nexus | ag

ANNUAL REPORT 2020

__ Financial Highlights for the Fiscal Year 2020

	2020	2019	Change
Sales and operating result	KEUR	KEUR	(in %)
Sales	162,944	147,648	10.4
Healthcare Software Sales	154,532	139,597	10.7
Healthcare Service Sales	8,412	8,051	4.5
Domestic sales	88,611	78,747	12.5
Sales in foreign countries	74,333	68,901	7.9
EBITDA	36,640	33,947	7.9
EBITA	24,284	21,676	12.0
EBIT	19,915	17,444	14.2
EBT	19,592	16,862	16.2
Consolidated net income	15,091	12,121	24.5
Cash flow from operating activities	30,947	24,618	25.7
Cash flow from investment activities	-22,005	-7,010	213.9
Earnings per share (undiluted/diluted) in EUR	0.95	0.69	37.7
Share price (closing price at the end of the fiscal year, Xetra, in EUR)	51.00	34.60	47.4
Ongoing development costs and depreciations			
Capitalization of software developments	3,013	3,850	-21.7
Development costs	27,592	26,064	5.9
Total depreciation	16,725	16,503	1.3
Acquisition-related depreciation from purchase price allocation	4,369	4,232	3.2
Assets and equity capital			
Non-current assets	159,021	138,300	15.0
Current assets	64,141	69,766	-8.1
Liquid assets	28,177	35,204	-20.0
Equity capital	123,583	115,135	7.3
Employees (annual average)	1,322	1,296	2.0

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

Content __ Annual Report 2020

01 __ Letter to our Stockholders

Dear Stockholders,

The current ongoing pandemic has placed heavy demands on us to provide our customers, rehabilitation facilities and nursing homes with support and ease their work with first-rate services and tailor-made software products. At this time, it is incredibly important that we show our customers that we are capable of performing our services with great care and vigour, both virtually and in person, and continue to develop innovations with complete confidence.

This mindset enabled us to **end 2020 with great success** and simultaneously make an active contribution to **fighting the impact of the pandemic**. In this regard, our priorities lie in protecting our employees and providing them with a risk-free work environment. Throughout this period, we did not lose sight of our financial objectives and continued to pursue our long-term prospects. We owe the success achieved by NEXUS in 2020 to the positive and constructive attitude of our employees and customers.

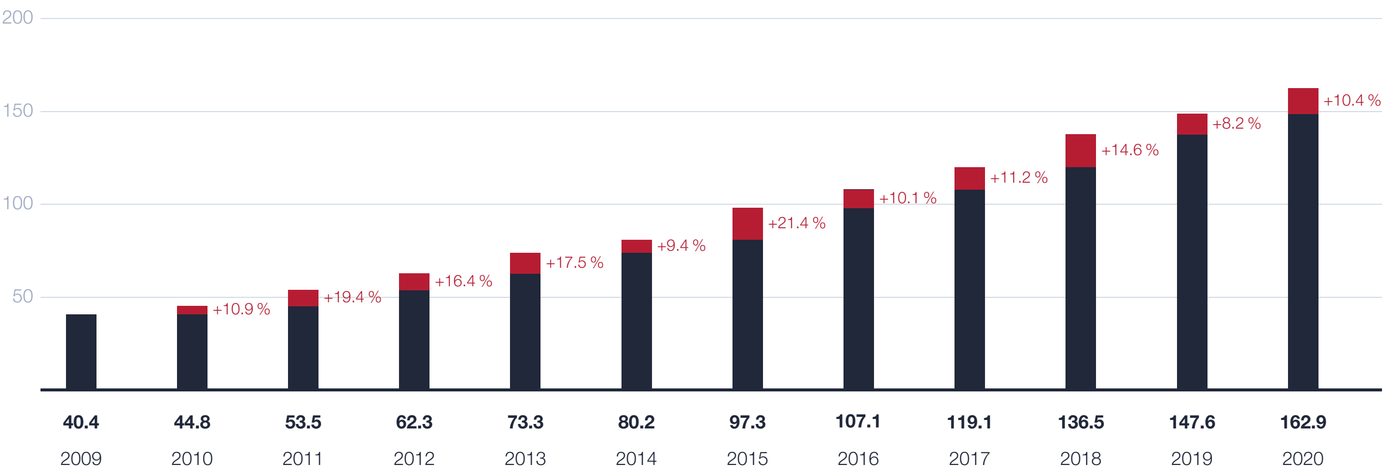
__ Dr. Ingo Behrendt, Chief Executive Officer (CEO)

Needless to say, **2020 posed a number of significant challenges for NEXUS**. We were required to navigate declining demand in countries with strict lockdowns, travel restrictions and contact bans. In other regions, the complex situation at many hospitals led to delays or cancellations of IT projects. Our internal organisation was also not left untouched by the pandemic: Our employees and work organisation were required to adjust to the ever-changing and regionally varied restrictions. We were and remain required to act in an extremely flexible manner to facilitate the considerable planning uncertainty with which our customers were and continue to be confronted. On a more positive note, in 2020, we received a **large number of new orders**, awarded to us in the context of tackling the pandemic and a number of large orders that we were able to take on in spite of the fraught situation.

__ 2020: FLEXIBILITY IN THE FACE OF CRISIS

We understood early on that the pandemic situation would lead to requirements for direct and quick support for users at hospitals. This was the focus of our **product initiative** launched in response to the COVID-19 pandemic. A numbers of key products were developed as a result: Software modifications for recording and tracking COVID-19 cases, the accessibility of laboratory and analysis equipment, and the telemedicine solution NEXUS / CHILI. The NEXUS / LAURIS APP was another product innovation launched in response

2009 to 2020 __ Group Sales in million EUR



to the COVID-19 pandemic, which can be used by mobile task forces to take swab samples in homes, test centres or at the patient's front door. We have also used the opportunity to provide an extensive webinar programme, which will continue to remain part of our services after the crisis.

__ 2020: OTHER INNOVATIONS

In 2020, we were once again able to consolidate our strong market position with a clear innovation strategy. Now more than ever, in the rapidly changing competitive environment, the focus on the **strength of our products provides a major opportunity**.

The innovation focus in 2020 was once again our ONE / NEXUS project. ONE / NEXUS is the systematic further development of our products into **integrated process solutions based on our NG technology and a standard user interface**.

In 2020, we also defined **three new focuses for innovation** on which we are working across the Group. The **NEXUS / ADVANCED REPORTING** module supports the creation of medical examination and diagnostic reports on the basis of image analysis, pre-set terminology and empirical knowledge (AI). It significantly reduces the amount of time required to create higher quality reports, using both voice input and structured, graphic text entry. The **NEXUS / DeepView** module, which archives images and documents from across the clinic, and the communications solution **NEXUS / PORTAL** (portal for referees and patients) constitute two additional Group-wide development priorities, which we regard as having significant sales potential.

__ *Ralf Heilig, Chief Sales Officer (CSO)*

These developments have been conceived as part of a total experience approach. Namely, a focus on the use of technology to create new experiences for employees and patients. This is the inspiration behind NEXUS / NG Technology. "Standardisation and individuality", "Modern technology and easy application" – these seemingly conflicting terms have been reconciled to create experiences and a buzz.

The success of our ONE / NEXUS initiative has further reinforced our resolve to provide all modules from the NEXUS Group in innovative NG technology as ONE / NEXUS products.

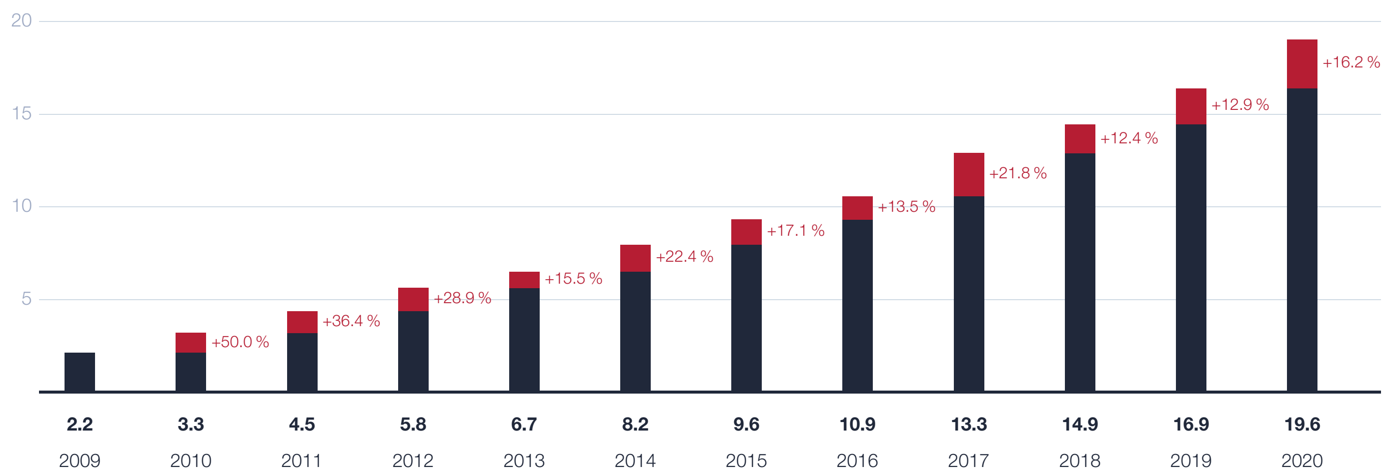
As a result, we increased our development budget accordingly: In 2020, we once again invested 17.00 % of our revenue, around EUR 28 million, in new developments. This constitutes an uncommonly high amount of investment for our sector and simultaneously the foundation of our success.

__ 2020: UNABATED MARKET CONSOLIDATION

In line with this, the trend of focussing on the supply aspect continued in 2020. The Dedalus Group in particular further consolidated the market with a number of new acquisitions. In 2020, NEXUS once again participated in the consolidation process with a total of three acquisitions, thus increasing its portfolio and radius of action. We did not participate in the acquisition of purely competitive products with low product synergies. In this regard, there is a risk that the refinancing of the high purchase prices at present would put a significant strain on the relationship with customers/suppliers. It would also cause us to lose sight of our goal to implement forward-looking e-health projects together will our customers.

As a result, our acquisitions in 2020 concerned product and market expansions. The acquisition of **AEGERUS SL in Sabadell** helped us to expand our presence in the **nursing home** sector in Spain. With around 700 customers, AEGERUS is a market leader for nursing homes in Spain, particularly in Catalonia. This particular market sector is experiencing significant growth in Spain, yet remains very fragmented on the whole in Europe. Despite the high number of customers, business remains low, yet provides significant opportunities for future growth and globalisation strategies.

2009 to 2020 __ EBT in million EUR



In terms of **product expansion**, we also acquired 92,5 % of the Dutch **diagnostics specialists RVC Medical, Amersfoort** on 30/09/2020. This has enabled us to considerably increase our presence in the Netherlands and simultaneously gain a solution for diagnostic image and data management.

We have also indirectly boosted our market presence in the **ophthalmic sector** with an acquisition by ifa systems AG, which acquired 80 % of the leading patient platform Sophrona Solutions Inc. in the US ophthalmic market. NEXUS has a holding of 52.6 % in ifa systems AG and pursues a shared strategy in the development of ophthalmic software. We view this as an attractive product expansion for ifa systems AG and the NEXUS Group, which we intend on marketing in the European market. Over the next few months, we will be channelling our efforts into the integration of the new partner company and are convinced that it constitutes a very successful addition to our profile.

__ Edgar Kuner, Chief Development Officer (CDO)

__ 2020: A HIGH NUMBER OF INCOMING ORDERS AND VAST POTENTIAL

The impact of the pandemic and the global move towards digitalisation have significantly improved the outlook for our sector throughout Europe. Demand for e-health solutions and services is anticipated to increase significantly: **A EUR 4.3 billion project was launched in Germany (Hospital Future Act)** aimed at considerably speeding up the digitisation of healthcare; a similar initiative has also been agreed in France under the title “Ma Santé 2022”. Initiatives are also currently planned or being extended in the Netherlands, Poland and Spain.

These developments send strong signals for our sector and company, which we intend on responding to with an offensive strategy in 2021 and 2022.

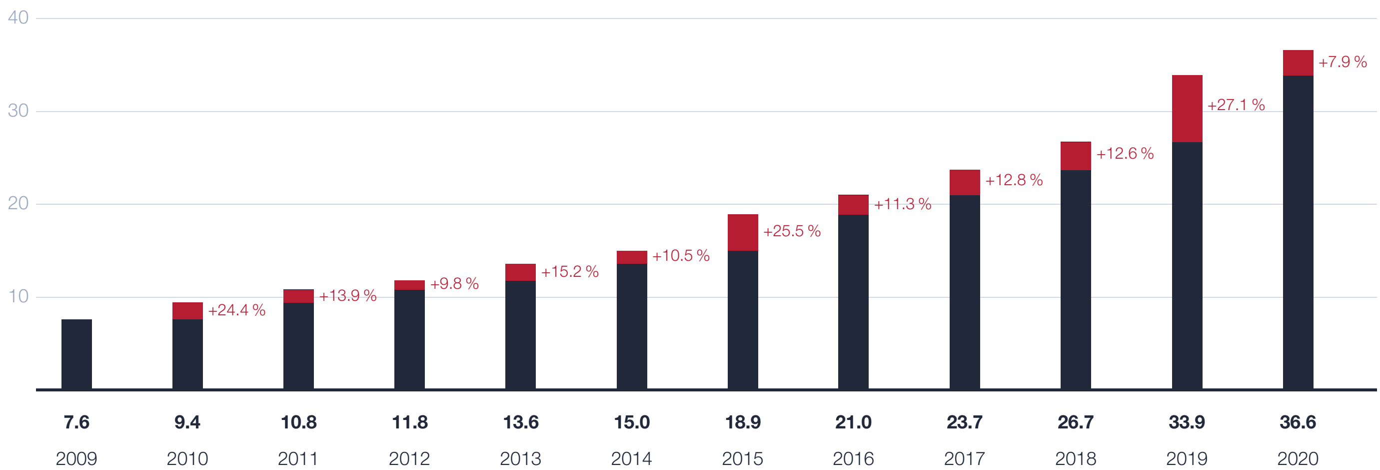
Despite these very encouraging signs, 2020 has once again demonstrated that we continue to find ourselves in a challenging industry environment. A small number of global software firms bid against each other for customers and market shares in a highly competitive environment. Especially in this situation, it is important to gain market share and position the company well in international competition. NEXUS profited from market consolidation in 2020. **As exemplified in particular with the major contract for clinics concluded with the German pension insurance scheme**. We were also able to benefit from the high number of existing customers and the resultant cross-selling and growth potential. Supporting this customer group is crucial to the success of the NEXUS Group, as is clear from the number of projects: We concluded over 930 individual contracts with existing customers in the past year.

The market launch of our ONE / NEXUS products went well without any hitches and led to a strong number of incoming orders and sales. **The installed base of NEXUS / HIS** increased in all countries in which we have a presence as a result of awarded contracts. This pertains to both the clinic and rehabilitation facility customer segments as well as retirement homes.

In 2020, the large number of ONE / NEXUS projects led to considerable developments in diagnostics systems. The market has shown increasing confidence in the ability of the ONE / NEXUS diagnostics platform to result in significant advancements in IT strategy and user satisfaction in clinics. We experienced a high number of incoming orders in all diagnostic special systems in 2020, namely: digital radiology, endoscopy, cardiology, ophthalmology, laboratory medicine and gynaecology. Notably strong growth was also once again reported by NEXUS / PATHOLOGY and NEXUS / LABORATORY products, not least as a result of demand due to COVID-19.

Cross-selling activities between the NEXUS national subsidiaries proved successful in 2020. Our modular NEXUS products can increasingly be found in use around the globe. A high number of incoming orders were also reported

2009 to 2020 __ EBITDA in million EUR



in 2020, above all in the Enterprise Content Management (ECM), Telemedicine and Portal areas, which are currently in high demand.

However, we also experienced a number of setbacks in 2020. For example, sales growth fell short of our expectations in Switzerland and France. In France, we were affected by the curfew and extended lockdown and in Switzerland, we experienced lower service revenues as customers were not permitted to allow external visitors to enter their homes during the first wave of the pandemic.

Overall, we can be very **satisfied with the level of incoming orders in 2020**. The success of our strategy of providing specialist modular solutions for departments and areas has once again been proven.

__ 2020: A VAST ARRAY OF NEW PROJECTS

On the market, NEXUS is viewed as a company that is **capable of implementing challenging projects**. We were once again able to confirm this view with the whole spectrum of projects completed in 2020: We introduced extensive HIS systems or converted them to NEXUS / NG and implemented new ONE / NEXUS medication projects. A number of projects were undertaken in the fields of cardiology, endoscopy, radiology and ophthalmology. Furthermore, we completed numerous installations of our VNA solution and planned our first CRM system at a Swiss hospital. We also maintained a very active presence **around the globe** beyond our core countries through our network of partners: In Canada, we digitalized the gynaecology department of a university hospital; in the USA we completed several radiology projects at Walmart stores; in Vietnam we equipped maternity clinics in collaboration with Roche; and we introduced our first NEXUS / HIS in Spain. Major projects were also completed in Norway, Belgium and Denmark. The list goes on; yet the above examples nevertheless demonstrate how NEXUS is transforming into a new company that reaches beyond pure software development to implement **global digitisation projects in the healthcare sector** and is renowned for its expertise in this area.

__ 2020: STRONG REVENUE AND EARNINGS PERFORMANCE

Total revenue increased significantly in the reporting year to **KEUR 162,944** (previous year: KEUR 147,648). This marks an increase of approximately **10.4 %** in comparison to the previous year. The Healthcare Software division reported a 10.7 % increase in revenue, amounting to KEUR 154,532 (previous year: KEUR 139,597). We achieved growth of 4.5 % in the Healthcare Service division, with revenue increasing from KEUR 8,051 in 2019 to KEUR 8,412 in 2020. International business constituted 45.6 % of Group transactions in 2020, following 46.7 % in the previous year.

In addition to the challenges faced as a result of the pandemic, we financed a large number of new developments and expansions in 2020. Despite the cost-intensive nature of these activities in part, the results for 2020 once again highlighted significant growth compared to the previous year. Earnings before taxes increased by **16.2 %** to **KEUR 19,592**, compared to KEUR 16,862 in the previous year. EBITA increased from KEUR 21,676 to KEUR 24,284 (+12.0 %) and EBITDA amounted to KEUR 36,640, compared to KEUR 33,947 (+7.90 %) in the previous year. **Cash flow** from operating activities again experienced strong growth with an increase of around **25.7 %**, amounting to **KEUR 30,947**, compared to KEUR 24,618 in the previous year. Despite considerable investments in the past year (acquisition and development costs), as at 31/12/2020, the liquid assets of the NEXUS Group amounted to KEUR 28,177 in total (previous year: KEUR 35,204). Consolidated net income increased from KEUR 12,121 to KEUR 15,091 (+24.5 %). Earnings per share rose to EUR 0.95, compared to EUR 0.69 in the previous year (+37.68 %).

These strong results take into account considerable nonrecurring expenses for company acquisitions and integrations. In addition to our directly attributable expenses, we also invest significant company resources into the successful integration of a new company. In 2020, total costs were calculated at approximately MEUR 1.94.

The results for 2020 have once again demonstrated that our technology and business model is highly sustainable and capable of achieving growth and improved results even in challenging times. **As a result, NEXUS has experienced high growth rates in revenue and results for the 19th year in a row**.

__ 2021: POSITIVE OUTLOOK

Undeterred by the tough COVID-19 situation at present, we continue to be optimistic for 2021. The **national digitisation initiatives** provide us with significant revenue opportunities and we also see great potential in terms of **acquisitions** as part of our current consolidation phase. This is accompanied by the impending **replacement** of many old products on the market. Today, NEXUS is positioned to implement a fully digital hospital using all of the special applications from our own product portfolio. As such, we find ourselves in a unique position on the market, which we are able to take advantage of in consideration of the current situation.

__ 2020: HIGH INTEREST IN NEXUS SHARES

The capital market continued to demonstrate a high level of interest in our shares in 2020, as clearly reflected in the share price. At the end of 2019, the NEXUS share closed at EUR 34.60 (as at 30/12/2019, Xetra). The general slump in trading prices in March led to an annual low of EUR 21.00 (closing price as at 16/03/2020, Xetra). In the meantime, the Nexus AG share has recovered to an all-time high of **EUR 53.00** (closing price as at 04/11/2020, Xetra). At the end of the fiscal year 2020, the share was valued at **EUR 51.00** (closing price as at 30/12/2020, Xetra). Year-on-year growth for the share was therefore **+47.4 %**. During this period, the DAX 30 gained around 3.6 % and the TECDAX around 6.6 %.

Dear stockholders, the NEXUS team would like to take this opportunity to express our tremendous pride in the results achieved in 2020 and the **positive contributions** we made for our customers and patients during the pandemic. We would therefore like to express our thanks for your trust and loyalty to our company more than ever. We hope to continue with the exceptional growth of NEXUS together with our customers, employees, partners and you, our stockholders.

Warm regards

Dr. Ingo Behrendt	Edgar Kuner	Ralf Heilig
Chief Executive Officer	Chief Development Officer	Chief Sales Officer

It gives me pleasure to see an app developed by my team and myself used successfully by customers. For example, our wound documentation app is in use at Johannesstift Diakonie in Berlin. This significantly speeds up documentation of wounds – mobile and directly at the bed.

Stella Kern __ Team Leader of Mobile Apps Development, Germany

02 __ Report of the Supervisory Board

__ DR. HANS-JOACHIM KÖNIG CHAIRMAN OF THE SUPERVISORY BOARD

The Supervisory Board was kept promptly informed of current business development, the risk situation and, in particular, significant events in the company and the NEXUS group by the Executive Board throughout the fiscal year 2020 through the submission of regular written and oral reports. The Supervisory Board has fulfilled its auditing and monitoring duties. The transactions submitted to the Supervisory Board on the basis of the pertinent statutory provisions and the provisions of the Supervisory Board's rules of procedure were reviewed, discussed with the Executive Board and passed for 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 2020, Prof. Dr. Felicia Rosenthal, Dr. Hans-Joachim König (Chairman), Prof. Dr. Ulrich Krystek (Deputy Chairman), Prof. Dr. Alexander Pocsay, Dr. Dietmar Kubis and Juergen Rottler were members of the Supervisory Board for the entire year.

In the fiscal year 2020, Dr. Ingo Behrendt (Chairman), Edgar Kuner and Ralf Heilig were members of the Executive Board for the entire year.

__ Supervisory Board Meetings

Four regular meetings were held by the Supervisory Board in the fiscal year 2020, on 09/03/2020, 30/04/2020, 01/10/2020 and 17/12/2020. Furthermore, additional Supervisory Board meetings were held as telephone conferences on 23/01/2020, 27/03/2020, 21/07/2020 and 14/08/2020, during which Supervisory Board resolutions were passed. No members of the Supervisory Board were absent for more than half of the Supervisory Board meetings. Participation is documented in the table below (see table).

The Supervisory Board meeting on 09/03/2020 reviewed the audit of the annual financial statements and consolidated financial statements of Nexus AG for the fiscal year 2019 as well as the adoption of the annual financial statements and the approval of the consolidated financial statements. 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. Notably, 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.

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. Several resolutions concerning the acquisition of companies or shares were passed. The Executive Board also provided the Supervisory Board with detailed information on the Compliance Management System in place at Nexus AG and its subsidiaries.

At its meeting on 01/10/2020, the Supervisory Board assessed the efficiency of its activities with an audit in accordance with Section D. V. of the German Corporate Governance Code (DCGK) and came to the conclusion on the basis of the applied selection criteria that the Supervisory Board works efficiently

__ SUPERVISORY BOARD MEETINGS 2020

	23/01/2020	09/03/2020	27/03/2020	30/04/2020	21/07/2020	14/08/2020	01/10/2020	17/12/2020
	telephone meeting	in-person / virtual	telephone meeting	in-person / virtual	telephone meeting	telephone meeting	in-person / virtual	in-person / virtual
Dr. Hans-Joachim König	X	X	X	X	X	X	X	X
Prof. Dr. Ulrich Krystek	e	X	X	X	X	X	X	X
Dr. Dietmar Kubis	X	X	X	X	X	X	X	e
Prof. Dr. rer. oec Alexander Pocsay	X	X	X	X	X	X	X	X
Prof. Dr. med. Felicia M. Rosenthal	X	e	X	X	X	X	X	X
Juergen Rottler	X	X	X	X	X	X	X	X

e = excused

__ From left to right: Dr. Dietmar Kubis, Juergen Rottler, Prof. Dr. Alexander Pocsay, Dr. Hans-Joachim König, Prof. Dr. med. Felicia Rosenthal, Prof. Dr. Ulrich Krystek

in its present composition and activities to the necessary extent. At the same meeting, the Supervisory Board likewise adopted the remuneration structure proposed by the Human Resources Committee pursuant to Art. 87 (a) and Art. 113 (3) of the German Stock Corporation Act (AktG) in addition to the renewal of the service agreements concluded with the current members of the Executive Board for the period between 01/01/2021 and 31/12/2023.

__ German Corporate Governance Code

At its meeting on 17/12/2020, the Supervisory Board extensively reviewed 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 Art. 161 AktG. The compliance statement can be found online at www.nexus-ag.de – Company – Investor Relations – Corporate Governance. In addition, the Supervisory Board dealt intensively with the declaration on the (Group) Corporate Governance Statement (§§ 289f, 315d HGB).

__ Committees

The Auditing Committee met once in the fiscal year 2020 on 09/03/2020 to discuss the audit of the annual financial statements. At its meeting on 01/10/020, the Human Resources Committee submitted proposals for the remuneration structure in place at Nexus AG as per Art. 87 (a) and Art. 113(3) AktG in addition to the renewal of the service agreements concluded with the current members of the Executive Board.

__ 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 2020 have been audited with the inclusion of the accounting records by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart. Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart was appointed as the auditor for Nexus AG and the NEXUS Group for the fiscal year 2020 at the Annual General Meeting on 30/04/2020 and consequently appointed to conduct the corresponding audit. No objections were raised by the auditor, as confirmed in the unqualified audit opinion. The annual financial statement documents and the audit reports were submitted to the Supervisory Board in a timely manner; they were then thoroughly checked by the Audit Committee and the Supervisory Board and discussed in detail at the Audit Committee meeting and the Supervisory Board meeting, both held on 08/03/2021. The auditor also participated in the Audit Committee meeting and the Supervisory Board meeting on 08/03/2021 respectively. The auditor reported on the key findings from the audit and remained available for further clarification. Furthermore, the auditor confirmed the efficacy of the monitoring system pursuant to Art. 91(2) AktG to the Supervisory Board. In addition, the auditor assured it had not rendered any additional significant services for the company in the reporting year beyond the audit of the financial statements and that there are no prevailing circumstances that may compromise its 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 08/03/2021. 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 by resolution on 08/03/2021.

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. In addition, the Supervisory Board would also like to congratulate the staff and Executive Board for another successful fiscal year.

Donaueschingen, 8th March 2021

Dr. Hans-Joachim König __ Chairman of the Supervisory Board

My team and I ensure that everything runs smoothly behind the scenes at our customers. We work on the programs and infrastructure, which is very demanding. I particularly like the diverse tasks and always being up-to-date with the latest technologies.

Jordi Trujillo Sánchez __ Head of ICT Infrastructure, Spain

03 __ Our Software

ONE / NEXUS Solutions: We offer these modules

How do we lighten the workload of our nurses and doctors? Digitization projects are about mapping complete work processes that do not stop at departmental boundaries. ONE / NEXUS solutions remove these boundaries and create solutions that result in real workload relief.

ONE / NEXUS integrates all work steps within a container architecture and implements uniform user prompting in all modules. As a result, NEXUS / HIS customers can rely the fact that all new modules are integrated into the innovative NG technology. Digitization projects can also be implemented step-by-step with ONE / NEXUS without leaving the process view.

Modern, Modular Software Architecture for the Healthcare Sector

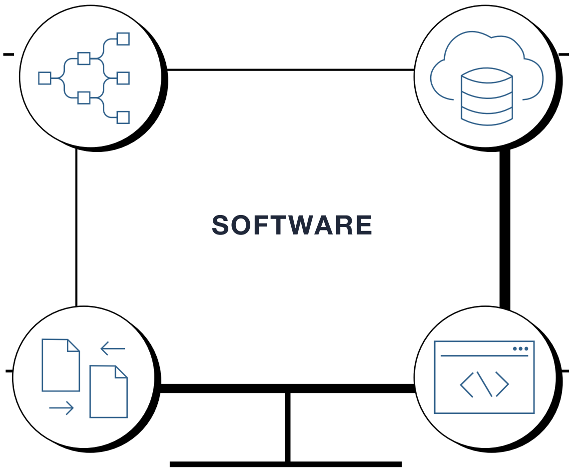
STRATEGY

We develop integrated HIS systems that are complemented by special diagnostics (e.g., endoscopy), diagnostic imaging (e.g., radiology) and laboratory diagnostics. A mobile platform, hospital-wide image management and communication solutions for the integration of patients and other institutions are Integrated into the HIS. Thanks to its broad product range, NEXUS addresses almost all customer groups in the healthcare sector.

We offer specialized solutions in the fields of psychiatry, rehabilitation and senior citizen homes. NEXUS sets up process-oriented user interfaces (work spaces), i.e., the interface is adapted to the work process and menu structures are largely omitted. NEXUS software can be used in the "cloud" or "on premise". Diagnostic solutions are closely coordinated with medical device manufacturers (e.g., Olympus, Roche, etc.) to ensure integrated processes.

Architecture

+ 3-layer
+ Web-Cloud
+ Container
+ Micro-Services



Sourcing / Deployment

+ on-premise
+ Cloud

Interoperability

+ FHIR
+ IHE

Programming

+ Java
+ .net
+ HTML5

PLATFORM ARCHITECTURE ONE / NEXUS

HIS platform

NEXUS / HIS, incl. Rehabilitation, Psychiatry and Nursing Homes

Diagnostics platform

+ Laboratory
+ Radiology
+ Special Diagnostics

VNA platform

+ Image-Management
+ ECM

Mobile platform

+ Web
+ Mobile

Communications platform

+ FHIR
+ IHE
+ Portal
+ Telemedicine
+ CRM

NEXUS / NEXT GENERATION Solutions

NEXUS / HIS^{NG}

The core module of ONE / NEXUS is NEXUS / HIS^{NG}. It stands for a modern information system focused on users and supports the complete administrative and medical/nursing areas in hospitals.

NEXUS / PSYCHIATRY^{NG}

On the basis of NEXUS / HIS^{NG} technology, NEXUS provides a complete solution for psychiatric institutions from treating patients to key figure processing for clinic management.

NEXUS / REHAB

NEXUS / REHAB supports the complete course of treatment during rehabilitation. Close networking of medical, therapeutic and administrative processes is a core element of the solution.

NEXUS / MOBILE

Part of the NEXT GENERATION software is a mobile concept that goes far beyond mere app development. Device management, app monitoring, secure communication and HIS integration are provided in a coordinated system.

NEXUS / MEDICATION^{NG}

The hospital medication process is comprehensively supported by NEXUS / MEDICATION^{NG}: prescribing, providing, checking and administering. The module is integrated into NEXUS / HIS^{NG} and provides a profession-overlapping view of patient medication.

NEXUS / CSSD^{NG}

The processing process of medical devices in the CSSD / SPD (Central Sterile Services Department and Sterile Processing Department) is fully supported by the system solution. Planning, quality assurance, documentation and archiving of all process steps up to the operating room ensure the highest level of patient safety.

NEXUS / FOODCARE

The hospital catering system provides direct communication between the patient room and the kitchen. It can be integrated into NEXUS / HIS^{NG} or used independently in combination with other HIS systems.

NEXUS / PDMS^{NG}

NEXUS / PDMS^{NG} is a solution for intensive care units fully integrated in HIS. The advantage: An integrated solution that provides patient data from the emergency department to the OP and the intensive care unit and all the way to regular wards without changes of media or loss of data.

NEXUS / SWISSLAB (Laboratory)

The NEXUS / SWISSLAB laboratory information system is a premium product for digitalizing all laboratory areas. A holistic view of patients is combined with the most modern diagnostics.

NEXUS / PATHOLOGY^{NG}

This module controls the processes in pathology from material recording all the way to billing. NEXUS / PATHOLOGY^{NG} is employed in more than 300 institutes and hospitals integrated into NEXUS / HIS^{NG} or as a separate solution.

NEXUS / CYTOLOGY^{NG}

NEXUS is one of the leading providers of cytology systems with approximately 150 installations in Germany. The touch screen-supported recording of findings and numerous interfaces to laboratory devices provide considerable time-savings during diagnosis.

NEXUS / LAURIS

NEXUS / LAURIS is a communication tool for laboratories and pathologies. The sending of samples is supported electronically, and the results are transmitted to the senders in real time. NEXUS also integrates LAURIS into NEXUS / HIS and E&L diagnostic systems.

NEXUS / CURATOR (quality management)

NEXUS / CURATOR is a web-based knowledge database for quality management with document control in healthcare. The portal serves for improved communication in hospitals.

NEXUS / RIS^{NG}

NEXUS / RIS^{NG} is the most innovative radiology information system on the market. The new technology and modern user interface provide all the functions required for supporting the radiological processes optimally and ensuring time-saving care for your patients.

NEXUS / CHILI PACS^{NG}

Seamlessly integrated into NEXUS / RIS^{NG} or as an independent solution: NEXUS / CHILI PACS^{NG} enables diagnosis, presentation, processing and communication of any multimedia data. PACS can process images and documents of all manufacturers as Vendor Neutral Archive (VNA).

NEXUS / CHILI TELEMEDICINE

The portals for telemedicine and teleradiology connect doctors in the medical treatment of their patients. With our TKmed solution, we provide the largest network of participants nationwide, which enables fast, secure and data protection-compliant exchange of radiological data.

NEXUS / CRM

NEXUS / CRM is a modern customer relationship management (CRM) program for hospitals and donor organizations. In compliance with GDPR regulations, it automates and professionalizes communication with patients, referring physicians and donors.

NEXUS / INTEGRATION SERVER

NEXUS / INTEGRATION SERVER provides a flexible data hub that is tailored to IT requirements in the healthcare sector. The NEXUS integration platform communicates according to internationally recognized standards such as HL7, IHE or FHIR.

NEXUS / ADVANCED REPORTING

The Advanced Reporting module enables “intelligent diagnosis” (various input options) with the integration of specialist terminology and a rule engine.

NEXUS / SPECIAL DIAGNOSTICS (E&L)

The intelligent diagnosis software for special diagnosis from E&L makes it possible for doctors from almost all areas of a hospital (for example, endoscopy, cardiology, sonography, ophthalmology, urology, etc.) to create high-quality diagnoses quickly and with medical expertise.

NEXUS / ENDOSCOPY^{NG} (E&L CWD) and ENDOBASE NEXT from Olympus

The market-leading solution in internal medicine comes from E&L and makes it possible to create clearly structured findings in just a few steps. CWD is also the basis of the ENDOBASE NEXT product, which Olympus distributes throughout Europe.

NEXUS / CARDIOLOGY^{NG} (CVIS)

The highly specialized CVIS from E&L digitalizes the overall process in cardiology. From normal findings to detailed documentation of complex issues, the entire range of cardiological examinations is supported and cardiological modalities are integrated.

NEXUS / GYNECOLOGICAL HOSPITAL (astraia)

With the astraia solution, we are expanding our offer in NEXUS / GYNECOLOGICAL HOSPITAL with the internationally leading system in ultrasound diagnostics. Structured digital documentation is provided from fetal examinations, including first trimester risk assessment, to breast and gynecological ultrasound.

NEXUS / OBSTETRICS^{NG}

NEXUS / OBSTETRICS^{NG} is specifically geared to the needs of gynecological and obstetrics clinics. NEXUS provides the leading system for gynecological clinics in Germany, ranging from maternity care and prenatal diagnostics to CTG monitoring, partogram and birth documentation.

NEXUS / OPHTHALMOLOGY

With NEXUS / OPHTHALMOLOGY, the course of treatment in doctors’ offices, networks and hospitals is organized by the administration via ophthalmologic findings. Device integration of all common ophthalmologic device types as well as image integration (vendor neutral archive: VNA) are essential features of the solution.

NEXUS / SOPHRONA

NEXUS / SOPHRONA provides a portal platform for online communication between patients and physicians in ophthalmology. Practices and clinics increase their efficiency and patient loyalty by using these solutions.

NEXUS / PORTAL

The portal platform stands for secure online communication between patients and doctors as well as practices and hospitals.

NEXUS / DeepView

The control and management of documents is an integral part of the NEXUS / NEXT GENERATION solution. NEXUS / DeepView software controls file management, digital archiving, document management and process management. Documents, photos, videos, audio files all the way to DICOM objects are archived.

NEXUS / ENTERPRISE IMAGING SOFTWARE (RVC)

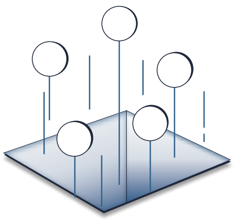
The clinical “Enterprise Imaging Software” combined with diagnostic workflow enables high-quality structured diagnosis in medical diagnostics.

IT must always function properly in the care of patients and residents of senior citizen homes. I‘m in charge of that. I ensure that the hardware and system technology are ready for use by our customers working in senior citizen homes. I help people and am part of technical progress in the health care sector. I find that great!

Ermira Etemi __ IT Systems Engineer in Training, Switzerland

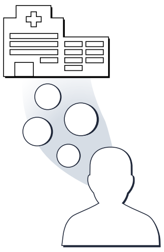
NEXUS **Focus Topics in 2021**

With our focus topics in 2021, we are continuing to work on fulfilling the NEXUS promise of "facilitating digitization in the healthcare sector". This year, we are launching three new products that promise a leap in quality in our customers' digitization strategy.



The VNA platform of the future: patient data in direct access

Whether images, scans, reports or lab data, **NEXUS / DeepView®** provides secure access to all patient documents. A vendor-neutral archive platform that meets all requirements for a VNA platform.



Digital patient support: patient empowerment

Stay in contact and informed with the patient before, during and after treatment. To this end, we have developed **NEXUS / PORTAL**, which depicts the digital accompaniment of the "patient journey".

Advanced Reporting: intelligent diagnosis

Making diagnostic findings faster, easier and smarter: We have been working on this goal in recent years and are now able to launch this unique tool on the market.

The **VNA platform of the future**

Consolidate images and documents from multiple systems, departments, institutions and vendors and always view them with the appropriate viewer: NEXUS has created a central platform for clinical patient data with the newly developed product **NEXUS / DeepView®**. Medical and administrative documents, videos and DICOM data are all available together.

The data are accessed with specific viewers, according to the requirements of the specialist department. The platform is complemented by “Share” and “Process” functions.

Data formats

Manufacturer-neutral, holistic archive platform for medical documents AND images, administrative documents and structured (discrete) data

Imaging

Fully integrated MDR-compliant viewer for the interpretation of image data

Share function (networking)

Standard-compliant data exchange with external market participants or for data analysis

Process function (workflows)

Control of documents and process automation via own workflow engine

The **Digital patient support**

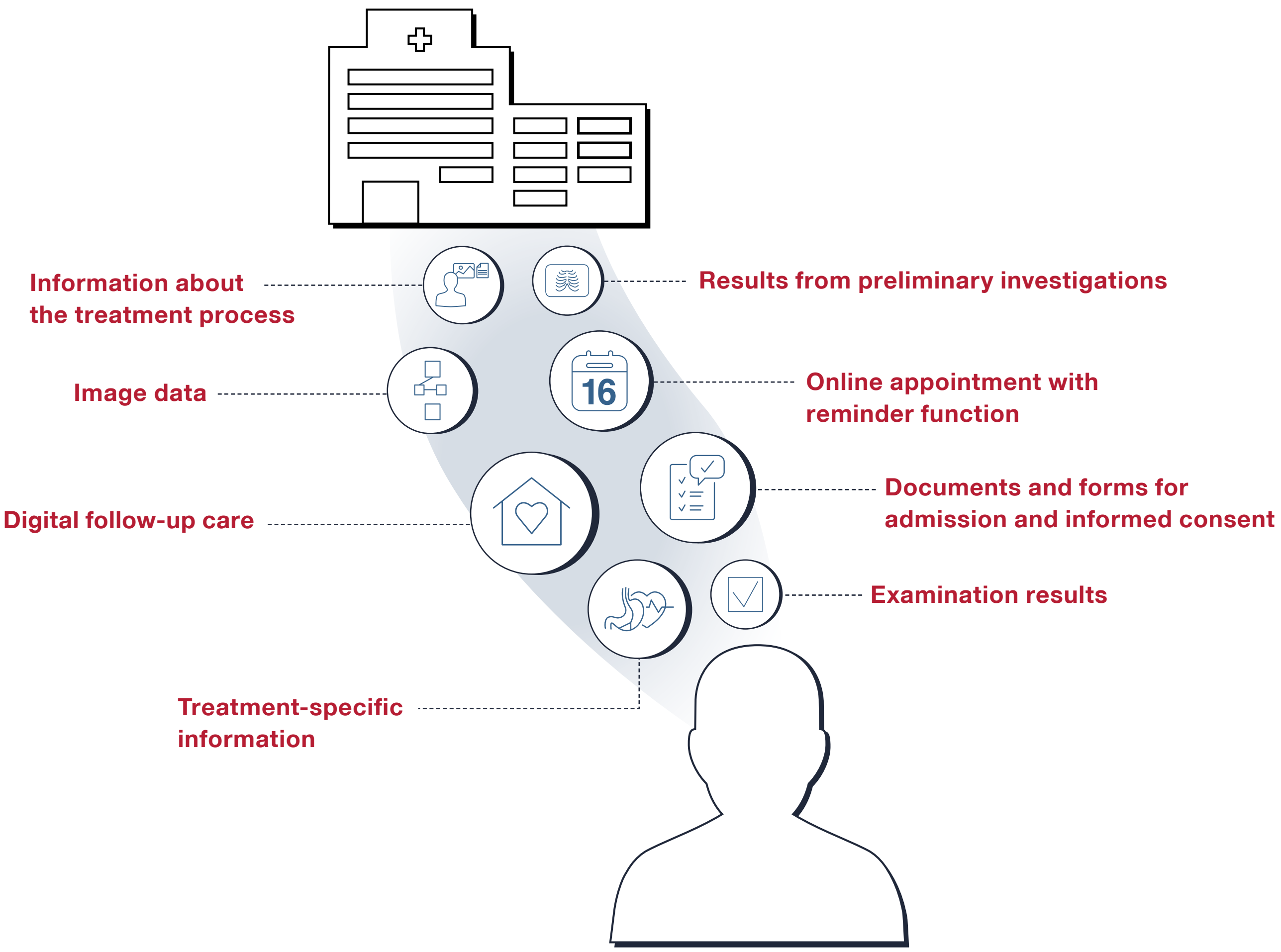
Accompanying patients before treatment (e.g., with online appointments or digital admission documents), during treatment (e.g., by accessing findings or informed consent documents) and after treatment (e.g., through follow-up questionnaires or rehabilitation information): this is **NEXUS / PORTAL**.

Any type of data may be retrieved or made available to the patient, hospital, referring physician or post-treatment institution. This creates a comprehensive overall picture for the patient concerning his or her treatment.

"Patient Portal" is a funding component (2) of the Hospital Future Act (KHZG) and is fulfilled by NEXUS / PORTAL.

PATIENT EMPOWERMENT

NEXUS / PORTAL makes an important contribution to patient empowerment by providing documents and data to patients during and after treatment. As a result, patients always have an overview of their own treatment results. Image data, which will not be included in the electronic patient record until 2023, can also be provided via NEXUS / PORTAL and accessed by patients.



The **intelligent diagnosis**

NEXUS / ADVANCED REPORTING is the fast and intelligent way to create diagnostic findings. By integrating digital data from medical devices – in the future coupled with results of artificial recognition algorithms (AI) – the appropriate text structures in natural language or by voice control are automatically inserted into the findings report. The automatically generated findings-text proposals support diagnostic decision-making and speed up documentation considerably. The basis for this is structured terminologies, which are stored for special departments and examination types.

Step-by-step prompting guarantees complete and precise diagnosis. Diagnoses and services can be reliably derived from this, and medical analyzes can be generated automatically.

THE INPUT SOURCES:

Library
Stored medical or institution-specific information as well as SOPs help doctors with quickly available background knowledge

Voice inputs
Voice input can be used to create the report during the examination or afterward

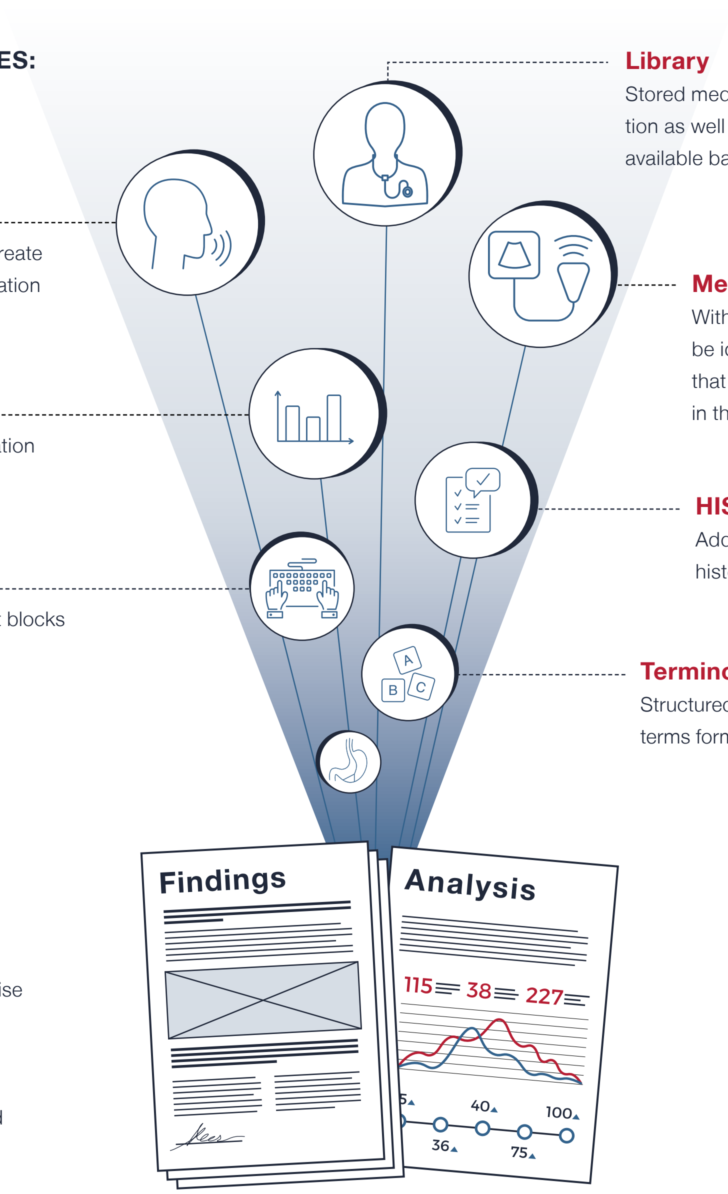
Medical devices
With the help of AI, parameters can be identified from the imaging sources that generate suggestions for findings in the report

Anatomical graphics
Localization and size information from anatomical graphics

HIS
Additional information via medical history data from the HIS

Text input
Step-by-step selection of text blocks or manual entry of texts

Terminology
Structured and content-linked technical terms form the text modules



THE RESULT:

Findings
Structured, complete, precise

Analysis
Management evaluations, medical analyses, AI-based research, etc.

04 __ Our NEXUS Management Team

Stefan Berg __ NEXUS / CLOUD IT

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 / FRAUENKLINIK

Joost van Geijn __ RVC (Nederland)

Udo Geißler __ E&L

Uwe Hannemann __ E&L, NEXUS

Daniel Heine __ NEXUS Deutschland

Fred Hiddinga __ NEXUS Nederland

Timo Hornig __ NEXUS / CSO

Dirk Hübner __ NEXUS / IPS

Melanie Ilic __ Nexus AG

Katharina Kajzer __ NEXUS / EPS

Dennis Klein __ NEXUS / CHILI

Jacek Kobusinski __ NEXUS Polska

Eric van Kooten __ NEXUS Nederland

Hagen Kühn __ NEXUS / CSO

Thomas Lichtenberg __ NEXUS / MARABU

Arnd Liman __ NEXUS / PATHOLOGIE

Pawel Masadynski __ NEXUS Polska

Heiko Münch __ NEXUS / CHILI

Sebastian Münch __ NEXUS / SWISSLAB

Cornelia Neuendorf __ NEXUS / ASTRAIA

Thomas Nieth __ NEXUS / HIGHSYSTEM

René Pfeiffer __ NEXUS Deutschland

Jörg Polis __ ifa systems

Roland Popp __ Nexus AG

Svenja Randerath __ Nexus AG

Loïc Raynal __ NEXUS France

Tobias Schlecht __ NEXUS Deutschland

Wolfgang Schmezer __ RVC (Deutschland)

Andreas Schwengeler __ NEXUS / CREATIV

Ulrike Stahnke __ E&L

Marc Sterenberg __ RVC (Nederland)

Sabine Süsskind __ NEXUS / CHILI

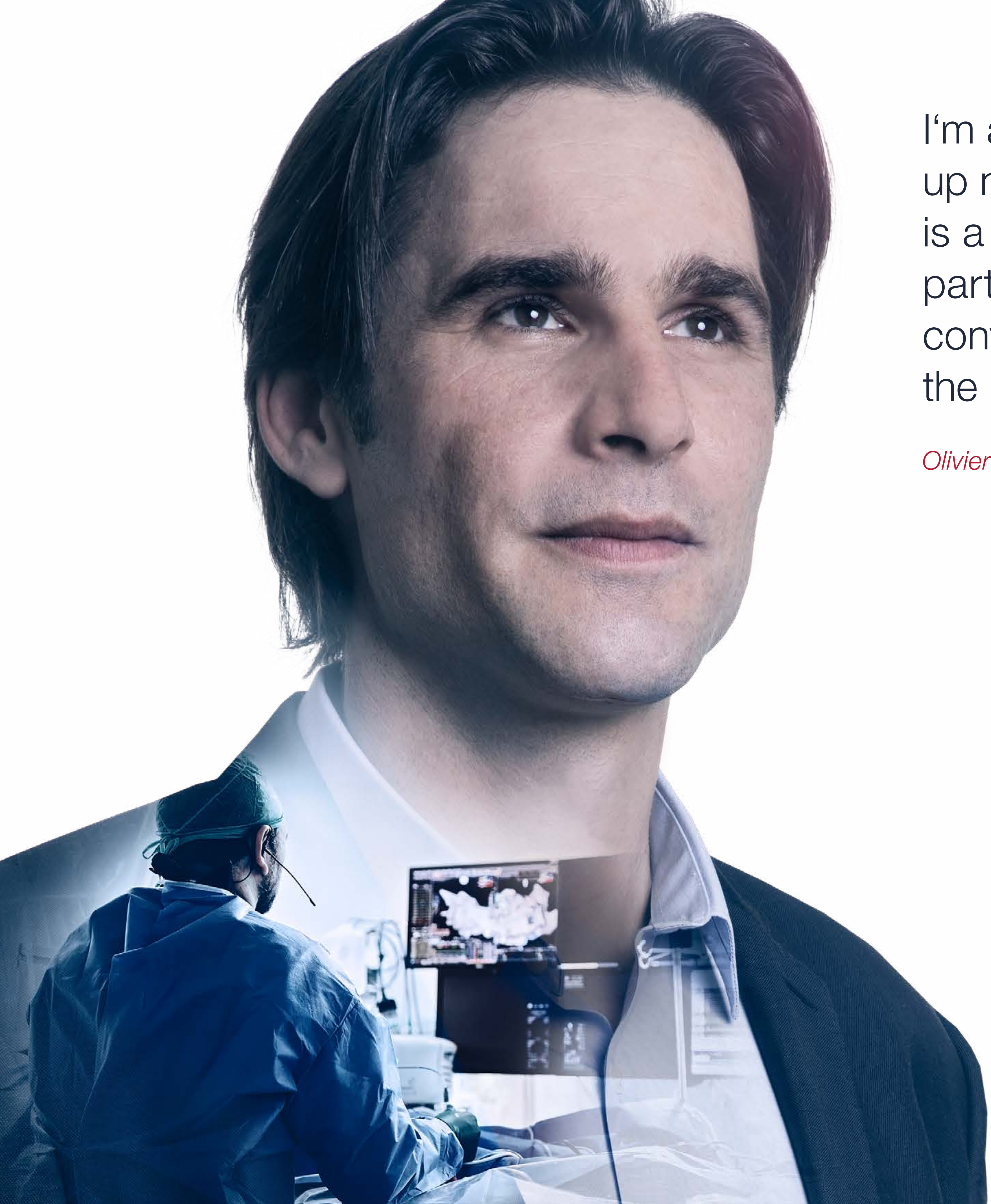
Ewa Szalczyk __ NEXUS Polska

Jean-Marc Trichard __ NEXUS France

Sylvia Unger __ NEXUS / EPS

Hannes Wehinger __ Nexus AG

Michael Ziegler __ NEXUS Schweiz



I‘m a passionate team player. Opening up new markets with my sales team is a challenge that I really enjoy. I am particularly pleased to be able to convince renowned clinics such as the Cadio-Thoracic Center in Monaco.

Olivier Bracco __ Customers Relationship Manager, France

05 __ Group Management Report of Nexus AG

BASIC PRINCIPLES OF THE GROUP

__ BUSINESS MODEL

NEXUS develops, sells and services software solutions for healthcare facilities. All software solutions are designed to help hospitals, rehabilitation facilities, specialist clinics and nursing homes to streamline their processes and enable staff to dedicate more time to their patients. NEXUS develops software solutions through the fusion of expertise with ideas from its customers and employees. It is able to draw on extensive expert knowledge from a number of 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 / HOME:** Complete information for nursing homes and nursing home chains
+ **NEXUS / OUTPATIENT CARE and asebis:** Complete Spitex (home care) solution for the Swiss market
+ **NEXUS / REHAB:** Complete information system for rehabilitation facilities
+ **NEXUS / PAT:** Complete administration information system for Swiss hospitals
+ **NEXUS / DIS:** Interdisciplinary diagnostic information system
+ **NEXUS / SWISSLAB:** Premium laboratory information system
+ **NEXUS / LAURIS:** Order communication in diagnostics
+ **NEXUS / PATHOLOGY and NEXUS / CYTOLOGY:** Information system for pathology and cytology institutes
+ **NEXUS / RADIOLOGY:** Radiology information (RIS) and imaging system (PACS) for radiology wards and surgeries
+ **NEXUS / CHILI:** PACS and teleradiology solutions
+ **NEXUS / GYNAECOLOGICAL HOSPITAL:** Information system for obstetric facilities and gynaecological hospitals
+ **astraia:** Special diagnosis in obstetrics and gynaecology
+ **NEXUS / QM:** Information systems for quality management in the healthcare system
+ **NEXUS / CSSD, NEXUS / SPM and EuroSDS:** Information system for product sterilisation processes in hospitals
+ **NEXUS / INTEGRATIONSERVER:** Interface management for hospital information systems
+ **NEXUS / CLOUD IT:** Outsourcing solutions in healthcare
+ **NEXUS / SPECIAL DIAGNOSTICS and Clinic WinData (CWD):** Information systems for medical diagnostics and device integration
+ **NEXUS / ARCHIVE and NEXUS / PEGASOS:** Archiving and process management in healthcare
+ **NEXUS / EPD:** Complete information system for somatic and psychiatric institutions in the Netherlands
+ **NEXUS / VITA and TESIS VITA:** Complete information system for in-vitro clinics
+ **Emed:** Web-based hospital information system for French and Spanish healthcare facilities
+ **NEXUS / SWITSPOT:** Software solutions to complement SAP HR management
+ **NEXUS / ASS.TEC:** Process and HR consulting in SAP
+ **highsystem.NET:** Life cycle client management
+ **CREATIV OM:** CRM for non-profit organisations and healthcare facilities
+ **NEXUS / ESKULAP:** Complete information system for somatic and psychiatric institutions in Poland
+ **ifa systems:** Software solutions in ophthalmology
+ **Sophrona Solutions:** Patient and referral portal for ophthalmology
+ **RVC Software:** Medical diagnostics

NEXUS markets software solutions, installs them at the customers' premises and handles maintenance of the solutions in terms of further development and consulting. If required, NEXUS can operate the software from its own internal or leased data centres and provide comprehensive customer support.

NEXUS software is designed in a modular, open and service-oriented manner. The service orientation of the products facilitates the integration of features (services) into both NEXUS and third-party products. In this way, both existing and newly acquired customers are able to directly benefit from additional features.

The various modules of the software solutions are used to improve administration, billing and treatment processes and optimise the quality of the documentation of patient data. Our products aim to offer tools to our customers in the healthcare system to digitise, streamline and improve the quality of their business processes. IT services round off the services we offer.

The NEXUS Group is represented at its sites in Donaueschingen, Berlin, Dossenheim, Erlangen, Frankfurt (Main), Freiburg (Breisgau), Hannover, Magdeburg, Ismaning, Munich, Jena, Kassel, Neckarsulm, Ratingen, Münster, Frechen, Singen (Hohentwiel), Vienna (AT), Antwerp (BEL), Wallisellen (CH), Widnau (CH), Altishofen (CH), Basel (CH), Lugano (CH), Zurich (CH), Grenoble (FR), Vichy (FR), Baarn (NL), Nieuwegein (NL), Amersfoort (NL), Fort Lauderdale (USA), Saint Paul (USA), Oklahoma City (USA), Sabadell (ES) and Posen (PL). Nexus AG is responsible for determining the Group strategy.

The following changes were made to the ownership structure in 2020:

+ NEXUS SISINF SL purchased 100 % of the shares in AEGERUS SL on 20/02/2020.
+ Nexus AG purchased an additional 5.02 % of the shares in its subsidiary NEXUS POLSKA sp. z o.o. from the existing option agreement on 23/04/2020.
+ With the share purchase agreement dated 30/04/2020, NEXUS Schweiz AG acquired the remaining 40 % of the shares in Synergetics AG.
+ Nexus AG purchased an additional 6.32 % of the shares in its subsidiary NEXUS POLSKA sp. z o.o. from the existing option agreement on 02/06/2020.
+ With the merger agreement dated 16/06/2020, Synergetics AG merged with NEXUS Schweiz AG as of 01/01/2020.

- Nexus AG purchased an additional 32.54 % of the shares in its subsidiary NEXUS / CHILI GmbH from the existing option agreement on 07/07/2020.
- With the merger agreement dated 01/08/2020, CS3i S.A.S merged with Nexus/France S.A.S. as of 01/03/2020.
- Nexus AG purchased 92.46 % of the shares in RVC Medical IT Holding B.V. on 30/09/2020. A option agreement has been concluded for the remaining 7.54 % of the shares.
- ifa united i-tech Inc. purchased 80.00 % of the shares in Sophrona Solutions Inc on 31/10/2020. An option agreement exists for a further 20 % of the shares.

Two additional companies of the NEXUS Group were merged into one business unit on 01/01/2021. This occurred as a result of the merging of profit centres that were previously managed separately to improve accountability.

__ Control System

The NEXUS Group is split into two divisions ("Healthcare Software" and "Healthcare Service") with several business units operated in each division. Each business unit has its own business model. The business unit strategies are based on the Group strategies for the product portfolio, market, technology and sales. The divisions and business areas are managed on the basis of the calculation of two uniform parameters (as per IFRS): "Revenue" and "Earnings Before Taxes". These figures are reviewed by the Executive Board on a quarterly basis.

__ Research and Development

The NEXUS Group solely develops software and does not conduct any research. 2020 saw expenditure for the development of the following product groups in particular: NEXUS / HIS, NEXUS / HIS^{NG}, NEXUS / RADIOLOGY, CWD, Emed and NEXUS / MOBILE apps. New supplementary products were developed and introduced onto the market. NEXT GENERATION software, (NG), which already verges on a large number of trending topics in innovation and will continue to expand our highly innovative approach, is currently being developed by Nexus AG with the support of a dedicated development team.

Total development costs amounted to KEUR 27,592 in 2020 (previous year: KEUR 26,064), representing 16.9 % of revenue (previous year: 17.7 %). KEUR 3.013 (previous year: KEUR 3,850) of the total development costs were capitalised. This corresponds to a capitalisation rate of 10.9 % (previous year: 14.8 %). The amortisation of internal development costs amounted to KEUR 5,100 (previous year: KEUR 5,702).

Capitalisable business expenditure for the fiscal year 2021 is scheduled to remain the same amount as in 2020. A total of 457 people were employed in development at the end of the fiscal year (previous year: 418 people).

ECONOMIC REPORT

__ Macroeconomic and General Industry-Related Factors

NEXUS primarily supplies customers in domestic and foreign healthcare systems with a focus on Germany, Switzerland, the Netherlands, France and Poland. The order situation is dictated by the competitive landscape in addition to budgetary trends and structural changes in the healthcare systems of the individual countries. However, it is not directly contingent on the economic climate. Nevertheless, the restrictions posed by the COVID-19 pandemic and the consequent potential crises in public finances throughout Europe may lead to a short and mid-term reduction to the growth expectations for the NEXUS Group. A reliable forecast with regard to these developments is not possible at this time. At present, we are working on the assumption that optimisations in healthcare through modern information systems, particularly in mind of the current pandemic, will continue to remain a pivotal item on the healthcare agenda in all countries. This assertion is supported by the Hospital Future Act (KHZG), which provides substantial funds for the digitisation of the healthcare system.

__ Technology Trends

Technology trends are regularly published by research institutes (e.g. Nucleus' Top 10 Technology Predictions for 2021, Gartner Top Strategic Technology Trends 2021, Gartner Top 10 Data and Analytics Trends for 2021, Forrester Predictions 2021, Bain & Company, Ten Technology Trends Moving into 2021) and serve as a key reference point for NEXUS. This is particular importance for the current and next period. The unprecedented socio-economic challenges faced in 2020 and the first few months of 2021 in correlation with the COVID-19 pandemic have also triggered significant changes and new technology trends in our industry. We have identified the ten trends below as significant for NEXUS:

__ Trend I: Distributed Cloud

Cloud-based platforms are increasingly shifting towards the distributed cloud. The healthcare sector has also witnessed considerable growth in the use of cloud platforms, and cloud acceptance has since become mainstream in the customer groups. At the same time, cloud-based platforms (PaaS) are also being developed for more flexible and scalable access to new technologies. The aim in this regard is to use containers, abstraction and programming interfaces (APIs) to improve the portability of applications and flexibility for hosting. A distributed cloud is used for the distribution of cloud services to different physical locations, whilst the operation, governance and development remain the responsibility of the public cloud provider. The ability to physically locate cloud services closes to one another helps to keep latency to a minimum, reduces transmission costs and can be of assistance when data needs to be kept in a certain geographical region (hyper-localization). The advantage: Suppliers and hospitals are able to continue using the public cloud and not required to manage their own, private cloud, which can be costly and complex. Edge computing provides an extension of the cloud by adding a decentralised, hardware-related component to the current cloud architecture. Edge computing devices, such as single-board computers similar to medical devices or mini data centres in hospital wards extend the cloud's computing power and are available when required for analyses. Research institutes anticipate that native technologies such as container platforms, serverless computing and cloud-to-edge integration will lead to a new era of distributed enterprise software over the next five years. NEXUS views this trend as an opportunity. At the moment, our container technology enables us to act in an innovative manner. The inclusion of the distributed cloud and edge computing will further boost our services.

__ Trend II: Internet of Behaviours (IoB)

The pandemic has highlighted the potential of the IoB at a far quicker pace than previously considered possible. IT has provided a tool for governments, authorities and companies around the globe to monitor and, where necessary, change specific behaviours of employees and citizens. There are many frequently published examples of this: Sensors or RFID tags were used to detect whether individuals washed their hands regularly, image recognition checked whether masks were being worn or not, mobile phones were used to monitor the movement of people, movement profiles were then set up to register any deviating behaviour by a person. With an increase in the number of technologies that collect the smartdust of everyday life, this information can be used to detect certain behaviour and influence it through feedback loops. Wearables, phones, GPS trackers, facial recognition, time tracking and social media: smartdust is used to analyse activities and to reward (e.g. lower health insurance premiums) or punish (e.g. cancellation of insurance coverage). The IoB is surrounded by ethical and social questions that exceed the scope of regulatory legislation and have arrived on our doorstep far sooner than anticipated. NEXUS processes personal data that can be used to draw a number of conclusions about behaviour and health. As such, our product development team constantly deals with issues related to data privacy and continues to further develop in this regard.

__ Trend III: Hyper-regional architectures

According to a number of research institutes, the pandemic, increasing scepticism towards a globalised world and new data security requirements have led to a re-regionalisation of business activities. Gartner claims that large companies will be required to improve their ability to act on a hyper-regional scale over the next decade in order to retain the trust of their customers and the authorities. This is especially true for healthcare institutions, which handle very sensitive data and must therefore ensure data security at all times. In this sense, in the future, NEXUS will push ahead with architectures that enable the strategic distribution of customer systems over key geographic regions whilst maintaining the advantages of centralised technology management. Our customers increasingly demand zero trust security, which we are consequently required to provide.

__ Trend IV: Hyper-automation

The COVID-19 pandemic has placed many business processes under strong pressure to digitalise. This applies in particular to back office processes, which increasingly need to be optimised. Hyper-automation is based on the concept that everything in an organisation that can be automated, must be automated. Above all, this pertains to business processes supported by a patchwork quilt of technologies. These older technologies are now in competition with technologically streamlined and integrated processes. Hyper-automation is particularly applicable in hospitals that currently use a large number of technologies to manage administrative processes. NEXUS plans on closely addressing this topic. Especially in Germany, the Hospital Future Act has made it possible to focus investment on this area.

__ Trend V: 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, the majority of available resources are bound to legacy systems and gradual adjustments are either too complex or slow to keep up with the demand for digitisation. IT is accordingly making significant moves towards wrap & trap. Wrap and trap refers to the removal of certain features from the legacy systems and their integration into a modern, microservice-oriented IT architecture. As a result, encapsulated, proven systems can continue to be used for strongly regulated areas (e.g. billing and patient management) and new architectures can be developed. NEXUS has defined wrap and trap methods as a strategy to modernise acquired systems and to implement modernisation strategies in cooperation with hospitals.

__ Trend VI: Low-code and no-code solution

Easy-to-use technology considerably simplifies access to technological knowledge. This general trend, also referred to as the democratization of knowledge, is found in the form of low-code and no-code software solutions. The proliferation of these solution through the automation of additional features for application development enables users to access specialist technical knowledge beyond the level of their own education through a radically simplified experience. NEXUS is consequently able to offer users low-code models that can be used to individually automate specific documentation and analyses. In 2020/2021, we presented a graphics diagnostics tool for internal medicine as our first product in this field.

__ Trend VII: Accountable artificial intelligence (AI)

Research institutes predict that by the end of 2024, approximately three quarters of current AI prototypes will be used in standard applications. We were already able to detect an acceleration in AI development in 2020. As a result of the pandemic, AI applications were considerably enhanced to predict the spread of the virus and countermeasures, for example. AI can also currently be found in a vast range of other diagnostics and therapeutic fields to diagnose illnesses more efficiently, develop medication, personalise treatment and even for genome editing. At the same time, AI is increasingly gaining prominence in application development, data science and to test automation. New trends in AI development can be observed in Edge AI, whereby AI algorithms are stored on the edge of the network or on devices. As a result, AI development is on a similar path as edge computing. An addition trend is the development of adaptable AI that can be operated by non-experts and that provides clear results. It is crucial that doctors are able to determine the basis on which the AI has provided a diagnosis recommendation and relay this to their patients. NEXUS is currently engaged in a number of AI development projects and views this as an area with significant business potential for the upcoming years. However, our security teams and risk management officers will also be subject to growing requirements, as these advancements lead to more potential points of attack (cloud computing, microservices) and the demands for ethical and accountable AI increase.

__ Trend VIII: Mobile computing, smart apps and analytics

Mobile applications are growing at an ever-increasing pace in healthcare facilities. Smart apps and analytics, such as virtual personal assistants, are key components of mobile applications and fall under the scope of AI. According to Gartner, in the future, each app will contain AI components. Smart interfaces will continue to emerge between people and systems, which will change that way people work in hospitals. These applications are highly conceivable, especially in the medical field. NEXUS has also involved these potential future developments in the product design of NEXUS / MOBILE apps.

__ Trend IX: The growing value of health data

Bain & Company predict that the market for big data in healthcare will be worth around USD 70 billion by 2020. The value and practicality of this data has long been highly appreciated, even prior to the pandemic. Accessing data stored in hospital information systems (HIS) and in different formats and databases in various silos and wards is often not an easy task. In order to maintain a 360 degree view over all patients, all available data must be consolidated and merged into the format required in each case. Virtual, split data platforms integrate all data sources, serve as the data hub for all hospital processes and enable data to be used in a flexible manner. In this regard, we are currently working on the further development of a diagnostic data platform that provides the users with all patient-related diagnostic reports as raw data. Due to our diversified diagnostics set-up in a large number of hospitals, in our opinion, we are well-prepared for this application.

__ Trend X: Total experience as part of the technology strategy

In terms of corporate strategy, in recent years, the customer experience has gained increasing significance as a trend. User experience and employee experience have made great strides in recent year, especially in application development. Gartner now regards the total experience as a trend, namely combining the customer experience, employee experience and user experience to transform a business outcome and not solely relying on the improvement of an individual area.

For NEXUS, this approach towards application development has proved exemplary. Hospitals will accordingly be able to sustainably change the total patient experience by capitalising on total experience processes. We currently have CRM systems, telemedicine systems and portals that provide patients with support and information before, during and after treatment in the pipeline. As a result, patients, users and employees alike will benefit from a positive total experience.

__ Outlook

Tracking key technology trends is a key aspect of the NEXUS development strategy. In 2020, the pandemic accelerated a number of new developments that we now have incorporated into our technology strategy for 2021. Topics such as the distributed cloud and hyper-regional architectures have become increasingly important and consequently part of our development program. The changing world of work has also led to a number of new development priorities in terms of telemedicine and portals.

We continue to see significant opportunities in the trend towards artificial intelligence. In particular, numerous application possibilities have emerged in our diagnostic information systems, for which the clarity of the algorithms plays an ever-increasing role. We are also pursuing low-code, no-code and total experience solutions in individual development projects, thus increasing our innovative strength. Furthermore, we are already verging on a number of innovative topics with NEXT GENERATION Software (NG) and plan to further expand our highly innovative approach.

__ Competitive Environment and Market Position

NEXUS is well positioned on the market as an innovative solution provider in European healthcare. Our successes, growth and the number of installations has led to an increase in the name recognition of the Group. We continued to pursue further expansion of our European activities in a sustainable manner in 2020 and achieved an increase in revenue.

In spite of the significant challenges posed by the COVID-19 pandemic, the companies of the NEXUS Group once again achieved great success in terms of sales in 2020. We helped our clients to manage the challenges throughout the crisis with support services, new products and innovations, particularly in our core markets of Germany, Switzerland, the Netherlands, France and Poland. Drops in revenue for services experienced during the lockdown periods in certain countries were largely offset over the course of the year.

New clients were also acquired in all product areas in the past year. The products NEXUS / REBAB, NEXUS / HIS^{NG}, CWD, NEXUS / CHILI, NEXUS / GYNAECOLOGICAL HOSPITAL and NEXUS / PEGAGOS enjoyed particular success in this regard. Following issues at the start of the year, licensing experienced positive growth. We were able to win several key contracts in the complete systems division, particularly in the Netherlands, Germany and Switzerland.

The market for software solutions in healthcare remains characterised by tough competition and a high concentration of suppliers. Consolidation within our sector continued to progress considerably in 2020. In 2019, new selling conditions emerged in Europe as the result of the acquisition of Dedalus Italia S.p.A., Florence (IT) (Dedalus Group) and CompuGroup Medical Deutschland AG, Koblenz. In 2020, the Dedalus Group contributed to the renewed concentration of competitors on the market with the acquisition of the Healthcare Software Solutions division of the US-based DXC TECHNOLOGY COMPANY, Tysons (USA). NEXUS remains one of the active consolidators in the market, reinforced by its acquisitions in Spain, the Netherlands and the USA. It can be assumed that the consolidation pressure will continue to prevail and the new market situation will lead to shifts. NEXUS may continue to benefit from the strong consolidation and use the opportunities afforded by its independent position on the market.

NEXUS takes a leading position among competitors in Europe in terms of annual revenues.

__ Key Financial Performance Indicators

The key financial performance indicators (KPI) for NEXUS, namely “Revenue” and “Earnings Before Taxes” have experienced positive growth within the Group. In the fiscal year 2020, the relative market position was no longer regarded as a key non-financial performance indicator, as the NEXUS group is no longer governed according to this performance indicator.

__ Business Performance

__ Presentation of the Asset, Financial and Profit Situation

__ Profit Situation

The NEXUS Group experienced a significant increase in consolidated revenue amounting to KEUR 162,944 in 2020, in comparison to KEUR 147,648 in 2019. This represents a KEUR 15,296 (10.4 %) increase in revenue. The significantly higher sales revenues result in economies of scale. Own work capitalised decreased to KEUR 3,013 (previous year: KEUR 3,850) in the fiscal year 2020. In comparison to the previous year (KEUR 21,507), material costs increased by 13.3 %, representing a larger increase than the increase in revenue in percentage terms. This can primarily be attributed to one large project with a significant hardware component. The increase in staff costs from KEUR 91,566 to KEUR 97,100 (6.0 %) was primarily the result of the increase in employee numbers and the staff costs incurred following the company acquisitions over the course of the fiscal year. Other operating income and expenses reduced significantly. Small sums from defined benefit obligations that were incurred within the scope of an earlier company acquisition were reported under other operating income and expenses. In comparison to the previous year, the one-off effect was less extensive.

In 2020, EBITDA amounted to KEUR 36,640 compared to KEUR 33,947 in 2019 (7.9 %). Depreciation amounted to KEUR 16,725 (previous year: KEUR 16,503). This amount primarily pertains to scheduled amortisation of capitalised development costs, technology and customer relations.

The earnings for the period before taxes (EBT) considerably improved from KEUR 16,862 in the previous year to KEUR 19,592 (16.2 %) in 2020. As a result, we exceeded the projected slight increase in revenue and EBT.

In comparison to the previous year, consolidated net income increased by 24.5 % to KEUR 15,091 (previous year: KEUR 12,121). This increase can be attributed to the lower tax rate, which decreased from 28.1 % to 23.0 %.

Both divisions of the Group achieved similar results in terms of revenue. The Healthcare Software division reported revenue of KEUR 154,532, compared with 139,597 in the previous year (10.7 % increase), marking a slight improvement. This growth corresponded to the figures forecast in 2019. The Healthcare Service division achieved revenues of KEUR 8,412 (previous year: KEUR 8,051; 4.5 %) In contrast to the predictions of a slight decline in revenue made in the 2019 outlook, the strong order situation in this division led to an increase in revenues.

Both divisions of the Group also achieved similar results in terms of earnings before interests and taxes (EBIT). The Healthcare Software division reported slightly improved earnings before interest and taxes (EBIT) amounting to KEUR 17,767 in comparison to KEUR 16,740 in the previous year (6.1 %). The first consolidation of AEGERUS SL, RVC Medical IT Holding B.V. and Sophrona Solutions Inc. led to a KEUR 76 decrease in EBIT. Very strong earnings before interest and taxes amounting to KEUR 2,148 (previous year: KEUR 704; 205.1 %) were achieved in the Healthcare Service division, particularly due to the strong order situation in this division.

The development of the earnings situation of the NEXUS group is positive from the point of view of the executive board.

__ Asset Situation

According to our impairment tests conducted on the balance sheet date, goodwill and indefinite-lived trademarks amounting to KEUR 96,281 (previous year: KEUR 82,804) remain recoverable. There were no indications of impairment of the remaining intangible assets amounting to KEUR 35,058 (previous year: KEUR 29,891) in 2020, which primarily comprise capitalised internal developments and acquired customer relations. Intangible assets, including goodwill, amounted to KEUR 131,339 (previous year: KEUR 112,695), representing 58.9 % (previous year: 54.2 %) of total assets.

As of 31/12/2020, inventories increased by KEUR 1,220 as of the reporting date, mainly due to a major order.

Trade and other receivables increased by 6.3 %, amounting to KEUR 27,550 as at 31/12/2020 in comparison to KEUR 25,927 in the previous year.

Cash assets plus securities held as the liquidity reserve amounted to KEUR 28,177 as at 31/12/2020 (previous year: KEUR 35,204). This corresponds to 12.6 % (previous year: 16.9 %) of total assets.

As at the reporting date, the equity of the NEXUS Group amounted to KEUR 123,583 in comparison to KEUR 115,135 in the previous year, corresponding to an equity ratio of 55.4 % (previous year: 55.3 %).

In 2020, a dividend of EUR 0.18 per share (EUR 2,835,401.58) was paid out to stockholders.

Contract liabilities as per IFRS 15 amounting to KEUR 2,244 (previous year: KEUR 1,850) primarily pertain to advances received from customers for software projects.

__ Financial situation

Cash flows have been reported in the cash flow statement. In 2020, cash flows from operating activities amounted to KEUR 30,947, representing a significant increase compared to the previous year (KEUR 24,618). This growth can primarily be attributed to the increased consolidated earnings before taxes, changes in receivables and other assets in addition to liabilities from operating activities. Cash outflows for investment activities on balance amounted to KEUR -22,005 (previous year: KEUR -7,010). Payments for investments in intangible assets as well as payments for acquired companies were the focus of investment activities. Cash flows from financing activities amounted to KEUR -16,143 (previous year: KEUR -10,150) and primarily comprised dividend pay-outs, payments for the redemption of lease liabilities, cash receipts and payments for the sale and acquisition of treasury shares and the acquisition of non-controlling interests for already consolidated companies.

__ Investments/Acquisitions

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

__ Other Financial Obligations

The Group has mainly concluded leasing agreements for operation and business facilities (incl. the EDP hardware) and official vehicles. In addition, there are rental contracts and other contract obligations for business offices. The purpose of the contracts is the financing and procurement of assets necessary for business operations. Risks can be created by the conclusion of expensive follow-up contracts at higher costs after expiration of these contracts.

Advantages, which resulted in decisions for carrying out or retaining these transactions, are found mainly in the low capital requirements for the company in procuring the required assets for business. In addition, there is no utilization risk for the company due to leasing financing and the possibility of short-term securing of the current state of technological development. The Group has primarily concluded lease agreements for its operating and business equipment (incl. IT hardware) and its company cars. Lease agreements and other contractual obligations have also been concluded for the business premises. These agreements are used to finance and procure the necessary fixed assets. Risks may arise through the conclusion of more costly subsequent agreements and increased expenses upon expiration of these agreements.

The advantages that led to the decision to conclude or maintain these agreements are primarily the lack of capital commitment for the company in the procurement of the necessary fixed 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.

__ Principles and Objectives of Financial Management

NEXUS financial management aims to ensure the financial stability and flexibility of the company. A balanced ratio between equity capital and debt capital plays a significant role in this regard. The capital structure of the NEXUS Group is composed of 55.4 % equity, 20.3 % non-current liabilities and 24.3 % current liabilities. Non-current liabilities primarily comprise pension obligations and other financial liabilities. Current liabilities primarily comprise provisions, other financial liabilities and trade and other liabilities

INFORMATION RELEVANT TO ACQUISITIONS

__ Composition of Subscribed Capital and Stock Exchange Listing

Nexus AG is listed on the Frankfurt Stock Exchange in Prime Standard under the International Securities Identification Number (ISIN) 522090. The subscribed capital in the amount of EUR 15,752,231 is composed as follows: Ordinary shares: 15,752,231 units with a book value of EUR 1.00. Please refer to the German Stock Corporation Act (Subsection 8 ff AktG) for more information on the rights and obligations with respect to no-par value shares. A total of 15,747,823 shares have been issued as of the reporting date.

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

There is no separation between voting rights and shares 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 provisions in the articles of incorporation beyond the statutory provisions for the appointment and dismissal of Executive Board members. Furthermore, there are no significant provisions in the articles of incorporation that deviate from the statutory and dispositive provisions.

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

With its resolution on 12/05/2017, the Annual General Meeting of Nexus AG authorised 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 authorised 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 17/05/2017. The authorisation from 18/05/2015 in effect prior to this date was also revoked.

The Executive Board is also authorised to offer the purchased stocks to a third party within the context of company mergers, the acquisition of companies or holdings in companies with the approval of the Supervisory Board. The subscription rights of the shareholders to treasury shares are excluded in this regard.

With the consent of the Supervisory Board, the Nexus AG Executive Board resolved to exercise the authorisation granted by the Annual General Meeting on 18/05/2015 to purchase up to 200,000 treasury shares (representing 1.27 % of share capital) of the Group pursuant to Art. 71(1) no. 8 AktG. As at 31/12/2019, 109,811 treasury shares had been purchased as a result of this share buy-back initiative (previous year: 95,558 shares) (= EUR 109,811 share capital; previous year: EUR 95,558 share capital) at an average price of EUR 26.74. This corresponds to a 0.7 % share of the share capital (previous year: 0.6 %).

Please consult the notes to the consolidated financial statements with regard to the information pursuant to Art. 160(1) no. 2 AktG.

__ Authorised capital

The Executive Board is authorised to increase the share capital of the Group for the period up to 30/04/2021 with the approval of the Supervisory Board one time or several times up to a total of EUR 3,000,000.00 through the issuance of new no-par value bearer shares (no-par value shares) against cash and/or contributions in kind (authorised capital 2016). The new shares can also be issued to employees of the Group or an affiliated company. The Executive Board shall determine the conditions for the issuance of shares with the approval of the Supervisory Board. The Executive Board is also authorised to elect to exclude the subscription rights of the shareholders in the following cases, subject to approval from the Supervisory Board:

a) For fractional amount;

b) For the issue of new shares to employees of the Group or an affiliated company;

c) For the issue of new shares against contribution in kind for the acquisition of companies, business units or holdings in companies;

d) For the issue of new stocks against cash investment, if the issue amount of the new shares does not fall substantially short of the listed price of the shares already listed on the stock exchange of the same class and investment at the time of the final calculation of the issue amount by the Supervisory Board pursuant to Subsection 203(1) and (2), 186(3), clause 4 AktG, and the proportional amount of the share capital for the new shares for which the subscription right was excluded does not exceed 10 % of the share capital at the time this authorisation was entered into the commercial register (EUR 15,735,665.00) and – cumulatively – 10 % of the share capital at the time at which the new shares were issued. The proportional share of share capital is to be calculated at the higher limit of 10 % of share capital, which applies to the new or repurchased shares that were issued or sold since entry of this authorisation into the commercial register with simplified exclusion of subscription rights as per Art. 186(3) clause 4 AktG as well as the proportional share of share capital, 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 authorisation into the commercial register pursuant to Section 186(3) clause 4 AktG.

__ Contingent capital

The share capital of the Group was conditionally increased by EUR 1,400,000.00 through the issuance of up to 1,400,000 no-par value bearer shares with a book value of EUR 1.00 each (contingent capital 2012). Contingent capital is used to secure subscription rights from share options that were granted based on the authorisation of the Nexus AG Annual General Meeting on 23/05/2012. The contingent capital increase will only be carried out insofar as share options are issued and the bearers of these share options use their subscription rights and the Group does not offer treasury shares to fulfil subscription rights.

REMUNERATION REPORT

__ Further development of the remuneration system effective as of 01/01/2021

As of 01/01/2020, the Act on the Implementation of the Second Shareholders' Directive (ARUG II) came into force, which provides for significant changes to the requirements for the remuneration of the Executive Board with the transitional periods provided for therein. The German Corporate Governance Code, as amended on 20/05/2020 (DCGK 2019), also contains recommendations for remuneration of the Executive Board. NEXUS will apply ARUG II for the first time for the fiscal year 2021 using the transitional periods. The Supervisory Board took this as an opportunity to review the Executive Board remuneration system and decided at the Supervisory Board meeting on 21/07/2020 to develop the Executive Board remuneration system further as of 01/01/2021, which is presented below.

Remuneration of the Executive Board is composed of fixed and variable components. Fixed components include fixed annual salary, ancillary benefits and company pension provisions. Variable components are Short Term Incentives ("STI") and Long Term Incentives ("LTI").

__ Fixed compensation components

The fixed annual salary is a cash payment that remains the same for the entire year. It is paid in twelve equal monthly instalments as a fixed salary, plus a one-off payment, if applicable. The use of a company vehicle and contributions to D&O insurance are firmly defined as fringe benefits. The fixed compensation components also include the pension commitment in the form of a company pension plan.

__ Variable compensation components

Short-term variable compensation takes the form of performance-based variable compensation with a one-year assessment period. The purpose of this short-term variable compensation component is to reward the annual contribution to sustainable corporate development and the operational implementation of the corporate strategy. The basis of the STI is the achievement of the performance criteria set out in the planning for the respective financial year following.

The purpose of the long-term variable compensation component is to promote long-term corporate development. In addition, the LTI is designed to ensure that the actions of the Board are in line with the strategic – including non-financial – objectives of the company. Capital market performance and the development of market capitalisation as well as individual targets represent the performance criteria.

__ Maximum Compensation (Sec. 87a (1) (2) (1) German Stock Corporation Act (AktG))

The total compensation to be granted for a financial year (sum of all compensation amounts expended for the financial year in question, including annual fixed salary, variable compensation components and fringe benefits) for the members of the Executive Board – irrespective of whether it is paid in this financial year or at a later date – is limited to a maximum amount for the individual members of the Executive Board.

__ Malus and clawback regulations for variable compensation (Sec. 87a (1) (2) (6) German Stock Corporation Act (AktG))

In the event of gross misconduct, the short-term (STI) and long-term (LTI) variable compensation can be withheld (malus) or – if already paid out – also reclaimed (clawback) within six months of payment.

__ Remuneration of the Executive Board in the fiscal year 2020

The following remuneration report, taking into account the stipulations of the German Corporate Governance Code in the version dated 07/02/2017 (DCGK 2017), complies with the requirements of the German Commercial Code (HGB).

__ Basic features of the remuneration system

The Supervisory Board of Nexus AG determines the structure and amount of remuneration for the Executive Board members, which is reviewed by the Supervisory Board on a regular basis. The remuneration system for the Executive Board is based on the principles of performance- and results-based remuneration and comprises a component not based on results (incl. ancillary services), a variable performance-based component and pension commitments. In addition, the Group maintains a pecuniary loss insurance policy (directors' and officers' liability insurance policy) for its Executive Board members. Criteria for the suitability of the respective remuneration for each Executive Member are determined by the responsibilities of the respective member, his personal performance, the economic situation and the success and future outlook of the Group in consideration of the market environment.

The component of remuneration for Executive Board members which is not based on results is composed of a fixed sum, paid in 12 monthly instalments and benefits in kind, which are equal to the value of company car use as per the pertinent fiscal regulations (ancillary performances). The variable, performance-based component of remuneration consists of two components (bonuses 1 and 2) for members of the Executive Board.

As at 31/12/2020, the following individuals were members of the Executive Board:

+ Dr. Ingo Behrendt, Chief Executive Officer
+ Ralf Heilig, Chief Sales Officer
+ Edgar Kuner, Chief Development Office

__ Executive Board

Bonus 1 is based on target agreements concluded on an annual basis with the Chief Sales Officer Ralf Heilig and the Chief Development Officer Edgar Kuner, whereby Bonus 1 is limited to a maximum amount of KEUR 80 upon attainment of the targets. For CEO Dr. Ingo Behrendt, Bonus 1 is based on the Nexus AG Group earnings for the fiscal year, whereby the bonus is limited to a maximum amount of KEUR 260 upon attainment of the targets. Bonus 1 is payable after it has been determined whether the targets were achieved or upon approval of the consolidated financial statements of Nexus AG.

Bonus 2 is based on the medium-term development of the (adjusted) Group EBITDA for the NEXUS Group (LTIP), based on a rolling average of three fiscal years (2018–2020; bonus cycle). Bonus 2 is limited to a maximum amount of KEUR 400 for the Chief Sales Officer Ralf Heilig and the Chief Development Officer Edgar Kuner and is provided in the form of cash.

For the CEO Dr. Ingo Behrendt, Bonus 2 was paid in cash in 2018, and then in no-par value shares in Nexus AG in 2019 and 2020. Payment in no-par value shares is based on the average share value over the bonus cycle. The payment in cash in 2018 and the assessment bases for the number of shares granted in 2019 and 2020 are limited to a maximum amount of KEUR 950 in total. Bonus 2 is payable after approval of the Nexus AG consolidated financial statements for the final fiscal year in the bonus cycle (2020), whereby advance payments can be made after approval of the consolidated financial statements for the first and second years of the bonus cycle, provided they are paid in cash. The CEO Dr. Ingo Behrendt is entitled to a total of 20,048 shares in Nexus AG within the scope of Bonus 2 for 2019 and 2020. At the time the shares were granted, the fair value amounted to KEUR 1,022.

The Executive Board members were entitled to a total of 160,000 shares in Nexus AG from the previous bonus cycle (2015-2017). At the time the shares were granted, the fair value amounted to KEUR 788. The entitled of Executive Board members was deferred in 2017 to enable Nexus AG to fulfil its obligations under the current share buy-back initiative. As at 31/12/2020, CEO Dr. Ingo Behrendt was entitled to 54,000 shares and the Chief Sales Officer Ralf Heilig and Chief Development Officer Edgar Kuner were each entitled to 10,000 shares.

The Chief Sales Officer Ralf Heilig is entitled to a monthly payment of EUR 500.00 from Nexus AG into a pension fund. He shall be entitled to withdraw from this fund once he reaches 60 years of age.

The CEO Dr. Ingo Behrendt is entitled to a monthly payment of EUR 2,827.88 (previous year: EUR 1500.00) in total from Nexus AG into seven (previous year: four) pension funds. Furthermore, Nexus AG has made a direct commitment to the provision of a pension with fixed monthly contributions based on how long the respective board member has been with the company. He shall be entitled to withdraw from this fund once he reaches 60 years of age. As at 31/12/2020, the net present value of this commitment amounted to KEUR 347 (previous year: KEUR 218). Staff costs amounting to KEUR 129 (previous year: KEUR 218) were recorded in the reporting period.

Inflow (in KEUR)	Dr. Ingo Behrendt Chief Executive Officer Start date: 01/03/2000				Ralf Heilig Chief Sales Officer Start date: 01/10/2001				Edgar Kuner Chief Development Officer Start date: 01/08/1989			
	2019	2020	2020 (Min)	2020 (Max)	2019	2020	2020 (Min)	2020 (Max)	2019	2020	2020 (Min)	2020 (Max)
Fixed remuneration	280	280	280	280	174	150	150	150	170	170	170	170
Fringe benefits	12	12	12	12	14	14	14	14	9	9	9	9
Total	292	292	292	292	188	164	164	164	179	179	179	179
Annual variable remuneration	260	260	-	260	80	80	-	80	70	70	-	70
LTIP 2015-2017	699	495	-	495	240	-	-	-	240	-	-	-
LTIP 2018-2020 (advance payment)	135	-	-	-	60	-	-	117	60	-	-	117
Total	1.094	755	-	755	380	80	-	197	370	70	-	187
Total remuneration	1.386	1.047	292	1.047	568	244	164	361	549	249	179	366
Total remuneration without non-period inflow	687	552	292	552	328	244	164	361	309	249	179	366

Grants (in KEUR)	Dr. Ingo Behrendt Chief Executive Officer Start date: 01/03/2000				Ralf Heilig Chief Sales Officer Start date: 01/10/2001				Edgar Kuner Chief Development Officer Start date: 01/08/1989			
	2019	2020	2020 (Min)	2020 (Max)	2019	2020	2020 (Min)	2020 (Max)	2019	2020	2020 (Min)	2020 (Max)
Fixed remuneration	280	280	280	280	174	150	150	150	170	170	170	170
Fringe benefits	12	12	12	12	14	14	14	14	9	9	9	9
Total	292	292	292	292	188	164	164	164	179	179	179	179
Annual variable remuneration	260	260	-	260	80	80	-	80	80	80	-	80
LTIP 2015-2017	-	-	-	-	-	-	-	-	-	-	-	-
LTIP 2018-2020	240	782	-	782	107	176	-	176	107	176	-	176
Total	500	1.042	-	1.042	187	256	-	256	187	256	-	256
Total remuneration	792	1.334	292	1.334	375	420	164	420	366	435	179	435
Total remuneration without non-period inflow	792	1.334	292	1.334	375	420	164	420	366	435	179	435

__ Supervisory Board

The remuneration of the Supervisory Board is determined by the Nexus AG Annual General Meeting and is governed by the Nexus AG articles of incorporation. Each member of the Supervisory Board receives an annual fixed compensation. The fixed compensation for the Chairman of the Supervisory Board is EUR 40,000.00, for the Chairman of the Audit Committee EUR 24,000.00 and for the other members of the Supervisory Board EUR 16,000.00. A further EUR 1,000.00 is granted for chairing other committees.

The following individuals are members of the Supervisory Board:

+ Dr. jur. Hans-Joachim König, Singen, Chairman
+ Prof. Dr. Ulrich Krystek, Berlin, Deputy Chairman
+ Prof. Dr. med. Felicia M. Rosenthal, Freiburg i. Br.
+ Prof. Dr. Alexander Pocsay, St. Ingbert
+ Dr. Dietmar Kubis, Jena
+ Juergen Rottler, Singen

The total remuneration paid to the Supervisory Board in 2020 amounted to KEUR 129 (previous year: KEUR 112). In addition to his activities on the Supervisory Board, the Chairman of the Supervisory Board occasionally performs services for Nexus AG or appoints an affiliated company to do so and invoices this work in line with customary market conditions. In 2020, the expenses for service fees in this regard amounted to KEUR 79 (previous year: KEUR 72).

CORPORATE GOVERNANCE STATEMENT AND COMPLIANCE STATEMENT

The corporate governance statement and the compliance statement as per Art. 161 AktG can be found on the company website at www.nexus-ag.de – Company – Investor Relations – Corporate Governance.

SEPARATE NON-FINANCIAL STATEMENT

The non-financial statement as per Art. 315b-c HGB in conjunction with Art. 289c-e HGB can also be found on the company website at www.nexus-ag.de – Company – Investor Relations – Corporate Governance – Separate non-financial statement.

OPPORTUNITIES AND RISKS

The entrepreneurial endeavours of Nexus AG are subject to certain opportunities and risks. Nexus AG has introduced a risk control and management system for the early detection, evaluation and proper management of opportunities and risks. The systems cover 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 AG is confronted with short-term, mid-term and long-term strategic and operative risks as a result of changes and stumbles within the economic climate, industry and the provision of services. At present, these is joined by risks from the ongoing COVID-19 pandemic. Even though NEXUS successfully managed the risks from the pandemic in 2020, the further course of the pandemic may entail reduced revenues, issues with customer solvency or issues with the availability of employees. As a result, NEXUS has concentrated on these aspects in its risk management strategy.

The opportunities and risks presented below pertain to both NEXUS divisions.

__ Opportunity Report

Decisive opportunities and risks, which could entail a considerable change in the economic success of NEXUS, are presented by the market and industry climate and the ongoing pandemic.

The NEXUS Group primarily earns its revenue from the sale of software licences and services for healthcare systems in Germany, Switzerland, Austria, the Netherlands, France, Poland and Spain. The current macroeconomic climate is unstable and strongly contingent on the future course of the pandemic. Budget cuts are expected in the public finances of many European nations, which may have an effect on the financing of public investment. This includes the healthcare systems and, notably, hospitals throughout Europe. On the other hand, governmental initiatives to boost the healthcare systems provide us with opportunities. Particularly in Germany, significant funds are provided for the digitisation of healthcare as part of the Hospital Future Act. What is striking is that the digitalisation strategies of the public sector and many providers are now being thought of and designed across sectors, i.e. involving GPs, rehabilitation facilities and patients. This is a development that will improve the efficiency of health IT in the long term.

The research and advisory company Gartner has set its global IT spending growth forecast at 4 %, projected to reach a potential USD 3.8 trillion over the next year. Even more considerable growth is forecast in the field of enterprise software, which is anticipated to grow by around 7.2 %.

Global growth projections for information technology in healthcare are currently very positive. Growth rates of up to 24 % are forecast in certain areas for 2021. Other long-term forecasts anticipate average growth of 15 % between 2020 and 2027. Independent of the tangible increase in growth, all forecasts for the healthcare IT sector feature positive outlooks for the upcoming years. At the moment, the market is primarily shaped by the COVID-19 pandemic and the resulting digitisation initiatives. However, these positive outlooks could be challenged by the higher costs for solutions, implementation and infrastructure, in addition to concerns related to data security.

Even if these figures do not provide any direct information on the impact on NEXUS Group revenues, NEXUS assumes that the target groups (somatic and psychiatric hospitals, medical care centres, rehabilitation facilities, retirement and nursing homes as well as diagnostic centres) will continue to pursue the current trend towards digitisation. This provides NEXUS with significant opportunities for above-average growth.

Accordingly, we feel well-equipped to exploit any opportunities that arise on the market to acquire new customers and improve our margins. Our current technology and market position open up the possibility for us to acquire new customers and improve our margins. Our technology strategies and modular approach between a clinical and diagnostic system has gained growing attention on the market. In particular, following the acquisitions of the competitors in recent months, NEXUS is an independent company on the market, which is able to fully concentrate on innovations and customer care. We can benefit from the multiproduct and refinancing issues that emerge through the acquisition of large companies and present ourselves as an agile and focused company on the market. This has been reinforced by the success in orders in recent months.

Nevertheless, the risks faced within our industry continue to prevail. As in every year, the following applied: If another provider succeeds in becoming the standard provider despite the fragmented market, the strategy by NEXUS, as a medium-sized provider with a global presence, will not succeed. Acquisition by a competitor remains a possibility due to the progressing consolidation of the market. The risks that apply 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 appropriate to the risk level, as well as controlling instruments and risk management. In addition to intensive cost and profitability management, which is monitored at regular intervals within the framework of management and Supervisory Board meetings, a risk management handbook has also been published.

Identification

NEXUS has identified the following risk areas:

+ Customer projects
+ Development projects
+ Lack of market acceptance of products
+ Expertise leaving the company
+ IT security and availability
+ Reputation
+ Data security and data protection
+ Occupational safety
+ Process risks
+ Regulatory risks
+ Fraud risk
+ Performance of subsidiaries

__ Organisation

The reporting, documentation and development of measures are governed by the NEXUS risk management handbook. The implementation thereof is reviewed by the Executive Board on a regular basis. Six risk sheets were reported to the Executive Board by the risk managers in 2020, which were consequently analysed by the Executive Board.

Purchasing is primarily order-related and arranged in consultation with and subject to approval from the respective project manager. Payments are approved by the Executive Board of NEXUS and the respective management team at the subsidiaries. The payroll accounting for domestic companies is carried out at the head office in Donaueschingen and is subject to dual control.

An Oracle database is used to record the performance of the development division. Governance is determined by planning on a quarterly basis. The NEXUS Group uses ERP software (Enterprise Resource Planning), with which information is made available for the workflow processes and internal controls as well as for reporting purposes. In addition, there is regular communication between the finance departments of the decentralised subsidiaries and the Group finance department at the head office.

Increased attention is being paid to the financial performance of the business units. They report their results to the Executive Board on a monthly basis. The Executive Board is directly involved in key decisions. For control and monitoring purposes, the subsidiaries are currently pooled according to products and markets, and, in turn, allocated to the two divisions: Healthcare Software and Healthcare Services.

__ Assessment and Management

Risk type	Probability of occurrence	Degree of financial impact
Operational risks		
Customer projects	High	Average
Development projects	High	Low
Lack of market acceptance of our products	Average	Average
Expertise leaving the company	Average	Low
IT security and availability	Low	Low
Reputation	Average	Average
Data security and data protection	Low	Low
Occupational safety	Low	Low
Legal and compliance risks		
Process risks	Low	Low
Regulatory risks	Average	Average
Fraud risk	Low	Low
Financial risks		
Performance of subsidiaries	Average	Average

Operational risks

__ Customer projects

Project risks in the customer business: Implementation issues, in particular of a technical nature, may result in penalties or the rescission of existing major contracts, which could negatively affect revenue and our market reputation. Non-payment in major projects due to cash flow problems or customer refusal to pay can result in liquidity problems for the company, especially when substantial advance payments were made in the context of major projects. Concentrations of credit risks are temporarily incurred within the Group in the context of major projects. The maximum level of risk is derived from the carrying amount of capitalised receivables and – if applicable – from compensation or liability claims. This risk is reduced to the greatest extent possible by the agreement of advances. Credit risks or risks that a contractual partner may not be able to fulfil payment obligations are actively managed within the scope of accounts receivable management (e.g. credit checks).

__ 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 technically implemented. Development projects are subject to fixed deadlines. Failure to comply with these deadlines may result in considerable financial implications. There is also the risk that development projects may not meet market needs. NEXUS counteracts this risk through milestone plans with integrated controlling processes and manages it in a targeted manner by regularly reassessing the market acceptance of the individual development projects.

__ Lack of market acceptance of our products

There is a risk that the progress in innovation achieved by NEXUS may be lost due to competitor innovations, resulting in a loss of market shares. Risks also exist in terms of scheduling and budgeting as well as in the design and quality of our developments, which can have significant effects on marketing and cost positions if scheduling and budgeting deviate from market specifications. In software development, third-party products are also used to a certain extent, the loss of which in the case of deficient technological quality could result in delays in our own software distribution. NEXUS counteracts these risks with annual, quality-checked releases that 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 MEUR				

__ Expertise leaving the company

The performance of NEXUS is strongly contingent on the expertise and commitment of employees across the Group. These is a risk that competent employees may leave the company due to fluctuation and we may consequently lose our market advantage. If a significant number of staff members with core expertise leave the company, this could result in substantial difficulties in operational business dealings, at least in the short term. The labour market has also struggled with a lack of expertise for years. NEXUS counteracts this risk with active personnel development, a key component for reliably maintaining our HR resources in the long-term.

__ IT security and availability

Various risks may arise in terms of IT security and availability which may result in penalties and recourse claims. Interventions and attacks by third parties (e.g. trojans) on the NEXUS IT system (external threat to IT security) pose a latent risk in IT security. There is another risk in terms of performance, namely the availability of IT servers for our customers, which has a direct impact on IT availability. These risks can have serious material consequences for NEXUS and its subsidiaries, which depend on a functioning IT infrastructure. These risks are minimised by regular monitoring of the IT systems and ensuring the accessibility of the IT servers as well as redundant data backup.

__ Reputation

Risks posed to the reputation of the Group can have serious material consequences for NEXUS and its subsidiaries and can arise due to the deterioration of the general financial position of NEXUS, the worsening of its reputation on the capital market as well as a recall action of faulty software and difficulties in major projects. This risk is counteracted accordingly by regular review meetings amongst the corresponding responsible parties.

__ Data security and data protection

Data security pertains to the protection of data through the use of measures and software to prevent loss, falsification, corruption or erasure. It also entails protection of an individual's right to informational self-determination against violation through the handling of his or her personal data. Data security is a prerequisite for data protection. It forms an essential part of information security as a whole and also helps to prevent and combat cybercrime. The European General Data Protection Regulation (GDPR) has been in force since 25/05/2018. Non-compliance with the provisions of the GDPR is defined as a risk. A data protection officer was appointed to monitor compliance with the GDPR for the early detection of non-compliance with data protection regulations.

__ Occupational safety

Occupational safety is the safety of employees at work, i.e. the management and minimisation of risks to their safety and health Consequently, it forms an integral part of occupational health and safety as per the Occupation Health and Safety Act, which requires measures to prevent accidents at work and work-related health hazards, including measures for structuring work in terms of human rights. Anyone who commissions or permits work as an entrepreneur or as a subcontractor of an 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 has been appointed for the Group to minimisze risks by monitoring occupational safety and training employees accordingly.

Legal and compliance risks

__ Process risks

As a company listed on the stock exchange, NEXUS is currently more vulnerable than ever in terms of public image in the wake of a dispute and the desire to exploit our weaknesses. The impression is that NEXUS only needs to be brought into a legal dispute to be able to put the company under pressure. Significant risks could result from lawsuits filed by sales agents and employees, shareholder complaints about lack of equal treatment, as well as information breaches and customer lawsuits for non-performance, impairment or damages. This risk is counteracted by improved process reliability through documentation.

__ Regulatory risks

NEXUS faces a number of regulatory risks due to legal changes, particularly related to the medical requirements for medical devices and regulatory changes with an impact on customer billing, regulatory changes with regard to the capital market and regulatory changes to accounting regulations (HGB and IFRS). These risks can have an impact on the operations of NEXUS and thus on the software development of NEXUS and its subsidiaries. We also face the 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 investor relations area. There is also the risk of fines being imposed by the Federal Financial Supervisory Authority (BaFin). Changes in accounting regulations may have an impact on the results of the consolidated and annual financial statements. The annual and consolidated financial statements are prepared at the head office in Donaueschingen. The process of preparing the annual financial statements is monitored by the Head of Finance and the NEXUS Executive Board. This process is subject to dual control. Regular monitoring of the legal climate, pertinent capital market regulations and accounting regulations minimises this risk.

__ Fraud risk

Fraud pertains to theft, deception, bogus transactions or embezzlement in commercial enterprises. Fraud is the deliberate action of one or more managers or employees to obtain an unjustified or illegal advantage. Fraud is caused by a combination of three factors. The motivation behind fraud is typically 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 may be, for instance: "I am entitled to the money anyway", "This represents equality." or "I can't achieve my goals any other way." The perpetrator has the opportunity (e.g. by virtue of his position or weaknesses in the internal control system through "management override") to commit an offence. 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 in the performance of subsidiaries

In the case of subsidiaries, different risks may arise due to over-indebtedness and liquidity issues as well as integration problems. Due to the large number of subsidiaries, these risks are regarded as particularly significant as difficulties faced by individual subsidiaries may result in a threat to the existence of the entire Group. To minimise these risks, monthly business review meetings, quarterly reviews of business outlooks and plans as well as quarterly reviews of the Executive Board's management of integration plans are conducted.

__ Monitoring and Reporting

The Audit Committee of the Supervisory Board is responsible for monitoring the internal monitoring and risk management system. The NEXUS risk handbook defines detailed measures for early risk detection, reporting and the respective risk holders.

__ Summarised description of the opportunity and risk situation of the NEXUS Group

NEXUS and its subsidiaries work according to the standardised method of opportunity and risks analysis and opportunity and risk management. The early detection of risks is crucial in this regard. The monitoring of risks by unambiguous key figures ("Revenue" and "EBT") enables a clear assessment of their significance.

From the perspective of individual risks and from an overall risk standpoint, the continued existence of the company is not endangered. At the same time, management still sees considerable potential for improving the risk and opportunity situation of Nexus AG.

__ Internal monitoring and risk management system related to the accounting

In terms of accounting, the internal monitoring and risk management system helps to ensure the correctness and efficacy of accounting and financial reporting within the Group. The annual and consolidated financial statements are prepared at the head office in Donaueschingen. The process of preparing the annual financial statements is monitored by the Head of Finance and the Nexus AG Executive Board. This process is subject to dual control.

OUTLOOK FOR 2021

Increasingly in the limelight due to the challenges faced by the COVID-19 pandemic; the digitisation of healthcare has become of central economic and political importance in many countries. The Hospital Future Act in Germany and similar initiatives in other European countries have led to a marked increase in demand and standards for digital healthcare solutions in almost every country. Notably, the digitisation strategies proposed by governments and many providers are now conceived and designed across sectors in collaboration with general practitioner s, rehabilitation facilities and patients: A development that will lead to long-term improvements in the efficiency of IT in healthcare.

Whilst we may celebrate the growing IT budgets as a provider, this positive development may be hampered by the lack of potential for implementation in the hospitals and amongst providers. Many medical institutions lack the adequate employee numbers and organisational ability to achieve ambitious digitisation goals. As a provider, we are likewise faced with the issue of sourcing highly-qualified specialists to implement projects. There is also the risk that the financing of projects may come under strain in many countries over the coming months and that public budgets and hospital budgets may be subject to financial constraints. We will continue to monitor the future limitations resulting the pandemic very closely. Issues may also arise in terms of our ability to render or accept services.

As such, NEXUS enters 2021 with positive expectations, yet with a close eye to the clear risks.

In 2021, we will focus on the high-quality implementation of our major projects, continue to merge our products, expand our ONE / NEXUS range and actively pursue new sales opportunities.

The Executive Board expects slightly increasing sales and a slightly increasing EBT for the NEXUS Group and both segments. Our planning takes into account further investments in globalisation and the expansion of our product range. If any key changes occur within the consolidated Group in 2021, these plans may change.

Nexus AG

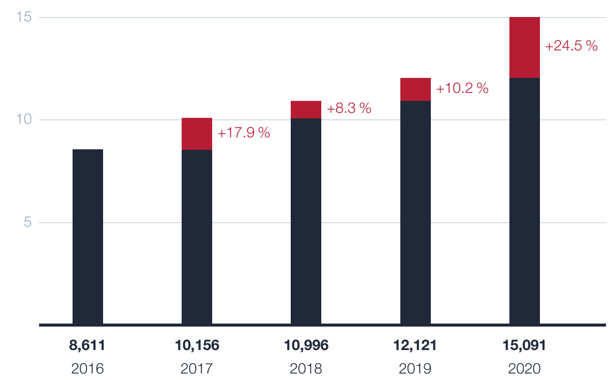
Donaueschingen, 5th March 2021

The Executive Board

Dr. Ingo Behrendt Ralf Heilig Edgar Kuner

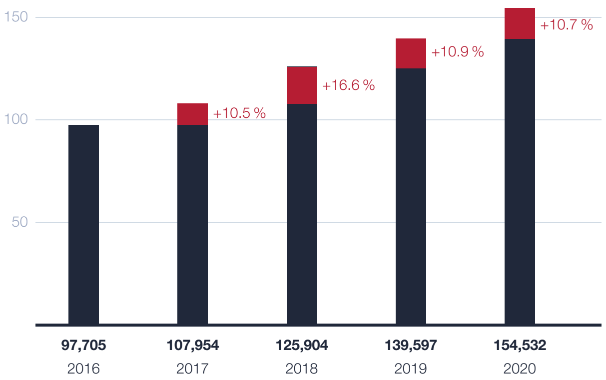
CONSOLIDATED NET INCOME IN KEUR

+24.5 % compared to previous year



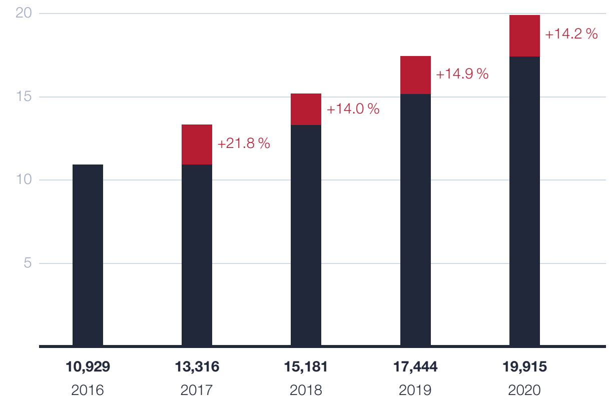
HEALTHCARE SOFTWARE SALES IN KEUR

+10.7 % compared to previous year



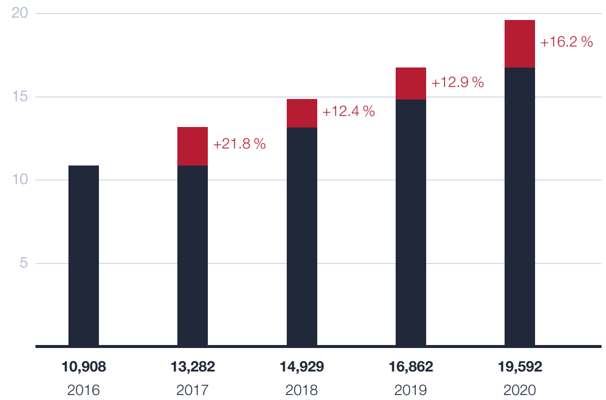
EBIT IN KEUR

+14.2 % compared to previous year



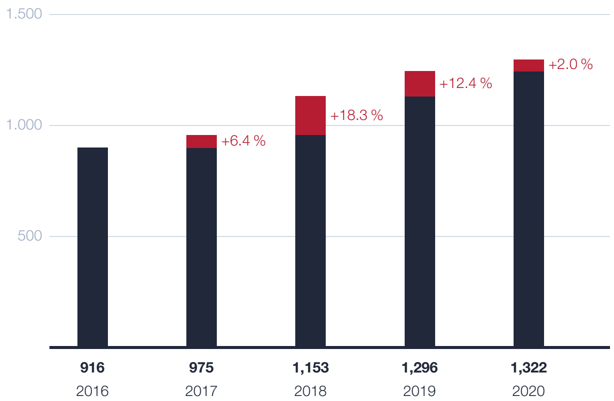
EBT IN KEUR

+16.2 % compared to previous year



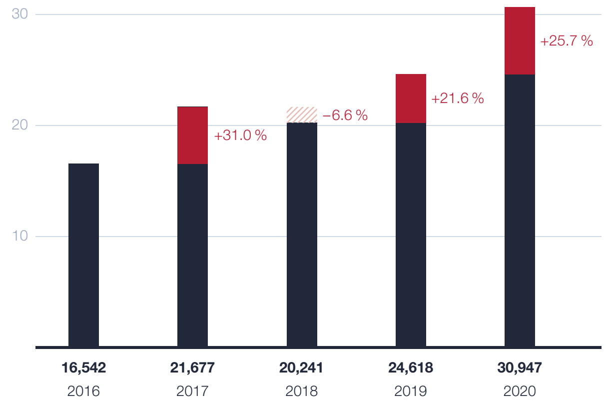
NUMBER OF EMPLOYEES

average number of employees and trainees



CASH FLOW IN KEUR

from operating activities



Together with my colleagues, I ensure that our ONE / NEXUS products are successfully introduced. The large number of processes that we digitize at our customers makes my daily work complex and highly diverse, but also very unique.

Adrian Fischer __ Project Management ONE / NEXUS, Germany

06 __ Stock Market, Event and Financial Data

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.

Melanie Ilic

Investor Relations
Phone: +49 771 22960-260
Fax: +49 771 22960-226
E-Mail: ir@nexus-ag.de

Dividends

We are convinced that our shareholders should be appropriately involved in the 2020 result. At the same time, further equity financing of our growth plans must be ensured. The Executive Board and Supervisory Board will propose at annual general meeting to pay to shareholders a one cent higher dividend compared to the previous year, i.e., 0.19 EUR (2019: 0.18 EUR).

Supervisory Board

Supervisory Board
Dr. Hans-Joachim König __ Chairman and additionally Chairman of the Personnel Committee
Prof. Dr. Ulrich Krystek __ Vice Chairman and additional Chairman of the Audit Committee
Prof. Dr. med. Felicia M. Rosenthal
Prof. Dr. Alexander Pocsay
Dr. Dietmar Kubis
Juergen Rottler

Substitute members
Dr. sc. Tech. ETH, Cornelia Josephine Boesch
Jan Lühmann

Financial calendar

20/04/2021
Pareto Securities TechIT Service Conference

27/04/2021
Annual General Meeting 2021

11/05/2021
Quarterly Statement Q1-2021

18/05/2021
Berenberg US Conference

10/08/2021
Half-Year Report 2021

10/08/2021
Conference Call Half Year Report 2021

21/09/2021
Berenberg and Goldman Sachs tenth German Corporate Conference

09/11/2021
Quarterly Statement Q3-2021

Stock Market Prices

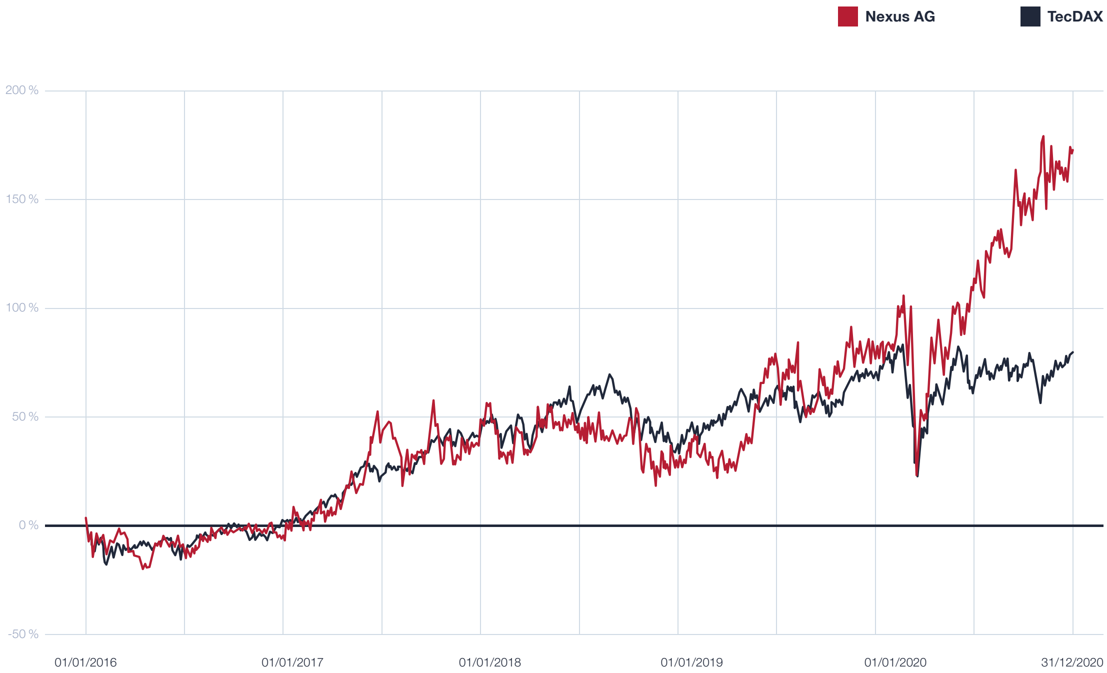
CLOSING PRICES XETRA	2020	2019	2018	2017
Highest	53.00	36.00	29.30	29.26
Lowest	21.00	22.70	22.30	17.49
Stock Market Capitalization (fiscal year in millions of euros)	803.4	545.0	385.1	406.6
Result per share (diluted) in EUR	0.95	0.69	0.69	0.62

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 (NEXUS / DIS), 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.

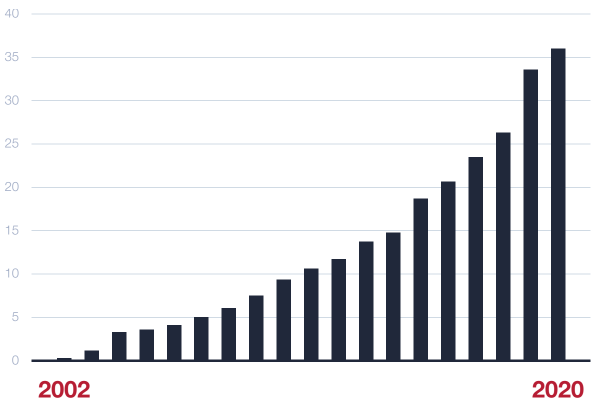
The focus of product development is on easy-to-use process support that increases efficiency and safety in patient treatment. NEXUS employs approx. 1,400 people, is present in seven European countries with its own sites and serves customers in an additional 23 countries via certified dealers. Thanks 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.

Frankfurt stock exchange stock prices (5-year period)



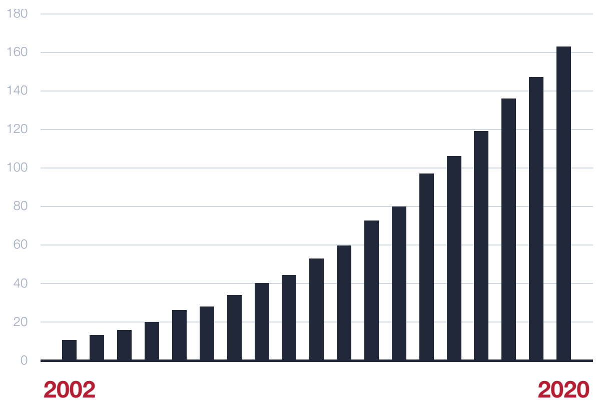
2002 to 2020 __ EBITDA

in million EUR



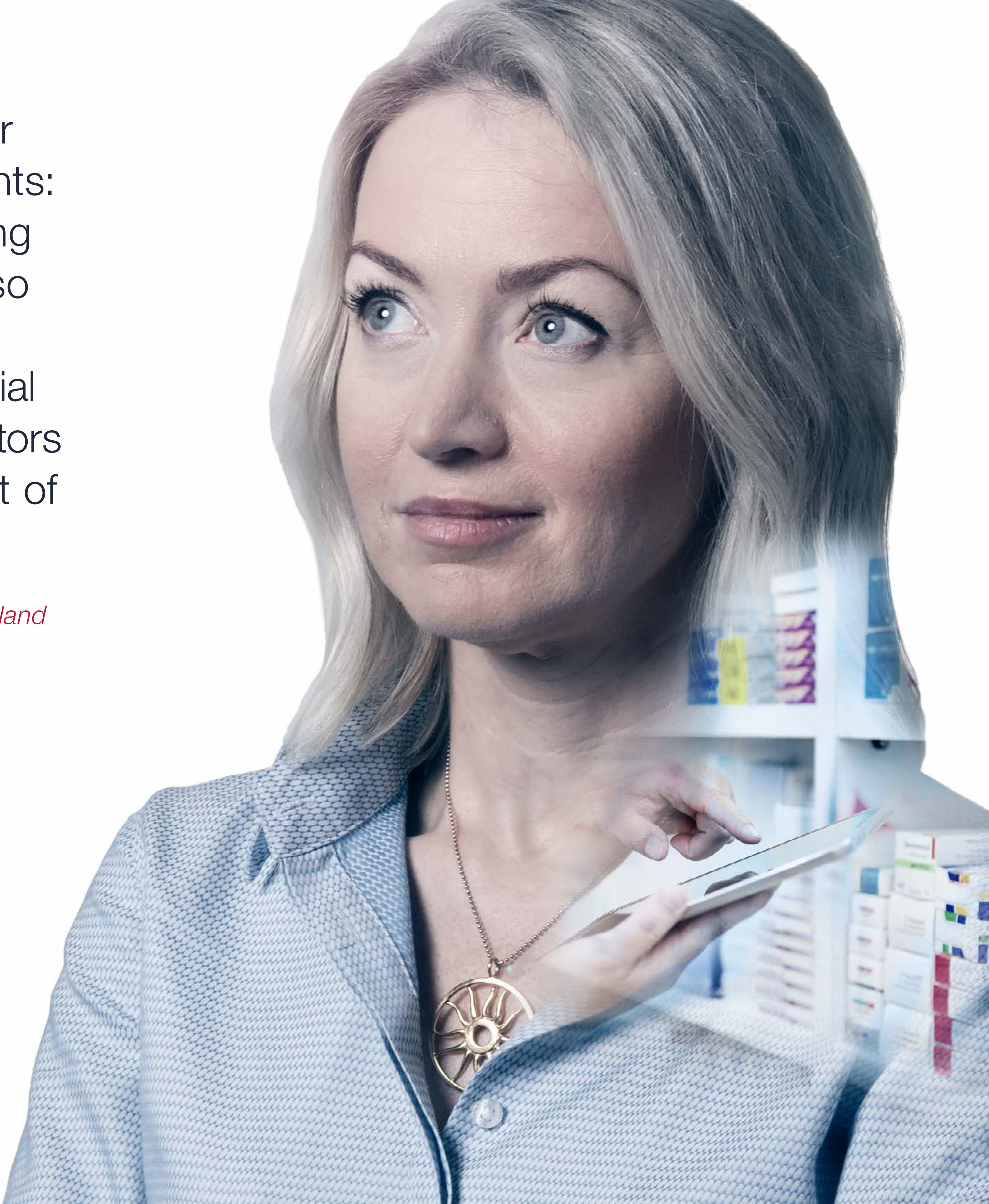
2002 to 2020 __ Revenue

in million EUR



Combining customers‘ wishes for our medication tool with legal requirements: that‘s what my team and I are working on with great enthusiasm. We are also responsible for the product NEXUS / CHEMO. A product that is very essential in cancer treatment and supports doctors on a daily basis. I‘m glad to be a part of something that’s really important.

Magdalena Ozorowska __ Medication Product Manager, Poland



07 __ Consolidated Balance Sheet of Nexus AG

ASSETS	Appendix	31/12/2020	31/12/2019
Non-current assets		KEUR	KEUR
Goodwill	5/6	87,493	74,018
Other intangible assets	5/6	43,846	38,677
Fixed assets	6	9,862	10,794
Right-of-use assets	4	13,066	10,791
Equity method investments in companies	7	-	15
Contract assets	10	1,066	-
Deferred tax assets	9/26	3,309	3,650
Other financial assets	11	379	355
Total non-current assets		**159,021**	**138,300**
Current assets			
Inventories	8	2,051	418
Trade and other receivables	10	27,550	25,927
Contract assets	10	1,270	640
Income tax receivables		1,758	2,340
Other non-financial assets	12	2,427	3,049
Other financial assets	11	908	2,188
Current financial assets	11	1,728	1,671
Cash and cash equivalents	29	26,449	33,533
Total current assets		**64,141**	**69,766**
Total assets		**223,162**	**208,066**

LIABILITIES	Appendix	31/12/2020	31/12/2019
Equity capital and reserves		KEUR	KEUR
Subscribed capital	13	15,752	15,752
Capital reserves	13	33,307	32,987
Retained earnings	13	81,703	71,268
Other comprehensive income	13	-10,669	-8,666
Capital redemption reserve	13	108	173
Shareholders' equity attributable to parent		**120,201**	**111,514**
Non-controlling interests		3,382	3,621
Total equity capital		**123,583**	**115,135**
Non-current liabilities			
Pension obligations	14	18,818	17,198
Deferred tax liabilities	9/26	9,815	7,369
Other financial liabilities	16	7,606	13,940
Lease liabilities	4/16	9,142	6,899
Total non-current liabilities		**45,381**	**45,406**
Current liabilities			
Accrued liabilities	15	9,085	10,772
Trade payables	16	8,650	6,326
Income tax liabilities	16	2,432	1,700
Deferred revenue	16	6,708	5,946
Other non-financial liabilities	16	3,041	4,296
Other financial liabilities	16	18,026	12,669
Lease liabilities	4	4,012	3,966
Contract liabilities	16	2,244	1,850
Total current liabilities		**54,198**	**47,525**
Balance sheet total		**223,162**	**208,066**

08 __ Consolidated Profit and Loss Account of Nexus AG

	Appendix	01/01/2020–31/12/2020	01/01/2019–31/12/2019
		KEUR	KEUR
Revenue	18	162,944	147,648
Capitalized development costs		3,013	3,850
Other operating income	19	8,806	16,004
Cost of goods sold	20	24,361	21,507
Staff costs	21	97,100	91,566
Depreciation		16,725	16,503
Other operating expenses	22	16,662	20,482
EBIT		**19,915**	**17,444**
Net income from equity method investments	23	-	-11
Financial income	24	53	32
Financial expenses	25	376	603
EBT		**19,592**	**16,862**
Taxes	9 / 26	4,501	4,741
Consolidated net income		**15,091**	**12,121**
Consolidated net income apportioned to:			
– Nexus AG shareholders		14,916	10,841
– Non-controlling interests		175	1,280
Consolidated earnings per share			
Weighted average (undiluted) of issued shares in circulation (in thousands)		15,750	15,732
Weighted average (diluted) of issued shares in circulation (in thousands)		15,750	15,732
Undiluted	27	0.95	0.69
Diluted	27	0.95	0.69

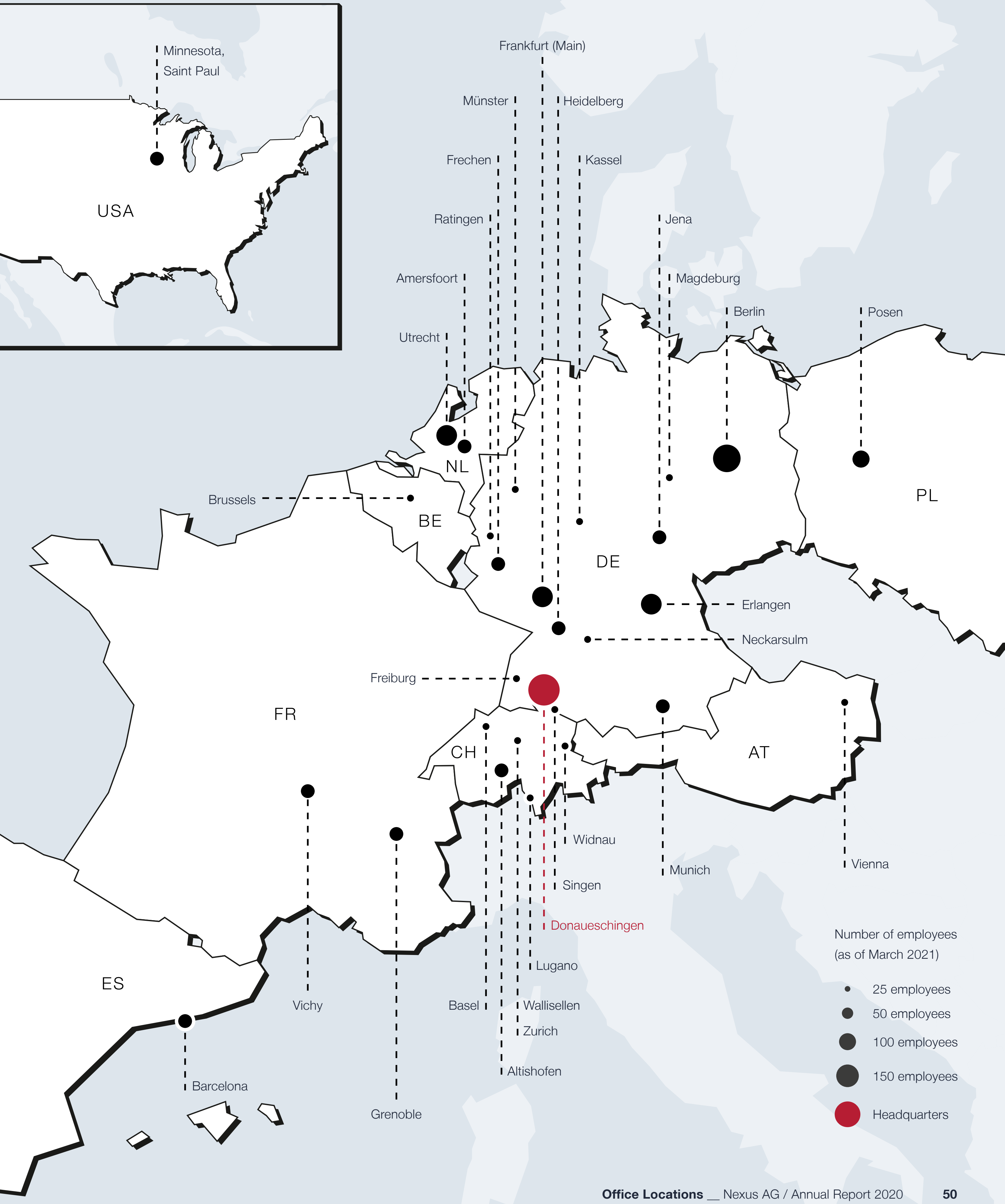
09 __ Consolidated Statement of Comprehensive Income of Nexus AG

	01/01/2020–31/12/2020	01/01/2019–31/12/2019
	KEUR	KEUR
Consolidated net income	15,091	12,121
Other comprehensive income		
Items that will not be reclassified to profit / loss		
Remeasurement from pension plans recognised in equity	-1,499	-5,404
Deferred taxes on revaluation from pension plans recognised in equity	-30	938
Items that may be reclassified to profit / loss		
Currency translation differences	-509	317
Deferred taxes on currency translation differences	35	152
Other comprehensive income before taxes	-2,008	-5,087
Deferred taxes on other comprehensive income	5	1.090
Other comprehensive income after taxes	-2,003	-3,997
Consolidated income	**13,088**	**8,124**
Consolidated income apportioned to:		
– Nexus AG shareholders	12,913	6,815
– Non-controlling interests	175	1,309

10 __ Consolidated Cash Flow Statement of Nexus AG

	Appendix	01/01/2020–31/12/2020	01/01/2019–31/12/2019
1. Cash flow from operating activities	28	KEUR	KEUR
EBIT		19,915	17,444
Depreciation (+)/amortization (-) on intangible assets and fixed assets	6	12,125	12,308
Depreciation (+) on rights of use leased assets	4	4,600	4,195
Other non-operating expenses (+)/income (-)		777	-1,193
Increase (-)/decrease (+) in inventory		-1,192	152
Gains (-)/losses (+) on the disposal of assets and investments		-23	61
Increase (-)/decrease (+) in receivables and other assets		175	12,291
Increase (+) / decrease (-) in provisions		-1,397	-4,240
Increase (+)/decrease (-) in liabilities		-406	-11,601
Interest paid (-) / interest received (+)		-316	-365
Income taxes paid (-) / income tax refunds (+)		-3,311	-4,434
		30,947	**24,618**
2. Cash flow from investment activities	28		
Payments (-) for investments in intangible assets and property, plant and equipment	6	-5,345	-5,872
Proceeds (+) from the disposal of intangible assets and property, plant and equipment		376	141
Payments (-) for the acquisition of consolidated companies less the funds acquired	3	-17,036	-1,279
		-22,005	**-7,010**
3. Cash flow from financing activities	28		
Payments (-) for purchase of non-controlling interests for already consolidated companies		-5,242	-2,492
Payments (-) for redemption of lease liabilities		-4,546	-4,122
Payments (-) for redemption of loan liabilities		-2,528	-
Dividends paid (-)		-2,835	-2,676
Dividends paid to non-controlling interests (-)		-332	-436
Payments (-) for the purchase of treasury stock		-699	-424
Proceeds (+) from the sale of treasury stock		39	-
		-16,143	**-10,150**
Change in cash and cash equivalents		-7,201	7,458
Effect of exchange rate changes on cash and cash equivalents		117	645
Cash and cash equivalents at the start of the period		**33,533**	**25,430**
Cash and cash equivalents at the end of the period		**26,449**	**33,533**
Composition of cash and cash equivalents	29		
Cash and bank balances		26,449	33,533
		26,449	**33,533**

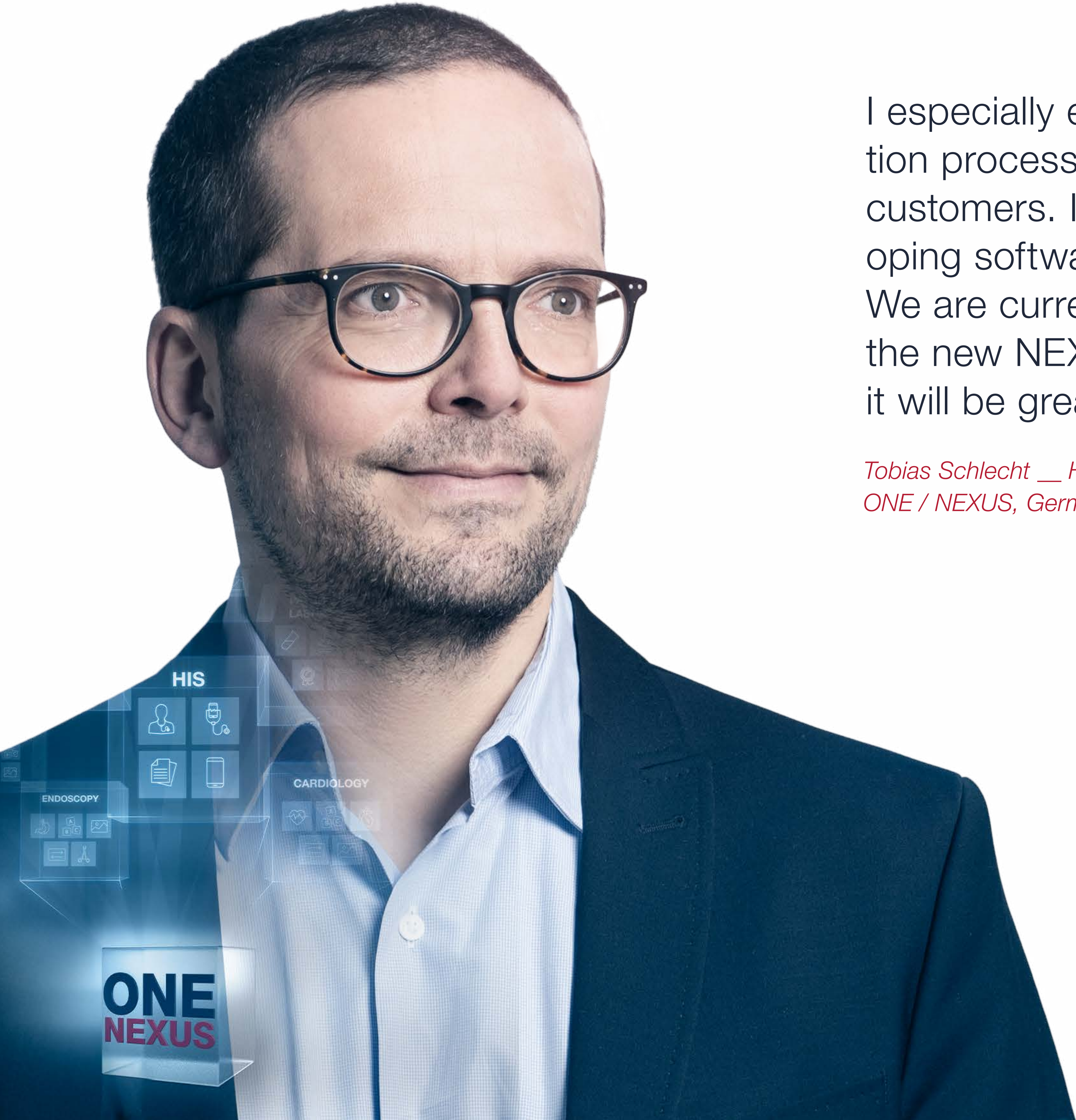
Office Locations



11 __ Consolidated Statement of Changes in Equity of Nexus AG

	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income
	KEUR	KEUR	KEUR	KEUR
Capital and reserves as at 01/01/2019	15,752	34,166	63,103	-4,640
Remeasurement from pension plans recognised in equity	-	-	-	-5,391
Deferred taxes on revaluation from pension plans recognised in equity	-	-	-	935
Currency translation differences	-	-	-	278
Deferred taxes on currency translation differences	-	-	-	152
Other comprehensive income after taxes	-	-	-	-4,026
Consolidated net income	-	-	10,841	-
Consolidated income	-	-	10,841	-4,026
Dividend payouts	-	-	-2,676	-
Dividend payouts to non-controlling interests	-	-	-	-
Purchase of treasury stock	-	-	-	-
Issuance of treasury stock	-	-	-	-
Issue of own shares within the scope of share-based payment	-	-1,179	-	-
Access within the framework of share-based payment	-	-	-	-
Addition (+) and disposal (-) of non-controlling interests	-	-	-	-
Capital and reserves as at 31/12/2019	15,752	32,987	71,268	-8,666
Capital and reserves as at 01/01/2020	15,752	32,987	71,268	-8,666
Remeasurement from pension plans recognised in equity	-	-	-	-1.494
Deferred taxes on revaluation from pension plans recognised in equity	-	-	-	-31
Currency translation differences	-	-	-	-513
Deferred taxes on currency translation differences	-	-	-	35
Other comprehensive income after taxes	-	-	-	-2,003
Consolidated net income	-	-	14,916	-
Consolidated income	-	-	14,916	-2,003
Dividend payouts	-	-	-2,835	-
Dividend payouts to non-controlling interests	-	-	-	-
Purchase of treasury stock	-	-	-	-
Issuance of treasury stock	-	-	-	-
Issue of own shares within the scope of share-based payment	-	-495	-	-
Access within the framework of share-based payment	-	815	-	-
Addition (+) and disposal (-) of non-controlling interests	-	-	-1,646	-
Capital and reserves as at 31/12/2020	15,752	33,307	81,703	-10,669

	Capital redemption reserve	Shareholders' equity attributable to parent	Non-controlling interests	Total equity capital	Authorised capital
	KEUR	KEUR	KEUR	KEUR	KEUR
Capital and reserves as at 01/01/2019	-759	107,622	703	108,325	2,984
Remeasurement from pension plans recognised in equity	-	-5,391	-13	-5,404	-
Deferred taxes recorded in other comprehensive income	-	935	3	938	-
Currency translation differences	-	278	39	317	-
Deferred taxes on currency translation differences	-	152	-	152	-
Other comprehensive income after taxes	-	-4,026	29	-3.997	-
Consolidated net income	-	10,841	1,280	12,121	-
Consolidated income	-	6,815	1,309	8,124	-
Dividend payouts	-	-2,676	-	-2,676	-
Dividend payouts to non-controlling interests	-	-	-436	-436	-
Purchase of treasury stock	-424	-424	-	-424	-
Issuance of treasury stock	1,356	1,356	-	1,356	-
Issue of own shares within the scope of share-based payment	-	-1,179	-	-1,179	-
Access within the framework of share-based payment	-	-	-	-	-
Addition (+) and disposal (-) of non-controlling interests	-	-	2,045	2,045	-
Capital and reserves as at 31/12/2019	173	111,514	3,621	115,135	2,984
Capital and reserves as at 01/01/2020	173	111,514	3.621	115,135	2,984
Remeasurement from pension plans recognised in equity	-	-1,494	-5	-1,499	-
Deferred taxes on revaluation from pension plans recognised in equity	-	-31	1	-30	-
Currency translation differences	-	-513	4	-509	-
Deferred taxes on currency translation differences	-	35	-	35	-
Other comprehensive income after taxes	-	-2,003	-	-2,003	-
Consolidated net income	-	14,916	175	15,091	-
Consolidated income	-	12,913	175	13,088	-
Dividend payouts	-	-2,835	-	-2.835	-
Dividend payouts to non-controlling interests	-	-	-332	-332	-
Purchase of treasury stock	-685	-685	-	-685	-
Issuance of treasury stock	620	620	-	620	-
Issue of own shares within the scope of share-based payment	-	-495	-	-495	-
Access within the framework of share-based payment	-	815	-	815	-
Addition (+) and disposal (-) of non-controlling interests	-	-1,646	-82	-1,728	-
Capital and reserves as at 31/12/2020	108	120,201	3,382	123,583	2,984



I especially enjoy the creative coordination processes in our team and with our customers. I like the challenge of developing software that inspires our users. We are currently working intensively on the new NEXUS / PATIENT PORTAL – it will be great!

Tobias Schlecht __ Head of Product Management
ONE / NEXUS, Germany

12 __ Notes to the Consolidated Financial Statements of Nexus AG

1. General Information

The NEXUS Group develops and sells software and hardware solutions with its corporate divisions Healthcare Software and Healthcare Service and provides IT services predominantly for customers in the healthcare industry. The Healthcare Software division focuses on information systems for hospitals, psychiatric institutions, rehabilitation facilities and welfare institutions. Whilst the Healthcare Service division provides IT services for the IT industry, primarily in healthcare. Nexus AG is the parent company of the Group.

Nexus AG is registered in the commercial register of the Freiburg district court under the number HRB 602434. Nexus AG is a public limited company (AG) listed on the Frankfurt Stock Exchange in Prime Standard. This consolidated financial statement was prepared by the Executive Board and submitted to the Supervisory Board for release on 05/03/2021. It shall then be published following final approval by the Supervisory Board on 09/03/2021.

The Nexus AG, Donaueschingen, company headquarters are located at:

Irmastraße 1, 78166 Donaueschingen, Germany

List of consolidated subsidiaries and affiliated companies		31/12/2020	31/12/2019
Full consolidation	Country	Capital share in %	
ASTRAIA Software GmbH, Munich [1]	Germany	100.00	100.00
Creativ Software AG, Widnau [2]	Switzerland	100.00	100.00
E&L medical systems GmbH, Erlangen [3]	Germany	100.00	100.00
highsystem ag, Zurich [4]	Switzerland	95.00	95.00
ifa systems AG, Frechen	Germany	52.56	52.56
ifa united i-tech Inc., Fort Lauderdale [5]	USA	100.00	100.00
ifa-systems informationssysteme für augenärzte GmbH, Vienna [5]	Austria	100.00	100.00
Inoveon Corp., Oklahoma City [5]	USA	100.00	100.00
NEXUS . IT GmbH SÜDOST, Donaueschingen [3]	Germany	100.00	100.00
NEXUS / CHILI GmbH, Dossenheim [6]	Germany	83.73	83.73
NEXUS / CLOUD IT GmbH, Donaueschingen [3]	Germany	100.00	100.00
NEXUS / ENTERPRISE SOLUTIONS GmbH, Donaueschingen (formerly: nexus / switspot GmbH, Neckarsulm) [7]	Germany	100.00	100.00
Nexus / IPS GmbH, Donaueschingen (formerly: Nexus Integration Solution GmbH, Donaueschingen) [3] [8]	Germany	100.00	100.00
NEXUS / MARABU GmbH, Berlin [3]	Germany	100.00	100.00
NEXUS AEGERUS SL, Sabadell (formerly: AEGERUS SL, Sabadell) [9]	Spain	100.00	-
Nexus Deutschland GmbH, Donaueschingen [3]	Germany	100.00	100.00
NEXUS Digitale Dokumentationssysteme Projektentwicklungsges.m.b.H., Vienna	Austria	100.00	100.00
NEXUS Nederland B.V., Nieuwegein	Netherlands	100.00	100.00
NEXUS POLSKA Sp. z o.o., Posen [10]	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 [3]	Germany	100.00	100.00

List of consolidated subsidiaries and affiliated companies		31/12/2020	31/12/2019
nexus/cso GmbH, Donaueschingen [3]	Germany	100.00	100.00
nexus/dis GmbH, Frankfurt am Main [3]	Germany	100.00	100.00
Nexus/France S.A.S. Grenoble (formerly: NEXUS / OPTIM S.A.S., Grenoble) [11]	France	100.00	100.00
nexus/qm GmbH, Singen Hohentwiel [3]	Germany	100.00	100.00
RVC Medical IT B.V., Amersfoort [12]	Netherlands	100.00	-
RVC Medical IT GmbH, Freiburg im Breisgau [12]	Germany	100.00	-
RVC Medical IT Holding B.V., Amersfoort [13]	Netherlands	100.00	-
RVC Medical IT N.V., Antwerpen [12]	Belgium	100.00	-
Sophrona Solutions Inc., St Paul [14]	USA	100.00	-

[1] The stake subject to corporate law is only 61 %. The remaining 39 % of shares are governed by an option agreement.

[2] The shares are held indirectly by NEXUS Schweiz AG, Altishofen (CH). The stake subject to corporate law is only 80 %. The remaining 20 % of shares are governed by an option agreement.

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

[4] The shares are held indirectly by NEXUS Schweiz AG, Altishofen (CH). The stake subject to corporate law is only 80 %. The remaining 15 % of shares are governed by an option agreement.

[5] The shares are held indirectly by ifa systems AG, Frechen.

[6] Nexus AG purchased an additional 32.54 % of the shares in its subsidiary NEXUS / CHILI GmbH, Dossenheim, from the existing option agreement on 07/07/2020.

[7] nexus / switspot GmbH, Neckarsulm was renamed NEXUS / ENTERPRISE SOLUTIONS GmbH, Donaueschingen, on 09/03/2020.

[8] Nexus Integration Solution GmbH, Donaueschingen, was renamed NEXUS / IPS GmbH, Donaueschingen, on 04/03/2020.

[9] NEXUS SISINF SL, Sabadell (ES), acquired 100 % of the shares in AEGERUS SL, Sabadell (ES), on 20/02/2020. AEGERUS SL, Sabadell (ES), was renamed NEXUS AEGERUS SL on 01/07/2020.

[10] The stake subject to corporate law is only 77.71 %. The remaining 22.29 % of shares are governed by an option agreement. NEXUS AG purchased an additional 5.02 % of the shares in its subsidiary NEXUS POLSKA sp. z o.o., Posen (PL), from the existing option agreement on 23/04/2020, followed by the purchase of an additional 6.32 % on 02/06/2020.

[11] NEXUS / OPTIM S.A.S., Grenoble (FR), was renamed Nexus/France S.A.S., Grenoble (FR), on 31/03/2020.

[12] The shares are held indirectly by RVC Medical IT Holding B.V., Amersfoort (NL).

[13] Nexus AG purchased 92.46 % of the shares in RVC Medical IT Holding B.V., Amersfoort (NL), on 30/09/2020. The remaining 7.54 % of shares are governed by an option agreement.

[14] ifa united i-tech Inc., Fort Lauderdale (USA), a 100 % subsidiary of ifa systems, purchased 80 % of the shares in Sophrona Solutions Inc., North Oaks (USA), on 31/10/2020. The remaining 20 % of shares are governed by an option agreement.

2. ACCOUNTING POLICIES

2.1 __ Principles for Preparing the Financial Statements

The consolidated financial statements have been prepared in accordance with the provisions of the International Accounting Standards Board (IASB), as required by European Union law, after the balance sheet date in accordance with Art. 315e(1) HGB and additional pertinent regulations under commercial law. They also comply with the provisions of International Financial Reporting Standards (IFRS) as valid on the balance sheet date and supplementary interpretations (IFRIC and SIC), which remain in force as at the balance sheet date. The mandatory application of IFRS was also observed in the fiscal year 2020.

__ Report Currency

The consolidated financial statements have been prepared in Euro. Provided nothing has been stipulated to the contrary, all values have been rounded to the nearest thousand (KEUR).

__ Consolidated Group

In addition to Nexus AG as the parent company, all active domestic and foreign subsidiaries indirectly or directly controlled by Nexus AG are included in the consolidated financial statements.

__ Consolidation Principles

All companies included in the Group as of 31/12/2020 prepared their annual financial statements by 31/12/. For consolidation purposes, these separate financial statements were reconciled into uniform, aligned financial statements in line with IFRS, as is mandatory in the European Union.

Acquisitions have been accounted for using the acquisition method. Capital has been consolidated at the time at which control became effective. The reported equity of the acquired companies is offset against the carrying amount for investments. Assets, liabilities and contingent liabilities are recognised at fair value. As per IFRS 3, as part of the identification process, previously not accounted for yet recognisable intangible assets have been capitalised.

Contingent liabilities may also need to be taken into account in this regard. Remaining positive differences have been capitalised as goodwill and negative differences have been appropriated as income following a second review of the measurements. Purchase price increases likely to occur in the future have been capitalised as contingent purchase price payments at the corresponding fair value at the acquisition date in goodwill and reported as liabilities.

Receivables and payables between the consolidated companies have been offset within the framework of debt consolidation. Intercompany sales have been eliminated within the scope of expenditure and revenue consolidation. Interim results have been eliminated, where applicable.

Consolidated net income is determined as fully consolidated earnings for the period using the nature of expense method, in which all income and expenses are consolidated between the included companies.

The profit share attributable to other shareholders is accounted for separately under consolidated net income or their share is accounted for as a separate item under equity in the balance sheet. Assets and liabilities of foreign operations that do not report in the Euro have been translated as per IAS 21. The functional currency is the currency of the primary economic environment in which the company operates. The balance sheets of the Group companies in Switzerland were accordingly translated with the exchange rate on the balance date of 1.0811 CHF / EUR (previous year: 1.0856 CHF / EUR) and the annual result was translated with an average exchange rate of 1.0704 CHF / EUR (previous year: 1.1126 CHF / EUR) and the equity was translated at the historical exchange rate. The balance sheets of the Group companies in Poland were accordingly translated with the exchange rate on the balance sheet date of 4.5566 PLN / EUR (previous year: 4.2597 PLN / EUR), the annual result with an average exchange rate of 4.4429 PLN / EUR (previous year: 4.2980 PLN / EUR) and the equity capital at the historical exchange rate. The balance sheets of the Group companies in USA were accordingly translated with the exchange rate on the balance sheet date of 1.2275 USD / EUR (previous year: 1.1228 USD / EUR), the annual result with an average exchange rate of 1.1421 USD / EUR (previous year: 1.1196 USD / EUR) and the equity capital at the historical exchange rate. Any exchange differences resulting from the translations are recognised in other comprehensive income under equity with no effect on net income. All other exchange differences incurred as part of debt consolidation are recognised in profit or loss.

2.2 __ Changes of the accounting and valuation method

In principle, the applied accounting policies correspond to the policies applied in the previous year. However, the International Accounting Standards Board (IASB) has adopted a number of changes to the existing standards. The new or modified standards and interpretations applied by NEXUS in the fiscal year or those which have not yet been incorporated on permissible grounds are listed in the following table.

New, currently applicable requirements:

Standard/interpretation	Title of the standard/interpretation or the amendment	Applied for fiscal years as of	Implications for the NEXUS consolidated financial statements
Amendments to IFRS 3	Business Combinations	01/01/2020	No significant implications
Interest Rate Benchmark Reform (Phase 1)	Amendments to IFRS 9, IAS 39 and IFRS 7	01/01/2020	No significant implications
Amendments to IAS 1 and IAS 8	Definition of Materiality	01/01/2020	Fundamental significance
Amend. references to the IFRS conceptual framework	References to the IFRS conceptual framework updated	01/01/2020	Fundamental significance
Amendments to IFRS 16	COVID-19-related rent concessions	01/01/2020	No implications

Amendments to IAS 1 and IAS 8

On 31/12/2018, the International Accounting Standards Board (IASB) issued amendments regarding the definition of the materiality of financial statement information in IAS 1, Presentation of Financial Statements and in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The primary purpose of the amendments and accompanying examples is to make it easier for IFRS preparers to assess materiality. In addition, the purpose of the changes is to contribute to a uniform understanding of the materiality in the IFRS set of rules. The requirements were taken into account in the NEXUS 2020 Consolidated Financial Statements.

Amendments to IFRS framework references

The revision of the framework extended, in particular, to a new chapter on measuring assets and liabilities, guidance on presenting the results of operations, revised definitions of asset and liability, and clarifications on the importance of the accountability function and the principle of prudence in the context of the purpose of IFRS accounting. The requirements were taken into account in the NEXUS 2020 Consolidated Financial Statements.

Future requirements:

Standard/interpretation	Title of the standard/interpretation or the amendment	Applied for fiscal years starting	Implications for the NEXUS consolidated financial statements
EU endorsement granted by the date of release for publication			
Interest Rate Benchmark Reform - Phase 2	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	01/01/2021	No significant implications
Amendments to IFRS 4	Extension of the temporary exemption from the application of IFRS 9	01/01/2021	No implications
EU endorsement is still pending			
Amendments to IFRS 3; IAS 16; IAS 37	Business Combinations; Property, Plant and Equipment; Provisions, Contingent Liabilities and contingent Receivables	01/01/2022	Fundamental significance
Annual improvement process (cycle 2018-2020)	Amendments to IFRS 1, IFRS 9, IAS 41 and IFRS 16	01/01/2022	No significant implications
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	01/01/2023	Fundamental significance
Amendments to IAS 1; IFRS 2 Practice Statement	Presentation of the financial statements; Making materiality judgements	01/01/2023	Implications still to be determined
Amendments to IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	01/01/2023	Implications still to be determined
IFRS 17 and Amendments to IFRS 17	Insurance Contracts	01/01/2023	No implications

Amendments to IFRS 3; IAS 16; IAS 37

On 14/05/2020, the IASB issued amendments to IFRS 3 in which the reference to the framework was updated. When identifying assumed obligations that fall within the scope of IAS 37 or IFRIC 21, an acquirer must follow the provisions of IAS 37 or apply IFRIC 21 instead of the framework. An explicit prohibition on the recognition of acquired contingent assets was included. The IASB also adopted amendments to IAS 16 “Proceeds before Intended Use". The amendments clarify that proceeds from the sale of items that were manufactured while the asset was brought to its location and made operationally ready should be recognised in profit or loss. Such amounts can therefore not be taken into account when determining the cost of an item of property, plant and equipment. This also applies to the costs associated with producing the object. The cost of manufacturing the sample is measured in accordance with IAS 2 “Inventories". In addition, it was clarified when an asset is "operationally ready". Operational readiness is decisive for the start of depreciation. In order to be considered operational, a financial performance target set by the management does not have to be achieved. In accordance with the amendments to IAS 16, revenues and costs in connection with manufactured objects that do not arise from ordinary business activities are to be reported separately. On 14/05/2020, the IASB also published amendments to IAS 37 on onerous contracts. The amendments concern a clarification of what costs a company should include when assessing whether a contract will be loss-making. Accordingly, the costs of contract fulfilment include those costs that are directly related to the contract. This means that costs must be taken into account that would not arise without the order, such as direct material or labour costs (incremental costs), as well as other costs directly attributable to the contract. These can, for example, relate to the depreciation of property, plant and equipment used in fulfilling the contract.

Amendments to IAS 1

On 23/01/2020, the IASB published amendments to IAS 1 “Classification of Liabilities as Current or Non-current". These are clarifications regarding the classification of debts with an uncertain due date as current or non-current. The classification is to be derived from the existing rights of the company on the balance sheet date. If a right to extend a debt is linked to credit terms and a breach of contract takes place after the balance sheet date, it is ultimately decisive whether these credit terms were complied with on the balance sheet date. Management's expectations as to whether a right will actually be exercised should be disregarded here. In the classification, credit terms that give the creditor the right to demand settlement of the debt in equity instruments must be taken into account, unless an equity instrument that has to be accounted for separately is concerned. On 15/07/2020, the IASB published a further amendment to IAS 1, which postpones the mandatory first-time application of the amendments to IAS 1 published in January by one year to 01/01/2023.

2.3 __ Significant Judgements, Estimates and Assumptions

The most significant forward-looking judgements as well as any other major sources of estimation uncertainty on the balance sheet date, which may require a substantial adjustment of the carrying amounts of assets and liabilities, are explained below.

__ Impairment of Intangible Assets

The Group reviews impairment of goodwill and indefinite-lived trademarks at least once on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which these intangible assets are allocated.

The recoverable amount of an asset is the higher of the fair value of a cash-generating unit less costs of disposal and the value in use. In order to estimate the value in use, the Group is also required to estimate the future cash flows on one hand, and select an appropriate discount rate to determine the present value of these future cash flows on the other.

__ Identified Customer Relations and Technology at Company Acquisitions

The fair value of the maintenance contracts (customer relationships) and technology acquired at the acquisition date is determined on the basis of the estimated benefits, primarily on the basis of future expected payment surpluses discounted by an appropriate interest rate and amortised over the projected useful life on the basis of an imputed annual loss of customers. The fair value of acquired technology at the acquisition date is determined on the basis of the relief from royalty method and amortised over its projected useful life.

__ Contractually Agreed Future Contingent Purchase Price Payments for Company Acquisitions

At the time companies are acquired, contingent purchase price payments may be contractually agreed with the seller. The fair value (Fair Value Hierarchy Level 3) is calculated on the basis of the planned sales, earnings figures and, in some cases, qualitative target figures, and is recalculated every year. This value is discounted over its term at the appropriate interest rate.

__ Non-Controlling Interests in Company Acquisitions

The components of the non-controlling interests in the acquired company at the acquisition date are measured at the current ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

__ Deferred Tax Assets on Loss Carryforwards

Deferred tax assets are recognised for all tax loss carryforwards if it is considered probable that there will be sufficient future taxable profit against which the loss carryforwards can be utilised. Senior management is tasked with exercising discretion to calculate the amount of deferred tax assets on the basis of the projected point of occurrence, the amount of future taxable income in addition to future tax planning strategies.

__ Pensions and Other Post-Employment Benefits

The expenses from defined benefit plans are calculated using actuarial measurement. The actuarial measurement is made on the principle of assumptions concerning the discount rate, future wage and salary increases, mortality and future pension increases. In light of the long-term nature of these plans, these estimates are subject to substantial uncertainty.

__ Determining the Transaction Price within the scope of contracts with customers

The transaction price corresponds to the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer. The share of the non-controlling interests acquired in an acquired company at the time of acquisition is valued at the corresponding share in the identified, revalued net assets of the acquired company.

The transaction price for the individual performance obligations is determined using relative individual selling prices. The individual selling prices are regularly derived from price lists. Price reductions can regularly be assigned directly to the individual performance obligations. In the case of discounts for the purchase of a bundle of goods and services within the framework of multi-component contracts, the discounts are allocated to the performance obligations that are regularly sold at a discount in the normal course of business.

When determining the transaction price, it needs to be determined whether the contractual arrangement stipulates variable remuneration. As a rule, the transaction price is generally a fixed amount, however it may contain variable consideration. Variable payment is estimated by the Group using the expected cost plus margin approach, as this method can be used to reliably estimate the variable consideration to which the Group will be entitled. In the case that penalties are arranged for order completions, the expected amount is estimated on the basis of the agreed performance measurement matrix at the acceptance stage. As a rule, substantial financing components do not exist.

__ Non-cash considerations within the scope of contracts with customers

Non-cash considerations may exist in the form of the customer's duty to cooperate in the fulfilment of the contract. The Group solely includes these non-cash considerations in the transaction price if it is able to verify that it does not hold the power of disposition for the transferred goods or services. The assessment of whether individual power of disposal exists can be subject to discretion. Time of Satisfaction of Performance Obligations

__ Timing of the fulfillment of performance obligations

A certain margin of discretion is also granted for the determination of whether revenue is recognised at a certain date or over a certain period. For performance obligations satisfied over a certain period, the Group applies the method that best reflects the degree of completion of the performance of the Group.

2.4 __ Summary of the essential accounting and valuation method

__ Classification

The assets and liabilities presented in the balance sheet are classified according to their time to maturity. The profit and loss statement was prepared according to the nature of expense method.

__ Financial Instruments

A financial instrument is a contract between two companies. The contract gives rise to a financial asset for one company and a financial liability or equity instrument for the other company. The financial instruments listed in the balance sheet (financial assets and financial liabilities) pursuant to IAS 32 and IFRS 9 comprise trade and other receivables, stocks, Cash and bank balances, trade and other payables as well as certain other assets and liabilities based on contractual agreements.

A customary purchase or sale of a financial instrument is accounted for on the trading day – the day on which the Group undertakes to buy or sell.

Financial assets and liabilities must be netted and reported as a net amount in the consolidated balance sheet if there is a legal claim to offset the recorded amounts against each other and the intention is either to settle them on a net basis or to redeem the associated liability at the same time as the asset in question is realised.

__ Financial Assets

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

After initial recording, the classification takes place in one of the three following assessment categories:

+ Financial assets measured at amortised cost (AC)

+ Financial assets measured at fair value through profit or loss (FVPL)

+ Financial assets measured at fair value through other comprehensive income (FVOCI).

The classification according to IFRS 9 depends on the cash flow criterion, according to which the contractual cash flows consist exclusively of interest and repayment (SPPI) and the business model criterion, in which the classification is based on the management of financial assets to generate cash flows. The SPPI test is carried out at the level of the financial instrument, the business model criterion is assessed at portfolio level.

Cash and bank balances measured at amortised cost are non-derivative assets that have not been designated for measurement at fair value. Assets measured at amortised cost cumulatively meet the following conditions:

+ The financial instrument is held within the framework of a business model, the objective of which is to hold the financial instrument to generate contractual cash flows, and the contractual conditions result in cash flows at pre-determined dates consisting exclusively of interest and redemption in terms of the nominal amount.

With the exception of securities included in current financial assets, all financial assets are classified as AC since they are held to maturity and have passed the SPPI test. The subsequent measurement of financial assets classified as AC is performed using the effective interest method and taking into account decreases in value. Changes in value are recognised in profit or loss when the financial asset is disposed of, changed or decreased in value.

The securities failed the SPPI test and are therefore classified as FVPL. Any change in value resulting from subsequent measurement, including from interest and dividends, is recognised in profit or loss.

A financial asset is derecognised when the contractual right to payment flows from a financial asset expires or NEXUS transfers the financial asset.

Whilst the Group is globally active, the majority of its operations are conducted in Europe. As such, it is only exposed to limited market risks as a result of changes in foreign exchange rates.

Default risks for financial assets are recorded using an impairment model based on expected credit losses (ECL model). Impaired financial assets as well as financial assets for which there are no signs of impairment are taken into account. At NEXUS, the ECL model is to be applied to financial assets classified as AC.

The ECL model distinguishes between the general and simplified procedure:

The general procedure follows the three-stage model, starting with "12-month expected credit loss" (Stage 1) with, if necessary, migration to the "lifetime expected credit loss" (Stages 2 and 3). NEXUS always applies the general procedure, unless the simplified procedure is prescribed (trade receivables and contract assets). In the simplified procedure, the lifetime expected credit loss is determined for the financial asset.

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

__ Financial Liabilities

All financial liabilities within the scope of IFRS 9 are initially recognised at fair value minus, in the case of financial liabilities not recognised at fair value through profit or loss, directly attributable transaction costs.

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

With the exception of contingent consideration from business combinations, all financial liabilities are AC classified and subsequently measured using the effective interest method. Changes in value are recognised in profit or loss, when the financial liability is disposed of or when changes are made based on the effective interest method.

Financial liabilities classified at FVPL include contingent consideration from purchase price liabilities. Gains or losses from adjustments to the fair value are recognised in the profit and loss statement. Financial liabilities are derecognised if the obligations stipulated in the contract are satisfied, cancelled or expire.

__ Intangible Assets

Intangible assets comprise maintenance contracts/customer relationships, trademarks, software, technology, goodwill and capitalised development costs.

Acquired intangible assets are initially measured at amortised cost. The amortised costs of an intangible asset acquired through a business combination correspond to the fair value at the acquisition date. Intangible assets are reported if it is probable that the future economic benefit from the assets will flow to the company and the cost of the asset can be measured reliably. After initial recognition, intangible assets are reported at cost less accumulated amortisation and impairment losses.

Internally intangible assets are not capitalised, with the exception of capitalised development costs. Associated costs are measured in profit or loss in the period in which they occurred. It initially needs to be determined whether the intangible asset has a finite or indefinite useful life. Intangible assets with a finite life are amortised over the period of benefit and assessed for impairment. The amortisation period and method for an intangible asset with a finite life are reviewed at least annually. A different amortisation period or method must be selected if the estimated useful life of the asset changes. This constitutes a change in an accounting estimate. Amortisation of intangible assets with finite lives is recognised in the profit and loss statement under amortisation. Intangible assets with an indefinite life are assessed for impairment at least annually. These intangible assets are not amortised on a systematic basis. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether the current assessment of indefinite remains applicable.

If this is not the case, the change in the useful life assessment from indefinite to finite is accounted for as a change in the accounting estimate.

An intangible asset is to be derecognised when it is disposed of or when no further economic benefit is expected from its use. Gains or losses from the amortisation of intangible assets are determined from the net realisable value and the carrying amount of the asset and are recognised in profit or loss in the period in which the item was derecognised.

a) __Maintenance Contracts, Customer Relationships

As in previous years, the Group acquired a number of software maintenance contracts within the scope of company acquisitions over the past year. Customer relationship intangibles with a weighted average estimated useful life of 10 years were acquired. The amortisation method corresponds to the expected consumption of the future economic benefits that are attributable to the assets.

b) __ Software

Software is capitalised with its amortised costs and reported as an intangible asset. Software is amortised by the straight-line method over a period of 4 to 6 years

c) __ Technology

Technology-related intangible assets pertain to propriety knowledge and processes acquired within the scope of company acquisitions over the past year and in previous years. Technology is available to the Group in the long term and is amortised by the straight-line method over a period of 5 years.

d) __Goodwill

The excess of amortised costs of a company over the acquired share in the fair values of the identifiable assets and liabilities at the acquisition date is accounted for as goodwill and recognised in the balance sheet as an asset. To test for impairment, after the acquisition date, the goodwill must be allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated shall: represent the lowest level within the Group at which goodwill is monitored for internal management purposes; not be larger than an operating segment determined in accordance with IFRS 8, Operating Segments. The impairment loss is determined by calculating the recoverable amount of the cash-generating unit (group of cash-generating units) to which goodwill is allocated. If the value in use of the cash-generating unit is less than the carrying amount, an impairment loss will be recognised. The impairment loss is initially allocated in full to goodwill. Further allocation of the impairment loss is made pro rata to the carrying amounts of other assets of the cash-generating unit. In cases in which the goodwill represents a part of the cash-generating unit, and part of the operations of this unit is disposed of, the goodwill attributed to the discontinued operations is included as a component of the carrying amount of the operations in determining the earnings from the disposal of the respective operations. Goodwill disposed of in this manner is determined on the basis of the ratio of the discontinued operations to the part of the cash-generating unit which was not disposed. Amortised goodwill is no longer subject to appreciation.

e) __ Trademarks

The measurement of a trademark is based on the distribution and use thereof within various information systems on the market and on the brand strength and distribution within the target group. Trademarks are measured using the net present value method on the basis of 3-year planning by management and the fiscal year during which the acquisition was made. Revenues are calculated using a constant growth rate from this fiscal year. Trademarks have an indefinite life for the Group and are consequently not amortised. The recognised value is assessed for impairment at least annually.

f) __ Development Costs

Development costs are capitalised as intangible assets at cost insofar as the prerequisites pursuant to IAS 38.57 are fulfilled. If these prerequisites are not applicable, the development costs are recognised in profit or loss in the year they occurred. In the case of capitalisation, the conversion costs cover all costs directly attributable to the development process in addition to a relevant share of development-related overheads. Finance charges are not capitalised. For internally generated developments, the future pattern of use needs to be estimated in order to determine the type and duration of depreciation for the production costs to be capitalised. Amortisation after completion is carried out by the straight-line method over a period of 4 to 6 years. Amortisation of development costs is reported under amortisation of intangible assets and property, plant and equipment in the profit and loss account. If a capitalised development cost is not yet available for use or there are indications of impairment, the capitalised amount of development costs is assessed for impairment annually.

__ Property, plant and equipment

Property, plant and equipment is recognised at its cost less accumulated depreciation and any accumulated impairment losses. The original costs of property, plant and equipment comprise the purchase price in addition to all costs required to bring the asset to working condition for its intended use. The conversion costs for property, plant and equipment comprise costs incurred through the consumption of goods and use of services for the construction of the item. In addition to direct costs, this includes an appropriate share of the necessary overheads. Borrowing costs are recognised in the period in which they are incurred. Amortisation on a systematic basis takes the average useful life into account. The straight-line method is applied as the amortisation method.

The underlying useful life is as follows:

1. For buildings: 20 to 33 years

2. For leasehold improvements: 5 to 10 years

3. For furniture, fixtures, and equipment: 3 to 8 years

The carrying amount of property, plant and equipment is assessed for impairment if there are indications that the carrying amount of an asset exceeds its recoverable amount. Property, plant and equipment is derecognised on disposal or if no economic benefit can be expected from future use or disposal of the asset. Gains or losses from the derecognition of the asset are recognised as the difference between the net realisable value and the carrying amount of the asset in profit or loss in the profit and loss statement. The residual value of assets, the respective useful life and amortisation methods are assessed each reporting period and adjusted where necessary.

__ Leases

At the start of the contract, the Group assesses whether the contract establishes or includes a lease. This is the case when the contract extends the right to control the use of an identified asset for a certain period of time in return for payment of a fee.

Assets are recognised for the rights of use and leases within the Group for leases with a term of more than 12 months. For low-value lease assets and short-term leases (less than 12 months), relief is applied as per IFRS 16.

Within the scope of a software-supported lease analysis, the overall scope of the measurable contracts as per IFRS 16 was identified, clustered according to lease types and separated according to the corresponding lease term. The following lease types were identified:

+ Leases for office buildings and car parks;

+ Leases for motor vehicles;

+ Leases for hardware and software.

According to IFRS 16, the distinction between operating and finance leases held by the lessee is no longer applicable. For all leases in which NEXUS is the lessee, the right of use for an asset and the lease liability are accounted for. The right of 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 as per IFRS 9. The disclosure in the profit and loss statement is made separately as depreciation of the asset and interest on the liability.

__ Impairment of Non-Current Non-Financial Assets

At the end of each reporting period, the group assesses whether there is any indication that an asset may be impaired. If there is an indication that an asset may be impaired, then the asset's recoverable amount must be calculated. The recoverable amount of an asset is the higher of the fair value of an asset or cash-generating unit less costs of disposal and the value in use. The recoverable amount needs to be determined for each individual asset unless an asset does not generate any funds, which is largely independent from other assets or other groups of assets. If the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and amortised at its recoverable amount. In order to determine the value in use, the estimated futures cash flows are discounted at their present value based on a discount rate before taxes which reflects current market expectations with respect to the rate of interest effect and the specific risks of the asset.

Impairment losses of continued operations are recognised under amortisation. At the end of each reporting period, the Group assesses whether an impairment loss recognised at an earlier period no longer exists or has decreased, with the exception of goodwill. If such an indication exists, the recoverable amount is estimated. Previously recognised impairment losses are reversed if estimates have changed since the recognition of the last impairment loss used to calculate the recoverable amount. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognised. Such a write-up is to be recognised immediately in profit or loss. Once a value has been adjusted, the amortisation loss is adjusted in future reporting periods to spread the adjusted carrying amount of the asset, less any residual carrying amount, over its residual useful life.

__ Deferred Taxes

Deferred taxes are determined using the balance sheet method on all existing temporary differences between the recognised value of an asset or liability in the balance sheet and the taxable amounts on the balance sheet date. Deferred tax liabilities and assets are recognised for all taxable temporary differences. There are three exceptions to the requirement to recognise a differed tax liabilities:

+ Liabilities arising from the initial recognition of goodwill;

+ Liabilities arising from the initial recognition of an asset or liability other than a business combination, which, at the time of the transaction, does not affect either the accounting or the taxable profit;

+ Liabilities arising from taxable temporary differences associated with investments in subsidiaries, branches, and associates, and investments in joint ventures, but only to the extent that the Group is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future;

+ A deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses and unused tax credits can be utilised. This also applies to deferred tax assets arising from deductible temporary differences associated with investments in subsidiaries, branches, and associates, and investments in joint ventures.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised. A deferred tax asset is recognised for an unused tax loss carryforward or unused tax credit if, and only if, it is considered probable that there will be sufficient future taxable profit against which the loss or credit carryforward can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes associated with items recognised as other comprehensive income are similarly recognised as such. Deferred tax assets and deferred tax liabilities can only be offset in the statement of financial position if the Group has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same company that intends to realise the asset and settle the liability at the same time.

__ Inventories

Inventories essentially consist of hardware and third-party licenses. These are valued at the lower of acquisition or production costs and net realisable value. The net realisable value is the estimated sales proceeds that can be achieved in the normal course of business minus the estimated sales costs.

__ Contract assets

Contract assets represent a legal entitlement to consideration for transferred goods or services subject to additional terms as a payment target of the Group. The contract assets primarily pertain to the Group's claims to consideration for completed but not yet settled services arising from contractual completion of hospital information systems on the reporting date. The contract assets are reclassified as trade and other receivables if the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. A corresponding risk provision was formed for the credit risk as per IFRS 9. This approach corresponds accordingly to the determination of the risk provision for trade and other receivables.

__ Cash and bank balances

Liquid assets comprise cash and credit balances at banks. They have a remaining term of less than three months and comply with the requirements pursuant to IAS 7.7. The Group uses the general procedure under IFRS 9 to measure expected credit losses on cash and bank balances.

__ Treatment of Options

Options solely exist in the form of put and call options associated with company acquisitions with respect to the increase of pre-existing controlling companies. They are accounted for in the balance sheet within the scope of an anticipated acquisition as per IFRS 3.

__ Share-Based Payment

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

(a) share-based payment settled in equity instruments;

(b) share-based payment settled in cash;

(c) transactions in which the company receives or acquires goods or services or the supplier of these goods or services is able to select between settlement in cash (or other assets) or through the issue of equity instruments.

NEXUS solely employs share-based payment settled in equity instruments for transactions in which services are received.

For share-based payments settled in equity instruments, NEXUS recognises the received goods and services, and the corresponding increase in equity directly with the fair value of the received goods or services, unless this value cannot be reliably estimated. If the fair value of the received goods or services cannot be reliably estimated, NEXUS determines the value and corresponding equity increase indirectly with reference to the fair value of the granted equity instruments. For transactions with employees and other parties that render similar services, the fair value of the received services is determined with reference to the fair value of the granted equity instruments, as it is not generally possible to reliably estimate the fair value of the received services. The fair value of the grant date of the equity instrument is used to measure the equity instrument.

For transactions in which services were received, the granted equity instruments vest immediately if the counterparty is not required to complete a specified period of service before becoming unconditionally entitled to the respective equity instruments. In the absence of evidence to the contrary, NEXUS presumes that the services rendered by the counterparty as consideration for the equity instrument have been received. In this case, NEXUS recognises the received services on the grant date in full, with a corresponding increase in equity.

If the granted equity instruments do not vest until the counterparty completes the specified period of service, NEXUS presumes that the services to be rendered by the counterparty as consideration for these equity instrument will be received in the future during the vesting period. NEXUS recognises these services at the time of their performance during the vesting period with an accompanying equity increase.

The granting of equity instruments may be linked to the fulfilment of certain vesting and non-vesting conditions. Vesting conditions that are not market conditions are not included in the estimation of the fair value of the shares or share options on the measurement date. Instead, NEXUS takes vesting and non-vesting conditions that are not market conditions into account through the adjustment of the number of equity instruments included in the determination of the transaction amount.

Please refer to Note 31 for further information in this regard.

__ Pension Provisions

The Group has eight pension plans in Germany. The contributions are not financed via funds, with the exception of one company. In addition, in Switzerland, pension plans financed by plan assets are subject to certain financial obligations according to the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). Expenditure for contributions within the scope of the defined benefit plans is determined separately for each plan using the projected unit credit method (IAS 19). Actuarial gains or losses are recognised as other comprehensive income in equity after accounting for deferred taxes. The Heubeck-Richttafeln 2018 G mortality tables are applied in Germany as the basis for biometric calculations (likelihood of death and disability among beneficiaries, probably of being married at the time of death). In Switzerland, the statistics for the years 2010–2014 are based on the 2015 BVG tariffs. In the Netherlands, the Projection Table AG2016 from the Royal Dutch Actuarial Association was applied with mortality experience adjustments.

__ Other Provisions

Provisions are created if a current obligation exists towards a third party from a past event, which will likely result in an outflow of resources in the future and the amount of which can be reliably estimated. Provisions are measured in accordance IAS 37 with the best estimate of expenditure required to settle the present obligation at the balance date. Provisions for expenses are not recognised. If a substantial interest effect results from the settlement date of the obligation, the provision is accounted for at present value. The increase of a provision over time is recognised under financial expenditures.

__ Contract liabilities

Contract liabilities constitute an obligation towards a customer if a customer has paid an amount of consideration prior to the Group performing by transferring the related service to the customer. Contract liabilities from payment received from a customer are offset against the rendered services, once they have been performed. If a contract contains several separate performance obligations, a contractual asset or liability from this contract nevertheless needs to be determined on a net basis.

__ Miscellaneous non-financial liabilities

Miscellaneous non-financial liabilities are recognised at the settlement amount.

__ Current income taxes

Actual tax refund claims and tax liabilities are determined in the Group using the respective local tax regulations. In making this determination, estimates and assumptions are made which the respective local tax authorities may under certain circumstances assess differently.

__ Deferred Income

Advance payments from customers are reported as deferred income. As soon as the contractual services are rendered, they are recognised as sales.

__ Contingent Liabilities

Contingent liabilities are not classified as liabilities in the consolidated financial statements until their utilisation becomes probable. They are entered in the notes to the consolidated financial statements if their utilisation is not improbable.

__ Revenue Recognition

The Group achieves revenue from software licenses and associated services for the implementation and maintenance of software in addition to other services. The company typically grants its customers the unlimited right to use the software for an unlimited time. The Group also sells hardware. Revenues from the supply of goods and rights are recognised in accordance with IFRS 15 if the service obligation assumed was fulfilled by the transfer of the power of disposition to the customer, the inflow of the consideration is probable and the amount can be reliably calculated. Revenues from services are recognised as soon as the services have been rendered and the customer can obtain the key benefits from them. Revenue is not recognised if significant risks exist with regard to the receipt of the consideration or a potential return of goods. The NEXUS Group reports its sales revenues with the deduction of sales deductions.

__ Multi-component contracts/contracts for work and services

Revenue recognition from contracts that contain multiple performance obligations (multiple-component contracts) occurs when the respective performance obligation has been delivered or performed and is based on the objectively determinable relative stand-alone selling prices of the individual performance obligations. Performance obligations resulting from multi-component contracts are partly accounted for using the percentage of completion method. According to this, the revenues are shown according to the progress made in performance. In measuring the progress of work to determine revenue, the Group applies an output-oriented method, whereby the entire performance to be rendered within the contractual relationship is set in relation to the performance already rendered on the balance sheet date.

Generated revenues from production orders less advances received are reported in the balance sheet under contract assets as per IFRS 15. Adjustments to 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 the amount can be reliably determined. If the result of a production order cannot be estimated with sufficient certainty, the likely revenues that can be achieved are recognised at least up to the amount of the costs incurred. Order costs are reported as expenses in the period in which they occur.

Within the scope of the satisfaction of performance obligations, third parties are regularly appointed to transfer the respective goods or services. The Group has come to the conclusion that it is the principal for its performance obligations, as it is primarily responsible for the fulfilment of contracts and has an influence on pricing. Accordingly, the Group recognises the gross revenues from these transactions.

As a rule, warranty obligations do not satisfy the requirements of a standalone performance obligation, as they do not exceed what is required by law.

If non-cash consideration is agreed within the scope of contracts with customers, it is measured on the basis of the contractually agreed participation services in man days at the customer-specific participation daily rate.

The Group does not capitalise any costs for contract initiation if the amortisation period is one year or less.

The main types of revenue and their recognition are presented below: The Group applies the portfolio approach in accordance with IFRS 15.4 in this regard.

__ Software Licenses

This includes revenues from software license sales, which are generally remunerated on a one-time basis. The license entitles the user to permanent use of the software. The license fee is contractually fixed and does not entail 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 pro rata temporis revenue recognition. The recognition of revenue for software components within the scope of contracts for work and services may deviate from this. We are making reference to multi-component contracts/contracts for work and services.

__ Software Maintenance

This includes sales revenues from contracts that provide customers with access to new versions of software products after delivery. These updates are used for troubleshooting, improving performance and other properties, but also for adapting to changed regulatory conditions. A software maintenance contract also encompasses hotline support. The sales revenues generated in this regard are recognised pro rata temporis.

__ Services

Revenues from services that are remunerated on an hourly basis or at contractually agreed fixed prices fall under the revenue type "services". The activities carried out in the sales order include, for example, project management, analyses, training, system configuration and customer-related programming. For the services to be rendered that are remunerated on an hourly basis, the revenue is recognised upon completion of the service. No upper limit was contractually agreed for the purchase price payment to be expected in the future. However, due to the assessment basis, sales and EBIT from corporate planning, a de facto upper limit exists for determining the purchase price payment to be expected in the future. We do not expect any significant deviations in corporate planning or changes in the fair value of the expected future purchase price payment.

__ Hardware

Revenues from the sale of hardware and infrastructure components include, for example, PC, servers, monitors, printers, switches, racks, network components etc. These revenues are recognised immediately upon provision of the service obligation by the delivery of the hardware components. The recognition of revenue for hardware within the scope of contracts for work and services may deviate from this. We are making reference to multi-component contracts/contracts for work and service.

__ Financial Income / Expenses

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

__ Foreign Currencies

Foreign currency transactions are recognised in the report currency by translating the foreign currency at the exchange rate between the report currency and the foreign currency valid at the time of the transaction. Conversion differences from processing monetary items as well as from the measurement of exchange rates on the balance sheet date, which differ from those originally recognised during the period, are entered as expenses or income in the period in which they occurred.

3. COMPANY MERGERS

__ Acquisition of AEGERUS SL

With the acquisition of 100 % of the shares in AEGERUS SL on 20/02/2020, NEXUS has increased its presence in Spain and in the nursing home sector. With around 700 customers, AEGERUS SL is a market leader for nursing homes in Spain, particular in Catalonia. The objective of this acquisition is to firmly integrate this field of innovation into the NEXUS product portfolio. The cloud-based software solution will be further developed together with the nursing solution NEXUS / NURSING HOME.NET and NEXUS / SPITEX and prepared for other markets. This innovative solution marks a significant development for the Spanish market, particularly in the care sector. A purchase price of KEUR 921 was agreed, with KEUR 532 paid from the current cash equivalents of NEXUS and a purchase price liability formed for the residual KEUR 389. This constitutes the present value. The purchase price payment to be expected in the future is limited to KEUR 400. Failure to achieve the defined objectives may lead to the necessity of a reversal of income.

The identified and measured assets upon allocation of the purchase price primarily comprise customer relationships (KEUR 172) and technology (KEUR 122) at the acquisition date. Receivables were recognised at their gross amount. No value adjustment was made, as full inflow of the outstanding receivables is expected. Goodwill resulting from purchase price allocation amounted to KEUR 733. Goodwill primarily resulted from the skills and expertise of the AEGERUS SL workforce in addition to the projected synergies from the integration of the company into the Group's existing software operations. None of the recorded goodwill is expected to be tax-deductible in part or in full.

In 2020, sales to third parties after the date of initial consolidation, 01/03/2020, amounted to KEUR 575 and the contribution to the consolidated net income amounted to KEUR 17. Incidental acquisition costs amounting to KEUR 12 were recognised in profit or loss. If the company acquisition had taken place at the start of the year, the revenue would have amounted to KEUR 676 and the contribution to the consolidated net income would have been KEUR 18.

The acquired assets and liabilities were recognised at fair value in the balance sheet and comprise the following:

Assets / Liabilities AEGERUS SL	Fair value at the acquisition date
	KEUR
Cash assets	-9
Intangible Assets	444
Rights of use	61
Property, plant and equipment	12
Financial Assets	2
Other assets	10
Trade and other receivables	145
	665
Other Accruals	3
Deferred tax liabilities	55
Liabilities	419
	477
Net assets at the acquisition date	188
Goodwill	733
Total acquisition costs	**921**
The acquisition costs are composed of the following	
Purchase price paid in cash	532
Purchase price still to be paid	389
Total acquisition costs	**921**
Cash from this acquisition developed as follows	
Purchase price paid in cash	532
Acquired cash	-9
Inflow of cash	541

__ Acquisition of RVC Medical IT Holding B.V.

The acquisition of 92.46 % of the shares in RVC Medical IT Holding B.V. on 30/09/2020 has enabled NEXUS to expand its expertise in the field of diagnostic special solutions, strengthening its position with the leading provider of clinical enterprise imaging software on the Dutch market. With around 70 employees, the company in the Netherlands has a market share of 50 % and also markets its products in Belgium and Germany. As such, NEXUS has gained a renowned and global team of experts in structured diagnostic reports and imaging in clinics. The company has exceptional expertise on clinical processes in specialist departments and the integration of imaging devices at its disposal. RVC Medical IT Holding B.V. will make a major contribution to the globalisation, completion and innovation of NEXUS' diagnostic solutions.

A purchase price of KEUR 15,054 was paid in cash. The remaining 7.54 % of shares are governed by an option agreement. In accordance with IAS 32.23, the obligation to purchase shares of non-controlling interests was accounted for as a financial liability with the expected purchase price. The contingent purchase price payment of KEUR 1,464 represents the fair value. No upper limit was contractually agreed for the purchase price payment to be expected in the future. However, due to the assessment basis, sales and EBIT from corporate planning, a de facto upper limit exists for determining the purchase price payment to be expected in the future. We do not expect any significant deviations in corporate planning or changes in the fair value of the expected future purchase price payment. Changes to the planned EBITDA may lead to the necessity of adjustments in terms of profit and loss.

The identified and measured assets upon allocation of the purchase price primarily comprise customer relationships (KEUR 7,526) and technology (KEUR 2,001) at the acquisition date. Receivables were recognised at their gross amount. No value adjustment was made, as full inflow of the outstanding receivables is expected. Goodwill resulting from purchase price allocation amounted to KEUR 10,856. Goodwill primarily resulted from the skills and expertise of the RVC Medical IT Holding B.V. workforce in addition to the projected synergies from the integration of the company into the Group's existing software operations. None of the recorded goodwill is expected to be tax-deductible in part or in full.

In 2020, sales to third parties after the date of initial consolidation, 01/10/2020, amounted to KEUR 2,572 and the contribution to the consolidated net income amounted to KEUR 74. Incidental acquisition costs amounting to KEUR 157 were recognised in profit or loss. If the company acquisition had taken place at the start of the year, sales with third parties would have amounted to KEUR 8,694 and the contribution to the consolidated net income would have been KEUR -274.

The acquired assets and liabilities were recognised at fair value in the balance sheet and comprise the following:

Assets / Liabilities RVC Medical IT Holding B.V.	Fair value at the acquisition date
	KEUR
Cash balance	885
Intangible Assets	9,539
Rights of use	1,693
Property, plant and equipment	250
Financial Assets	52
Inventories	444
Trade and other receivables	1,587
	14,451
Deferred tax liabilities	2,309
Tax provisions	238
Liabilities	6,240
	8,788
Net assets at the acquisition date	5,662
Goodwill	10,856
Total acquisition costs	**16,518**

The acquisition costs are composed of the following	
Purchase price paid in cash	15,054
Purchase price still to be paid	1,464
Total acquisition costs	**16,518**

Means of payment from this acquisition developed as follows	
Purchase price paid in cash	15,054
Purchased means of payment	885
Inflow of means of payment	14,168

__ Sophrona Solutions Inc.

ifa united i-tech Inc., a 100 % subsidiary of ifa systems, purchased 80 % of the shares in Sophrona Solutions Inc. on 31/10/2020. With almost 2,000 installations, Sophrona Solutions Inc. is a leading portal platform in the USA for online communications between patients and doctors in ophthalmology. The acquisition has enabled ifa systems AG to significantly increase its presence in the American market and open up new growth potential. With the transaction, ifa systems AG further strengthens its position as an integration platform for ophthalmic doctors and clinics.

A purchase price of KUSD 2,800 was paid in cash. Within the scope of the business combination, an option agreement for the residual 20 % of the shares was agreed, whereby the purchase price to be paid is based on future company results and revenues. As such, the anticipated purchase of these shares is assumed. No non-controlling interests have been reported in this regard. The contingent purchase price for these shares is recognised as a financial liability at fair value and reassessed through profit or loss on each balance sheet date. The contingent purchase price payment of KUSD 1,071 represents the fair value. No upper limit was contractually agreed for the purchase price payment to be expected in the future. However, due to the assessment basis, sales and EBIT from corporate planning, a de facto upper limit exists for determining the purchase price payment to be expected in the future. We do not expect any significant deviations in corporate planning or changes in the fair value of the expected future purchase price payment. Changes to the planned revenues or EBITDA may lead to the necessity of adjustments in terms of profit and loss.

The identified and measured assets upon allocation of the purchase price primarily comprise customer relationships (KUSD 87) and technology (KUSD 1,389) at the acquisition date. Receivables were recognised at their gross amount. No value adjustment was made, as full inflow of the outstanding receivables is expected. Goodwill resulting from purchase price allocation amounted to KUSD 2,800. Goodwill primarily resulted from the skills and expertise of the Sophrona Solutions Inc. workforce in addition to the projected synergies from the integration of the company into the Group's existing software operations. None of the recorded goodwill is expected to be tax-deductible in part or in full.

In 2020, sales to third parties after the date of initial consolidation, 01/11/2020, amounted to KEUR 177 and the contribution to the consolidated net income amounted to KEUR -15. Incidental acquisition costs amounting to KUSD 65 were recognised in profit or loss. If the company acquisition had taken place at the start of the year, sales with third parties would have amounted to KUSD 1,382 and the contribution to the consolidated net income would have been KUSD 4.

The acquired assets and liabilities were recognised at fair value in the balance sheet and comprise the following:

Assets / Liabilities Sophrona Solutions Inc.	Fair value at the acquisition date
	KUSD[1]
Cash balance	84
Intangible Assets	1,476
Property, plant and equipment	7
Inventories	1
Trade and other receivables	118
	1,686
Deferred tax liabilities	455
Liabilities	160
	615
Net assets at the acquisition date	1,071
Goodwill	2,800
Total acquisition costs	**3,871**
The acquisition costs are composed of the following	
Purchase price paid in cash	2,800
Purchase price still to be paid	1,071
Total acquisition costs	**3,871**
Means of payment from this acquisition developed as follows	
Purchase price paid in cash	2,800
Purchased means of payment	84
Inflow of means of payment	2,716

[1] At the date of initial consolidation, an exchange rate of USD 1.1673 USD/EUR was applied.

__ Acquisition of Additional Shares in NEXUS / CHILI GmbH

The contingent purchase price payment of KEUR 2,362 accounted for on 31/12/2019 was concluded with the purchase agreement dated 07/07/2020 for the residual 32.54 % of the shares in NEXUS / CHILI GmbH, Dossenheim, in cash.

__ Acquisition of the Residual Shares in Synergetics AG

With the share purchase agreement dated 30/04/2020, NEXUS Schweiz AG acquired the remaining 40 % of the shares in Synergetics AG, Altishofen, in cash for KEUR 1,727.

__ Adjustment of the Contingent Purchase Price Payment for NEXUS SWISSLAB GmbH

On 30/11/2018, a fixed supplementary purchase price of KEUR 2,500 was agreed for 31/12/2021 with the purchase agreement dated 11/10/2018. The fixed contingent purchase price payment was classified as a liability amounting to KEUR 2,479 in the fiscal year 2018. In the fiscal year 2019, this amount was increased by an additional KEUR 7 as a result of compounding. In the fiscal year 2020, this amount was increased by an additional KEUR 7 as a result of compounding. As a result, a contingent purchase price payment of KEUR 2,493 was reported on the reporting date.

__ Adjustment to the Contingent Purchase Price Payment of highsystem ag

In relation to the acquisition of highsystem ag in the fiscal year 2017, a contingent purchase price payment amounting to KCHF 723 was classified as a liability. In the fiscal years 2017, 2018 and 2019, this amount was increased by an additional KCHF 18 as a result of compounding. The option purchase price and term were adjusted in the addendum on the existing option agreement dated 19/01/2021. The addendum and adjustment of the profit forecast resulted in an adjustment through profit or loss of KCHF 305 for the fiscal year 2020. As a result, a contingent purchase price payment according to the effects of exchange rate changes of KEUR 992 was reported on the reporting date.

__ Adjustment of the Contingent Purchase Price Payment for NEXUS POLSKA sp. z o.o.

In relation to the acquisition of NEXUS POLSKA sp. z o.o. in the fiscal year 2018, a contingent purchase price payment amounting to KPLN 22,551 was classified as a liability. In the fiscal years 2018 and 2019, this amount was increased by an additional KPLN 215 as a result of compounding. An additional 11.37 % of the shares in NEXUS POLSKA sp. z o.o. were acquired with the purchase agreement (option agreement) dated 06/062019. The purchase price of KEUR 1,192 was paid in cash. The adjustment of the profit forecast resulted in an adjustment through profit or loss of KPLN 816 for the fiscal year 2019. On 23/04/2020, an additional 5.02 % of the shares in NEXUS POLSKA sp. z o.o were acquired, followed by the acquisition of an additional 6.32 % on 02/06/2020. A purchase price of KEUR 1,153 was paid in cash. The adjustment of the profit forecast resulted in an adjustment through profit or loss of KPLN 347 for the fiscal year 2020. As a result, a contingent purchase price payment according to the effects of exchange rate changes of KEUR 3,400 was reported on the reporting date.

__ Adjustment to the Contingent Purchase Price Payment of Creativ Software AG

In relation to the acquisition of Creativ Software AG in the fiscal year 2018, a contingent purchase price payment amounting to KCHF 3,715 was classified as a liability. In the fiscal years 2018 and 2019, this amount was increased by an additional KCHF 26 as a result of compounding. An adjustment through profit or loss of KCHF 790 was made in the fiscal year 2020. As a result, a contingent purchase price payment according to the effects of exchange rate changes of KEUR 2,730 was reported on the reporting date.

__ Adjustment to the Contingent Purchase Price Payment of ASTRAIA Software GmbH

In relation to the acquisition of ASTRAIA Software AG in the fiscal year 2018, a contingent purchase price payment amounting to KCHF 2,497 was classified as a liability. In the fiscal years 2018 and 2019, this amount was increased by an additional KEUR 11 as a result of compounding. An adjustment through profit or loss of KEUR 1,543 was made in the fiscal year 2020. As a result, a contingent purchase price payment of KEUR 964 was reported on the reporting date.

__ Adjustment of the Contingent Purchase Price Payment for RVC Medical IT Holding B.V.

In relation to the acquisition of RVC Medical IT Holding B.V., in the fiscal year 2020, a contingent purchase price payment amounting to KEUR 1,464 was classified as a liability. In the fiscal year 2020, this amount was increased by KEUR 1 as a result of compounding. As a result, a contingent purchase price payment of KEUR 1,465 was reported on the reporting date.

In the 2020 financial year, a total of KEUR 5,242 (previous year: KEUR 2,492) was paid in cash for the acquisition of non-controlling interests.

4. LEASES

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:

	Procurement and conversion costs						
	Interest rate on capital borrowed in other countries	01/01/2020	Inflows from business combinations within the Group	Currency changes	Inflows	Outflows	31/12/2020
		KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Rights of use							
Leases for buildings	1.88%	9,674	1,190	13	5,612	2,731	13,758
Leases for motor vehicles	1.59%	4,637	564	8	1,495	579	6,125
Leases for printers, servers, hardware and miscellaneous	1.66%	224	—	1	80	41	264
Total		**14,535**	**1,754**	**22**	**7,187**	**3,351**	**20,147**

	Accumulated depreciations					Carrying amount	
	01/01/2020	Currency changes	Inflows	Outflows	31/12/2020	31/12/2020	31/12/2019
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Rights of use							
Leases for buildings	2,212	16	2,513	660	4,049	9,709	7,462
Leases for motor vehicles	1,429	9	1,998	564	2,854	3,271	3,208
Leases for printers, servers, hardware and miscellaneous	103	1	90	14	178	86	121
Total	**3,744**	**26**	**4,601**	**1,238**	**7,081**	**13,066**	**10,791**

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 2020:

Right of Use	Interest expenses	Current liabilities	Non-current liabilities	Current lease payments	Variable lease payments
	in KEUR	in KEUR	in KEUR	in KEUR	in KEUR
Leases for buildings	125	2,238	7,325	534	—
Leases for motor vehicles	68	1,733	1,772	23	—
Leases for printers, servers, hardware and miscellaneous	2	41	45	104	—
Total	**195**	**4,012**	**9,142**	**661**	**—**

Cash outflows	2020	2021	2022-2025	as of 2026
	in KEUR	in KEUR	in KEUR	in KEUR
Leases for buildings	3,152	2,410	5,866	1,932
Leases for motor vehicles	2,153	1,763	1,813	—
Leases for printers, servers, hardware and miscellaneous	97	43	46	—
Total	**5,402**	**4,216**	**7,725**	**1,932**

	Procurement and conversion costs								
	Interest rate on capital borrowed in other countries	31/12/2018	Initial application of IFRS 16	01/01/2019	Inflows from mergers within the Group	Currency changes	Inflows	Outflows	31/12/2019
		KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Rights of use									
Leases for buildings	1.89 %	0	6,064	6,064	52	13	3,827	256	9,674
Leases for motor vehicles	1.63 %	0	3,164	3,164	159	9	1,517	194	4,637
Leases for printers, servers, hardware and miscellaneous	1.67 %	0	237	237	—	1	7	19	224
Total		**0**	**9,465**	**9,465**	**211**	**23**	**5,351**	**469**	**14,535**

	Accumulated depreciation					Carrying amount	
	01/01/2019	Currency changes	Inflows	Outflows	31/12/2019	31/12/2019	31/12/2018
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Rights of use							
Leases for buildings	—	—	2,467	255	2,212	7,462	—
Leases for motor vehicles	—	—	1,606	177	1,429	3,208	—
Leases for printers, servers, hardware and miscellaneous	—	—	122	19	103	121	—
Total	**—**	**—**	**4,195**	**451**	**3,744**	**10,791**	**—**

5. INTANGIBLE ASSETS

Please refer to Note 5 for more information on the performance of intangible assets in the fiscal year.

__ Goodwill

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	
		2020	2019	2020	2019	2020	2019
NEXUS / DE (Germany)	Nexus Deutschland GmbH	8	8	10.35	10.11	14,336	14,336
	NEXUS / MARABU GmbH						
	nexus/qm GmbH						
	Nexus / IPS GmbH						
	NEXUS SWISSLAB GmbH						
	Nexus AG						
NEXUS / DIS (Diagnostic Systems)	nexus/dis GmbH	8	6	10.44	10.21	17,247	14,965
	E&L medical systems GmbH						
	NEXUS / CHILI GmbH						
	ifa systems AG						
	Sophrona Solutions Inc.						
	ifa united i-tech Inc.						
	ifa-systems informationssysteme für augenärzte GmbH						
	Inoveon Corp.						
	ASTRAIA Software GmbH						
NEXUS / ROE (Rest of Europe)	NEXUS Schweiz AG	5	7	9.16	8.71	53,057	41,864
	NEXUS Nederland B.V.						
	Creativ Software AG						
	highsystem ag						
	NEXUS Digitale Dokumentationssysteme Projektentwicklungsges.m.b.H.						
	Nexus/France S.A.S.						
	nexus/cso GmbH						
	NEXUS SISINF SL						
	NEXUS POLSKA Sp. z o.o.						
	NEXUS AEGERUS SL						
	RVC Medical IT Holding B.V.						
	RVC Medical IT N.V.						
	RVC Medical IT GmbH						
NEXUS / CMS (Consulting & Managed Services)	NEXUS . IT GmbH SÜDOST	3	2	10.23	9.74	2,853	2,853
	NEXUS / CLOUD IT GmbH						
	NEXUS / ENTERPRISE SOLUTIONS GmbH						
Total						**87,493**	**74,018**

[1] A growth rate of zero was assumed for the extrapolation of the cash flows after the detailed planning period.

6. PROPERTY, PLANT AND EQUIPMENT, AND DEVELOPMENT OF FIXED ASSETS

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. The development of fixed assets and property, plant and equipment is included in the following assets analysis:

	Procurement and conversion costs						
	01/01/2020	Inflows from business combinations within the Group	Currency changes	Inflows	Reclassification	Outflows	31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Intangible assets							
Concessions/patents	6,492	163	-53	526	—	1	7,125
Goodwill	74,195	13,982	-507	—	—	—	87,670
Development costs	60,039	—	-3	3,013	—	—	63,049
Customer relationships/technology	38,647	11,082	-112	435	—	—	50,052
Trademark rights	8,786	—	2	—	—	—	8,788
	188,159	**25,227**	**-673**	**3,974**	**—**	**1**	**216,686**
Property, plant and equipment							
Leasehold improvements	1,285	—	1	39	—	4	1,321
Other operating supplies and equipment	10,557	268	-10	1,134	—	2,433	9,516
Properties, leasehold rights and buildings	4,867	—	—	198	714	—	5,779
Facilities under construction	728	—	—	—	-714	—	14
	17,437	**268**	**-9**	**1,371**	**—**	**2,437**	**16,630**
Total	**205,596**	**25,495**	**-682**	**5,345**	**—**	**2,438**	**233,316**

	Cumulated depreciation						Carrying amount	
	01/01/2020	Currency changes	Inflows	Reclassification	Outflows	31/12/2020	31/12/2020	31/12/2019
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Intangible assets								
Concessions/patents	5,493	-41	486	—	1	5,937	1,188	999
Goodwill	177	—	—	—	—	177	87,493	74,018
Development costs	46,374	11	5,055	—	—	51,440	11,609	13,665
Customer relationships/technology	23,420	2	4,369	—	—	27,791	22,261	15,227
Trademark rights	—	—	—	—	—	—	8,788	8,786
	75,464	**-28**	**9,910**	**—**	**1**	**85,345**	**131,339**	**112,695**
Property, plant and equipment								
Leasehold improvements	527	—	177	—	4	700	621	758
Other equipment, factory and office equipment	5,797	-12	1,892	—	2,073	5,604	3,912	4,760
Properties, leasehold rights and buildings	319	—	145	—	—	464	5,315	4,548
Facilities under construction	—	—	—	—	—	—	14	728
	6,643	**-12**	**2,214**	**—**	**2,077**	**6,768**	**9,862**	**10,794**
Total	**82,107**	**-40**	**12,124**	**—**	**2,078**	**92,113**	**141,201**	**123,489**

	Procurement and conversion costs						
	01/01/2019	Inflows from business combinations within the Group	Currency changes	Inflows	Reclassification	Outflows	31/12/2019
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Intangible assets							
Concessions/patents	6,290	—	43	295	—	136	6,492
Goodwill	72,939	445	811	—	—	—	74,195
Development costs	56,067	—	122	3,850	—	—	60,039
Customer relationships/technology	32,357	6,059	231	—	—	—	38,647
Trademark rights	8,767	—	19	—	—	—	8,786
	176,420	**6,504**	**1,226**	**4,145**	**—**	**136**	**188,159**
Property, plant and equipment							
Leasehold improvements	1,024	—	3	327	20	89	1,285
Other equipment, factory and office equipment	9,671	53	102	2,023	-20	1,272	10,557
Properties, leasehold rights and buildings	4,546	—	—	230	91	—	4,867
Facilities under construction	819	—	—	—	-91	—	728
	16,060	**53**	**105**	**2,580**	**—**	**1,361**	**17,437**
Total	**192,480**	**6,557**	**1,331**	**6,725**	**—**	**1,497**	**205,596**

	Cumulated depreciation						Carrying amount	
	01/01/2019	Currency changes	Inflows	Reclassification	Outflows	31/12/2019	31/12/2019	31/12/2018
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Intangible assets								
Concessions/patents	5,220	40	368	—	135	5,493	999	1,070
Goodwill	177	—	—	—	—	177	74,018	72,762
Development costs	40,608	110	5,656	—	—	46,374	13,665	15,459
Customer relationships/technology	19,044	136	4,240	—	—	23,420	15,227	13,313
Trademark rights	—	—	—	—	—	—	8,786	8,767
	65,049	**286**	**10,264**	**—**	**135**	**75,464**	**112,695**	**111,371**
Property, plant and equipment								
Leasehold improvements	436	3	160	—	72	527	758	588
Other equipment, factory and office equipment	5,044	81	1,767	—	1,095	5,797	4,760	4,627
Properties, leasehold rights and buildings	202	—	117	—	—	319	4,548	4,344
Facilities under construction	—	—	—	—	—	—	728	819
	5,682	**84**	**2,044**	**—**	**1,167**	**6,643**	**10,794**	**10,378**
Total	**70,731**	**370**	**12,308**	**—**	**1,302**	**82,107**	**123,489**	**121,749**

7. EQUITY METHOD INVESTMENTS IN COMPANIES

G.I.T.S. Gesundheitswesen IT-Service GmbH Fürstenfeldbruck, Fürstenfeldbruck, went into liquidation on 01/01/2020. There is no pro-rata annual result for Nexus AG in the 2020 financial year. The table below shows the development of the book value for the investment:

	31/12/2020	31/12/2019
	KEUR	KEUR
Share of investments in the balance sheet		
Current assets	—	37
Current liabilities	—	-8
Prorated net assets	—	29
Shares in the revenues and profits of investments		
Revenue	—	95
Profit	—	-11
Changes in investments		
Carrying amount of the investment	**—**	**15**

8. INVENTORIES

Inventories are composed of the following:

	31/12/2020	31/12/2019
	KEUR	KEUR
Finished good and services	2,042	409
Advances paid	9	9
	2,051	**418**

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. Materials and supplies in the amount of KEUR 16,087 (previous year: KEUR 12,765) were recognised as expenditures in the fiscal year.

9. DEFERRED TAXES

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

As at 31/12/2020, 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 1,573 (previous year: KEUR 7,026) domestically, in addition to trade tax loss carryforwards, which amounted to KEUR 1,423 (previous year: KEUR 6,958. Foreign Group companies reported tax loss carryforwards amounting to KEUR 258 (previous year: KEUR 724). Loss carryforwards in the total volume amounted to KEUR 26 (previous year: KEUR 5,411), which have been assessed as non-utilisable (corporate income tax KEUR 26 (previous year: KEUR 2,719), trade tax KEUR 0 (previous year: KEUR 2,692)). Of which a total of KEUR 26 (previous year: KEUR 5,411) can be carried forward indefinitely without any restrictions.

Presentation of the causes of deferred tax assets and liabilities:

	Group – Balance Sheet		Group – P&L	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	KEUR	KEUR	KEUR	KEUR
Deferred tax assets				
Tax loss carryforwards	923	2,006	–995	–315
Measurement differences for tax goodwill	12	20	—	—
Measurement differences for pensions	3,558	3,600	–27	119
Measurement differences for provisions	201	56	64	–2,081
Measurement differences for securities	88	105	–17	–26
	4,782	**5,787**	**–975**	**–2,303**
Settlement with deferred tax liabilities/expenses	–1,473	–2,137	975	2,303
Total deferred tax assets	**3,309**	**3,650**	**—**	**—**
Deferred tax liabilities				
Development Costs	3,386	3,733	341	346
Measurement differences for receivables	61	84	16	9
Technology/expertise	6,827	5,014	937	1,005
Project orders	372	101	–272	10
Accrued liabilities	—	—	–19	—
Loans and other liabilities	642	574	–67	–87
	11,288	9,506	936	1,283
of which settled with deferred tax receivables/income	–1,473	–2,137	–975	–2,303
Total deferred tax liabilities	**9,815**	**7,369**	**–39**	**–1,020**

	2020	2019
	KEUR	KEUR
Adjustment of deferred taxes as profit or loss	–39	–1,020
Adjustment of deferred taxes entered in other comprehensive income under pension provisions	–30	938
Adjustment of deferred taxes entered in other comprehensive income due to currency translations	35	152
Inflows and outflows of deferred taxes in the context of inflows to consolidated companies	–2,753	–430
Adjustments to deferred taxes in balance sheet items	**–2,787**	**–360**

10. TRADE AND OTHER RECEIVABLES; CONTRACT ASSETS

__ Trade and Other Receivables

	2020	2019
	KEUR	KEUR
Gross inventory	32,573	30,977
Risk provisions according to IFRS 9	–920	–872
Revenue adjustment for items still under clarification	–4,103	–4,178
Total	**27,550**	**25,927**

Non-current receivables with a payment due date of over one year amounting to KEUR 42 (previous year: KEUR 198) were listed under trade and other receivables.

Trade and other receivables in the amount of KEUR 1,361 (previous year: KEUR 1,168) were derecognised in the fiscal year 2020. Incoming payments on derecognised receivables amounted to KEUR 1 (previous year: KEUR 7). Trade and other receivables were impaired with a nominal value of KEUR -5,023 (previous year: KEUR 5,050) on 31/12/2020.

__ Contract assets

Contract assets	31/12/2020	
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Gross total	1,288	1,082
Risk provisions according to IFRS 9	18	16
Total	**1,270**	**1,066**

Contract assets	31/12/2019	
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Gross total	647	–
Risk provisions according to IFRS 9	7	–
Total	**640**	**–**

Contract assets amounting to KEUR 34 (previous year: KEUR 7) were impaired on 31/12/2020. Please refer to Note 32 for more information on the calculation of risk provisions as per IFRS 9.

11. OTHER FINANCIAL ASSETS AND CURRENT FINANCIAL ASSETS

Other financial assets and current financial assets comprise the following:

	31/12/2020	
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Other financial assets		
Loans to employees and third parties	153	–
Security deposits	252	379
Travel expense advances	49	–
Transfer accounts with authorities and banks	126	–
Miscellaneous	328	–
Total other financial assets	**908**	**379**
Current financial assets		
Securities	1,728	–
Total current financial assets	**1,728**	**–**

	31/12/2019	
	Current (< 1 year)	Non-current (> 1 year)
	KEUR	KEUR
Other financial assets		
Loans to employees and third parties	36	–
Miscellaneous	2,152	355
Total other financial assets	**2,188**	**355**
Current financial assets		
Securities	1,671	–
Total current financial assets	**1,671**	**–**

Please refer to Note 32 for the calculation of risk provisions for other financial assets.

__ Current Financial Assets

The current financial assets are as follows on the balance sheet date:

	31/12/2020	
	Procurement costs	Fair value
	KEUR	KEUR
Securities		
Pension funds	2,014	1,728
Total	**2,014**	**1,728**

	31/12/2019	
	Procurement costs	Fair value
	KEUR	KEUR
Securities		
Pension funds	2,014	1,671
Total	**2,014**	**1,671**

During the reporting year, appreciation amounting to KEUR 57 (previous year: KEUR 85) in addition to interest income from securities of KEUR 26 (previous year: KEUR 19) was recognised in the profit and loss statement.

As at 31/12/2020, there were no derivative financial instruments, as in the previous year.

12. OTHER NON-FINANCIAL ASSETS

Other non-financial assets are composed of the following:

	31/12/2020	31/12/2019
	KEUR	KEUR
Prepaid expenses and deferred income	1,878	2,352
Receivables within the scope of social security	34	16
Advanced payments	75	21
Value added tax	406	629
Wage and salary advances	19	31
Other	15	—
Total other non-financial assets	**2,427**	**3,049**

13. EQUITY

Equity amounted to KEUR 123,583 (previous year: KEUR 115,135) on the reporting date. Please refer to the statement of changes in Group equity for more information.

a) __ Subscribed Capital

As at 31/12/2020, subscribed capital is split into EUR 15,752,231 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.

In partial utilisation of the authorisation granted for the period until 30/04/2021 to increase the share capital once or several times by up to a total of EUR 3,000,000.00 through the issuance of up to 3,000,000 new no-par value bearer shares against cash or contributions in kind (authorised capital 2016/I) adopted on 13/05/2016 by the Annual General Meeting of Nexus AG, the Executive Board decreed on 14/07/2017 with the same-day approval of the Supervisory Board to increase the share capital of the company against cash to the exclusion of the shareholders' subscription rights – for the benefit of Nexus AG employees and affiliated companies – from EUR 15,735,665.00 by EUR 25,000.00 to EUR 15,760,665.00 through the issuance of up to 25,000 new no-par value bearer shares with a theoretical par value of EUR 1.00 each and with profit-sharing rights as of 01/01/2017. The capital increase was entered in the commercial register at the Freiburg District Court (HRB 602434) on 27/10/2017. Share capital increased by EUR 16,566.00 to EUR 15,752,231.00. As a result, authorised capital 2016/I is still EUR 2,983,434.00 after partial utilisation. The selling price amounted to a total of EUR 400,068.90 and the proceeds from the sale (EUR 383,502.90) were allocated to capital reserves.

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. Please refer to Note 31 for more information on share-based payment.

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.

e) __ Treasury Shares

On the reporting date, treasury shares performed as follows: see table below.

The equity account was debited and the cash account was credited with the amount paid for acquiring the treasury shares (cost method). As at 31/12/2020, the value of treasury shares was KEUR 108 according to the cost method. The company may not use this authorisation to purchase its treasury shares for the purpose of trading in treasury shares.

f) __ Authorised Capital

At the Annual General Meeting on 23/05/2012, the authorisation granted in the Annual General Meeting on 14/06/2010 to increase the share capital in the amount of EUR 6,902,600.00 was revised. With the approval of the Supervisory Board, the Executive Board was authorised to increase the share capital one or several times by up to EUR 7,152,575.00 (authorised capital 2012) by 30/04/2017. The authorisation amounted to EUR 5,722,060.00 following partial utilisation due to a cash capital increase in the amount of EUR 800,000.00 in 2012 in addition to a cash capital increase in the amount of EUR 630,515.00 in 2015.

At the Annual General Meeting on 13/05/2016, the authorisation granted in the Annual General Meeting on 23/05/2012 to increase the share capital in the amount of EUR 7,152,575.00 was revised. With the approval of the Supervisory Board, the Executive Board was authorised to increase the share capital one or several times by up to EUR 3,000,000.00 in total (authorised capital 2016) by 30/04/2021. The authorisation from 23/05/2012 in effect prior to this date was also revoked. The authorisation amounted to EUR 2,983,434.00 following partial utilisation due to a cash capital increase in the amount of EUR 16,566.00 in 2017.

g) __ 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 share capital was contingently increased by EUR 1,400,000.00 in no-par value bearer shares for the implementation of a share buy-back initiative.

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
			Inventory as at 31/12/2020	**4,408**

[1] The buy-back occurred as part of a share buy-back initiative, which the Executive Board approved with the consent of the Supervisory Board on 25/10/2016. In the fiscal year 2016, no par-value shares were acquired at acquisition costs of KEUR 296. In the fiscal year 2017, 10,321 no par-value shares were acquired at acquisition costs of KEUR 240. In the fiscal year 2018, 52,579 no par-value shares were acquired at acquisition costs of KEUR 1,345. In the fiscal year 2019, 16,602 no par-value shares were acquired at acquisition costs of KEUR 424. In the fiscal year 2020, 15,401 no par-value shares were acquired at acquisition costs of KEUR 698.

__ 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 55.4 % (previous year: 55.3 %) on the balance sheet date. Debt financing almost exclusively pertains to liabilities resulting from business operations. There are no interest-bearing current financial liabilities.

In May 2020, a dividend of EUR 0.18 was paid on the 15,752,231 no-par value bearer shares with dividend rights. A dividend pay-out of EUR 0.19 per no-par value bearer share with dividend rights was proposed for the fiscal year 2020.

14. PENSION OBLIGATIONS

Pension provisions have been accrued for NEXUS IT GmbH SÜDOST, 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 GmbH (formerly nexus / switspot) and NEXUS SWISSLAB GmbH. The provision generated for pension obligations (direct commitment) at Nexus AG in the fiscal year 2019 has been congruently covered by covered funds (reinsurance policy) since the reporting year.

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.

Swiss Life decreased its conversion rates as of 2022 (affecting Creativ Software AG). The past service cost was immediately recognised in the profit and loss statement and amounts to CHF -23,318.

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 two 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 2010-2014 based on the 2015 BVG tariff are used as a basis.

In the Netherlands, the Royal Dutch Actuarial Association (AG) projection table 2016 was applied with mortality experience adjustments.

The table below shows the basis for the valuation:

	2021[1)]	2020	2019
	%	%	%
Actuarial interest rate (DE)	1.35	1.35	1.94
Interest rate (NL)	1.50	1.50	2.4
Interest rate (CH)	0.15	0.15	1.1
Average labour turnover rate (DE)	5.0	5.0	5.0
Average labour turnover rate (NL)	—	—	—
Average labour turnover rate (CH)[2)]	1.3-28.5	1.3-28.5	1.3-28.5
Wage and salary increase (DE)	1.13	1.13	1.29
Wage and salary increase (NL)	—	—	—
Wage and salary increase (CH)	0.5	0.5	0.50
Annual increase in current pensions (DE)	1.06	1.06	1.29
Annual increase in current pensions (NL)	—	—	—
Annual increase in current pensions (CH)	0.33	0.33	—

[1)] Basis for the sensitivity analysis.

[2)] The assumption of the likelihood of leaving the company includes age-dependent gradation. This is 28.5 % at the age of 20 and is then gradually lowered until age 60, when the likelihood that an employee leaves the company is 1.3 %.

On 31/12/2020, the weighted average term of defined benefit obligations was 29 years in Germany (previous year: 20 years), 24 years in the Netherlands (previous year: 26 years), and 19 years in Switzerland (previous year: 20 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:

	2020	2019
	KEUR	KEUR
Present value of the obligation at the start of the reporting period	66,322	51,118
Recognised in profit or loss		
Current service cost	1,578	1,705
Past service cost	–22	–42
Interest cost	504	813
Recognised in other comprehensive income		
Actuarial gains(–) / losses(+) from		
– demographic assumptions	–516	—
– financial assumptions	1,651	8,444
– empirical adjustments	194	1,695
Currency changes	170	1,192
Miscellaneous		
Accrual of pension obligations	—	—
Paid benefits and departures	–616	753
Employee contributions	1,068	1,003
Administrative costs	–379	–359
	69,954	**66,322**

	2020	2019
	KEUR	KEUR
Fair value of the plan assets at the start of the reporting period	49,124	40,280
Recorded in profit or loss		
Interest income	444	689
Recorded in other comprehensive income		
Income (+) / (-) expenses from plan assets without interest income	–171	4,735
Currency changes	111	828
Miscellaneous		
Accrual of plan assets	347	—
Employer contributions	1,189	1,175
Employee contributions	1,068	1,003
Lump-sum payments	–573	791
Administrative costs	–403	–377
Fair value of the plan assets at the end of the reporting period	**51,136**	**49,124**

	2020	2019
	KEUR	KEUR
Present value of the externally financed obligations	68,804	64,833
Fair value of the plan assets	51,136	49,124
Deficit	17,668	15,709
Present value of the internally financed obligations	1,150	1,489
Funding status	18,818	17,198
Reported pension liabilities	18,818	17,198
of which reported as pension provisions	18,818	17,198

The obligation is divided into the following groups of participants:

	2020	2019
	KEUR	KEUR
Current employees	17,347	15,653
Employees who have left the company with vested benefits	512	247
Retirees	959	1,298
	18,818	**17,198**

Actuarial gains(-) and losses(+) amounting to KEUR 1,499 were recognised in other comprehensive income in 2020 before adjustment for deferred taxes. Accumulated actuarial losses were recognised as KEUR 14,143 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:

	2020	2019
	KEUR	KEUR
Current and past service costs	1,556	1,663
Interest cost	504	813
Interest income from plan assets	–444	–689
Administrative costs	18	17
Net pension expenditure	**1,634**	**1,804**

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 -273 (previous year: KEUR -5,425) 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:

	2020	2019
	KEUR	KEUR
Bonds	40,011	18,732
Real estate	4,254	—
Shares	1,345	4,812
Liquid assets and fixed deposits	3,230	3,098
Miscellaneous	2,296	22,482
Total	**51,136**	**49,124**

	2020	2019	2018	2017	2016
	KEUR	KEUR	KEUR	KEUR	KEUR
Present value of pension obligations	69,954	66,322	51,118	44,001	45,105
Fair value of the plan assets	51,136	49,124	40,280	33,486	33,531
Plan deficit	18,818	17,198	10,838	10,515	11,574
Empirical adjustments to the pension obligations	194	1,695	324	749	1,688
Empirical adjustments to the plan assets	-171	4,735	-589	309	2,648

The empirical adjustment of the pension obligations amounted to KEUR 194 (previous year: TEUR 1,695) and to KEUR -171 (previous year: KEUR 4.735) 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 3,602 in the fiscal year (previous year: KEUR 3,550). Expenses were also incurred for other defined contribution plans for Executive Board members amounting to KEUR 40 (previous year: KEUR 360) 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:

	2020	2019
Change in the obligation	TEUR	TEUR
Current assumption as at 31/12/		
Total obligations	69,954	66,322
Externally financed obligations	68,804	64,833
Internally financed obligations	1,150	1,489
Discounting interest rate +0.5 PP	–6,913	–6,869
Discounting interest rate -0.5 PP	8,062	7,701
Wage increase rate +0.5 PP[1)]	771	531
Wage increase rate -0.5 PP[1)]	–830	–551
Wage increase rate +0.5 PP[2)]	4	–146
Wage increase rate -0.5 PP[2)]	5	–154
Pension increase +0.5 PP[3)]	2,482	–40
Pension increase -0.5 %[3)]	–74	–251

PP = Percentage points

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

[4)] Due to the assumption of annual pension increases of 0–0.5 % in Switzerland, the result only pertains to domestic obligations.

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 2021, pension expenditures of KEUR 1,551, a present value of obligations amounting to KEUR 72,545 and a future value of the plan assets of KEUR 52,330 are forecast.

Employee benefits paid directly by the employer are projected to reach KEUR 58. The projected contributions to the plan assets are forecast to amount to KEUR 1,184 in 2021.

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

15. PROVISIONS

Provisions are composed of the following:

	As at 01/01/2020	Inflows from business combinations within the Group	Currency changes	Use of provisions 2020	Unused amounts reversed 2020	Allocation 2020	As at 31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Services yet to be rendered	3,466	—	24	1,796	108	2,740	4,326
Remaining provisions	7,306	—	—	4,603	853	2,909	4,759
	10,772	**—**	**24**	**6,399**	**961**	**5,649**	**9,085**

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.

16. LIABILITIES

The liabilities in terms of maturity are as follows:

	31/12/2020	
	Current (< 1 year) KEUR	Non-current (> 1 year) KEUR
Trade and other payables	8,650	—
Income tax liabilities	2,432	—
Deferred revenue	6,708	—
Other non-financial liabilities	3,041	—
Other taxes	3,041	—
Contract liabilities	2,244	—
Other financial liabilities	18,026	7,606
Salary obligations	4,891	—
Miscellaneous	13,135	7,606
Lease liabilities	4,012	9,142
Total	**45,113**	**16,748**

	31/12/2019	
	Current (< 1 year) KEUR	Non-current (> 1 year) KEUR
Trade and other payables	6,326	—
Income tax liabilities	1,700	—
Deferred revenue	5,946	—
Other non-financial liabilities	4,296	—
Other taxes	4,296	—
Contract liabilities	1,850	—
Other financial liabilities	12,669	13,940
Salary obligations	5,933	—
Miscellaneous	6,736	13,940
Lease liabilities	3,966	6,899
Total	**36,753**	**20,839**

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 non-financial liabilities include miscellaneous taxes (VAT, wage and church tax obligations in addition to social security contributions).

Contract liabilities primarily pertain to advances received from customers.

Other financial liabilities also include contingent purchase price payments (see Note 3 for the calculation thereof) amounting to KEUR 13,306 (previous year: KEUR 15,933). These liabilities have developed as follows:

	KEUR
Status of contingent purchase price payments as at 01/01/2020	15,933
Disposal due to payment of the remaining purchase price liability of NEXUS / CHILI GmbH	-2,362
Disposal due to the pro rata payment of the purchase price liability of NEXUS POLSKA sp. z o.o.	-1,153
Disposal due to the derecognition in profit or loss due to the pro rata payment of NEXUS POLSKA sp. z o.o.	-331
Accruals due to compounding	28
– highsystem ag[1)]	7
– RVC Medical IT Holding B.V.	1
– NEXUS SWISSLAB GmbH	7
– Creativ Software AG[1)]	13
Increase in the purchase price liability due to changes in the estimates related to highsystem ag	282
Reduction in the purchase price liability due to changes in the estimates related to Creativ Software AG	-751
Increase in the purchase price liability due to changes in the estimates related NEXUS POLSKA sp. z o.o.	485
Reduction in the purchase price liability due to changes in the estimates related to ASTRAIA Software GmbH	-1,543
Accruals due to company acquisitions	2,726
Adjustments due to exchange rate changes	-8
Status of contingent purchase price payments as at 31/12/2020	**13,306**

[1)] *Including the effects of exchange rate changes*

Contingent purchase price payments comprise KEUR 5,334 (previous year: KEUR 2,362) in short-term payments.

	01/01/2020	Cash changes	Business combinations	Differences from foreign currency translation	Change in fair value	Changes in leases	Miscellaneous	31/12/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Financial liabilities	—	-2,528	2,528	—	—	—	—	—
Other financial liabilities[1)]	15,933	-5,242	4,453	-8	-1,858	—	28	13,306
Lease liabilities	10,865	-4,546	1,693	22	—	5,120	—	13,154
Liabilities from financing activities	**26,798**	**-12,316**	**8,674**	**14**	**-1,858**	**5,120**	**28**	**26,460**

	01/01/2019	Cash changes	Company mergers	Currency translation differences	Change in fair value	Change in leases	Miscellaneous	31/12/2019
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Financial liabilities[2)]	—	—	—	—	—	—	—	—
Other financial liabilities[1)]	18,556	-2,492	140	141	-474	—	62	15,933
Lease liabilities	9,465	-4,122	211	23	—	5,288	—	10,865
Liabilities from financing activities	**28,021**	**-6,614**	**351**	**164**	**-474**	**5,288**	**62**	**26,798**

[1)] Other financial liabilities amounted to KEUR 25,632 on the balance sheet date (previous year: KEUR 26,609), of which KEUR 13,306 (previous year: KEUR 15,933) is from financial liabilities from financing activities.
[2)] Financial liabilities as at 01/01/2019 amounting to KEUR 9,000 were allocated to investment activities and settled by 31/12/2019.

17. CONTINGENT LIABILITIES AND OTHER OBLIGATIONS

Legal proceedings that arise within the normal course of business may lead to the assertion of claims against NEXUS in the future. The associated risks are analysed with respect to the likelihood of their occurrence. Although the outcome of these disputes cannot always be precisely predicted, the Executive Board believes that these risks will not result in any substantial obligations.

18. REVENUE

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

Healthcare Software	2020		2019	
	KEUR	%	KEUR	%
Germany	80,594	52.2	71,245	51.1
Switzerland/Lichtenstein	33,342	21.5	32,570	23.4
The Netherlands	18,055	11.7	14,705	10.5
Poland	7,230	4.7	6,180	4.4
France	6,377	4.1	5,873	4.2
Austria	2,285	1.5	1,835	1.3
Other regions	6,649	4.3	7,189	5.1
Total	**154,532**	**100.0**	**139,597**	**100.00**

Healthcare Service	2020		2019	
	KEUR	%	KEUR	%
Germany	8,017	95.3	7,502	93.2
Switzerland/Lichtenstein	269	3.2	391	4.9
Austria	32	0.4	34	0.4
Other regions	94	1.1	124	1.5
Total	**8,412**	**100.0**	**8,051**	**100.0**

of which attributed to:

	2020		2019	
	KEUR	%	KEUR	%
Services and software maintenance	127,516	78.3	113,093	76.6
Licenses	24,782	15.2	27,510	18.6
Deliveries	10,646	6.5	7,045	4.8
Total	**162,944**	**100.0**	**147,648**	**100.0**

Please refer to Note 2.4 “Revenue Recognition” for more information on the individual types of revenue and the recognition thereof.

Of the balance of KEUR 1,850 (previous year: KEUR 5,399) reported in contract liabilities at the beginning of the period, KEUR 1,300 (previous year: KEUR 4,660) 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 1,613 (previous year: KEUR 1,416).

Unfulfilled performance obligations arise in the context of multi-component contracts. The Group assumes that these will largely be met in 2021.

19. OTHER OPERATING INCOME

Other operating income is composed of the following:

	2020	2019
	KEUR	KEUR
Reimbursement agreements related to company acquisitions	2,708	3,852
Non-cash benefits	1,773	1,490
Revenues from purchase price adjustments	2,625	127
Revenues from the reversal of provisions	961	1,258
Miscellaneous	739	3,277
Neutralisation in profit or loss of the applicable expenses from an original service obligation	—	6,000
	8,806	16,004

20. COST OF GOODS SOLD AND ASSOCIATED SERVICES

	2020	2019
	KEUR	KEUR
Costs for associated goods	16,087	12,765
Costs for associated services	8,274	8,742
	24,361	**21,507**

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.

21. NUMBER OF EMPLOYEES AND STAFF COSTS

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

	2020	2019
Employees	1,295	1,271
Senior staff	27	25
	1,322	**1,296**

Staff costs increased as follows over the reporting period:

	2020	2019
	KEUR	KEUR
Salaries and wages	80,881	76,145
Social security contributions and expenses for pension costs and support	16,219	15,421
	97,100	**91,566**

22. OTHER OPERATING EXPENSES

Other operating expenses are composed of the following:

	2020	2019
	KEUR	KEUR
Operating costs	2,519	2,537
Distribution costs	3,039	4,242
Administrative costs	7,219	7,897
Other operating expenses	3,885	5,806
Allocated to other provisions	2,909	328
Purchase price adjustments	767	377
Miscellaneous	209	5,101
	16,662	**20,482**

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

	2020	2019
	KEUR	KEUR
Audit services	231	225
From the previous year	20	67
Other services	49	36
	280	**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.

23. NET INCOME FROM EQUITY METHOD COMPANIES

G.I.T.S. Gesundheitswesen IT-Service GmbH Fürstenfeldbruck, Fürstenfeldbruck, went into liquidation on 01/01/2020. In the fiscal year 2020, no proportionate net income for the year from companies valued at equity was attributed to the NEXUS Group.

24. FINANCIAL INCOME

Other financial assets and current financial assets comprise the following:

	2020	2019
	KEUR	KEUR
Income from securities	26	19
Interest income from bank deposits	2	3
Other interest and similar income	25	10
	53	**32**

25. FINANCIAL EXPENSES

	2020	2019
	KEUR	KEUR
Interest expenses from rights of use	195	181
Other interest and similar expenses	134	318
Miscellaneous	47	104
	376	**603**

26. 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 2020, 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:

	2020	2019
	KEUR	KEUR
Current tax expenses	-4,461	-3,721
– Current year	-4,491	-3,738
– Previous years	30	17
Deferred tax expenses/income	-40	-1,020
– Development/reversal of deferred differences	-40	-1,020
	-4,501	**-4,741**

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 11.67 % and 17.16 % were recognised for trade tax, which differs depending on the municipality. Foreign income tax rates are between 15.0 % 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 29.98 % (previous year: 30.54 %) 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:

	2020	2019
	KEUR	KEUR
Earnings before taxes	19,592	16,862
Projected tax expenses 29.98 % (previous year: 30.54 %)	-5,873	-5,150
Change in non-capitalised deferred taxes on loss carryforwards	409	-10
Tax rate differences amongst subsidiaries	660	353
Deviations from non-deductible expenses	-16	-42
Taxes and other deviations from previous years	319	108
Tax expenses according to the consolidated profit and loss statement	**-4,501**	**-4,741**
Effective tax expenses (in %)	23.0	28.1

27. 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 15,750k (previous year: 15,732k) shares was used to calculate the diluted earnings per share.

Presentation of earnings per share:

	2020	2019
Consolidated net income (Group share) in KEUR	14,916	10,841
Undiluted average of issued shares in circulation (in thousands)	15,750	15,732
Earnings per share in EUR (undiluted)	0.95	0.69
Diluted average of issued shares in circulation (in thousands)	15,750	15,732
Earnings per share in EUR (diluted)	0.95	0.69

The weighted average of ordinary shares (undiluted and diluted) for the fiscal years 2020 and 2019 has been calculated as follows:

	Common shares		Buy-backs (-) Treasury shares		Issuance (+) Treasury shares		Total Common shares	
	2020	2019	2020	2019	2020	2019	2020	2019
January	15,748,971	15,712,846	–	2,715	–	2,177	15,748,971	15,712,308
February	15,748,971	15,712,308	–	6,092	–	–	15,748,971	15,706,216
March	15,748,971	15,706,216	–	2,500	3,260	38,000	15,752,231	15,741,716
April	15,752,231	15,741,716	–	–	–	–	15,752,231	15,741,716
May	15,752,231	15,741,716	1,800	3,995	–	4,000	15,750,431	15,741,721
June	15,750,431	15,741,721	–	–	–	300	15,750,431	15,742,021
July	15,750,431	15,742,021	–	–	258	–	15,750,689	15,742,021
August	15,750,689	15,742,021	–	500	–	250	15,750,689	15,741,771
September	15,750,689	15,741,771	–	800	–	–	15,750,689	15,740,971
October	15,750,689	15,740,971	5,723	–	176	–	15,745,142	15,740,971
November	15,745,142	15,740,971	7,878	–	559	8,000	15,737,823	15,748,971
December	15,737,823	15,748,971	–	–	10,000	–	15,747,823	15,748,971
Total			**15,401**	**16,602**	**Total**			**15,401**
Average (undiluted)							15,749,928	15,732,452
Average (diluted)							15,749,928	15,732,452

28. CASH FLOW STATEMENT

The cash flow statement highlights changes in the cash situation of Nexus AG due to inflows and outflows during the reporting year. The cash flow statement is structured according to cash flows from current transactions, investments and financing activities. The cash flow from current business transactions is shown according to the indirect method.

29. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the balance sheet items assets in cash and bank deposits.

As at 31/12/2020 the Group held cash and cash equivalents amounting to KEUR 26,449 (previous year: KEUR 33,533). Cash and cash equivalents are deposited with banks and financial institutions classified as investment grade according to the credit ratings of the Deutsche Bundesbank and accredited external credit rating agencies in the Eurosystem. The estimated allowance for cash and cash equivalents has been calculated on the basis of projected losses within 12 months and reflects the short maturities. The Group assumes that its cash and cash equivalents have a low credit risk on the basis of external ratings provided by banks and financial institutions. The Group has used the probability of default provided by the external credit rating agencies authorised by the Deutsche Bundesbank and the Eurosystem to determine the expected losses in cash and cash equivalents.

30. SEGMENTED REPORTING BY OPERATION

According to IFRS 8, operating segments must be separated on the basis of internal controlling and reporting. 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), and NEXUS / CMS (Consulting & Managed Services). 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.

Administrative and medical software solutions for healthcare are developed and marketed by the business units NEXUS / DE (Germany), NEXUS / DIS (Diagnostic Systems) and NEXUS / ROE (Rest of Europe). The economic performance of these business units reacts uniformly to external influences. Furthermore, the offered products and services, the production process, the customers and sales methods are almost identical. For the reasons cited above, these three business units are combined in the reportable segment Healthcare Software.

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

The operative segment NEXUS / CMS (Consulting & Managed Services), which is not allocated to the Healthcare Software reporting segment, reports as an independently operating Healthcare Service segment with mandatory reporting. The companies combined under Healthcare Service are managed uniformly. NEXUS / CLOUD performs managerial duties in the daily management of hospital IT departments; from operational management to taking care of the software applications used, and user support. IT-supported process consulting, including SAP consulting and SAP-HCM consulting, is offered by NEXUS / EPS. The accounting policies for both 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:

	2020	2019
	KEUR	KEUR
Sales		
Germany	88,611	78,747
Switzerland/Lichtenstein	33,611	32,961
The Netherlands	18,055	14,705
Poland	7,230	6,180
France	6,377	5,873
Austria	2,317	1,869
Other regions	6,743	7,313
	162,944	**147,648**
Fixed assets (without financial assets)		
Germany	74,339	72,733
The Netherlands	38,794	19,140
Switzerland	26,225	26,830
Poland	8,222	9,007
France	3,121	3,913
Spain	3,562	2,652
Austria	4	5
	154,267	**134,280**

Reporting according to business segment	Healthcare Software		Healthcare Service		Consolidation		Group	
	2020	2019	2020	2019	2020	2019	2020	2019
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Revenue								
Sales to third parties	154,532	139,597	8,412	8,051	—	—	162,944	147,648
– Services and software maintenance	119,459	105,133	8,057	7,960	—	—	127,516	113,093
– Licenses	24,454	27,498	328	12	—	—	24,782	27,510
– Services	10,620	6,966	26	79	—	—	10,646	7,045
– Sales between segments	81	164	6,867	4,682	-6,948	-4,846	—	—
Segment revenues	154,613	139,761	15,279	12,733	-6,948	-4,846	162,944	147,648
Segment operating earnings	17,767	16,740	2,148	704	—	—	19,915	17,444
Net income from equity method companies	—	—	—	-11	—	—	—	-11
Financial income	48	30	5	2	—	—	53	32
Financial expenses	-359	-577	-17	-26	—	—	-376	-603
EBT	17,456	16,193	2,136	669	—	—	19,592	16,862
Income taxes	3,831	4,701	670	40	—	—	4,501	4,741
Consolidated net income	**13,625**	**11,492**	**1,466**	**629**	**—**	**—**	**15,091**	**12,121**
of which attributable to:								
– Shareholders of the parent company	—	—	—	—	—	—	14,916	10,841
– Non-controlling interests	—	—	—	—	—	—	175	1,280
Segment assets	212,495	200,170	10,667	7,896	—	—	223,162	208,066
Segment liabilities	93,776	86,205	5,803	6,726	—	—	99,579	92,931
Investments	12,383	10,972	147	1,104	—	—	12,530	12,076
– Leases	7,107	4,565	80	786	—	—	7,187	5,351
– Intangible assets and property, plant and equipment	5,276	6,407	67	318	—	—	5,343	6,725
Amortisation	16,054	15,677	671	826	—	—	16,725	16,503
– Leases	4,288	3,747	313	448	—	—	4,601	4,195
– Intangible assets and property, plant and equipment	11,766	11,930	358	378	—	—	12,124	12,308

31. SHARE-BASED PAYMENT

Bonus 2 for the Chairman of the Executive Board Dr. Ingo Behrendt for the years 2019 and 2020 constitutes a share-based payment settled in equity instruments. The number of shares granted was based on the medium-term performance of the Group EBITDA of the NEXUS Group and the average share price for the years 2018-2020.

In 2019 and 2020, Chairman of the Executive Board Dr. Ingo Behrendt was entitled to 20,048 shares. Share options were measured at fair value on the grant date (31/12/2020). As the share options are vested on the grant date and not contingent on the length of time the Chairman of the Executive Board remains at the company, the fair value of the granted equity instruments is recognised in full on the grant date in the profit and loss statement with a corresponding equity increase (KEUR 1,022). KEUR 1,022 was recognised in profit or loss in the reporting period for share-based payment.

The fair value of the share options for the share-based payment was determined using the black scholes model with the following parameters:

	2020
Share price at the grant time in EUR	51.00
Strike price in EUR	—
Projected average holding period in years	0.50
Projected volatility	75.00 %
Dividend yield	0.37 %
Risk-free interest rate	-0.73 %

The members of the Executive Board are entitled to 74,000 shares from the previous bonus cycle (2015-2017) as at 31/12/2020. The entitlement of Executive Board members was deferred in order to enable Nexus AG to fulfil its obligations under the current share buy-back initiative. The strike price was and will remain EUR 0.00.

The following table represents the development of share-based payment in the reporting year:

	Bonus cycle 2015-2017	Bonus cycle 2018-2020	Total
	Units	Units	Units
Exercisable options at the start of the reporting period	74,000	—	74,000
Pending options at the start of the reporting period	74,000	—	74,000
Options granted during the reporting period	—	20,048	20,048
Options forfeited during the reporting period	—	—	—
Options exercised during the reporting period	10,000	—	10,000
Pending options at the end of the reporting period	64,000	20,048	84,048
Exercisable options at the end of the reporting period	64,000	20,048	84,048

32. FINANCIAL INSTRUMENTS

The Group is active on a global scale to a certain extent, meaning that it is subject to market risks from changes in foreign exchange rates. The Group does not believe that these risks pose a substantial risk to the revenue and financial situation of the Group.

The following explanations supplement the information on risks in the management report.

__ Credit risks

Financial instruments that may lead to a concentration of credit risks for the Group without exception to Bank assets held in renowned financial institutions in Germany, Switzerland and the Netherlands, marketable securities, and trade and other receivables. Cash and cash equivalents of the Group are primarily held in Euro and Swiss Franc. The marketable securities are pension funds. The Group continually monitors its investments held at financial institutions, which are its contractual partners for the financial instruments, in addition to their creditworthiness, and is unable to detect any risk of non-fulfilment at present. Credit risks or risks that a contractual partner may fail to honour payment obligations of trade and other receivables are controlled through the use of credit lines, advances and other control methods within the framework of debt management (e.g. credit checks).

For the most part, trade and other receivables are payable within fourteen days and do not contain any significant financing components. Contract assets within the scope of IFRS 15 do not contain a significant financing component either. NEXUS Group therefore applies the simplified procedure for determining impairment and basically determines the expected credit loss over the entire remaining term of these financial assets. For all financial assets for which IFRS 9 does not prescribe the simplified procedure, the Group applies the general procedure within the framework of the three-step model.

In order to calculate projected credit losses, trade and other receivables are combined on the basis of the sector-specific distribution of credit risks using a statistical estimation method in an impairment matrix. Default risk classifications are defined by means of qualitative and quantitative factors.

The NEXUS Group mainly sells its products to health care institutions with high credit ratings.

Due to the customer structure of the NEXUS Group, there is no significant risk of default with regard to trade receivables.

The credit loss expected for bank balances is determined on the basis of external ratings. The expected credit loss for all other financial assets is based on the impairment matrix described.

Financial assets are assessed on each reporting date to determine whether there has been a deterioration in credit quality that may lead to a change in classification. Receivables considered at an increased risk of insolvency due to disrupted payment behaviour are regarded as events of default and classified in level 3.

Outstanding receivables are continuously monitored locally to determine whether there are any objective indications that the trade and other receivables may be impaired in their creditworthiness. The projected credit default risks are taken into account with relevant value adjustments. For trade receivables where the counterparty is insolvent, the Group does not expect any significant inflows from the impaired trade receivables. Impaired financial assets may nevertheless be subject to enforcement measures for the redemption of overdue receivables to act in accordance with the Group directive.

The following table shows the procedure applied within the framework of the three-step model for the financial assets within the scope of IFRS 9 and compares the carrying amounts.

	Risk provision approach	Level of risk provisions	Carrying amount 31/12/2020 KEUR	Carrying amount 31/12/2019 KEUR
Trade and other receivables	lifetime-expected-credit-loss	N/A	—	25,927
Contract assets	lifetime-expected-credit-loss	N/A	2,336	640
Other Financial Assets	12-month-expected credit loss	Level 1	1,287	2,543
Bank deposits	12-month-expected credit loss	Level 1	26,449	33,533

	2020	2019
Trade and other receivables		
	KEUR	KEUR
Impairment due to credit risks as at 01/01/	872	706
Changes in impairments	48	166
Impairment due to credit risks as at 31/12/	920	872

	2020	2019
Contract assets		
	KEUR	KEUR
Impairment due to credit risks as at 01/01/	7	3
Changes in impairments	27	4
Impairment due to credit risks as at 31/12/	34	7

	2020	2019
Other Financial Assets		
	KEUR	KEUR
Impairments due to credit risks as at 01/01/	11	27
Changes in impairments	–6	–16
Impairments due to credit risks as at 31/12/	5	11

	2020	2019
Cash equivalents		
	KEUR	KEUR
Impairments due to credit risks as at 01/01/	34	26
Changes in impairments	–6	8
Impairments due to credit risks as at 31/12/	28	34

As at 31/12/2020, credit risk provisions amounted to KEUR 987 (previous year: KEUR 924). The credit risk of limited to the carrying amount. There is no loan collateral.

__ Liquidity Risks

The Group strives to maintain adequate cash and cash equivalents or relevant credit lines at its disposal to fulfil its obligations over the coming years. Furthermore, the Group has authorised capital amounting to KEUR 2,983 (previous year: KEUR 2,983) at its disposal for future capital increases.

The Group's liquidity situation is constantly monitored and reported to management. There are no liabilities to banks in the Group. The recognition of trade and other receivables is monitored by accounts receivables management. From a Group standpoint, there are no substantial liquidity risks as at the reporting date.

The table below shows the effect of the non-discounted cash flows from financial liabilities on the Group's liquidity situation and compares them to the carrying amounts.

	Carrying amount	Cash flow	Cash flow	Cash flow
	31/12/2020 (previous year)	Within 1 year (previous year)	Within 1 to 5 years (previous year)	After more than 5 years (previous year)
Financial liabilities	KEUR	KEUR	KEUR	KEUR
Financial liabilities	—	—	—	—
	(—)	(—)	(—)	(—)
Contract liabilities	2,244	2,244	—	—
	(1,850)	(1,850)	(—)	(—)
Trade and other payables	8,650	8,650	—	—
	(6,326)	(6,326)	(—)	(—)
Miscellaneous	25,632	18,026	7,606	—
	(26,609)	(8,175)	(18,434)	(—)
Total	**36,526**	**28,920**	**7,606**	**—**
	(34,785)	(16,351)	(18,434)	(—)

Negative values correspond to a cash inflow. Cash flows are not expected to deviate significantly from these figures (deadlines or contributions).

__ Currency Risks

Currency risks arise from revenue recognised in CHF, NOK, GBP, PLN and USD and the resulting receivables, which are subject to exchange rate fluctuations prior to payment. Exchange rate developments are constantly monitored to counter currency risks. Due to the short payment terms with regard to receivables, the Group does not expect any significant implications for the financial and revenue situation.

The carrying amount based on the historic amortised costs is very similar to the current fair value for receivables and liabilities, which are subject to normal trade credit conditions.

__ Transaction Risks

In 2020, NEXUS invoiced 28.0 % of revenue outside the eurozone (previous year: 31.5 %). Costs were incurred due to our activities in the Swiss Franc in Switzerland, in the Polish Zloty in Poland, USD in the USA and, in negligible amounts, in the Norwegian Krone and British Pound.

As at 31/12/2020, the Group held the following inventories in PLN, USD and CHF:

31/12/2020		31/12/2019	
5,295 KPLN	1,162 KEUR	3,827 KPLN	898 KEUR
372 KUSD	303 KEUR	188 KUSD	168 KEUR
9,082 KCHF	8,400 KEUR	14,277 KCHF	13,152 KEUR

As at 31/12/2020, the Group reported the following trade and other receivables in foreign currency:

31/12/2020		31/12/2019	
197 KNOK	19 KEUR	60 KNOK	6 KEUR
14,700 KPLN	3,226 KEUR	11,151 KPLN	2,618 KEUR
86 KUSD	70 KEUR	50 KUSD	44 KEUR
0 KGBP	0 KEUR	105 KGBP	123 KEUR
3,952 KCHF	3,665 KEUR	3,429 KCHF	3,159 KEUR

As at 31/12/2020, the Group reported the following liabilities in foreign currency:

31/12/2020		31/12/2019	
11,082 KPLN	2,432 KEUR	9,543 KPLN	2,240 KEUR
41 KUSD	33 KEUR	0 KUSD	0 KEUR
2,036 KCHF	1,883 KEUR	2,589 KCHF	2,385 KEUR

There were no hedging relationships as at the balance sheet date. Based on the respective exchange rates on the balance sheet date for the respective currencies, sensitivities were calculated on the basis of a hypothetical change in the relationship between exchange rates of 10 % respectively.

If the Euro had appreciated (depreciated) in value by 10 % compared to the foreign currencies, this would have reduced (increased) the consolidated earnings before taxes as follows:

	31/12/2020	31/12/2019
Norwegian Krone (NOK)	2 KEUR	1 KEUR
Polish Zloty (PLN)	196 KEUR	128 KEUR
US Dollar (USD)	34 KEUR	4 KEUR
British Pound (GBP)	—	12 KEUR
Swiss Franc (CHF)	1,018 KEUR	1,393 KEUR

__ Translation Risks

The headquarters of the subsidiaries NEXUS Schweiz AG, Creativ Software AG, highsystem ag, NEXUS POLSKA sp. z o.o., ifa united i-tech Inc., Inoveon Corp. and Sophrona Solutions Inc. are located in the eurozone. As the reporting currency of the NEXUS Group is the Euro, the revenues and expenses of these subsidiaries are translated into Euro within the framework of consolidation. Changes in the average exchange rates from one reporting period to another can cause significant translation effects in relation to revenues, the segment result and the Group result, for example.

__ Net Profit/Losses from financial instruments

The net profit/losses from financial instruments (according to the respective measurement category) for the respective fiscal year are as follows:

	2020
	KEUR
FVPL	1,914
Net change in the fair value from purchase price liabilities	1,866
Interest expense due to compounding of purchase price liabilities	–28
Net changes in the fair value from securities	50
Interest income from securities	26
AC	–1,217
Net gains/losses of the category at amortised cost	–1,217
	697

	2019
	KEUR
FVPL	–325
Net change in the fair value from purchase price liabilities	–367
Interest expense due to compounding of purchase price liabilities	–62
Net changes in the fair value from securities	85
Interest income from securities	19
AC	–2,100
Net gains/losses of the category at amortised cost	–2,100
	–2,425

The net gains and losses in the FVPL category include income and expenses from the adjustment of the purchase price liabilities to their fair value in the amount of KEUR 1,866 (previous year: KEUR -367), which are recognised under Misc. operating income and Misc. operating expenses. The compounding of the purchase price liabilities in the amount of KEUR -28 (previous year: KEUR -62) is recognised in financial expenses. Furthermore, the net gains or losses include income from reversals of impairment losses on securities in the amount of KEUR 50 (previous year: KEUR 85), which are recognised in the item Misc. operating income, and interest income from securities in the amount of KEUR 26 (previous year: KEUR 19).

The net gains/losses in the AC category mainly include sales corrections for items that are still being clarified in the amount of KEUR -1,126 (previous year: KEUR -832). These are reported under the item Sales Revenue. Changes from credit risks amounting to KEUR -63 (previous year: KEUR -162) are recorded under Misc. operating expenses.

__ Financial Income and Expenses from Financial Instruments

Financial income and expenses from financial instruments that were not measured at fair value through profit or loss was as follows in the fiscal year 2020:

Financial income and expenses from financial instruments	2020	2019
	KEUR	KEUR
Financial income	27	13
Financial expenses	153	360
	-126	**-347**

The following table shows the carrying amounts by measurement category according to IFRS 9 and the fair values according to classes of financial assets and financial liabilities:

As at 31/12/2020 in KEUR	Measurement category	Fair value	Carrying amount	Recognised value in the balance sheet according to the measurement category	
	Measurement	As at 31/12/2020	As at 31/12/2020	FVPL	AC
Assets					
Securities	At fair value	1,728	1,728	1,728	–
Cash in banks	At amortised cost	26,449	26,449	–	26,449
Trade and other receivables	At amortised cost	27,550	27,550	–	27,550
Contract assets	At amortised cost	2,336	2,336	–	2,336
Other financial assets	At amortised cost	1,287	1,287	–	1,287
		59,350	**59,350**	**1,728**	**57,622**
Liabilities					
Trade and other payables	At amortised cost	8,650	8,650	–	8,650
Contract liabilities	At amortised cost	2,244	2,244	–	2,244
Purchase price liabilities	At fair value	13,306	13,306	13,306	–
Other financial liabilities	At amortised cost	12,326	12,326	–	12,326
		36,526	**36,526**	**13,306**	**23,220**

As at 31/12/2019 in KEUR	Measurement category	Fair value	Carrying amount	Recognised value in the balance sheet according to the measurement category	
	Measurement	As at 31/12/2019	As at 31/12/2019	FVPL	AC
Assets					
Securities	At fair value	1,671	1,671	1,671	–
Cash balance, cash in banks	At amortised cost	33,533	33,533	–	33,533
Trade and other receivables	At amortised cost	25,927	25,927	–	25,927
Contract assets	At amortised cost	640	640	–	640
Other financial assets	At amortised cost	2,543	2,543	–	2,543
		64,314	**64,314**	**1,671**	**62,643**
Liabilities					
Trade and other payables	At amortised cost	6,326	6,326	–	6,326
Contract liabilities	At amortised cost	1,850	1,850	–	1,850
Purchase price liabilities	At fair value	15,933	15,933	15,933	–
Other financial liabilities	At amortised cost	10,676	10,676	–	10,676
		34,785	**34,785**	**15,933**	**18,852**

The individual levels in the measurement of financial instruments are defined as follows in accordance with IFRS 7:

__ 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:

				31/12/2020
	Level 1	Level 2	Level 3	Total
Securities	1,728	–	–	1,728
Purchase price liabilities	–	–	13,306	13,306

				31/12/2019
	Level 1	Level 2	Level 3	Total
Securities	1,671	–	–	1,671
Purchase price liabilities	–	–	15,933	15,933

Please refer to Note 16 for the reconciliation of financial liabilities in Level 2. 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)	841	-1,056
Qualitative goals in software development and the roll-out of new versions	149	–
Risk-adjusted discount rate (1 % change 100 basis points)	-164	164

33. CONTINGENT LIABILITIES

As at 31/12/2020, there were no contingent liabilities, as was the cases on the balance sheet date in the previous year.

34. RELATIONSHIPS WITH RELATED COMPANIES AND PARTIES

__ Related Companies

Nexus AG is the parent company of the Group. No transactions for the Group were conducted with the affiliated company G.I.T.S. Gesundheitswesen IT- Service GmbH Fürstenfeldbruck during the reporting period. Sales amounting to KEUR 0 (previous year: KEUR 55) were achieved and no purchases were made. As at the balance date, there were no outstanding trade and other payables or trade and other receivables, as in the previous year. G.I.T.S. Gesundheitswesen IT-Service GmbH Fürstenfeldbruck, Fürstenfeldbruck, went into liquidation on 01/01/2020.

__ 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 2020, the expenses for services fees in this regard amount to KEUR 79 (previous year: KEUR 72). Outstanding trade and other receivables from this in the amount of KEUR 0 (previous year: KEUR 5) 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 2020, the revenues from these services amounted to KEUR 117 (previous year: KEUR 79). Outstanding trade and other payables from this in the amount of KEUR 6 (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 31/12/2020, 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.

35. CORPORATE BODIES

The following individuals are members of the Supervisory Board:

+ Dr. jur. Hans-Joachim König, Singen, Chairman
+ Prof. Dr. Ulrich Krystek, Berlin, Deputy Chairman
+ Prof. Dr. med. Felicia M. Rosenthal, Freiburg i. Br.
+ Prof. Dr. Alexander Pocsay, St. Ingbert
+ Dr. Dietmar Kubis, Jena
+ Juergen Rottler, Singen

The total remuneration paid to the Supervisory Board in 2020 amounted to KEUR 129 (previous year: KEUR 112).

The Executive Board:

+ Dr. Ingo Behrendt, 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:

	2020	2019
Salary components	KEUR	KEUR
Components not based on performance	720	1,019
a) Short-term benefits	635	659
b) Post-employment benefits	85	360
Components not based on performance with no long-term incentives	420	420
Performance-based components with long-term incentives	1,134	454
Total	**2,274**	**1,893**

36. EVENTS AFTER THE BALANCE SHEET DATE

As of 01/01/2020, two NEXUS Group companies were merged into one business unit. This business combination occurred as a result of the merging of profit centres that were previously managed separately to improve accountability across the entire Group.

It pertains to the following merger:

With the merger agreement dated 28/11/2020 NEXUS . IT GMBH SÜDOST merged with NEXUS / CLOUD IT GmbH as of 01/01/2021.

On 04/02/2021, Nexus AG acquired 51 % of the shares in ITR Software GmbH, Lindenberg. A put and call option agreement was concluded for the remaining 49 %. The aim in this regard is to provide an individual total experience based on the needs of clinics from one provider through a joint solutions package for rehabilitation institutions. ITR Software GmbH provides innovative software solutions for rehabilitation institutions and specialises in small and mid-sized facilities. Together with Nexus AG, ITR Software GmbH will continue to expand its range of solutions and drive technological innovation.

A purchase price of KEUR 1,847 was agreed, with KEUR 950 paid from the current cash equivalents of NEXUS and a purchase price liability formed for the residual KEUR 897. In accordance with IFRS 3.45, the amounts accounted for below for the initial recognition at the acquisition date are provisional: The contingent purchase price payment of KEUR 897 represents the fair value. No upper limit was contractually agreed for the purchase price payment to be expected in the future. However, due to the assessment basis, sales and EBIT from corporate planning, a de facto upper limit exists for determining the purchase price payment to be expected in the future. We do not expect any significant deviations in corporate planning or changes in the fair value of the expected future purchase price payment. The identified and measured assets and liabilities upon allocation of the purchase price primarily comprise technology (KEUR 271) and customer relationships (KEUR 206) at the acquisition date. Goodwill resulting from purchase price allocation amounted to KEUR 1,382. Goodwill primarily resulted from the skills and expertise of the ITR Software GmbH workforce in addition to the projected synergies from the integration of the company into the Group's existing software operations. None of the recorded goodwill is expected to be deductible in part or in full. Deferred tax liabilities amounted to KEUR 132. The disclosures in accordance with IFRS 3 B64 (h) and (i) were not published as the classification has not yet been conclusively determined.

37. 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 www.nexus-ag.de – Company - Investor Relations - Corporate Governance to ensure that it remains permanently accessible.

Donaueschingen, 5th March 2021

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, 5th March 2021

Nexus AG

The Executive Board

14 __ Audit opinion from the Independent Auditor

The following audit opinion also contains an “Audit of the electronic rendering of financial statement and management reports prepared for disclosure purposes” in accordance with Art. 317(3b) HGB (ESEF audit). The subject of the audit taken as a basis for the ESEF audit (ESEF documented to be audited) has not been included. The audited ESEF documents can be viewed or accessed in the Federal Gazette.

“AUDIT OPINION FROM THE INDEPENDENT AUDITOR

For the attention of Nexus AG, Donaueschingen

AUDIT OPINION FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT REPORT

Audit Opinion

We have audited the consolidated accounts of Nexus AG, Donaueschingen, and its subsidiaries (the Group), consisting of the consolidated balance sheet as at 31/12/2020, consolidated profit and loss account, the consolidated statement of comprehensive income and the consolidated cash flow statement for the fiscal year from 01/01/ to 31/12/2020, in addition to the consolidated financial statements, including a summary of the significant accounting policies. In addition, we audited the consolidated management report of Nexus AG, Donaueschingen, for the fiscal year from 01/01/ to 31/12/2020. We did not review the content of the separately published non-financial Group report on the company website or the (Group) corporate governance statement published on the company website, which are both referred to in the Group management report under “Separate non-financial (Group) report” and “(Group) corporate governance statement and compliance statement” in accordance with German statutory requirements.

+ the enclosed consolidated financial statements comply in all essential aspects with IFRS applicable in the EU and the additional requirements as per Art. 315e(1) HGB applicable under German law. In our opinion, the consolidated financial statements give a true and fair view of the assets and financial position of the Group as at 31/12/2020 as well as its financial performance for the fiscal year from 01/01/ to 31/12/2020 in accordance with the above regulations, and;

+ the enclosed consolidated management report provides a true and fair view of the Group situation. In all essential aspects, this Group management report is consistent with the consolidated financial statements, complies with German statutory requirements and adequately presents the opportunities and risks of future development. Our audit opinion on the Group management report does not extend to the above-mentioned components of the management report, the content of which was not reviewed.

In accordance with Art. 322(3) sentence 1 HGB, we declare that our audit has not resulted in any objections to the correctness of the consolidated financial statements or the Group management report.

Basis for the Audit Opinion

We conducted our audit of the consolidated financial statements and the Group management report in accordance with Art. 317 HGB and the EU Auditors’ Regulation (No. 537/2014, hereinafter referred to as EU-AUR) in compliance with the generally recognised standards in Germany for the auditing of financial statements, as conferred by the Institute of Public Auditors in Germany (IDW). Our responsibility according to these provisions and principles is described in more detail in the section “Responsibility of the Auditor for the Audit of the Consolidated Financial Statements and the Group Management Report” of our audit opinion. We are independent of the Group companies in accordance with European and German commercial and trade law and have fulfilled our other German professional obligations in accordance with these requirements. In addition, in accordance with Art. 10(2f) EU-AUR, we declare that we have not rendered any prohibited non-audit services in accordance with Art. 5(1) EU-AUR. We are of the opinion that the audit evidence that we have obtained is sufficient and appropriate to provide the basis for our audit report of the consolidated financial statements and the Group management report.

Key Audit Issues in The Audit of the Consolidated Financial Statements

Key audit issues are the matters that we consider to be the most significant in our audit of the consolidated financial statements for the fiscal year from 01/01/ until 31/12/2020. These matters were taken into account in connection with our audit of the consolidated financial statements 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 will present the audit issues that we consider to be particular importance:

1) Creditworthiness of goodwill;

2) Acquisition and initial consolidation of RVC Medical IT Holding B.V., Amersfoort, the Netherlands;

3) The recognition of revenue from services and software maintenance as well as the sales of software licenses.

Concerning 1) Creditworthiness of Goodwill

a) The Risk for the Financial Statements

In the Nexus AG consolidated financial statements, total goodwill of EUR 87.5 million is reported under goodwill. This corresponds to 39.2 % of the consolidated balance sheet total. Goodwill is subject to an impairment test by the company on the balance sheet date for the respective fiscal year.

The annual impairment test for goodwill is based on a discounted cash flow measurement model at the lowest level of the cash-generating units. If the carrying amount of goodwill exceeds the recoverable amount of the respective cash-generating unit, a devaluation requirement arises. Please refer to Notes 2.4 and 5 of the notes to the consolidated financial statements for more information on goodwill and the impairment test.

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 performance of the cash-generating units during the planning period and on the determination of the discount rate used.

In light of this, there is a risk for the financial statements that an impairment requirement existing at the balance sheet date will not be recognised. Consequently, we consider the situation to be of particular importance in the context of our audit.

b) Audit Procedure and Conclusions

In order to assess the sufficiency of the planning assumptions, we gained an understanding of the planning process and appropriate controls during discussions with the Executive Board and the planning managers. We compared the planned values used in the impairment test with the corporate planning prepared by the Executive Board and approved by the Supervisory Board.

The reliability of business planning was assessed based on a retrospective plan/effective comparison between the planned figures on which the previous year’s measurement was based and the actual events in the fiscal year 2020. If any significant deviations were found, these were discussed with the respective employees at Nexus AG in terms of their relevance for the current financial statements.

We assessed the company's calculation method and the key parameters applied, 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 the involvement of our measurement specialists.

To ensure that the applied measurement model was accurate, we reproduced the company’s calculations on the basis of risk-oriented, selected elements.

We also verified whether the carrying amount of the respective cash-generating unit was correctly calculated based on the assets and liabilities to be taken into account on the balance sheet date.

We examined the sensitivity analyses carried out by the Group for the cash-generating units, which includes a discount rate and cash inflow adjustment, in terms of their significance and checked the mathematical correctness thereof.

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

Concerning 2) Acquisition and Initial Consolidation of RVC Medical IT Holding B.V., Amersfoort, the Netherlands

a) The Risk for the Financial Statements

In the fiscal year 2020, Nexus AG acquired a majority share (92.46 %) in RVC Medical IT Holding B.V., Amersfoort, the Netherlands.

The purchase price was EUR 16.5 million and the value of the calculated goodwill was EUR 10.9 million.

As part of the purchase price allocation, the acquired assets were identified and measured on the basis of discretionary assumptions.

For more information on the explanations regarding the newly acquired company in the reporting year, please refer to the notes to the consolidated financial statements under Note 3 “Business Combinations”.

In view of the complexity of the underlying contractual regulations and the margin of discretion, there is a risk for the financial statements that the assets acquired and liabilities assumed will not be properly identified and adequately measured. This applies accordingly to the residual amount of goodwill resulting from the purchase price allocation. Consequently, we consider the situation to be of particular importance in the context of our audit.

b) Audit Procedure and Conclusions

Within the scope of our audit, we initially examined the regulations of the underlying purchase contract. Subsequently, we assessed the Nexus AG policy for the complete and proper identification and measurement of acquired assets and assumed liabilities. The policy (measurement models and parameters) for determining the fair values of the identified assets and liabilities was assessed with the involvement of our measurement specialists.

After assessing the policy as appropriate, we checked whether the identification and measurement was carried out in accordance with the policy development by Nexus AG.

The purchase price allocation primarily identified intangible assets such as technology and customer relationships. We have verified the assumptions regarding the existence of customer relationships and technology on the basis of contractual documents, other documents submitted in addition to discussions conducted with the Executive Board and the Nexus AG employees responsible for purchase price allocations.

We then assessed whether the values determined on this basis were appropriately reflected in the consolidated balance sheet.

In our opinion, the Nexus AG policy for the identification and measurement of acquired assets and assumed liabilities is sufficient to accurately present the values thereof in the consolidated financial statements. The assumptions applied by the company are suitable in this regard.

Concerning 3) The Recognition of Revenue from Services and Software Maintenance as well as the Sales of Software Licenses.

a) The Risk for the Financial Statements

The Group generates substantial revenue from services and software maintenance as well as the sales of software licenses to customers. EUR 152.3 million of the total revenue generated (EUR 162.9 million) was achieved for these revenue types in the reporting year.

Revenues are recognised once the Group has satisfied its performance obligations through the transfer of control over the goods or services to the customer. Due to the complex regulations applicable to revenue recognition, the Group assessed whether the revenues need to be recognised at a defined time or over a defined period for each revenue category. For more information on the explanations on the revenue recognition of the NEXUS Group, please refer to the clarifications in Note 2.

Due to the heterogeneity of the revenue categories and the complexity of the regulations for revenue recognition, there is a risk for the financial statements that revenue will be recognised despite that fact that the requirements for the recognition of revenue from services and software maintenance and the sales of software licenses have not been met and the revenue recognition is accordingly incorrect. Consequently, we consider the situation to be of particular importance in the context of our audit.

b) Audit Procedure and Conclusions

The have assessed the consistency of the accounting policies applied by the NEXUS Group for the recognition of revenue with the stipulations of IFRS 15.

We have also examined the control procedures related to the recognition of revenue for the various types of revenue. The NEXUS Group has implemented sufficient automated controls in terms of revenue recognition. There were no significant objections related to the effectiveness of the above controls within the context of the audit. In addition to the audit of the internal control system, we carried out substantive audit procedures for the revenues recognised during the year.

The sample of revenue was selected randomly to ensure that both high and low revenues were consulted. We collected and reviewed the contractual basis, or orders, the proof of performance and the invoice submitted to the customer.

Furthermore, we identified the significant multi-component contracts concluded with customers fulfilled across accounting periods. In this case, we reviewed the requirements for the revenue recognition at a defined time or over a defined period in addition to the appropriate, output-based determination of the percentage of completion.

We also conducted audit procedures for the performance of revenues, differentiated according to revenue type and time period, and obtained external balance confirmations from customers for outstanding balances as at the balance sheet date based on monetary unit sampling. In the event of differences or a lack of returns within the context of balance confirmation activities, we conducted alternative audit procedures.

In our opinion, the accounting policies applied by the NEXUS Group for the recognition of revenue are sufficient to provide an accurate presentation in the consolidated financial statements. Furthermore, we are satisfied that the processes and controls implemented are sufficient to facilitate the proper recognition of revenue.

Other Disclosures

The legal representations, or the Supervisory Board, are responsible for other disclosures. Other disclosures include:

- The separate non-financial statement referred to in the Group management report under "Separate non-financial (Group) report" published on the Group website;
- The (Group) corporate governance statement referred to in the Group management report under "(Group) corporate governance statement and compliance statement" published on the Group website;
- The Report of the Supervisory Board;
- The other parts of the annual report, but not the consolidated financial statements, information from the Group management report which was not reviewed or our accompanying audit opinion;
- The statement on the consolidated financial statements as per Art. 297(2) sentence 4 HGB and the statement on the consolidated management report as per Art. 315(1) sentence 5 HGB.

The Supervisory Board is responsible for the Report of the Supervisory Board. The legal representatives and Supervisory Board are responsible for the statement pursuant to Art. 161 AktG on the German Corporate Governance Code, which is a component of the above-mentioned (Group) corporate governance statement published on the Group website. The legal representatives are responsible for other disclosures.

Our opinions on the consolidated financial statements and the Group management report do not pertain to the other disclosures and we accordingly do not express an opinion or any other form of audit conclusion in this regard.

In connection to our audit of the consolidated financial statements, we are responsible for reading the aforementioned disclosures and determining whether the other disclosures:

- appear to contain significant deviations from the consolidated financial statements, the information audited by us in the Group management report or from the information gained by us within the context of the audit, or;
- appear to otherwise significantly misrepresent the above information.

If, on the basis of the work we have performed, we conclude that there is substantial misrepresentation contained within these other disclosures, we are required to report this. We have nothing to report in this regard.

Responsibility of the Legal Representatives and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements in accordance with IFRS as applicable in the EU, and the additional requirements as per Art. 315e(1) HGB applicable under German law, in all essential aspects and ensuring that the consolidated financial statements give a true and fair view of the asset, financial and profit situation of the Group. Furthermore, the legal representatives are also responsible for internal controls that they deem necessary to facilitate the preparation of the consolidated financial statements without any major misrepresentations, whether intentional or not.

When preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue its business operations. Furthermore, they are also responsible for disclosing matters pertinent to the continuation of business operations. In addition, they are responsible for determining the continuation of business operations on the basis of accounting principles, provided there is no intention to liquidate the Group, discontinue operations or there is no realistic alternative to these events.

The legal representatives are also responsible for the preparation of the Group management report, which provides an accurate overview of the Company situation and is in accord with the consolidated financial statements in all essential aspects, corresponds to statutory provisions as per German law and presents the opportunities and risks for future development. In addition, the legal representatives are responsible for the precautions and measures (systems) that they deem necessary to facilitate the preparation of the Group management report in accordance with the pertinent German statutory requirements and to provide sufficient applicable 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 statements and the Group management report.

Responsibility of the Auditor for the Audit of the Consolidated Financial Statements and the Group Management Report

Our objective is to obtain reasonable assurance that the consolidated financial statements are free from significant misrepresentations – whether intentional or unintentional – and whether the Group management report provides an accurate overview of the Group's position and is in accord with the consolidated financial statements and the findings from the audit in all essential aspects, corresponds to statutory provisions as per German law, presents the opportunities and risks for future development, as well as to issue an audit opinion that includes our opinions on the consolidated financial statements and the Group management report.

Sufficient assurance pertains to a high level of certainty, yet not a guarantee than an audit conducted in accordance with Art. 317 HGB and the EU-AUR in compliance with the generally recognised standards in Germany for the auditing of financial statements, as conferred by the Institute of Public Auditors in Germany (IDW) will always detect significant misrepresentations. Misrepresentations may result from fraud or error and are regarded as significant if it can be expected that they may, individually or collectively, affect the economic decisions of the addressee based on the information provided in the consolidated financial statements and Group management report.

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

- We identify and assess the risks of misrepresentations – whether intentional or not – in the consolidated financial statements and the Group management report, plan and implement audit procedures in response to these risks and perform audits that provide a sufficient and appropriate basis for our audit opinion. The risk that significant misrepresentations as a result of fraud may not be detected is greater than the respective risk for misrepresentations as a result of errors, as fraud may include fraudulent co-operation, falsifications, deliberate omissions, misleading representations or the overriding of internal controls;
- We gain an understanding of internal controls relevant to the audit of the consolidated financial statements and the precautions and measures relevant to the audit of the Group management report in order to plan audit procedures considered appropriate under the given circumstances, however 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 policies used by the legal representatives and the justifiability of the values estimated by the legal representatives and the related information;
- We assess the appropriateness of the legal representatives' use of accounting policies to determine the continuation of business operations and – based on the audit evidence obtained - whether substantial uncertainty exists in relation to events or circumstances that may cast significant doubt of the Group's ability to continue business operations. If we conclude that substantial uncertainty exists in this regard, we are required to mention this in our audit opinion on the respective disclosure in the consolidated financial statements and the Group management report or, in the case that this disclosure is deemed inappropriate, to modify our audit opinion. We draw our conclusions on the basis of the audit evidence obtained by the date of our audit opinion. However, future events or circumstances may impair the Group's ability to continue business operations;
- We assess the overall presentation, structure and content of the consolidated financial statements, including disclosures, in addition to whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements give a true and fair view of the asset, financial and profit situation of the Group in accordance with IFRS as applicable in the EU, and the additional requirements as per Art. 315e(1) HGB applicable under German law;
- We obtain sufficient appropriate evidence for the accounting disclosures of companies or business activities within the Group to provide our opinion on the consolidated financial statements and Group management report. We are responsible for the guidance, supervision and preparation of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions;
- We assess the conformity of the Group management report with the consolidated financial statements, the legal compliance thereof and the overall image it presents of the Group situation;
- We perform audit procedures on the future-oriented statements made by the legal representatives in the consolidated financial statements. On the basis of sufficient and appropriate audit evidence, in particular, we perform our audit on the basis of significant assumptions, on which the future-oriented statements by the legal representatives are based and assess the proper derivation of the future-oriented statement from these assumptions. We do not provide an independent audit opinion on the future-oriented statement or on the underlying assumptions. There is a significant, unavoidable risk that future events may differ significantly from the future-oriented statements.

We engage in consultations with the individuals responsible for monitoring, covering the scope and timing of the audit in addition to other significant audit findings, including any shortcomings in the internal control system detected during our audit.

We provide a statement to the individuals responsible for monitoring that we have complied with the relevant independence requirements, discuss all relationships and other issues that may affect our independence and the safeguards we have taken in this regard.

On the basis of the matters we discuss with the individuals responsible for monitoring, we determine the issues most significant in the audit of the consolidated financial statements in terms of the current reporting period, namely the key audit issues. We describe these issues in the audit opinion, provided the disclosure thereof is not prohibited by laws or other legal provisions.

Other Statutory and Legal Requirements

Audit of the electronic rendering of financial statement and management reports prepared for disclosure purposes in accordance with Art. 317(3b) HGB (ESEF audit)

Audit Opinion

In accordance with Art. 317(3b) HGB we have conducted an audit with sufficient certainty on whether the information of the consolidated financial statements and the Group management report (hereinafter also referred to as “ESEF documents”) contained in the enclosed file „nexusag-2020-12-31.zip“ and these documents were prepared for the purpose of disclosure in this rendering in compliance in all essential aspects with the stipulations of Art. 328(1) HGB regarding electronic reporting (“ESEF format”). In accordance with German statutory requirements, this audit only pertains to the conversion of the information contained in the consolidated financial statements and the Group management report into ESEF format, and, as such, neither to disclosures contained in this rendering nor any other disclosures included in the aforementioned file.

In our opinion, the renderings of the consolidated financial statements and the Group management report included in the aforementioned enclosed file and prepared for the purpose of disclosure comply in all essential aspects with the requirements of the stipulations of Art. 328(1) HGB regarding electronic reporting. We do not provide an audit opinion on the disclosures found in these renderings or on other disclosures found in the aforementioned file beyond this audit opinion and our audit opinions on the enclosed consolidated financial statements and Group management report for the fiscal year from 01/01/ to 31/12/2020, as included in the above “Audit opinion for the consolidated financial statements and Group management report”.

Basis for the Audit Opinion

We conducted our audit of the renderings of the consolidated financial statements and Group management statement in the aforementioned enclosed file in accordance with Art. 317(3b) HGB in compliance with the generally recognised standards in Germany for the auditing of financial statements, as conferred by the Institute of Public Auditors in Germany (IDW). The audit of the electronic rendering of the consolidated financial statements and management reports for disclosure purposes was conducted in accordance with Art. 317(3b) HGB (IDW EPS 410). Our responsibility in this regard is explained in more detail in “Auditor’s Responsibility for the Audit of ESEF Documents”. Our auditing firm applied the quality assurance system requirements of the IDW quality assurance standard: Requirements for Quality Assurance in Auditing Practices (IDW QS 1).

Responsibility of the Legal Representatives and the Supervisory Board for the ESEF documents

The legal representatives are responsible for the preparation of the ESEF documents with the electronic rendering of the consolidated financial statements and the Group management report in accordance with Art. 328(1) sentence 4, no. 1 HGB and for the production of the consolidated financial statements as per Art. 328(1) sentence 4, no. 2 HGB.

Furthermore, the legal representatives are also responsible for internal controls that they deem necessary to facilitate the preparation of the ESEF documents without any major violations, whether intentional or not, of the provisions of Art. 328(1) HGB regarding electronic reporting.

The legal representatives are also responsible for submitting the ESEF documents together with the audit opinion and the enclosed, audited consolidated financial statements and audited Group management report in addition to other documents that need to be disclosed to the publisher of the Federal Gazette.

The Supervisory Board is responsible for monitoring the preparation of the ESEF documents as part of the accounting process.

Auditor’s Responsibility for the Audit of ESEF Documents

Our objective is to obtain sufficient certainty that the ESEF documents are free from any significant violations, whether intentional or not, of the provisions of Art. 328(1) HGB. During the audit, we exercise due discretion and maintain a critical attitude. Furthermore:

- We identify and assess the risks of significant violations – whether intentional or not – of the provisions of Art. 328(1) HGB, plan and implement audit procedures in response to these risks and perform audits that provide 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 in order to plan audit procedures considered appropriate under the given circumstances, however not with the objective of issuing an opinion on the effectiveness of the company’s internal controls;
- We assess the technical validity of the ESEF documents, namely whether the files included in the ESEF documents fulfil the requirements of the delegated regulation (EU) 2019/815, as amended at the reporting date, regarding the pertinent technical specifications for the respective file;
- We assess whether the ESEF documents represent an identical XHTML rendering of the audited consolidated financial statements and the Group management report in terms of content;
- We assess whether the production of the ESEF documents with Inline XBRL technology (iXBRL) has produced a sufficient and complete, machine-readable XBRL copy of the XHTML rendering.

Other Statements in accordance with Art. 10 EU-AUR

We were appointed as the auditors of the consolidated financial statements by the Annual General Meeting on 30/04/2020. We were commissioned by the Chairman of the supervisory board of the Audit Committee on 22/12/2020. We have worked without interruption as the auditors of the consolidated financial statements of Nexus AG, Donaueschingen since the fiscal year 2018.

We declare that the audit statements contained in this audit opinion are consistent with the supplementary report to the Audit Committee pursuant to Art. 11 EU-AUR (Audit Report).

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Mr. Anselm von Ritter.”

Stuttgart, 05/03/2021

Ebner Stolz GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Dr. Christoph Eppinger	Anselm von Ritter
German Public Auditor	German Public Auditor

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This Annual Report is also available in German. Both language versions are available on the internet at: www.nexus-ag.de - Company - Investor Relations

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