of the Group's position and is consistent in all essential respects with the Consolidated Financial Statement and with the findings of the audit, complies with the German legal requirements and suitably presents the opportunities and risks of future development as well as to issue an audit certificate that includes our audit opinions on the Consolidated Financial Statement and the Group Management Report.

Sufficient security is a high degree of security, but there is no guarantee that an audit conducted in accordance with § 317 of the German Commercial Code (HGB) and the EU-APrVO in compliance with the German generally accepted standards for the audit of financial statements promulgated by the Institute of Auditors (IDW) will always reveal an essential misstatement. Misstatements may result from fraud or errors and are deemed to be essential if they can reasonably be expected to affect the economic decisions individually or collectively based on these annual financial statements.

During the audit, we exercise due discretion and maintain a critical attitude. In addition:

+ We identify and assess the essential false misstatements in the Consolidated Financial Statement and the Group Management Report due to fraudulent acts or errors, and we plan audit procedures in response to these risks as well as obtain audit evidence that serves as a sufficient and appropriate basis for our audit opinion. The risk that material misrepresentations resulting from fraudulent acts will not be revealed is higher than the risk that material misrepresentations resulting from errors will not be revealed, since fraudulent acts may involve collusive interaction, forgery, intentional incompleteness, misrepresentations or the elimination of internal controls.

+ We gain an understanding from the relevant internal control system and relevant precautions and measures audit procedures to plan audit procedures for auditing the Group Management Report that are appropriate under the specific circumstances, but not with the objective of issuing an opinion on the effectiveness of the company's internal control system.

+ We assess the appropriateness of the accounting methods used by the legal representatives as well as the justifiability of the estimated values shown by the legal representatives and related information.

+ We assess the appropriateness of the legal representatives' use of accounting principles of continue operations as well as—based on the audit evidence obtained—whether essential uncertainty exists in connection with events or circumstances that may cast significant doubt on the Group's capacity to continue business operations. If we conclude that material uncertainty exists, we are required to draw attention in our audit certificate to the related information in the Consolidated Financial Statement and the Group Management Report or, if such information is inappropriate, to modify our audit opinion. We have drawn our conclusions based on the audit evidence obtained by the date of our audit certificate. However, future events or conditions may result in the Group no longer being able to continue its business.

+ We assess the presentation, the structure and content of the Consolidated Financial Statement overall including the disclosures and whether the Consolidated Financial Statement presents the underlying transactions and events in such a way that the Consolidated Financial Statement gives a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRS as adopted by the EU and the additional requirements of German law pursuant to § 315e para. 1 of German Commercial Code (HGB).

+ We obtain sufficient appropriate audit evidence for the accounting information of the companies or business activities within the Group to give our opinion on the Consolidated Financial Statement and the Group Management Report. We are responsible for the guidance, supervision and conduct of the audit of the Consolidated Financial Statement. We bear sole responsibility for our audit opinions.

+ We assess the conformity of the group management report with the consolidated financial statements, its compliance with legal provisions, and the picture presented by it of the Group situation.

+ We perform audit procedures on the forward-looking statements contained in the Group Management Report as presented by the legal representatives. Based on sufficient and suitable audit evidence, we perform our audit in particular on the basis of the significant assumptions, on which the forward-looking statements by the legal representatives are based and assess the proper derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or on the underlying assumptions. There is a significant, unavoidable risk that future events will essentially differ from the forward-looking statements.

We discuss with those responsible for monitoring, including the scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

We make a statement to those responsible for monitoring that we have complied with the relevant independence requirements and discuss with them all relationships and other matters reasonably likely to affect our independence and – insofar as relevant – those actions or protective measure taken for eliminating dangers to independence.

On the basis of the matters we discussed with those responsible for monitoring, we determine those matters that were most significant in the audit of the Consolidated Financial Statement for the current reporting period and consequently are the most important audit issues. We describe these matters in the audit certificate unless laws or other legal provisions exclude the disclosure of the facts.

Miscellaneous statutory and other legal requirements

Note on the audit of the electronic reproductions of the Consolidated Financial Statement and the Group Management Report prepared for the purposes of disclosure pursuant to § 317 (3a) of the German Commercial Code (HGB)

Auditor' Report

Pursuant to § 317 (3a) of the German Commercial Code (HGB), we have carried out an audit with sufficient certainty as to whether the presentations of the Consolidated Financial Statement and the Group Management Report (hereinafter also referred to as "ESEF documents") contained in the file "nexusag-2022-12-31.zip" and prepared for the purpose of disclosure comply in all material respects with the requirements of § 328 (1) of the German Commercial Code (HGB) for the electronic reporting format ("ESEF format"). In accordance with German legal regulations, this audit only covers the conversion of the information in the Consolidated Financial Statement and the combined Group Management Report into the ESEF format and therefore covers neither the information contained in these reproductions nor any other information contained in the above-mentioned file.

In our opinion, the presentations of the Consolidated Financial Statement and the Group Management Report contained in the above-mentioned file and prepared for the purposes of disclosure comply in all material respects with the requirements of § 328 (1) of the German Commercial Code (HGB) for the electronic reporting format. Apart from this audit opinion and our audit opinions on the attached Consolidated Financial Statement and the Group Management Report t for the fiscal year from 1 January to 31 December 2022 contained in the preceding "Note on the audit of the "Consolidated Financial Statement and the Group Management Report ", we do not give any audit opinion on the information contained in these reproductions of the reports or on the other information contained in the aforementioned file.

Basis for the Audit Report

We have carried out our audit of the reproductions of the Consolidated Financial Statement and the Group Management Report contained in the above-mentioned file in accordance with § 317 (3a) of the German Commercial Code (HGB) in compliance with the IDW auditing standard: Auditing of electronic reproductions of Consolidated Financial Statement and the Group Management Report created for disclosure purposes in accordance with § 317 para 3b HGB (IDW EPS 410[06/2022]). Our responsibility thereafter is further described in the section "Auditor's Responsibility for the Examination of the ESEF Documents". Our auditing firm has applied the IDW quality assurance standard requirements regarding the quality assurance system: Requirements regarding quality assurance in auditing practices (IDW QS 1).

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives of company are responsible for the preparation of the ESEF documents with the electronic copies of the Consolidated Financial Statement and the Group Management Report in accordance with § 328 (1) sentence 4 no. 1 HGB and for the presentation of the Consolidated Financial Statements in accordance with § 328 (1) sentence 4 no. 2 of the German Commercial Code (HGB).

In addition, the legal representatives are of company are responsible for any in-house controls that they consider necessary to enable the creation of ESEF documents that are free of material violations – intended or unintentional – of the requirements of § 328 para 1 of the German Commercial Code (HGB) with regard to the electronic report format.

The Supervisory Board is responsible for overseeing the preparation process of the ESEF records as part of the financial reporting process.

Auditor's responsibility for checking ESEF records

Our objective is to obtain sufficient certainty as to whether the ESEF documents are free of significant violations – whether intended or unintentional – of the requirements of § 328 (1) of the German Commercial Code (HGB). During the audit, we exercise due discretion and maintain a critical attitude. In addition:

+ We identify and assess the risks of essential violations – whether intentional or unintentional – requirements of § 328 (1) of the German Commercial Code (HGB), plan audit procedures in response to these risks, and perform audits that serve as a sufficient and appropriate basis for our audit opinion.
+ We gain an understanding of the internal controls relevant to the audit of the ESEF documents to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an audit opinion on the effectiveness of these controls.
+ We assess the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version applicable on the reporting date, regarding the technical specifications for this file.
+ We assess whether the ESEF documents enable an identical XHTML presentation of the audited Consolidated Financial Statement and the audited Group Management Report.
+ We assess whether the presentation of the ESEF documents enables an adequate and complete machine-readable XBRL copy of the XHTML reproduction with inline XBRL technology

(iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815 effective on the reporting date,.

Other information in accordance with Article 10 EU-APrVO

We were appointed as auditors of the Consolidated Financial Statements by the Annual General Meeting on 29 April 2022. We were of Nexus AG, Donaueschingen, commissioned by the Chairperson of the Audit Committee of the Supervisory Board on 21 October 2022. We have been working uninterruptedly as auditors of the Consolidated Financial Statements of Nexus AG, Donaueschingen since the 2018 fiscal year.

We declare that the audit opinions contained in this audit certificate are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU-APRVO (Audit Report).

Other facts – Use of the audit certificate

Our audit certificate must always be read in connection with the audited Consolidated Financial Statement and the audited Group Management Report as well as the audited ESEF documents. The Consolidated Financial Statement and the Group Management Report – also the versions to be entered in the company register – that have been converted into the ESEF format are only electronic copies of the audited Consolidated Financial Statement and the audited Group Management Report and do not replace them. In particular, the ESEF Note and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

Responsible Auditor

The auditor responsible for the audit is Mr. Fuat Kalkan.

Stuttgart, 03/03/2023

Ebner Stolz GmbH & Co. KG

Auditing and Tax Consulting Company

Dr. Christoph Eppinger	Fuat Kalkan
Auditor	Auditor

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