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Medicine in Focus

ANNUAL REPORT 2017

Financial Highlights for the Business Year 2017

	2017	2016	Change
SALES AND OPERATING RESULT	**KEUR**	**KEUR**	**(in %)**
Sales	119,083	107,051	11.2
Healthcare Software Sales	107,954	97,705	10.5
Healthcare Service Sales	11,129	9,346	19.1
Domestic sales	66,178	54,824	20.7
Sales in foreign countries	52,905	52,227	1.3
Operating Result	13,319	10,926	21.9
Group result before tax on income	13,282	10,908	21.8
Group results before interest and taxes on earnings (EBIT)	13,316	10,929	21.8
EBITA	16,075	14,035	14.5
EBITDA	23,718	21,021	12.8
Consolidated surplus	10,156	8,611	17.9
Cash flow from current business transactions	21,677	16,542	31.0
Cash flow from investment activities	-9,416	-16,341	-42.4
Net income per share (undiluted/diluted)	0.63 / 0.62	0.52 / 0.52	21.2 / 19.2
Share price (closing price on Business Year End, Xetra, in EUR)	25.81	17.66	46.1
ONGOING DEVELOPMENT COSTS AND DEPRECIATIONS			
Capitalization of software developments	5,058	5,444	-7.1
On-going investments in software development	21,171	20,950	1.1
Depreciation	10,402	10,092	3.1
Acquisition-related depreciations from purchase price allocation	2,759	2,815	-2.0
ASSETS AND EQUITY CAPITAL			
Fixed Assets (without deferred taxes)	94,781	92,949	2.0
Current Assets / Short-Term Assets	54,329	43,607	24.6
Net Liquidity	28,385	18,856	50.5
Equity Capital	103,009	95,802	7.5
EMPLOYEES (AS OF THE CUT-OFF DATE)	**975**	**916**	**6.4**

Contents of the Annual Report 2017

Letter to Our Stockholders

Dear Stockholders:

Strong growth, increasing profitability and new, future-oriented projects! The NEXUS Team is very happy about the very positive development in 2017. Against the background of the strong prior-year figures, our new product generation as well as our intensive integration and innovation work, this represents a major success.

General Development

The year 2017 was again characterized by our large new product initiative NEXT / NEXUS. Our goal is to set the market standard in terms of user-friendliness and innovation with the new product. The feedback was very clear in this year: Customers are delighted with the software and consider it the right next step in digitalization. NEXUS itself is very proud of what has been achieved – even if we are self-critical and realize that not everything is perfect.

On the other hand, our customers evaluate it as very positive that we not only present a further technical development with our software, but that the implementation of completely intuitive prompting is in the foreground. With the process-oriented screen layouts (Workspaces), users can easily find what they need and adapt the Workspaces individually. Searching through menus and function trees is eliminated entirely. Our „Workspaces“ are now individually adapted to the work process of a user, so that „clicking“ and „switching screens“ are no longer necessary. We are taking a new and courageous path with this and have designed our software as completely process-oriented and user-related.

Dr. Ingo Behrendt
Chief Executive Officer

Success has shown that we made the right choice. In 2017, we put numerous NEXT GENERATION installations into operation with the products patient management (PAT^{NG}), radiology (RIS^{NG}), and endoscopy (CWD^{NG}). In addition, we implemented a complete project (NEXUS / HIS^{NG}) based on NEXT GENERATION technology for the first time. Users and those responsible have reported back to us about these projects that the new user prompting very clearly meets the need for simplicity and clarity.

The success of the NEXT / NEXUS program motivates us additionally to advance the internationalization of the modules quickly. In Switzerland, France and Spain, we have already taken a clear step forward and are working with our national companies on implementation in the Netherlands and now also in Poland.

Our innovation and expansion orientation is also reflected in the figures of the NEXUS Group. In 2017, we invested approx. EUR 21.2 million or 18 % of sales in our products and new customer solutions. This is a value that is quite unique in our industry. Consequently, we consider it to be a special challenge to continue to show considerably increasing revenues and profits despite high investments. We again succeeded in accomplishing this in 2017.

Sales increased by approximately 11.2 % to EUR 119.1 million in 2017, and earnings before tax (EBT) were 21.8 % higher than last year at EUR 13.3 million.

This is a great result, of which we of course are extremely satisfied. Our sales and earnings development is not a matter of course. We are still in a challenging industry environment that is characterized by intense competition. Although the number of companies that can handle large projects has become very small, there is intensive competition within the industry for market shares. The main reason for this is that many are rather critical with respect to a system change (HIS) on the customer side in Germany and Switzerland, and therefore only few large projects are tendered. Regardless of this, we are now more than able to compensate for the low number of new HIS bid invitations thanks to strong business development in existing customer business and with sales of departmental solutions.

Market Successes

We concluded new projects with a total of 440 customers in 2017 and consequently were again able to fire the enthusiasm of more customers for our solutions than in the previous year. The customers are mainly from our main markets in Germany, Switzerland, Austria, France, the Netherlands, Spain and Bulgaria. The number of incoming orders continued to develop positively.

We were able to win a total of 14 new customers for comprehensive systems from NEXUS. Outstanding: This order from the "Central Medical Service of the German Armed Forces" (ZSanDstBw). We are implementing a pilot project for the future digital supply of soldiers in the field. The field hospital operated under German management in multinational foreign deployments is to receive the software support customary in Germany via NEXUS systems in the future. The systematic digitalization of the health records of the soldiers is an important objective of the Central Medical Service.

In the international sphere, significant were the decisions of Clinique Du Parc Saint Lazare in Beauvais (F) for NEXUS / KIS Emed and the "German Oncology Center" (Cyprus) for NEXUS / HIS including the radiation therapy solution NEXUS / RADIOONCOLOGY.

The focus of the new orders was again in the area of "Diagnostic Information Systems" (NEXUS / DIS). We were again able to increase the number of new customers significantly compared with the previous year. Examples for important projects are the order of Neumarkt Hospital, in which we are installing our special reporting software CWD from E&L, including device integration, in a further 10 departments of the hospital; Bernhoven Hospital (NL) has introduced our integrated intensive medical module together with NEXUS Medication; and the hospital of the Augustinians Cologne, which introduced the diagnostic solution from NEXUS for its cardiology ward (CWD).

We were also able to get a number of interesting orders in innovation projects. This includes the joint development of NEXUS / SISinf in Spain and the Fundació Puigvert Hospital Group for a BI solution for reproduction clinics based on NEXUS technology. The commitment of the Germany Federal Ministry of Education and Research (BMBF) for a research project for early detection of biofilm infections using digital image diagnosis is also interesting, in which the NEXUS subsidiary CHILI is involved in addition to the German Heart Center.

Projects and Service

The main activity of the NEXUS Group in 2017 was in the further expansion of collaboration with existing customers in addition to new business. Large hospital networks such as Bodelschwinghschen institutions, Bethel, the Rhineland State Association, the ELSAN Hospital Group (France), the German military hospitals, the Rhineland Statutory Pension Insurance Scheme [Rentenversicherung Rheinland], the Hospital Consortium of St. Gallen (Switzerland) or the senior citizens home group Vitanas are representative for customer groups that continuously invest in the development of their systems.

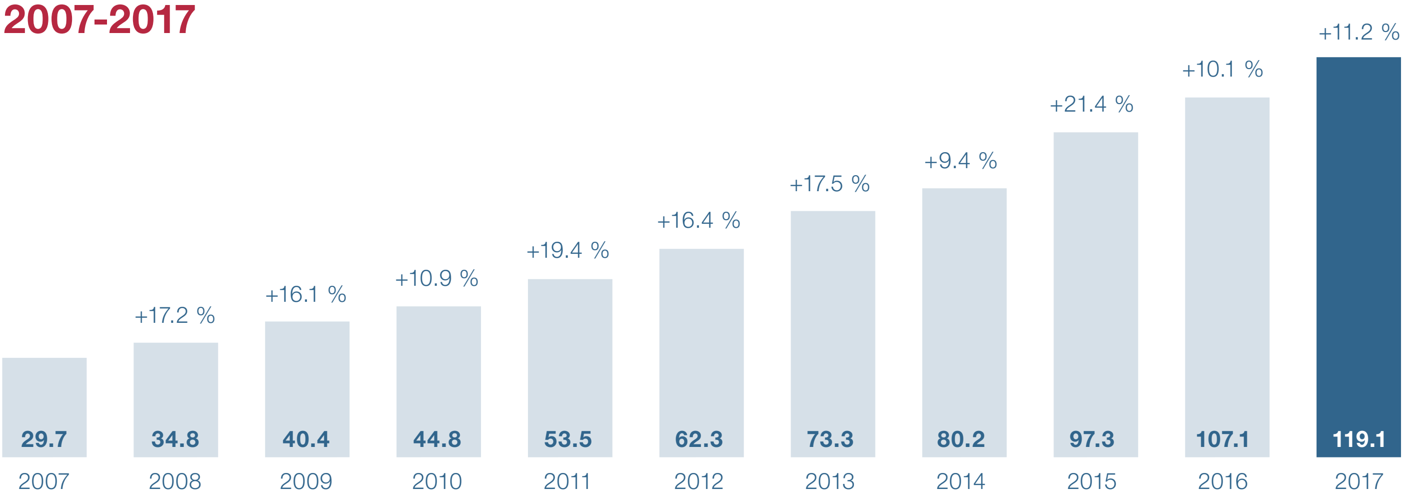
We expanded the growing area "Managed Services" in the last year and created additional resources in staff and data center capacity. In the managed service large-scale project "Rhineland Statutory Pension Insurance Scheme" (DRV Rheinland), we were only able to take one hospital into operation; live operation in the other five hospitals is planned for the current year. Overall, the area of "Managed Services" is a growing field of business. The offer to our customers to handle operation and end-user support our own software applications is becoming increasingly attractive for customers and NEXUS.

We invested a lot in last year in the development and collaboration project with the company "Olympus Europe". The already delayed project has developed significantly more slowly than initially assumed. Despite this, a great product (ENDOBASE NEXT) has resulted from this collaboration, which will ensure far-reaching integration of NEXUS software and Olympus medical devices. The marketing of the new generation started in other countries in 2017 and sales planning looks very promising. Together with Olympus, we have a unique market position in the field of gastroenterological solutions.

Ralf Heilig
Chief Sales Officer

Group sales in million EUR

2007-2017



Sales

Total sales increased to EUR 119.1 million (previous year: EUR 107.1 million) in the reporting year. Compared to the previous year, sales were approx. 11.2 % higher. Sales in the Healthcare Software Division grew by 10.5 % to EUR 108.0 million (previous year: EUR 97.7 million). In the Healthcare Service Division, we were able to achieve EUR 11.1 million following EUR 9.4 million in 2016 (+19.1 %). International business represented a share of 44.4 % in the total Group in 2017 following 48.8 % in the previous year.

Innovations

In 2017, we also continued our NEXT / NEXUS program to round out and expand our market activities. The program objective is to expand the position of NEXUS in terms of contents regionally.

Edgar Kuner
Chief Development Officer

Our focal points in 2017 in the area of our own developments were in NEXUS / NEXT GENERATION, NEXUS / MOBILE, NEXUS / ENDOSCOPY, NEXUS / CARDIOLOGY, NEXUS / RADIOLOGY and NEXUS / HIS Emed. We see significant potential in these development fields for the future and are confident that our high investments will pay off.

In addition to our own developments, we also strengthened our company through acquisitions in 2017. We expanded the area of telemedicine and radiology with the acquisition of 51 % of the shares of CHILI GmbH, Dossenheim. Telemedical applications are increasingly in demand in Germany and many European countries. The lack of doctors, the need for second opinions and cost optimization are the main reasons for the appeal of telemedicine. CHILI solutions are considered a benchmark in digital radiology and in nationwide networking of healthcare organizations.

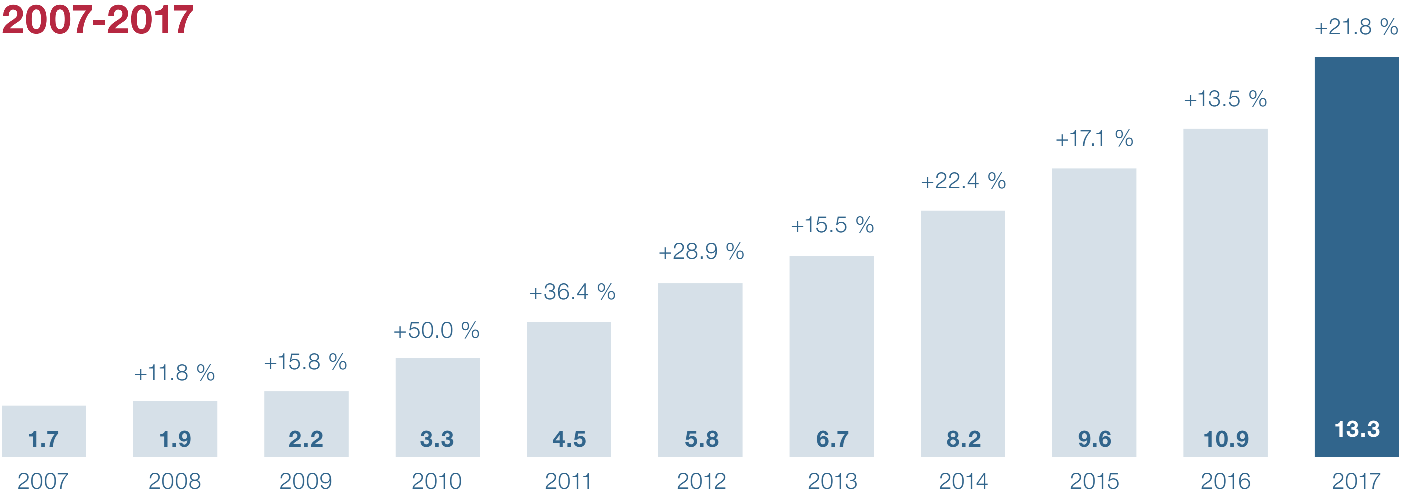
Software life-cycle management is another area that we expanded through an acquisition in 2017. We were able to acquire a majority share in highsystem AG, Zurich. The team of highsystem ag has excellent expertise and an established software solution in the field of life-cycle client management. This is an important function in the operation of our customer platforms.

Results

Despite our extensive developments, integrations and investments, our financial results in 2017 were significantly higher than in the previous year.

Group result before tax in million EUR

2007-2017



Before taxes, we generated a profit of EUR 13.3 million compared to EUR 10.9 million in the previous year (+21.8 %). The EBITDA amounted to EUR 23.7 million following EUR 21.0 million in the previous year (+12.8 %).

The cash flow from business operations was again very strong and was approximately 31 % higher than in the previous year (EUR 16.5 million) with EUR 21.7 million. The liquid assets of NEXUS Group amounted to a total of EUR 28.4 million (previous year: EUR 18.9 million) on 31 December 2017 despite significant investments last year – real estate, acquisition and development investments – and consequently increased by approx. 50 %. The result after taxes increased from EUR 8.6 million to EUR 10.2 million (+17.9 %) and – in the same relation – the EPS reached EUR 0.63 following EUR 0.52.

The good result also includes some special expenses. The expenditures for acquisitions and company integrations had a negative effect. We allotted considerable corporate resources for this in addition to the direct costs. Overall, we estimate the integration costs to amount to KEUR 1,880 in 2017.

We extremely satisfied with the results and the course of the fiscal year 2017 as a whole. We have able to improve our market position, sales and results continuously since 2002. As a result, we have grown considerably both in sales and earnings for the 16th year in a row.

The topics “NEXT / NEXUS” and “regional expansion” are focal points for us in 2018. The marketing of our new product lines is naturally a focus of our activities. We want to set a new standard with our new product on the market and be well prepared for the next investment phase on the market. We are convinced that we are already the market leader with respect to our innovative approach and the range of our product. The second aspect, Europeanization and expansion of business, is also a focal point in 2018. Our cooperation with Olympus, our new market entry in Poland, and further collaboration between the national NEXUS companies will create a lot of dynamics in the internationalization of our business model. This is an interesting challenge that we are tackling with great commitment.

Capital Market

The capital market also demonstrated high interest in our shares in 2017, which was also reflected in our share price. While NEXUS shares had a price of EUR 17.66 (Xetra closing price on 30 December 2016) at the end of the year 2016, the price was EUR 25.81 on business year end (Xetra closing price on 29 December 2017). This corresponds to an increase of 46.1 %. In the meantime, share price of NEXUS have increased to EUR 29,26 (04 October 2017, Xetra).

Dear stockholders, the NEXUS team thanks you for your trust and loyalty to our company. We want to continue the extraordinary development of the past years together with you, our customers, employees and partners.

Warm regards,

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

“The right diagnosis can save lives! We make the evaluation easier for you.”

NEXUS – MEDICINE IN FOCUS

Highlights 2017

KIS^{NG}-project: Largest forensics department in Germany (Krankenhaus des Maßregelvollzugs, Berlin) chooses NEXUS / PSYCHIATRY^{NG}.

NEXUS Schweiz: Thurgau Hospital (CH) bets on the NEXUS solution highsystem in application distribution.

Joint development: NEXUS / SISinf and Fundació Puigvert Hospital develop BI solution for reproduction clinics based on NEXUS technology.

Large-scale project: Central Medical Services of the German Armed Forces (ZSanDstBw) – pilot project for the future digital supply of soldiers in the field was completed.

NEXUS / REHA^{NG}: Salztal Clinic Bad Soden Salmünster switches to NEXUS‘ rehabilitation solution.

GRP Rüsselsheim: Decision in favor of integrated obstetrics from NEXUS.

Innovation: Olympus starts marketing of ENDOBASE NEXT from NEXUS.

Hospital of Wilhelmshaven decides in favor of NEXUS / CURATOR.

NEXUS subsidiary SWITSPOT is a strategic partner of the Lidl Group for introducing and supporting SAP HCM.

KIS^{NG}-project: Carossa Hospital Stühlingen introduces NEXUS / PSYCHIATRY^{NG}.

Important order: Hospital of the Altmühlfranken signs contract for complete digitalization with NEXUS modules including mobile apps.

Telemedicine: As of December 2017, 500 recipients of each supply level will be networked with each other using the CHILI product TKmed.

NEXUS Nederland: University Center for Psychiatry, Groningen (NL), introduces NEXUS / EPD EXPERT and BILLING.

Innovation in Austria: Exchange of doctor‘s letters between NEXUS / HIS customers and the national patient record „ELGA“ using ECM from Marabu based on IHE standards.

Important order: Marabu wins ECM tender from the University of Rostock for patient archives and digital incoming invoices as well as contract and administrative files.

Important order: St. Wolfgang Düdingen Foundation (CH) – first heim.NET customer in the canton of Fribourg with five hospitals.

Important order: Paul Gerhard Diakonie introduces NEXUS nursing solution in all seven clinics.

Braunschweig Hospital introduces the SAP system HR4HCM with NEXUS (payroll accounting, incl. digital personnel records).

Internationalization: Treant Hospitals (NL) introduce the sterilization solution from NEXUS France.

Internationalization: The first Austrian customer (Dornbirn Nurse Association) works with the ambulatory care solution asebis from NEXUS / SYSECA.

Intensive care medicine: Bernhoven Hospital, Holland, introduces integrated PDMS and Medication from NEXUS.

Internationalization: Aleris Hospital in Nacka (Sweden) introduces EuroSDS in its central sterilization department.

Internationalization: German Oncology Centre, Cyprus, introduces the radiotherapy solution NEXUS / RADIO ONCOLOGY.

Vitanas Senior Citizen Home Group with 40 locations relies on cloud solution and IT support from NEXUS.

Teleradiology with CHILI: reif & möller expands its network for teleradiology by 13 sites to a total of 100.

Neumarkt Hospital: CWD from E&L is used in an additional 10 specialist departments of the hospital as a reporting software, including device integration.

Innovation: Tuttlingen Hospital uses NEXUS / FOODCARE for nutritional planning and catering processes.

NEXUS France: OP management and CSSD / AEMP is supported with NEXUS software in Clinique Toulouse Lautrec (F).

Heart catheter diagnosis: Diakonie Hospital Jung-Stilling Siegen bets on NEXUS solution from E&L.

Essential project: Public hospitals in Catalonia rely on NEXUS / PTI as an integration platform between hospitals and the Ministry of Health.

NEXUS France: Polyclinique de Navarre and Clinique Marzet in Pau (F) introduce HIS Emed from NEXUS.

Essential order: Diagnosticum uses NEXUS / PATHOLOGY and NEXUS / CYTOLOGY at three sites.

Successful project implementation: The Triemli City Hospital (CH) handles all accounting with NEXUS / PAT^{NG}.

Innovation: Andernach opts for integrated digital archiving processes with Marabu and CHILI.

Report of the Supervisory Board

Dr. Hans-Joachim König
CHAIRPERSON OF THE SUPERVISORY BOARD

The Supervisory Board was informed promptly in written and oral reports at regular intervals by the Executive Board about the respectively current development of business, the risk situation and especially about important events in the fiscal year 2017. The Supervisory Board has fulfilled its checking and monitoring obligations. The business transactions submitted for approval to the Supervisory Board due to legal and company statutes were checked and discussed with the Executive Board. In addition, the Chairperson of the Supervisory Board as well as his deputy were informed about the course of business at regular intervals.

In the fiscal year 2017, Dr. Hans-Joachim König (Chairman), Prof. Dr. Ulrich Krystek (Deputy Chairman), Wolfgang Dörflinger, Gerald Glasauer, Prof. Dr. Alexander Pocsay and Prof. Dr. Felicia Rosenthal were members Supervisory Board during the whole year.

The Supervisory Board had four regular meetings in the fiscal year 2017 on 20 March 2017, 11 May 2017, 22 September 2017 and 15 December 2017. In addition, meetings of the Supervisory Board were held on 14 July 2017, 29 September 2017, 18 October 2017, 14 November 2017 and 21 December 2017 in connection with telephone conferences, and resolutions were passed by the Supervisory Board concerning the implementation of company acquisitions, the reason for and implementation of a capital increase, and the conclusion of service agreements with the Executive Board members.

The Supervisory Board dealt in depth the topic of “Corporate Governance” in its session on 15 December 2017, especially with the German Corporate Governance Code. The Supervisory Board passed a resolution about the common correspondence statement of Supervisory Board and Executive Board pursuant to Section 161 of the German Stock Corporation Act [AktG]. The corresponding declaration is published in the Internet at www.nexus-ag.de. In addition, the Supervisory Board dealt intensively with the Declaration on Corporate Governance (section 289a of the German Commercial Code [HGB]).

None of the Supervisory Board members was absent at more than half of the Supervisory Board meetings. The Audit Committee formed by the Supervisory Board met twice in the fiscal year 2017, and the Personnel Committee formed by the Supervisory Board once.

In addition to the cited committees, the Supervisory Board did not have any other committees in the fiscal year 2017.

The Annual Financial Statement drawn up by the Executive Board of NEXUS AG, the Status Report, the Group Financial Statement and Group Status Report for the fiscal year 2017 were audited with inclusion of the accounting of KPMG AG, Auditing Firm, Freiburg i. Br. branch. KPMG AG was appointed auditor of NEXUS AG as well as of the NEXUS Group for the fiscal year 2017 at the annual general meeting on 12 May 2017 and consequently appointed to conduct this audit. The auditors did not raise any objections and confirmed this in an unrestricted audit certificate. The Annual Financial Statement documents and the auditing report were submitted to the Supervisory Board on time; it checked them thoroughly and discussed them in detail in the meeting of the Auditing Committee and the Supervisory Board of 5 March 2018. The auditor also took part in the financial audit committee meeting and in the meeting on 5 March 2018 of the

Supervisory Board, and the auditor reported about the essential results of the audit and answered any questions.

On the basis of the check of the Audit Committee and its own audit, the Supervisory Board approved the result of the check of the audit with a resolution of 5 March 2018. No objections were raised following the final result of the check by the financial audit committee and the check by the Supervisory Board. The Supervisory Board assessed and approved the Annual Financial Statement and the Status Report drawn up by the Executive Board, the Group Financial Statement and Group Status Report as of 5 March 2018.

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

Donaueschingen, 5 March 2018

Dr. Hans-Joachim König
Chairperson of the Supervisory Board

Dr. Hans-Joachim König
Chairperson of the Supervisory Board

"You‘ve got your hands full in providing treatment! We can handle some of work-load for you in documentation."

NEXUS – MEDICINE IN FOCUS

Innovations in Medical Informatics 2017

Innovative software solutions are indispensable for doctors and nurses in their daily work. However, today's patients also expect their recovery to be supported by modern information technologies. NEXUS is doing a lot to meet these demands. In 2017 alone, we invested approximately EUR 21.0 million or 17.8 % of sales in the development of software. The core of our software development is NEXUS / NEXT GENERATION (NG) technology, which increasingly is the basis of all our products.

NEXUS / NEXT GENERATION (NG)

NEXUS / NEXT GENERATION includes all e-health functions in one homogeneous technology environment. The special feature: NEXUS / NEXT GENERATION uses a uniform, innovative operating concept across all software elements and provides the highest level of function width on the market.

The new NEXUS / NEXT GENERATION operating concept

With the NEXT GENERATION operating concept, NEXUS has integrated elements and modules in a single, uniform operating concept: The operating concept is a great success. The software focuses entirely on the user and his work process.

- Users access their personal „workspace" directly at logon. Searching through menus and function trees is eliminated entirely.
- The user receives the information that is essential for his process in his personal „workspace".
- The „workspace" is individually adapted to the work process of each user. „Clicking" and „screen changes" are no longer necessary.

The five elements of NEXT GENERATION architecture:

- **The Hospital Information System (NEXUS / HIS^NG):** The core element of the NEXT GENERATION technology is NEXUS / HIS^NG. With modern user prompting and the wide range of applications, NEXUS / HIS^NG greatly expands the capabilities of current HIS systems. Major process supports in „Quality Management", „Duty Scheduling" and „AEMP" are already integrated in the HIS, for example.
- **Diagnostic software solutions (NEXUS / DIS^NG)** are specialized in organizing and diagnosing in the areas of radiology (RIS / PACS), pathology, cytology and radiooncology. The software modules integrate the respective imaging devices and create complex ward workflows, including digital dictation.
- **Special Diagnostics (NEXUS / E&L):** With NEXUS / E&L, all diagnostic workflows in the diagnostic wards are supported on a single technological base. The core topics „device Integration" and „medical contents" have been implemented perfectly in these systems.
- We have integrated management and control of **archived documents (NEXUS / ECM)** and **images (NEXUS / CHILI)** uniformly in NEXUS / NEXT GENERATION. As a result, all documents and images are centralized throughout a hospital and directly integrated in the HIS. This is particularly advantageous in the case of the IHE communication with other hospitals or primary care physicians.
- The special feature of NEXUS / NEXT GENERATION: All functions are also available in parallel mobile – and indeed on a single **NEXUS / MOBILE** framework.

INNOVATIONS 2017

Investments have once again been strongly in the NG development in 2017.
We had the following focal points in this context:

NEXUS / HIS^{NG}

HOSPITAL INFORMATION SYSTEM

The core module of NEXUS / NEXT GENERATION 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 / HIS^{NG} also includes the special systems NEXUS / PSYCHIATRY^{NG} and NEXUS / REHA^{NG}.

Developments 2017

+ Conversion of patient management to NG technology
+ OP planning: including availability of OP sieves (closed loop with sterilization process)
+ Dashboard for visualization of the documentation status of the OP
+ Health card link (telematics infrastructure)

NEXUS / PSYCHIATRY^{NG}

(Psychiatric Information System)

NEXUS provides a complete solution for psychiatric institutions from treating patients to key figure management for institution management.

Innovations 2017:

+ Ward-equivalent treatment (STÄB)
+ After-care app for outpatient treatment

NEXUS / MEDICATION

The medication process is an essential hospital process and is supported comprehensively by NEXUS / MEDICATION: Prescribe, provide, check, administer. The module is integrated into NEXUS / HIS and provides a profession-overlapping view of patient medication.

Innovations 2017:

+ Integration of additional CDS (Clinical Decision Support System) functions
+ "Intensive Care Holland" medication

NEXUS / REHABILITATION

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

Innovations 2017:

+ Telephone system integration: Room status, check-in / check-out, telephone billing
+ Beds planning – automatic price derivation from the room category
+ Automatic car park invoicing from parking space allocation
+ NEXUS / REHA MIS Dashboard

NEXUS / AEMP

(NEXUS / IBH)

The cleaning and sterilization process is fully supported in CSSD / AEMP by the module, and the preparation of medical products is documented in line with legal and quality assurance requirements, patient-related on demand.

Innovations 2017:

+ Systematic retrieval of sterile goods status (targeted OP planning)
+ Linkage of RDGs and sterilized goods
+ Complete instrument inventory including preparation costs
+ Integration NEXUS / ARCHIVE for revision-proof storage of „Hygiene passports“

NEXUS / PDMS

NEXUS / PDMS is an intensive care solution 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 media breaks and loss of data.

Innovations 2017:

+ Integrated nutritional balance
+ Weekly overview in the intensive care chart
+ PDMS integration into NEXUS / HIS Holland

NEXUS / FOODCARE

Food orders directly from the patient‘s room in direct communication with the kitchen. The software can be integrated into NEXUS / HIS or used independently in combination with other HIS systems.

Innovations 2017:

+ Malnutrition app
+ Protein recording
+ Multilingual capability

NEXUS / QUALITY MANAGEMENT

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

Innovations 2017:

+ Integration with NEXUS / AEMP: Automatic control and steering of CSSD work instructions on DIN-ISO-compliant electronic document routing.
+ Risk management portal with NEXUS / CURATOR: Implementation of participatory risk management in hospitals in accordance with DIN ISO 90001:2015 and GBA.
+ European Data Protection Regulation: Checklists, reminders, digital template masks to check legally compliant data protection documentation.

NEXUS / DIS^{NG}

(DIAGNOSTIC INFORMATION SYSTEM)

The modules of the NEXUS / DIS^{NG} are specialized in organizing and diagnosing in the fields of radiology (RIS / PACS), pathology, cytology and radiooncology. Deep integration into HIS^{NG} ensures an uninterrupted workflow. NEXUS / DIS modules are integrated into NEXUS / HIS or used as stand-alone solutions in more than 1,400 institutes and hospitals.

NEXUS / PATHOLOGY

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

Innovations 2017:

+ Integration of Nuance Speech Magic SDK
+ Worklist controlled workflow for dictation and speech recognition as well as for writing, correcting and releasing diagnoses
+ New interfaces: SAP-FI, DATEV, PADneXt

NEXUS / CYTOLOGY

Support of workflows in routine operations with high utilization of capacity is the focus of the cytology solution. The solution is used in more than 150 institutes independently or integrated.

Innovations 2017:

+ Stack release for group I diagnoses by cytologists
+ Automatic insertion of the Bethesda classification in the diagnosis due to the cytology diagnosis
+ Other HPV machine interfaces including batch diagnosis generation

NEXUS / RIS & PACS

We have obviously made a very positive impression on the market and users with the NEXUS / RADIOLOGY solution. Maximum user-friendliness, extremely time-saving and completely adapted to the workflows in radiology.

Innovations 2017:

+ RIS Integration of the teleradiology workflows
+ SAP integration into the patient management workspace of NEXUS / RIS
+ TARMED-compliant entry of services performed
+ New doctor workspaces and workspaces for improved resource planning
+ New features for enhanced communication with referring physicians
+ New 3D features in CHILI Viewer

NEXUS / GYNECOLOGICAL HOSPITAL

Obstetrics software with complete documentation from the first day of pregnancy until discharge from the obstetrics clinic. Used in more than 300 clinics, the module is available as separate solution or integrated into NEXUS / HIS.

Innovations 2017:

+ New module: Prenatal Care
+ Patient merge directly into NEXUS / GYNECOLOGICAL HOSPITAL
+ Integration of the DICOM worklist

SPECIAL DIAGNOSTICS
(NEXUS / E&L)

The intelligent diagnosis software for special diagnosis from NEXUS / 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.

Innovations 2017:

+ New development of the Ophthalmology module
+ Graphical diagnosis with a focus on the cardiac catheter laboratory using vector graphics technology
+ Endoscope device management with preparation documentation
+ NG operating concepts: Worklist control, patient-related examination list with direct access, fast preview of examinations with diagnosis.

NEXUS / MOBILE
(THE NG FUNCTIONALITY THAT IS COMPLETELY 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 closed system.

Innovations 2017:

+ Biometric login procedure
+ Support of medication processes
+ Automatic measurement value transfer into the mobile chart from Bluetooth devices

ARCHIVING / IMAGE MANAGEMENT / IHE

Thanks to the linking of document archiving (ECM) and image management (PACS), the DICOM world can be optimally bundled with Enterprise Content Management for the first time. Documents and images are archived and made available on demand vendor-neutral, revision-proof and IHE-compliant in a uniform, hospital-wide NEXUS / ARCHIVE (PEGASOS & CHILI).

NEXUS / ECM (Electronic Content Management) from Marabu

The control and management of documents is an integral part of the NEXUS / NEXT GENERATION solution. The software PEGASOS controls file management, digital archiving, document management and process management: Regardless of whether documents, photos, videos, audio files or DICOM objects, all information is archived in NEXUS / ARCHIVE (PEGASOS).

Innovations 2017:

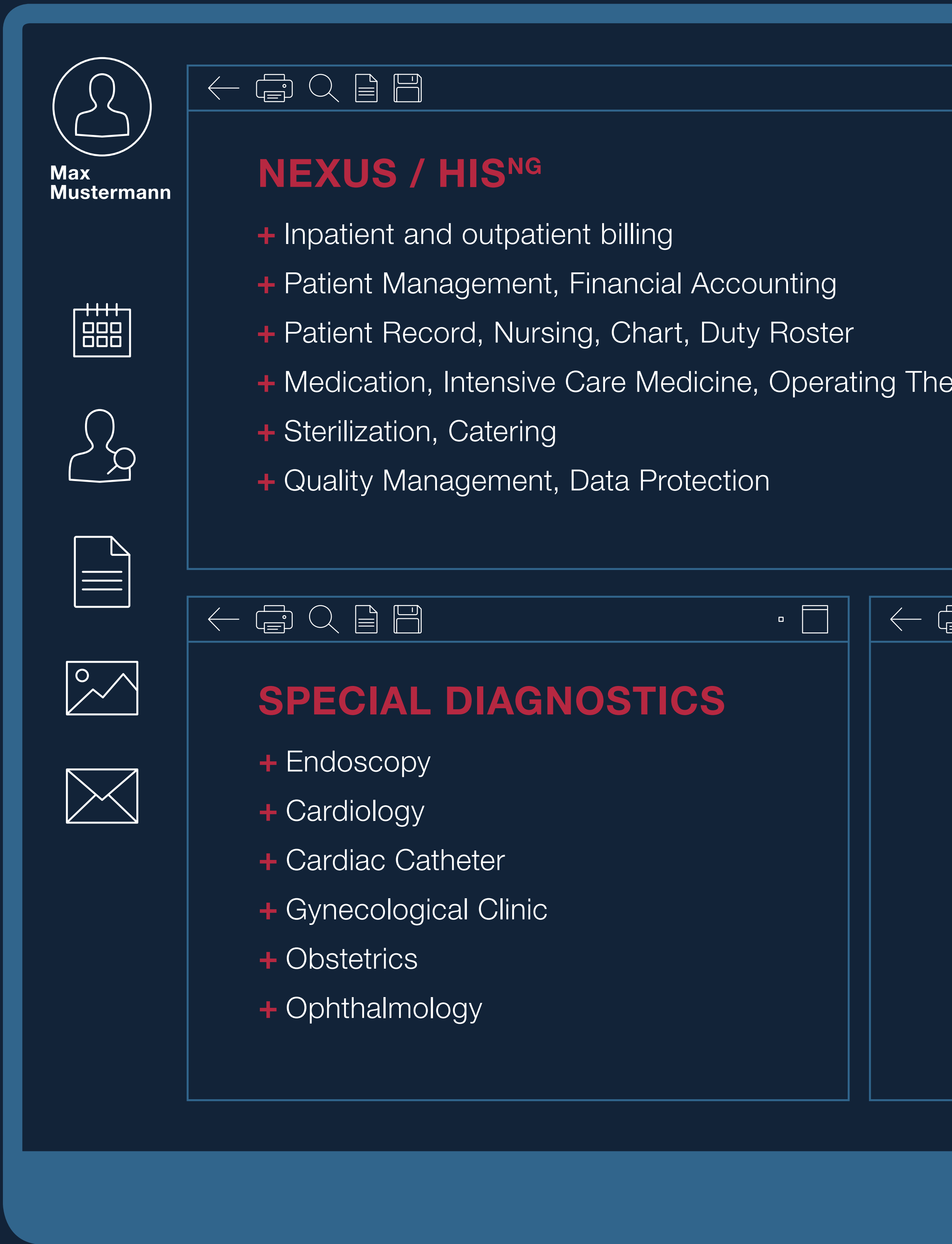
+ IHE profiles and participants (XCA, XCDR, BPPC, XDS-I) for integration in the multi-affinity domain.
+ Scanner app – simply photograph instead of cumbersome scanning
+ ELGA link to NEXUS / HIS to create ELGA-compliant, CDA physicians' letters

NEXUS / IMAGE MANAGEMENT and TELEMEDICINE (NEXUS / CHILI)

Image management with the telemedical application TKmed is also an integral part of the NEXT GENERATION software from NEXUS. Management of medical multimedia data of a hospital is made possible via NEXUS / IMAGE MANAGEMENT (CHILI). All „image modalities" of hospital are integrated. This includes the radiology, cardiac catheter films, endoscopic videos, microscope images and macroscopic photos from pathology. Biosignals such as ECGs are also processed, displayed and archived in image management.

Innovations 2017:

+ Integration of 3D viewing functionality in PACS
+ Redesign of the telemedicine portal
+ Teleradiology diagnosis writing



THE 5 ELEMENTS OF NEXUS / NEXT GENERATION

THE UNIFORM OPERATING CONCEPT

For optimal presentation on all devices

ater

NEXUS / DIS^NG

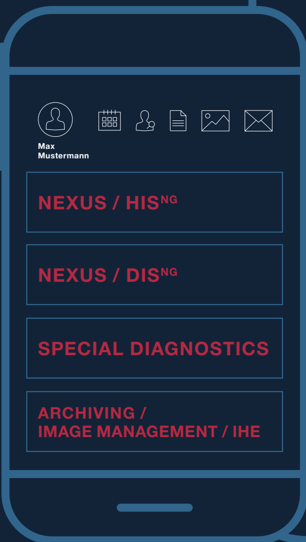
+ RIS / PACS
+ Pathology
+ Cytology
+ Radiooncology

ARCHIVING / IMAGE MANAGEMENT / IHE

+ ECM (Marabu)
+ Image Management (CHILI)
+ IHE Communication

NEXUS / MOBILE

+ All functions are available mobile.
+ Uniform user prompting / inpatient and mobile
+ Own mobile framework



"You take care of your patients. We take care of the documentation."

NEXUS – MEDICINE IN FOCUS

Our NEXUS-Management-Team

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NEXUS / SWITSPOT

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NEXUS / CMS

“A healthy new life begins long before birth! We support you with diagnosis and documentation.”

NEXUS – MEDICINE IN FOCUS

Consolidated Report for the Business Year 2017

BASIC PRINCIPLES OF THE GROUP

Business model

NEXUS Group develops, sells and services software solutions for hospitals, specialist clinics, rehabilitation institutions and nursing homes. All software solutions are designed to enable healthcare institutions to manage processes more efficiently and provide the staff with more time for patients. NEXUS develops software solutions by combining know-how and ideas of customers and own employees. NEXUS can draw on an extensive expertise from different European countries and a number of facilities. NEXUS offers the following product groups:

+ **NEXUS / HIS:** Complete information system for somatic hospitals in Germany
+ **NEXUS / PSYCHIATRY:** Complete information system for psychiatric houses
+ **NEXUS / HOME:** Complete information system for senior citizen homes and nursing home chains
+ **NEXUS / REHA:** Complete information system for rehabilitation facilities
+ **NEXUS / PAT (CH):** Complete administration information system for Swiss hospitals
+ **NEXUS / DIS:** Interdisciplinary diagnostic information system
+ **NEXUS / GYNECOLOGICAL HOSPITAL:** Information system for obstetric institutes and gynecology
+ **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 offices
+ **NEXUS / INFORMATION STORE:** Management information systems for hospitals
+ **NEXUS / QM:** Information systems for quality management in the healthcare system
+ **NEXUS / CSSD, NEXUS / SPM and EuroSDS:** Information system for product sterilization processes in hospitals
+ **NEXUS / INTEGRATION SERVER:** Interface management for hospital information systems in hospitals
+ **NEXUS / IT:** Outsourcing solutions in healthcare
+ **NEXUS / SPECIAL DIAGNOSTICS and Clinic WinData:** Information systems for medical specialist diagnostics and device integration
+ **ASS.TEC:** Process and HR consulting in the SAP environment
+ **NEXUS / OUTPATIENT CARE and asebis:** The complete Spitex (home care) solution for the Swiss market
+ **NEXUS / ARCHIVE and PEGASOS:** Archiving and process management in healthcare
+ **Emed:** Web-based hospital information system for French healthcare institutions
+ **NEXUS / EPD:** Complete information system for somatic and psychiatric institutions in the Netherlands
+ **TESIS:** Complete information system for somatic hospitals in Catalonia, Spain
+ **NEXUS / VITA and TESIS VITA:** Complete information system for In-vitro clinics

- **NEXUS / SWITSPOT:** Software solutions to complement SAP HR management
- **CHILI:** PACS and teleradiology solutions
- **highsystemNET:** Lifecycle client management

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

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

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

The NEXUS Group is represented at the sites Donaueschingen, Berlin, Böblingen, Dossenheim, Erlangen, Frankfurt (Main), Hanover, Ismaning, Jena, Kassel, Neckarsulm, Ratingen, Singen (Hohentwiel), Vienna(AT), Wallisellen (CH), Altishofen (CH), Basel (CH), Lugano (CH), Lucerne (CH), Zurich (CH), Grenoble (F), Creuzier-le-Neuf (F), Nieuwegein (NL) and Sabadell (ES). NEXUS AG sets the decisive strategic orientation of the Group.

Control system

NEXUS Group is divided into two divisions ("Healthcare Software" and "Healthcare Services") and into various business areas within the segments. Each business area has its own business model. The basis of the business area strategies are the product program, market, technology and sales strategies of the complete Group. The segments and business areas are controlled via measurement of three uniform key figures (according to local accounting standards): "sales", "result before taxes" and "relative market position". "Relative market position" denotes the development of segment or business area based on company development compared to relevant competitors, insofar as this information is available. The Executive Board checks the key figures quarterly.

Research and Development

NEXUS Group does not conduct any research, but instead only software development. In 2017, investments were especially made for developments for the product groups NEXUS / HIS and NEXUS / KIS as well as for NEXUS / HIS^{NG}, NEXUS / RADIOLOGY, CWD, NEXUS / EPD, Emed and mobile apps. Additional supplementary products were developed new and launched on the market directly. NEXT GENERATION software is being developed within NEXUS AG and supported by the establishment of a separate development group.

Development costs in the amount of KEUR 5,058 were capitalized in 2017 (previous year: EUR 5,444). In 2017, developments included capitalized developments for the above-mentioned new products.

Development investments, which can be capitalized, amounting to approx. KEUR 5,200 are planned for the business year 2018. A total of 314 people were employed in the development sector at the end of the fiscal year (previous year: 304). A total of KEUR 21,171 (previous year: KEUR 20,950) were spent for development. Of the sales in 2017, KEUR 20,938 (previous year: KEUR 18,599) are thanks to license revenue.

Report on the Economic Situation

Overall Economic and Industry-Related General Conditions

NEXUS sells mainly to customers in the public healthcare system domestically and abroad with focus on Germany, Switzerland, the Netherlands, France, Spain and Austria. The order situation depends on the competitive environment as well as budget developments and structural changes in the healthcare system of the individual countries. However, there is no direct dependence on business trends. In the long term, escalation of the crisis of public budgets in European countries could result in reducing the growth expectations of NEXUS Group. A reliable forecast of developments is not possible at this time. However, „optimization in the healthcare system using modern information systems“ remains a pivotal item on the priority list of the healthcare system in almost all countries.

Technology Trends

Observing information technology trends and developments is extremely important for the strategy of NEXUS. The regularly published technology trends of the respective years (e.g., Gartner Report "IT Trends 2018, IT Trends from PAC in 2018, IT trends for CIOs from Forrester) provide a good framework for orientation.

We have classified the following six trends as significant for NEXUS:

Trend I: Artificial Intelligence (AI): "Artificial Intelligence is everywhere"

This phrase already describes the development of AI technology in many medical fields. This includes radiology, for example. IDC (IDC, 2018 HIT prediction) estimates that approx. 20 % of healthcare institutions will achieve productivity growth of 15 %-20 % thanks to AI by 2021. With the technologies and techniques of artificial intelligence, new possibilities are being opened that go far beyond the traditional rule-based algorithms. The new software generations understand, learn, adapt and operate completely autonomously.

Trend II: Cloud-based platforms will continue to grow

Public and private clouds also became widespread in the healthcare sector in 2017. In 2018, the trend towards cloud-based platforms (PaaS) – which will open up new technologies in a more flexible and scalable manner – will intensify further. Cloud-based "as a service" will increase further. IDC estimates that more than 90 % of companies will use "multiple cloud services and platforms" and 80 % of applications will use micro-services and cloud functions by 2021. According to this forecast, almost all micro-services will be provided in containers. NEXUS sees the trend as continuing and continues to invest in cloud infrastructure and container technology in 2017.

Trend III: Intelligent Apps and Analytics

Smart apps and analytics such as "virtual personal assistants" are attributed to the application area of artificial intelligence. According to Gartner, every application will contain AI components in the future. Intelligent layers will be created between people and systems that will also change the way hospitals work. Such applications are imaginable especially in the medical profession. NEXUS already includes these possibilities in its product design today.

Trend IV: New Input-Output Methods

The use of new input-output methods is emerging. Audio, video, touch, taste, smell and other sensory channels are used and combined. As a result, communication with systems will be enriched and become more intuitive. This area is important for NEXUS in supporting physician-patient communication. This still mainly applies to voice communication, but increasingly also includes other input-output methods.

Trend V: "Wrap & Trap" for Legacy Systems

The further development and dissolution of monolithic legacy systems is also becoming increasingly important in hospitals. In many hospitals, most of the available resources are tied to legacy systems and gradual changes are too complex or too slow to meet the demands of digitalization. Consequently, the IT trend is moving strongly in the direction of "Wrap & Trap", i. e., the removal of individual functionalities from the old systems and their integration into a modern micro-service oriented IT architecture. Encapsulated in this way, proven systems can continue to be used particularly for highly regulated areas (e. g., billing), and new architectures can be expanded. NEXUS uses the "Wrap & Trap" method to modernize acquired systems or to implement modernization strategies together with hospitals.

Trend VI: Blockchain Technology

Block chain technology is becoming increasingly popular in security-relevant applications. This applies not only to financial accounting, but also increasingly to IT. The blockchain application area "Auditing" deals with recording security-critical operations of software processes. This especially applies to accessing and modifying confidential or critical information. According to IDC Health, blockchain applications in the healthcare sector will have exceeded their pilot phase character by 2020. "Distributed ledger technology" can especially be used in the area of patient-related data in OP management and patient identification. Initial tests with ledger technology are also underway in the supply chain area of hospitals. The auditing of medical information systems is well suited for a blockchain, since it produces relatively small amounts of data and has high security requirements at the same time.

Outlook:

NEXUS sees great opportunities in the fashionable topic "artificial intelligence". Especially in our "Diagnostic Information Systems" segment, there are numerous application options, but which still require some time to be ready for the market. On the other hand, the trend toward cloud-based platforms and the

"Wrap & Trap" method are already technologies that can be used today. NEXUS is currently investing heavily in both areas. For NEXUS as a supplier of innovative software solutions, it is decisively important to evaluate the developments described above and oriented its own development projects to them. We are already active in many of the developments described above with our new NEXT GENERATION technology. We will also continue to include future-oriented topics such as "blockchain" and "input-output methods" in our development strategies.

Competitive Environment

The market for software systems in the medical area is still characterized by tough competition and strong supplier concentration.

Consolidation within our industry did not progress further in 2017. We are only aware of some of a few smaller acquisitions in the European market. NEXUS is one of the active consolidators in the market. There was a new entry in the European market. Further changes are to be expected in the competitive environment as was the case previously. From our viewpoint, there are only few competitors on the European market in addition to NEXUS, which are considered to have long-term potential.

Trend of Business

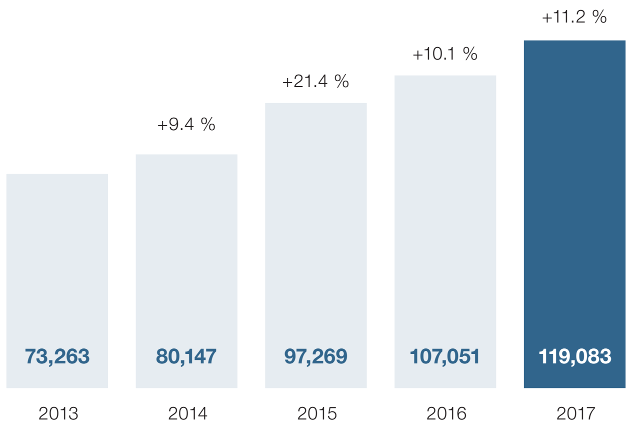
Sales and Market Development

We communicate the position of NEXUS as solution provider in the European healthcare system, and our order successes as well as the number of installations have resulted in a high degree of familiarity of the NEXUS Group. We also pursued further expansion of our European activities in 2017 and the beginning of 2018 and were able to increase sales.

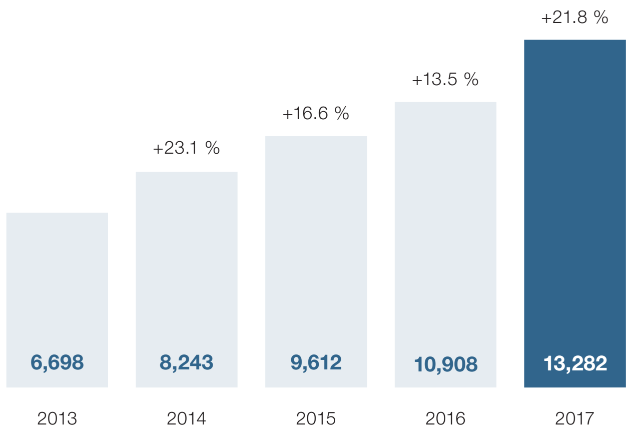
In the rather restrained markets, the companies of the NEXUS Group were again very successful with respect to sales in 2017. This applies especially to our core markets Germany, Switzerland and France.

New customers were won particularly in the diagnostic product areas, quality management and also in the area of hospital information systems in the past year. Noteworthy here are the products CWD, NEXUS / RIS, NEXUS / GYNECOLOGICAL HOSPITAL and PEGASOS. Very significant increases in incoming orders could be recorded for all. The service business evolved very positively, and we were able to win several significant orders in the area of the overall systems of NEXUS / HIS and Emed as well as NEXUS / EPD.

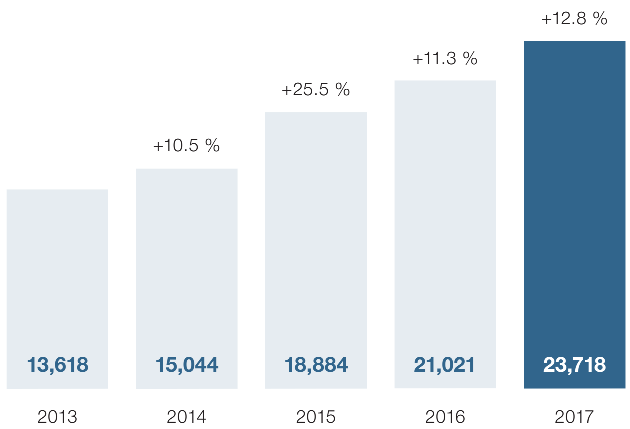
+11.2 % COMPARED TO PREVIOUS YEAR
Group sales in KEUR



+21.8 % COMPARED TO PREVIOUS YEAR
Results before tax on income in KEUR



+12.9 % COMPARED TO PREVIOUS YEAR
EBITDA in KEUR



975

498 employees in customer service, 163 in administration / sales and 314 in development

Production and Company Integration

The company divisions of NEXUS did not change in 2017. As previously, business is divided into independent business areas, which are responsible for their product and market activities within the context of Group planning. In addition to the separation into divisions, we also have regional grouping, which mainly refers to the countries Switzerland, Germany, Austria, the Netherlands, France and Spain.

In 2017, the central offices of Controlling, Compliance, Marketing and Development were expanded further within the Group.
A few changes were made to the investment structure in 2017:

+ NEXUS AG purchased 51.19 % of the shares of CHILI GmbH, Heidelberg-Dossenheim, on 19 May 2017.
+ Domis Consulting AG purchased 95.0 % of the shares of highsystem ag, Zurich, Switzerland, on 24 July 2017.
+ NEXUS AG purchased the remaining 40.0 % of the shares in the already existing subsidiary VEGA Software GmbH, Aachen, on 12 December 2017.
+ NEXUS AG purchased the remaining 0.02 % of the shares in the already existing subsidiary NEXUS Medizinsoftware und Systeme AG, Altishofen, on 18 August 2017.

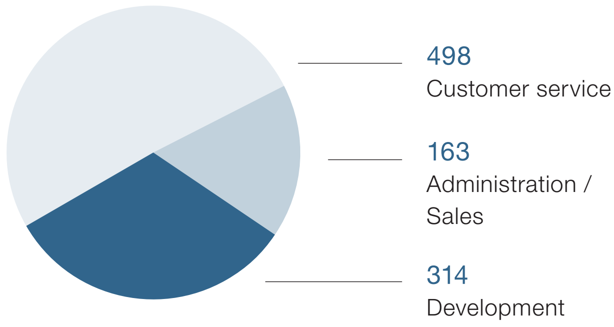
Growth and Operating Result

Contrary to the previous year, for which slightly increasing values were assumed for sales, earnings before income taxes as well as in the relative market position, sales increased significantly from EUR 107.1 million to EUR 119.1 million in 2017 and the result before taxes reached a significant increase from EUR 10.9 million to EUR 13.3 million compared to in the previous year. The market position of NEXUS AG has improved further thanks to the new orders, especially in Germany, the Netherlands, Switzerland and France.

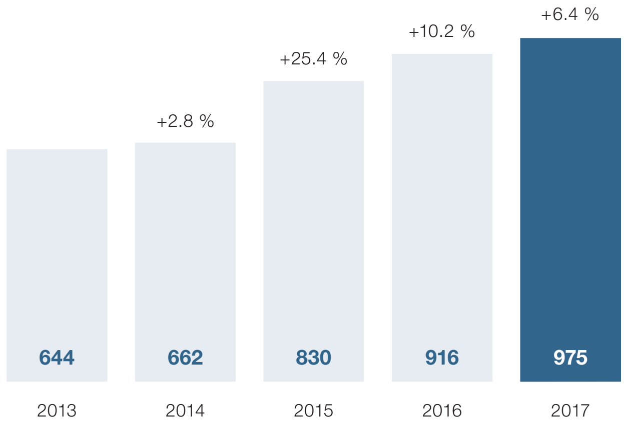
The sales focus of NEXUS in 2017 remained in the Healthcare Software Division. Compared to the previous year, the division again increased sales by approx. EUR 10.2 million to EUR 107.9 million. Sales in the Healthcare Service division increased significantly from EUR 9.3 million to EUR 11.1 million.

The international share of business was 44.4 % in 2017 (previous year: 48.8 %) of total business volume. Our activities in foreign countries are an essential component of our business. We invest considerably into development and production for foreign markets as well as consider possible company acquisitions to simplify entry into markets. International business is currently especially concentrated on the Swiss, Dutch, French, Austrian and Spanish markets. Sales effects from exchange rate fluctuations compared to 31 December 2017 especially concerned Swiss francs. The average exchange rate of Swiss francs in 2017 was

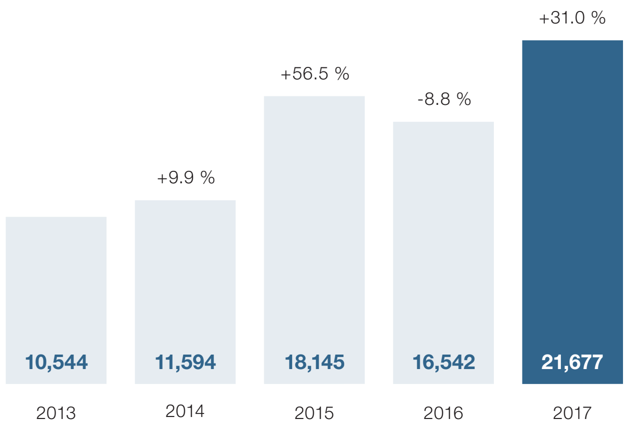
TOTAL OF 975 EMPLOYEES
Staff structure incl. Executive Board



NUMBER OF EMPLOYEES
Respectively on 31 December incl. Executive Board



CASH FLOW
from current business transactions in KEUR



EUR 1.11 (previous year: EUR 1.09). The effect on sales of the exchange rate changes amounts to KEUR -520 in 2017 (previous year: EUR -224).

Sales increased by approx. 20.7 % in Germany and reached KEUR 66,178 following KEUR 54,824. In addition to new orders, the main reasons were the acquisitions made in Germany as well as outsourcing projects. Due to the acquisition of CHILI GmbH, additional sales in the amount of KEUR 2,653 were achieved. The sales of NEXUS Group would have been correspondingly lower without the initial consolidation of this company.

Our growth and revenue situations were steered based on the key figures in “sales”, “result before taxes” and “relative market position” in the short-term income statement of the business areas.

Assets, Finances and Profit Situation
The NEXUS Group had consolidated sales of KEUR 119,083 in 2017 following KEUR 107.051 in 2016. This represents an increase in sales of KEUR 12,032 (+11.2 %). The own work capitalized amounts to the financial year KEUR 5,058 (previous year: KEUR 5.444). The increase in personnel expenses from KEUR 63,895 to KEUR 67,549 (+5.7 %) resulted from the increased number of employees. Material expenses of KEUR 19,364 increased by 11.7 % compared to the previous year (KEUR 17,330). The EBITDA 2017 was KEUR 23,718 following KEUR 21,021 in 2016 (+12.8 %). As a result, NEXUS Group has again improved its EBITDA on an annual basis. The period result before taxes (EBT) for the year improved from KEUR 10,908 in the previous year to KEUR 13,282 (+21.8 %). There were write-offs in the amount of KEUR 10,402 (previous year: KEUR 10,092). This mainly concerns scheduled write-offs on capitalized development costs, technologies and customer relations. The first-time consolidation of the acquired companies in fiscal year resulted in a net increase in EBT of KEUR 126.

The Group annual surplus increased compared to the previous year (KEUR 8,611) to KEUR 10,156 (+17.9 %). This increase is due to higher revenues and the resulting economies of scale.

The results within the areas have evolved uniformly positively. The Healthcare Software division achieved a result of KEUR 12,030 before taxes and interest (EBIT) following an EBIT of KEUR 9,902 in the previous year (+21.5 %). The Healthcare Service Division improved in its result before taxes and interest from KEUR 1,024 in the previous year to KEUR 1,289 (+25.9 %) in 2017. The previous forecast (slight increase in sales and earnings before taxes as well as slight improvement in the relative market position) for the two business areas of Healthcare Software and Healthcare Service was achieved for all three performance indicators and even exceeded sales and earnings before taxes.

Goodwill and company values, brands with indefinite useful life and development costs not yet ready for use in the amount of KEUR 60,475 (previous year: KEUR 59,633) have maintained their value completely as of the balance sheet cut-off date according to our performed impairment tests. For the other intangible assets in the amount of KEUR 35,804 (previous year: KEUR 37,168), which are composed mainly of our own capitalized developments as well as acquired technology and customer relations, there were no indications of value reductions in 2017. Intangible assets including goodwill currently amount to KEUR 85,118 (previous year: KEUR 84,119) and thus represent 56.3 % (previous year: 60.2 %) of the balance sheet total.

Short-term financial assets decreased by KEUR 2,933 to KEUR 1,849 compared to the previous year. The reduction is a result of the maturity of a borrower’s note loan in the amount of KEUR 1,000.

The equity capital of NEXUS Group was KEUR 103,009 on the cut-off date following KEUR 95,802 in the previous year, which corresponds to an equity capital rate of 68.1 % (previous year: 68.6 %). A dividend of 15 cents per share (EUR 2,357,714.10) was paid to stockholders in 2017.

The down payments received (other non-financial debts), which especially represent down payments from customers for software projects, increased from KEUR 4,172 in the previous year to KEUR 6,175.

The amount of cash assets plus securities held as liquidity reserves was KEUR 28,385 as of 31 December 2017 (previous year: KEUR 18,856). This corresponds to 18.8 % (previous year: 13.5 %) of the balance sheet total. Receivables has only increased slightly (+7.7 %) despite the greatly increased business volume and amounted to KEUR 21,686 on 31 December 2017 following KEUR 20,132 in the previous year. In addition, deferred expenses and accrued income exist in the amount of KEUR 1,429 (previous year: KEUR 1,412).

The inflow and outflow of funds is shown in the cash flow statement. The cash flow from current business activities increased from KEUR 16,542 in the fiscal year 2016 to KEUR 21,677 in the fiscal year 2017 (+31.0%) thanks to the improved consolidated annual result before tax on income as well as the change of liabilities.

NEXUS in Figures

Everything at a Glance

EBITDA
23,718
KEUR

13,282
KEUR **EBT**

119,083
SALES in KEUR

314
DEVELOPERS work on NEUXS Software

NEXUS employs
975
PEOPLE

3,120
CUSTOMERS work with NEXUS solutions

INVESTMENTS in 2017
21,171
KEUR in new developments

21,677
KEUR **OPERATIVE CASH FLOW** in 2017

The cash flow from investment activities was KEUR -9,416 as of the balance sheet date (previous year: KEUR -16,341). The change is mainly due to lower payments for company acquisitions. Cash flow from financing activities (KEUR -2,133; previous year: KEUR -2,409) was mainly due to dividend disbursements.

A total of KEUR 7,768 (previous year: KEUR 10,217) was invested in the Healthcare Software Division and KEUR 320 (previous year: KEUR 234) in the Healthcare Service Division. The companies acquired in fiscal year 2017 CHILI GmbH and highsystem ag were assigned to the Healthcare Software Division.

Investments / Acquisitions

In addition to the corporate interests represented in "product and company integration", there was investment in the expansion and renovation of land and buildings acquired in 2015 in Donaueschingen in 2017. KEUR 5,337 was capitalized as of the cut-off date.

Other Financial Obligations

The Group has mainly concluded leasing agreements for operation and business facilities (incl. the EDP hardware) and company 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 exploitation risk for the company thanks to the leasing financing and the possibility of short-term securing of the current state of technological development.

Principles and Objectives of Finance Management

NEXUS finance management targets ensuring the financial stability and flexibility of the company. A balanced ratio between own and outside capital plays an essential role in this. The capital structure of NEXUS Group is composed of 68.1 % equity capital and 17.4 % short-term outside capital. This essentially concerns payables for goods and services as well as down payments received, which are to be attributed to operative business. The Group is mainly financed centrally via NEXUS AG to manage liquidity.

Financial and Non-Financial Performance Indicators

The financial performance indicators (key figures) of the NEXUS Group, i.e., sales and result before taxes, have developed positively in the Group. The key figures of sales and revenue before taxes increased substantially in the Healthcare Software Division. Sales and earnings before taxes increased substantially in the Healthcare Service Division. The non-financial performance indicator "relative market position" increased slightly.

Course of Business of the Company Divisions

Healthcare Software Division: Growth and Innovation
The Healthcare Software Division provides software products, which we created, on national and international markets for institutions in the healthcare sector. This division achieved (external) sales of KEUR 107,954 in 2017 following KEUR 97,705 in the previous year. This represents an increase of 10.5 %. In particular, the demand for new products and other services in the field of clinical information systems (NEXUS / HIS) and diagnostic information systems (NEXUS / DIS) produced this growth.

Healthcare Service Division: Stability and Innovation
The Healthcare Service Division provides IT outsourcing services for institutions in the healthcare system in Germany. This division achieved (external) sales of KEUR 11,129 in 2017 following KEUR 9,346 in the 2016 (+19.1 %). New orders in the field of IT outsourcing have resulted in this strong growth.

Staff

The development of personnel is especially significant in the market of hospital information systems. In this area dependent on knowledge, in which medical knowledge is combined with informatics to create customer-oriented solutions, the success of development projects often depends on the knowledge and education of individuals. Consequently, NEXUS puts a great deal of value on efficient management of human resources. The number of employees and their structure at NEXUS has again increased due to new hiring and company acquisitions. While there were

916 employees in the previous year, 975 people were employed in the NEXUS Group on the cut-off date of 31 December 2017, including the Executive Board.

General Statement about the Condition of the Group

NEXUS developed positively with respect to all performance indicators in 2017. NEXUS has an attractive product program, a good market position in its core markets and stable customer relationships. Further growth can be achieved though self-financing.

Chances and Risks Report

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

In addition, NEXUS Group is confronted with short-term, mid-term and long-term strategic and operative risks, which concern changes and errors of the environment, industry, internal management and performance processes or the financial environment.

Risk Management

NEXUS has implemented an appropriate internal monitoring system as well as controlling instruments and risk management. In addition to intensive cost and result management, which is monitored within the framework of management supervisory board meetings at regular intervals, there is a risk management manual. The following chance and risk fields are monitored correspondingly by a management team:

+ Customer projects
+ Development projects
+ Lack of market acceptance of products
+ Loss of staff with know-how
+ Process risks
+ Development of subsidiaries and holding companies
+ IT security and availability
+ Reputation
+ Regulatory risks

Reporting, documentation and development of measures are regulated in the risk manual of NEXUS AG. The Executive Board checks its implementation at regular intervals. Five risk sheets were reported to the Executive Board from the offices responsible for them in 2017, and the Executive Board evaluated them.

Purchasing is essentially order-related and arranged after discussing and agreeing on this with the project manager responsible. Payments are approved by the Executive Board at NEXUS AG and by the respective managing director at the subsidiaries. The salary and wage settlement process is conducted mostly centrally in Donaueschingen for domestic companies and monitored by independent offices.

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

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

Controlling the internal monitoring and risk management system is the responsibility of auditing committee of the Supervisory Board.

Risks and Chances

Market and Industry Risks

There are decisive risks and chances, which could entail a considerable change of the economic situation at NEXUS, in the market and industry environment. NEXUS Group earns its sales revenues mainly from the sale of software licenses and services for the healthcare system in Germany, Switzerland, Austria, the Netherlands, France and Spain. The current overall economic environment continues to present a risk. Despite improved growth values in Europe, there were again in cuts in many European public budgets, which also affect financing public investments. Further budget cuts are to be expected for the healthcare system and especially for hospitals.

Gartner has forecast growth of 4.5 % for global IT expenditures in 2018. Frost and Sullivan indicated in a recent study that IT spending in European hospitals will continue to rise in the next three years.

Stock Market, Event and Financial Data

INVESTOR RELATIONS

Active communication with our stockholders, potential investors, analysts and the finance market are the focal point of our investor relation activities. We continually inform all market participants promptly and comprehensively via press releases and ad hoc announcements as well as the mandatory quarterly, semi-annual and annual financial reports.

In addition, we cultivate intensive dialog with institutional investors and finance analysts via one-on-one meetings and on roadshows. Our Investor Relations team is of course at your disposal as contact persons

27 April 2018
Annual Stockholders Meeting 2018, Donaueschingen

08 May 2018
Quarterly Report Q1 / 2018

14 August 2018
Semi-Annual Report 2018

06 November 2018
Quarterly Report Q3 / 2018

26 - 28 November 2018
Analyst Event, Frankfurt

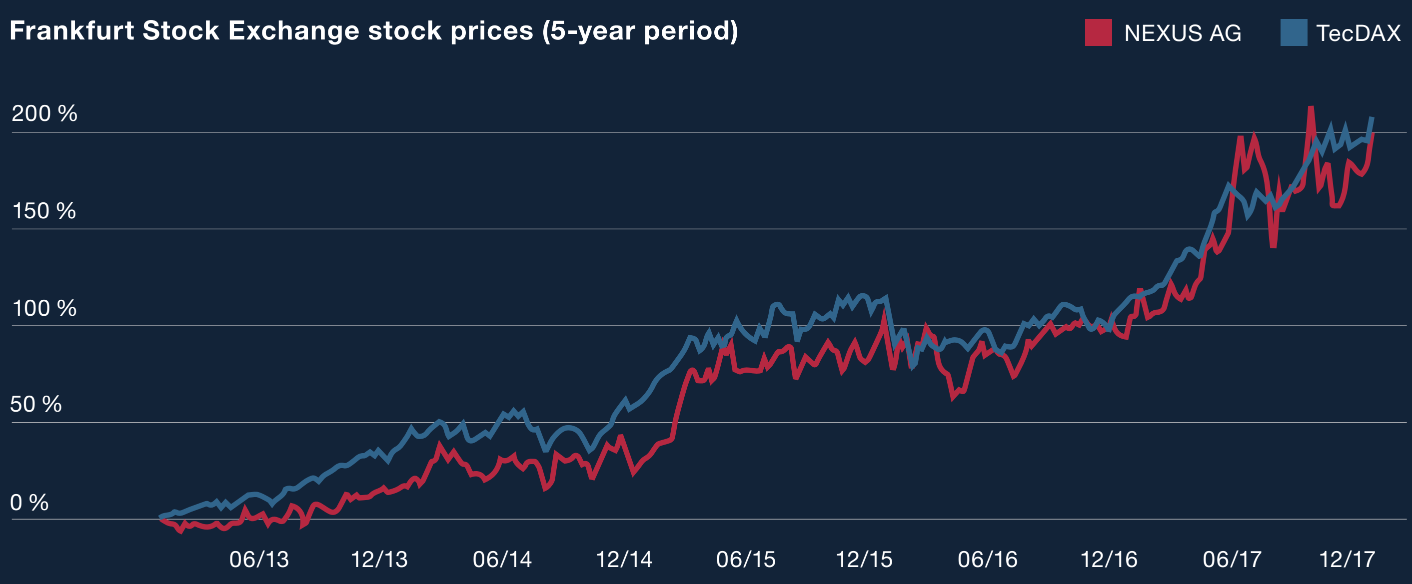
Stock Market Prices (closing prices in Frankfurt)

	2017	2016	2015	2014
Highest	29.26	19.22	18.99	13.36
Lowest	17.49	15.10	11.71	10.50
Stock Market Capitalization (business year in millions of euros)	406.6	277.9	294.3	182.8
Result per share (diluted) in EUR	0.62	0.52	0.48	0.55

DIVIDENDS

We are convinced that our shareholders should be appropriately involved in the 2016 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., 0.16 EUR (2016: 0.15 EUR).

Frankfurt Stock Exchange stock prices (5-year period)



Even if the figures do not provide direct information about the willingness to invest of institutions in the healthcare sector, NEXUS Group assumes that the target group of somatic and psychiatric hospitals, medical care centers, rehabilitation, senior citizen and nursing homes will also continue to participate in the trend to increasing investments in business software. This provides considerable chances for NEXUS to achieve above-average growth.

Our current technology and market position opens up the possibility for us to acquire new customers and improve our margin. Our customer base till now is an excellent reference for this. Our technology strategy and our separation between a hospital and a diagnostic system are receiving increasing attention on the market. As supplier of quality software, NEXUS has earned a very good reputation on the market and is considered a stable, growing company. Over the past years, this applied especially to the German, French and Swiss markets, in which the NEXUS Group was able to win important orders with the new product NEXUS / HIS^{NG} and consequently replace other established competitors.

However, if other companies are able to establish their products as standards in spite of the segmented market, the strategy of NEXUS Group as a supplier to small- and medium-sized companies as well as with an international presence will not be successful. Due to progressing consolidation, the possibility of a takeover by a competitor also continues to exist.

Strategic Risks

Risks can arise from strategic company decisions, which change the short-term and long-term chance and risk potential of NEXUS.

Marketing and Sales Risks

NEXUS cultivates the different markets with different sales models. Marketing is very demanding due to the complexity of the products. The loss of partners, employees or sales intermediaries is a risk, which could influence the revenue situation. An important factor for the further economic development of NEXUS AG and its subsidiaries is the capability to increase maintenance and service revenues further in addition to expanding the installed software base. As a prerequisite to this, expiring maintenance and service contracts have to be renewed in a sufficient scope. Revenue quality can improve further with increased share of maintenance contracts and revenues from partner transactions.

Project Risks

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

Product Risks

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

Staff Risks

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

Significant legal risks are not known at this time.

Risk Reporting with respect to the Use of Financial Instruments and Financial Risks

Financial instruments are essential composed of accounts receivables and payables. Because the customers of NEXUS Group are mainly in public hands, the default risk for accounts receivable is to be considered slight.

NEXUS has substantial intangible assets in the form of concessions / patents (KEUR 732; previous year: KEUR 711), goodwill (KEUR 49,314; previous year: KEUR 46,951), technology and customer relations (KEUR 9,394; previous year: KEUR 10,131), brands (KEUR 8,749; previous year: KEUR 8,792) and development costs (KEUR 16,929; previous year: KEUR 17,534), which are capitalized in the balance sheet. On the balance sheet date, a review was conducted concerning the recoverability of goodwill, brands with an indefinite useful life not yet ready for use as well as the development costs on the basis of the DCF procedure. Based on the expectation for positive results in the future, there is no need for devaluation. If the assumptions do not become reality in the future, there could be a need for devaluation of the goodwill and also of the other intangible assets.

NEXUS AG and its subsidiaries have capitalized deferred taxes from losses carried forward as previously. If it is no longer to be expected that profits can be earned to use the losses carried forward, the valuation would have to be completely or partially reduced. If tax laws change concerning handling of losses, it could become necessary to reduce the capitalized deferred taxes completely or partially.

NEXUS has securities, which are subject to interest and price risks and are consequently watched very closely. Investment options are also considered in this respect. Rate and financial loss risks continue to exist for fixed interest securities due to the volatile markets, which are observed and valuated. The Group has substantial liquid funds in Swiss francs, which are subject to exchange rate risks. Exchange rate risks are also created especially by sales made in Switzerland (Swiss francs) and the resultant receivables, which are subject to exchange rate fluctuations until payment. Payments received in Swiss francs are offset to a great extent by payouts out in Swiss francs, so that the currency risk is reduced here overall. A hedging relation did not exist on the balance sheet cut-off date. Liquidity risks do not exist due to the liquidity reserves and the increasingly smooth payment flows.

The Executive Board of NEXUS AG monitors decisions about the use and risks from the use of financial instruments.

The Group strives to have sufficient means of payment and equivalents for this or have corresponding irrevocable credit lines to fulfill its obligations over the coming years. In addition, the company has authorized capital available for further capital increases.

Effects can result from changes to factors relevant to contracts from conditional purchase prices within the context of company acquisitions.

Internal Monitoring System and Risk Management System with respect to the Group Accounting Process

The internal monitoring and risk management system has the objective with respect to the accounting process to ensure the appropriateness and effectiveness of accounting and financial reporting Group-wide. On-going accounting of domestic subsidiaries is managed decentrally, while the customary year-end reports are mainly composed centrally. Foreign companies draw up local year-end reports, which are checked based on legal regulations or importance voluntarily. The Group year-end report as well as the required adaptations of individual domestic and foreign year-end reports to the International Financial Reporting Standards, as they are to be applied in the EU as mandatory, are done centrally in Donaueschingen. The process of composing the year-end report is monitored centrally by the head of Finances as well as by the Executive Board of NEXUS AG. The dual-check principle is maintained on principle.

Information Relevant to Acquisitions

Composition of Equity Capital and Securities Market Listing

NEXUS AG is listed on the Frankfurt securities market in Prime Standard under securities identification number (WKN) 522090. The subscribed capital in the amount of EUR 15,752,231 is composed of the following: Common stocks: 15,752,231 shares at the accounting par value of EUR 1.00 each. Refer to the German Stock Corporation Law (Subsection 8 ff AktG) for information about the rights and obligations with respect to the individual share certificates. A total of 15,728,675 shares have been issued as of the cut-off date.

In partial utilization of empowerment for the period until 30 April 2021, to increase the share capital once or several times by up to a total of Euro 3,000,000.00 through the issue of up to 3,000,000 new bearer shares against cash or contributions in kind (authorized capital 2016 / I) adopted on 13 May 2016 by the general meeting of NEXUS AG, the Executive Board decided on 14 July 17 with the consent of the Supervisory Board of the same day to increase the share capital of the company against cash under exclusion of subscription rights of shareholders – in favor of employees of NEXUS AG and affiliated companies of NEXUS AG – from 15,735,665.00 by 25,000.00 euros to 15,760,665,00 through the

OUR BIGGEST SITES

IN GERMANY, AUSTRIA, SWITZERLAND, FRANCE, SPAIN, THE NETHERLANDS AND POLAND.

issue of up to 25,000 new bearer shares with a share in the company of 1.00 euro each and with profit entitlement starting from 1 January 2017. The registration of the implementation of the capital increase was made in the commercial register at the Freiburg Register of Companies (Commercial Register No. 602434) on 27 October 2017. Capital stock increased by EUR 16,566.00 to EUR 15,752,231.00. As a result, authorized capital 2016 / I is still EUR 2,983,434.00 after partial exploitation. 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.

Restrictions of the Stocks

There are no restrictions affecting voting rights or transfer of stocks that we are aware of.

Direct or Indirect Shares of Capital

We have not received any notice of direct and indirect shares in capital exceeding 10 of one-hundredth of the voting rights.

Stockholders with Special Rights

There are no stockholders with special rights that grant control rights.

Type of Voting Right Control in the Case of Employee Participations

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

Naming and Dismissing Executive Board Members and Amendments to the Articles of Incorporation

More far-reaching bylaws for naming or dismissing Executive Board members do not exist other than the legally applicable ones. In addition, there are no essential bylaw provisions, which deviate from legal regulations and flexible regulations.

Rights of the Executive Board with respect to the Option of Issuing or Buying Back Stocks Empowerment to Purchase Own Stocks

With its resolution of 12 May 2017, the annual general meeting of NEXUS AG authorized the Executive Board to repurchase up to a total amount of 10 % of the capital until 30 April 2022, which was present in convening the general meeting, i.e., to acquire up to a maximum 1,573,566 shares with the notional par value of EUR 1.00. The Executive Board is authorized under the authorization to redeem the acquired own shares with the approval of the Supervisory Board without further shareholders' resolution as well as the shareholders' subscription rights in the case of use of own shares subject to the detailed provisions published in the Federal Gazette, item 7, on 17 May 2017, of the agenda of annual stockholders meeting of NEXUS AG. The hitherto existing authorization of 18 May 2015 was thus canceled.

The Executive Board is empowered to call in its own stocks purchased based on the granted empowerment with approval of the Supervisory Board and without a further resolution of the general stockholders' meeting. It is also empowered to offer the stocks purchased based on the granted empowerment with approval of the Supervisory Board to a third party within the context of company mergers or at purchase of companies or participating shares in companies. The subscription rights of stockholders to their own stocks are insofar excluded. NEXUS AG started a stock buyback program in 2016.

With the consent of the Supervisory Board, the Executive Board of NEXUS AG resolved to exercise the authorization of 25 October 2016 to purchase up to 200,000 of its own shares (representing 1.27 % of share capital) of the company pursuant to Section 71 para. 1, No. 8 of the Stock Corporation Act (AktG). The authorization is restricted to the time period until 30 April 2020 and limited to 10 % of the equity capital. From this share buy-back program, 26,377 (previous year: 16,056) own shares were purchased (= EUR 26,377 share capital; previous year: EUR 16,056) by 31 December 2017. This corresponds to share capital of 0.1 % (previous year: 0.1 %).

A total of 26,377 shares were purchased valued at an average price of EUR 20.32 as of 31 December 2017.

Authorized Capital

The Executive Board is empowered to increase the capital stock of the company in the period until 30 April 2021 with approval of the Supervisory Board one time or several times up to a total of EUR 3,000,000.00 via issue of new no-par bearer stocks (individual share certificates) against cash and / or capital subscribed in kind (authorized capital 2016). The new shares can also be issued to employees of the company or an affiliated company. The Executive Board shall decide about the conditions of the stock issue subject to approval by the Supervisory Board. The Executive Board is also empowered – subject to approval by the Supervisory Board – to decide about the exclusion of stock rights of stockholders in the following cases:

a) For residual amounts
b) For issue of new stocks to employees of the company or an affiliated company
c) For issue of new stocks against capital subscribed in kind for purchase of companies, company parts or shares in companies

d) At issue of new stocks against cash investment, if the issue amount of the new shares does not fall substantially short of the already the listed price of shares already listed on the securities markets of the same class and same investment at the time of final determination of the issue amount by the Executive Board in the sense of Subsection 203 para. 1 and 2, 186 para. 3 sentence 4 of the German Stock Corporation Law (AktG) and the proportional amount of the capital stock for the new shares does not exceed 10 % of the capital stock existing (EUR 15,735,665.00) at the time of entering this empowerment in the commercial register and – cumulatively – 10 % of the new stocks existing at the time of the issue, for which the subscription right was excluded. The proportional share of capital stock is to be deducted at the highest limit of 10 % of capital stock, which applies to the new or repurchased shares, which were issued or sold since entry of this empowerment in the commercial register with simplified purchase right exclusion pursuant or corresponding to Section 186 para. 3 sentence 4 of the German Stock Corporation Law (AktG) as well as the proportional share of capital stock, which refers to the option and / or conversion rights from option and / or convertible bonds and / or conversion requirements, which were issued or sold since entry of this empowerment in the commercial register pursuant to Section 186 para. 3 sentence 4 of the German Stock Corporation Law (AktG).

Conditional Capital

The capital stock of the company was increased conditionally by EUR 1,400,000.00 via issue of up to 1,400,000 registered share certificates with an accounting par value of EUR 1.00 each (Conditional Capital 2012). The conditional capital serves for securing purchase rights from stock options, which were granted based on the empowerment of the annual general meeting of NEXUS AG on 23 May 2012. The conditional capital increase will only be carried out insofar as stock options are issued and the owners of these stock options use their subscription rights and the company offers its own stocks not in fulfillment of subscription rights.

Essential Agreements, Which Are Subject to a Control Change due to a Takeover Offer

There are no essential agreements of the company, which are subject to a control change due to a takeover offer.

Compensation Agreements

Compensation agreements of the company, which have been concluded with the members of the Executive Board or employees in the case of a takeover offer, do not exist.

Main Features of the Remuneration System for the Executive Board

The Supervisory Board of NEXUS AG sets the structure and amount of remuneration to the Executive Board members. The remuneration system for the Executive Boards is based on the principles of orientation to performance and result and is composed of a success-independent base payment as well as success-dependent components. Criteria for the appropriateness of the remuneration to each Executive Board member especially include the responsibilities of the respective Executive Board member, his personal performance, the economic situation, and the success and future outlook of company under consideration of the market environment. In addition, the Group maintains a pecuniary loss insurance policy for its executive body members (i.e., a directors' and officers' liability insurance policy).

The success-independent base remuneration is composed of a fixed sum, paid in 12 monthly payments, and nonmonetary compensation, which equal the value of company car use in line with tax stipulations. For the employee pension scheme, the Group also makes payments into a life insurance policy and a pension fund.

The success-independent components include an annually recurring component linked to company success and a component with a long-term stimulus effect and risk character in the form of a bonus. The annually recurring components are oriented to the EBIT of the NEXUS Group. The component with long-term incentive effect is linked to the development of the stock price of NEXUS AG.

The following persons were on the Executive Board as of 31 December 2017:

+ Dr. Ingo Behrendt, Chief Executive Officer
+ Ralf Heilig, Sales and Marketing Manager
+ Edgar Kuner, Development Manager

Remuneration Report

Stock-based compensation was agreed upon with the Executive Board members in May 2014. Dependent on the increase in company value, it is composed of max. 160,000 shares, which will become due during the term and are based on the development of stock prices between 2015 and 2017 (AOP 2015-2017). The adjusted future value was KEUR 788 at the time of granting. As of 31 December 2017, the Executive Board has a right to 160,000 shares of stock due to increase in the company's value. Since these are to be paid from own shares, which are still to be repurchased, the entitlements were deferred.

In January 2018, new contracts were concluded with the members of the Executive Board consisting of a fixed remuneration and a variable remuneration. Share-based compensation based on the performance of Nexus shares for the years 2018 to 2020 is expected to be agreed with the Executive Board in May 2018.

There are no promises concerning compensation to Executive Board members in the case of leaving the board prematurely.

Compensation of the Executive Board is as follows:

Inflow (in KEUR)	Dr. Ingo Behrendt Chief Executive Officer			Ralf Heilig Chief Sales Officer			Edgar Kuner Chief Development Officer		
	2017	2017 (Min)	2017 (Max)	2017	2017 (Min)	2017 (Max)	2017	2017 (Min)	2017 (Max)
Fixed remuneration	307	307	307	170	170	170	160	160	160
Incidental benefits	12	12	12	14	14	14	9	9	9
Total	**319**	**319**	**319**	**184**	**184**	**184**	**169**	**169**	**169**
Annual variable remuneration	250	0	250	80	0	80	70	0	70
Multi-annual variable remuneration									
LIP 2015-2017	0	0	0	0	0	0	0	0	0
Total	**250**	**0**	**250**	**80**	**0**	**80**	**70**	**0**	**70**
Pension costs	18	18	18	6	6	6	6	6	6
Total compensation	**587**	**337**	**587**	**270**	**190**	**270**	**239**	**175**	**239**

Granting in 2017 (in KEUR)	Dr. Ingo Behrendt Chief Executive Officer			Ralf Heilig Chief Sales Officer			Edgar Kuner Chief Development Officer		
	2017	2017 (Min)	2017 (Max)	2017	2017 (Min)	2017 (Max)	2017	2017 (Min)	2017 (Max)
Fixed remuneration	307	307	307	170	170	170	160	160	160
Incidental benefits	12	12	12	14	14	14	9	9	9
Total	**319**	**319**	**319**	**184**	**184**	**184**	**169**	**169**	**169**
Annual variable remuneration	250	0	250	80	0	80	70	0	70
Multi-annual variable remuneration									
LIP 2015-2017	0	0	0	0	0	0	0	0	0
Total	**250**	**0**	**250**	**80**	**0**	**80**	**70**	**0**	**70**
Pension costs	18	18	18	6	6	6	6	6	6
Total compensation	**587**	**337**	**587**	**270**	**190**	**270**	**239**	**175**	**239**

Compensation of the Supervisory Board

The general stockholders meeting of NEXUS AG sets the structure and amount of remuneration to the Supervisory Board members; this is regulated in the bylaws of NEXUS AG. The remunerations are based on the tasks and responsibilities of the Supervisory Board members as well as on the business success of the Group. Every Supervisory Board member receives an annual payment, which is composed of fixed and variable amounts. The fixed remuneration for the Supervisory Board chairperson is EUR 15,000 and EUR 11,000 for the other Supervisory Board members. In addition, result-dependent variable compensation is granted, which is maximum EUR 15,000 for the Supervisory Board chairperson and maximum EUR 5,000 for the other Supervisory Board members. The chairpersons in other committees are granted additional EUR 1,000.

The following persons are members of the Supervisory Board:

+ Dr. jur. Hans-Joachim König, Singen; Chairperson
+ Prof. Dr. Ulrich Krystek, Hofheim; Deputy Chairperson
+ MBA (FH) Wolfgang Dörflinger, Constance
+ Prof. Dr. Alexander Pocsay, St. Ingbert
+ Gerald Glausauer, Business Economist, Schwäbisch Hall
+ Prof. Dr. Felicia M. Rosenthal, Freiburg

The overall remuneration of the Supervisory Board amounted to KEUR 112 (previous year: KEUR 112). In addition to their work in the Supervisory Board, the members of the Supervisory Board provide services themselves or via companies affiliated with them for the NEXUS AG and invoice them in line with customary market conditions. In 2017, the expenses for such service fees amounted to KEUR 72 (previous year: KEUR 81). In addition, the Group maintains a pecuniary loss insurance policy for its executive body members (i.e., a directors' and officers' liability insurance policy).

Declaration about Company Management as well as Compliance Statement

The declaration about company management as well as compliance statement pursuant to Section 161 of the German Stock Corporation Law (AktG) have been published at the company website at www.nexus-ag.de – Companies – Investor Relations – Corporate Governance.

Non-Financial Group Declaration

The Non-Financial Group Declaration in accordance with Subsections 315b-315c of the German Commercial Code (HGB) in conjunction with Subsections 289c-289e HGB was published on the company website www.nexus-ag.de – Company – Investor Relations – Non-Financial Group Declaration.

Summarized Depiction of the Chance and Risk Situation of the NEXUS Group

NEXUS AG as well as all subsidiaries work according to a uniform method of chance / risk analysis and chance / risk management. Early detection of risks is given decisive importance in this. The monitoring of risks by unambiguous key figures (sales, result before taxes, relative market position) enables a clear assessment of the significance.

From the perspective of individual risks and from an overall risk position, it can currently be seen that the continued existence the company is not endangered. At the same time, management sees considerable chances to expand sales in the market segment of the NEXUS Group.

Forecast Report 2018

Digitalization will remain a core political and economic issue in Europe in 2018. This applies especially to IT in hospitals. IT budgets are increasing, and far-reaching digitalization concepts are being developed in many companies. This very positive development is only dampened by the lack of potential for implementation in hospitals. In most of these hospitals, there is a lack of staff and organizational strength to achieve ambitious digitalization goals. For this reason, we do not currently see a surge in demand for new solutions. The willingness to replace systems, for which no further development potential is expected, remains low.

However, we are convinced that this reluctance will gradually dissipate. Technological development supports this trend. The transformation to cloud solutions and a stronger focus on micro-services will facilitate the implementation of a new technological vision for customers. This is important, because healthcare institutions are now more than ever required to optimize their processes by means of software and realize potential savings. Outmoded systems must be replaced step by step and replaced by new digital processes. Consequently, we assume that old systems will be replaced increasingly in the next few years, especially in Germany.

Due to our strong product position, however, we are also able to achieve growth in a less dynamic market environment. We have demonstrated this repeatedly in recent years. Consequently, we intend to continue this development in 2018.

In addition to the further introduction of our NEXUS / NEXT GENERATION software and many large customer projects, we will also intensively work on integrating recent company acquisitions. Collaboration between the units and the national subsidiaries creates additional synergy potential, which we urgently want to exploit.

Clear allocation of these measures to earnings figures is not yet possible at this time. Independent of this, in our planning we expect all key financial performance indicators to continue to show significant increases for the NEXUS Group, the Healthcare Software and Healthcare Service segments in 2018. This applies to sales and earnings before taxes. A slight improvement in the relative market position in the relevant markets is part of this. Our planning takes into account further investments in internationalization, the expansion of our product range and – if necessary – the acquisition of company shares.

NEXUS AG
Donaueschingen, 5 March 2018
The Executive Board

Dr. Ingo Behrendt
Ralf Heilig
Edgar Kuner

"Every operation requires your full concentration. We ensure that you do not have to worry about sterile instruments."

NEXUS – MEDICINE IN FOCUS

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2017 AND 31 DECEMBER 2016

ASSETS		31/12/2017	31/12/2016
	APPENDIX	KEUR	KEUR
LONG-TERM ASSETS			
Goodwill	4	49,314	46,951
Other intangible assets	4	35,804	37,168
Fixed (Intangible) assets	5	9,407	8,508
Shares in companies valuated at equity	6	31	34
Deferred tax assets	8/25	2,169	3,085
Other financial assets	10	225	288
Total of Long-Term Assets		**96,950**	**96,034**
SHORT-TERM ASSETS			
Inventories	7	574	1,201
Trade receivables and other receivables	9	21,686	20,132
Receivables from tax on profits		783	904
Other non-financial assets	11	2,196	2,096
Other financial assets	10	705	418
Short-term financial assets	10	1,849	2,933
Cash and balance in bank		26,536	15,923
Total of Short-Term Assets		**54,329**	**43,607**
Balance Sheet Total		**151,279**	**139,641**

EQUITY AND LIABILITIES		31/12/2017	31/12/2016
	APPENDIX	KEUR	KEUR
EQUITY CAPITAL	**12**		
Subscribed capital		15,752	15,736
Capital reserves		34,953	34,307
Retained earnings		48,202	42,414
Consolidated surplus		9,832	8,146
Other cumulated Group result		-6,204	-4,755
Own shares		-419	-244
EQUITY CAPITAL ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT COMPANY		**102,116**	**95,604**
Shares of non-controlling partners		893	198
Total Equity Capital		**103,009**	**95,802**
LONG-TERM DEBTS			
Pension obligations	13	10,515	11,574
Deferred tax liabilities	8/25	6,236	5,628
Other financial debts	15	5,148	4,521
Total of Long-Term Debts		**21,899**	**21,723**
SHORT-TERM DEBTS			
Accruals	14	2,240	978
Trade accounts payable	15	5,607	5,678
Liabilities from tax on profit	15	1,126	2,082
Deferred revenue	15	2,391	2,120
Other non-financial debts	15	7,625	6,293
Other financial debts	15	7,382	4,965
Total of Short-Term Debts		**26,371**	**22,116**
Balance Sheet Total		**151,279**	**139,641**

GROUP PROFIT AND LOSS ACCOUNT FROM 1 JANUARY TO 31 DECEMBER 2017 AND 2016

	Appendix	2017	2016
		KEUR	KEUR
Revenue	17	119,083	107,051
Development work capitalized		5,058	5,444
Other operating income	18	2,560	3,443
Cost of materials including purchased services	19	19,364	17,330
Personnel costs	20	67,549	63,895
Depreciation		10,402	10,092
Other operating expenses	21	16,067	13,695
OPERATING RESULT		**13,319**	**10,926**
Result from investments valuated at equity	22	-3	3
Finance Income	23	77	70
Finance Expenses	24	111	91
RESULT BEFORE TAX ON PROFIT		**13,282**	**10,908**
Taxes on profit	25	3,126	2,297
CONSOLIDATED SURPLUS		**10,156**	**8,611**
of the consolidated surplus, accounted to:entfallen auf:			
- Stockholders of NEXUS AG		9,832	8,146
- Shares of non-controlling partners		324	465
CONSOLIDATED NET EARNINGS PER SHARE			
Weighted average (undiluted/diluted) of issued shares in circulation (in thousands)		15,719 / 15,879	15,731 / 15,781
Undiluted / diluted	26	0.63 / 0.62	0.52 / 0.52

GROUP STATEMENT OF COMPREHENSIVE INCOME FROM 1 JANUARY 2017 TO 31 DECEMBER 2017 AND 2016

	2017	2016
	KEUR	KEUR
Consolidated surplus	**10,156**	**8,611**
OTHER COMPREHENSIVE INCOME:		
POSITIONS, WHICH ARE NEVER RECLASSIFIED IN PROFIT OR LOSS		
Actuarial profits and losses	554	152
Tax effects	-157	-21
	397	**131**
POSITIONS, WHICH WERE NEVER OR NEVER CAN BE RECLASSIFIED IN PROFIT OR LOSS		
Currency conversion differences	-1,868	146
	-1,868	**146**
Other comprehensive income after taxes	**-1,471**	**277**
OVERALL RESULT OF THE PERIOD	**8,685**	**8,888**
of the overall result of the period, accounted to:		
– Stockholders of NEXUS AG	8,383	8,432
– Shares of non-controlling partners	302	456

CONSOLIDATED CASH FLOW STATEMENT FROM 1 JANUARY TO 31 DECEMBER 2017 AND 2016

		2017	2016
	APPENDIX	KEUR	KEUR
1. CASH FLOW FROM CURRENT BUSINESS TRANSACTIONS	**28**		
Group annual result before tax on income		13,282	10,908
Write-offs (+) / write-ups (-) on intangible assets, tangible assets and financial assets	4/5	10,402	10,092
Other expenses not affecting payment (+) / revenue (-)		-3,512	-846
Increase (-) / decrease (+) in inventories	7	642	-265
Gain (-) / loss (+) on disposal of fixed assets and securities		161	149
Increase (-) / decrease (+) in receivables and other assets from operating activities		2,062	2,632
Increase (+) / decrease (-) of accruals insofar as not entered in other comprehensive income	13/14	-488	398
Increase (+) / decrease (-) in liabilities from operating activities		1,114	-5,345
Paid interest (-)		-61	-57
Received interest (+)		77	70
Taxes on profit paid (-)		-2,020	-1,331
Taxes on profit received (+)		18	137
		21,677	**16,542**
2. CASH FLOW FROM INVESTMENT ACTIVITIES	**29**		
Payments (-) for investments in intangible and fixed assets	4/5	-8,088	-10,451
Payments (-) for the acquisition of companies consolidated minus cash acquired	3	-2,405	-5,925
Payments (-) / receipts (+) from the acquisition/disposal of short-term financial assets	33	1,077	35
		-9,416	**-16,341**
3. CASH FLOW FROM FINANCING ACTIVITIES	**30**		
Receipts (+) from the issue of new shares in a capital increase		400	0
Dividends paid (-)		-2,358	-2,202
Payments (-) for the acquisiton of own shares		-239	-296
Receipts (+) from the sale of own shares		64	89
		-2,133	**-2,409**
Cash relevant changes in cash and cash equivalents (sum of 1 + 2 + 3)		10,128	-2,208
Exchange rate changes on cash and cash equivalents		485	-54
Cash and cash equivalents at beginning of period		15,923	18,185
Cash and cash equivalents at end of period		**26,536**	**15,923**
COMPOSITION OF CASH AND CASH EQUIVALENTS			
Liquid funds		26,536	15,923
		26,536	**15,923**

"Time is a precious commodity in medical care. We provide you with a little bit more of it."

NEXUS – MEDICINE IN FOCUS

GROUP STATEMENT OF CHANGES IN EQUITY FROM 1 JANUARY 2017 TO 31 DECEMBER 2017

	Subscribed capital	Capital reserves	Retained earnings	Annual net profit
	KEUR	KEUR	KEUR	KEUR
CONSOLIDATED EQUITY AS OF 1 JANUARY 2016	**15,736**	**34,044**	**37,034**	**7,583**
Posting of consolidated surplus 2015 in the Group profit carried forward			7,583	-7,583
Actuarial profits and losses				
Deferred taxes entered in other comprehensive income				
Currency differences			-1	
OTHER COMPREHENSIVE INCOME AFTER TAXES	**0**	**0**	**-1**	**0**
Consolidated surplus 2016				8,146
OVERALL RESULT OF THE PERIOD	**0**	**0**	**-1**	**8,146**
Dividend payment			-2,202	
Purchase of own shares				
Sale of own shares				
Stock-Based Payment		263		
Revision of authorized capital at the Annual General Meeting of 13 May 2016				
CONSOLIDATED EQUITY AS OF 31 DECEMBER 2016	**15,736**	**34,307**	**42,414**	**8,146**
CONSOLIDATED EQUITY AS OF 1 JANUARY 2017	**15,736**	**34,307**	**42,414**	**8,146**
Posting of consolidated surplus 2016 in the Group profit carried forward			8,146	-8,146
Actuarial profits and losses				
Deferred taxes entered in other comprehensive income				
Currency differences				
OTHER COMPREHENSIVE INCOME AFTER TAXES	**0**	**0**	**0**	**0**
Consolidated surplus 2017				9,832
OVERALL RESULT OF THE PERIOD	**0**	**0**	**0**	**9,832**
Dividend payment			-2,358	
Purchase of own shares				
Sale of own shares				
Increase of capital stock	16	384		
New minority interests				
Share-Based Payment		262		
CONSOLIDATED EQUITY AS OF 31 DECEMBER 2017	**15,752**	**34,953**	**48,202**	**9,832**

	Equity capital difference from currency conversion	Pension reserves	Own shares	Equity capital attributable to stockholders of the parent company	Shares of non-controlling partners	Equity capital total	Authorized Capital
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
	2,585	-7,627	-37	89,318	-258	89,060	5,722
				0		0	
		160		160	-8	152	
		-24		-24	3	-21	
	242	-91		150	-4	146	
	242	45	0	286	-9	277	0
				8,146	465	8,611	
	242	45	0	8,432	456	8,888	0
				-2,202		-2,202	
			-296	-296		-296	
			89	89		89	
				263		263	
				0		0	-2,722
	2,827	-7,582	-244	95,604	198	95,802	3,000
	2,827	-7,582	-244	95,604	198	95,802	3,000
				0		0	
		549		549	5	554	
		-156		-156	-1	-157	
	-1,938	96		-1,842	-26	-1,868	
	-1,938	489	0	-1,449	-22	-1,471	0
				9,832	324	10,156	
	-1,938	489	0	8,383	302	8,685	0
				-2,358		-2,358	
			-239	-239		-239	
			64	64		64	
				400		400	-16
				0	393	393	
				262		262	
	889	-7,093	-419	102,116	893	103,009	2,984

Group Appendix for the Business Year 2017

1. General Information

NEXUS Group (hereafter referred to as NEXUS) develops and sells software and hardware solutions with its corporate divisions "Healthcare Software" and "Healthcare Service" and provides IT services, especially for customers in the health care system. The Group focuses in the area of "Healthcare Software" on information systems for hospitals and psychiatric, rehabilitation and welfare institutions. The "Healthcare Service" unit provides IT services for IT operation, especially in the healthcare system. NEXUS AG is the highest-ranking parent company.

Nexus AG is registered in the commercial registry of the Freiburg local court under number HRB 602434. NEXUS AG is a stock corporation listed on the securities market and in the Prime Standard segment. This Group Financial Report was drawn up by the Executive Board and approved for forwarding to the Supervisory Board on 5 March 2018. Publication is after checking and approving by the Supervisory Board on 6 March 2018.

The registered business address of NEXUS AG is:
Irmastrasse 1, 78166 Donaueschingen, Germany

List of the consolidated subsidiaries, joint ventures and affiliated companies		31/12/2017	31/12/2016
Full consolidation	**Country**	**Capital share in %**	
NEXUS Digitale Dokumentationssysteme Projektentwicklungsges.m.b.H., Vienna	Austria	100.00	100.00
NEXUS / Deutschland GmbH, Donaueschingen [1)]	Germany	100.00	100.00
NEXUS . IT GmbH SÜDOST, Singen Hohentwiel	Germany	50.20	50.20
NEXUS / CMS GmbH, Donaueschingen [1)]	Germany	100.00	100.00
NEXUS Medizinsoftware und Systeme AG, Altishofen [2)]	Switzerland	100.00	99.98
syseca informatik ag, Lucerne	Switzerland	100.00	100.00
NEXUS / INOVIT GmbH, Ismaning	Germany	100.00	100.00
NEXUS / CIS GmbH, Singen Hohentwiel [1)]	Germany	100.00	100.00
NEXUS / DIS GmbH, Frankfurt am Main [1)]	Germany	100.00	100.00
NEXUS Schweiz GmbH, Schwerzenbach [3)]	Switzerland	100.00	100.00
NEXUS / QM GmbH, Ismaning [1)]	Germany	100.00	100.00
NEXUS / REHA GmbH, Donaueschingen	Germany	100.00	100.00
Flexreport AG, Wallisellen [4)]	Switzerland	-	100.00
NEXUS / CSO GmbH, Donaueschingen [1)]	Germany	100.00	100.00
VEGA Software GmbH, Aachen [5)]	Germany	100.00	60.00
Domis Consulting AG, Altishofen	Switzerland	100.00	100.00
Synergetics AG, Altishofen [6)]	Switzerland	60.00	60.00
NEXUS / OPTIM S.A.S., Grenoble	France	100.00	100.00
E&L medical systems GmbH, Erlangen [1)]	Germany	100.00	100.00
ASS.TEC Beratungsgesellschaft für Anwendungen, Systeme, Strategien und Technologien mbH, Donaueschingen	Germany	100.00	100.00
ProLohn GmbH, Singen	Germany	51.00	51.00
Marabu EDV-Beratung und -Service GmbH, Berlin [7)]	Germany	100.00	100.00
CS3I S.A.S., Creuzier-le-Neuf [8)]	France	100.00	100.00
NEXUS Nederland B.V., Nieuwegein [9)]	Netherlands	100.00	100.00
NEXUS Nederland Holding B.V., Nieuwegein [9)]	Netherlands	–	100.00
nexus / switspot GmbH, Neckarsulm [10)]	Germany	100.00	100.00
NEXUS SISINF SL, Sabadell [10)]	Spain	100.00	100.00
IBH Datentechnik GmbH, Kassel	Germany	100.00	100.00
CHILI GmbH, Dossenheim	Germany	51.19	–
highsystem ag, Zurich [11)]	Switzerland	95.00	–
Equity consolidation			
G.I.T.S. Gesundheitswesen IT-Service GmbH Fürstenfeldbruck, Fürstenfeldbruck	Germany	49.00	49.00
Palladium-med GmbH, Berlin	Germany	20.00	20.00

[1)] Use of the exemption rule pursuant to Section 264 Clause 3 of the German Commercial Code.
[2)] NEXUS AG purchased the remaining 0.02 % of the shares in the already existing subsidiary NEXUS Medizinsoftware und Systeme AG, Altishofen, on 18 August 2017.
[3)] The shares are held indirectly via NEXUS Medizinsoftware und Systeme AG, Altishofen.
[4)] Flexreport AG, Altishofen, was acquired by syseca informatik ag, Altishofen, as of 1 January 2017 by way of a merger agreement dated 3 April 2017.
[5)] NEXUS AG purchased the remaining 40.0 % of the shares in the already existing subsidiary VEGA Software GmbH, Aachen, on 12 December 2017.
[6)] The shares are held indirectly via Domis Consulting AG, Altishofen.
[7)] Share under company law is only 95.5 %. There is an option agreement for the remaining 4.5 %.
[8)] The shares are held indirectly via NEXUS / OPTIM S.A.S., Grenoble.
[9)] NEXUS Nederland Holding B. V., Nieuwegein, was merged into NEXUS Nederland B. V., Nieuwegein, with effect from 1 January 2017 by way of a merger agreement dated 30 December 2017.
[10)] Share under company law is only 90.0 %. There is an option agreement for the remaining 10.0 %.
[11)] The shares are held indirectly via Domis Consulting AG, Altishofen. Share under company law is only 80.0 %. There is an option agreement for the remaining 15.0 %.

2. Accounting and Valuation Method

2.1 Principles for Creating the Annual Statement

This Group Financial Report has been prepared in keeping with the provisions of International Accounting Standards Board (IASB) required by the European Union following the balance sheet cut-off date in accordance with Section 315e para. 1 of the German Commercial Code (HGB) and the supplementary commercial law regulations. It is in keeping with the provisions of International Financial Reporting Standards (IFRS) applicable on the cut-off date, including the still applicable International Accounting Standard (IAS) and supplementary interpretations (IFRIC and SIC). All applicable IFRS and IFRIC were considered for the fiscal year 2017. Standards and interpretations of IASB, which are not applicable yet, have not been adopted.

Report Currency
The Group Financial Statement is shown in euros. If not otherwise noted, all values are rounded to thousands (KEUR).

Consolidation Group
In addition to the NEXUS AG as parent company, all operatively active domestic and foreign subsidiaries are included in the Group Financial Statement, for which NEXUS AG has the majority of voting rights directly or indirectly. Two affiliated companies were included in the balance sheets according to the equity method.

Consolidation Principles
All companies included as of 31 December 2017 drew up their Annual Financial Reports as of 31 December. These are shown in uniformly prepared, consolidation-capable financial reports in line with the International Financial Reporting Standards (IFRS) as they must be adopted in the European Union. Group-internal business transactions are eliminated thereafter.

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

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

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

The operating result shares, which other companies are entitled to, are shown separately below the consolidated surplus according or their shares are shown as separate positions within equity capital. Assets and debts of foreign subsidiaries, whose functional currency is not the euro, were converted according to the rules of IAS 21. The functional currency is the respective country currency for all companies. The balance sheets of the Group Companies in Switzerland are accordingly converted with the cut-off date exchange rate of 1.1693 CHF/EUR (previous year: 1.0750 CHF/EUR), the Profit and Loss Account with the average exchange rate of 1.1117 CHF/EUR (previous year: 1.0902 CHF/EUR), and the equity capital at historic rates. Any conversion differences resulting from that are entered in the other result in equity capital without effect on net income. The same applies to conversion differences within the context of debt consolidation insofar as it is a question of chargeable receivables and loans, which are to be considered as net investment in a foreign business operation according to IAS 21.32. All other conversion differences, which occur during debt consolidation, are entered with effect on profit.

2.2 Changes of the Accounting and Valuation Method

The adopted accounting and valuation methods correspond in principle to the methods used in the previous year. However, the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have decreed the adjustment of existing standards as well as a few new interpretations. All applicable International Accounting Standards (IAS) as well as IFRS and IFRIC were considered for the fiscal year 2017. The new or modified standards or interpretations are displayed in the following table, which were used by NEXUS in the fiscal year or were not used admissibly.

New, currently valid requirements

Standard / Interpretation	Title of the Standard / Interpretation or Amendments	Applicable for Business years starting from	Effects on the NEXUS Consolidated Financial Statements
Amendments to IAS 7	Appendix information concerning the flow-of-funds analysis	1 January 2017	No effects
Amendments to IAS 12	Balancing account of deferred taxes at losses carried forward	1 January 2017	No effects
Improvements to IFRS 2014 – 2016	Amendments to IFRS 12	1 January 2017	No effects

Future Requirements

Standard / Interpretation	Title of the Standard / Interpretation or Amendment	Application for Business years starting from [1]	Effects on the NEXUS Consolidated Financial Statements
EU endorsement has been given by the date of release for publication			
IFRS 9	Financial instruments	1 January 2018	Cf. below
IFRS 15	Revenues from contracts with customers	1 January 2018	Cf. below
IFRS 16	Leasing	1 January 2019	Cf. below
Amendments to IFRS 2	Classification and valuation of share-based payments	1 January 2018	Effects still to be determined
Amendments to IFRS 4	Application of IFRS 9 Financial Instruments and IFRS 4 Insurance Contracts	1 January 2018	No effects
Amendments to IFRS 15	Clarifications to IFRS 15	1 January 2018	Cf. below
Improvements to IFRS 2014 - 2016	Amendments to IFRS 1 and IAS 28	1 January 2018	No effects
EU Endorsement is still pending			
IFRS 14	Regulatory deferrals	EU endorsement postponed indefinitely	No effects
IFRS 17	Insurance Contracts	1 January 2021	No effects
Amendments to IFRS 9	Financial assets with a negative prepayment penalty	1 January 2019	Effects still to be determined
Amendments to IFRS 10 and IAS 28	Selling or investing assets between an investor and an associated companies or joint ventures	EU endorsement postponed indefinitely	No effects
Amendments to IAS 28	Long-term investments in affiliated companies and joint ventures	1 January 2019	Effects still to be determined
Amendments to IAS 40	Transfers of real estate held as financial investment	1 January 2018	No effects
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1 January 2018	No effects
IFRIC 23	Uncertainty regarding income tax treatment	1 January 2019	Effects still to be determined
Improvements to IFRS 2015 – 2017	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23	1 January 2019	Effects still to be determined

[1] NEXUS plans initial application pursuant to legal requirements.

FRS 9 – Financial Instruments

IFRS 9 issued in July 2014 replaces the existing guidelines in IAS 39 Financial Instruments: Strategy and Valuation IFRS 9 contains revised guidelines for the classification and measurement of financial instruments, including a new model of expected credit losses to calculate the impairment of financial assets as well as the new general accounting rules for hedging transactions. It also adapts the guidelines for entering and writing off financial instruments from IAS 39.

The Group intends to apply the fully retrospective method for the transition. The conversion to the new standard has not yet been completed and the conversion effects are currently being analyzed, but these cannot yet be reliably determined yet.

The Group is required to apply IFRS 9 Financial Instruments as of 1 January 2018.

IFRS 15 – Revenue from customer contracts/Amendments to IFRS 15

IFRS 15 Revenue from Contracts with Customers establishes a comprehensive framework for determining whether, to what extent and at what time revenue is recognized. It replaces existing guidelines for the recognition of revenue, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

The Group is required to apply IFRS 15 Financial Instruments as of 1 January 2018.

The Group has decided to apply in its consolidated financial statements the modified retrospective method, according to which the cumulative adjustment amounts for 1 January 2018 in its consolidated financial statements during the transition to IFRS 15. The Group had not yet completed its implementation project for the accounting of the proceeds contracts with customer as of 31 December 2017. The analysis of possible changes is currently underway and will probably be presented in the Financial Report Q1/2018.

IFRS 16 – Leases

On 13 January 2016, IASB published the new standard IFRS 16 (Leases). IFRS 16 abolishes the previous classification of leases based on leasing contracts on the lessee side in operating and finance leases. Instead, IFRS 16 introduces a uniform accounting model under which lessees are required to recognize assets for the right of use and lease liabilities for lease contracts with a term of more than twelve months. As a result, previously unrecognized leases must be recognized in the balance sheet in the future – largely comparable to the current accounting treatment of finance leases. IFRS 16 must be applied for fiscal years beginning on or after 1 January 2019; early application is permitted if IFRS 15 has already been applied. NEXUS AG will apply the standard for the fiscal year beginning on 1 January 2019. A decision has not yet been made as to which transition method should be used.

The Group is currently analyzing the effects of the application of the standard. The financial impact of the adoption of the new standard depends on the leases in force at the time of application of the standard. Our operating profit is expected to increase, because costs that were previously reported as rental expenses are now partially recognized as interest expenses. We also assume that the balance sheet total will increase and the equity ratio will decrease, because assets from a right of use or lease liabilities must be recognized for matters that were not previously reflected in the balance sheet. A reliable estimate of the effects on the consolidated financial statements as a whole is not yet possible.

2.3 Essential discretionary decisions, assessments and assumptions

The most important discretionary decisions with respect to the future as well as any other essential sources of estimate uncertainties on the cut-off date, based on which a substantial risk exists that a substantial adjustment of accounting value of asset values and liabilities will be required, are explained below.

Impairment of intangible assets

The Group tests at least once a year whether goodwill, brands with indefinite useful lives and development costs that are not yet ready for use are impaired. This requires estimation of the achievable amount of the cash-generating units, to which these intangible assets are allocated.

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

Identified Customer Relations and Technology at Company Acquisitions

The adjusted current value of the acquired maintenance contracts (customer relations) and acquired technology at the time of the company acquisitions was determined on the basis of estimated benefits, especially on the basis of future expected payment surpluses discounted by an appropriate interest rate and written off over the expected time of use based on an assumed annual loss of customers. The market value of acquired technology at the date of acquisition is determined on the basis of a cost-oriented method and amortized over its expected useful life.

Brand Rights Identified at Company Acquisitions

The market value of acquire brand rights was calculated based on the license price analogy method. In this context, the value of the intangible asset was calculated as present value of saved license payments. To this end, which customary market license payments would be due fictitiously if the intangible asset in question were the property of a third party. The fictitious post-tax license payments are discounted with an appropriate interest rate on the valuation key date.

Contractual contingent purchase prices for companies acquired

At the time of the acquisition of companies, contingent purchase prices can be contractually agreed with the seller. The adjusted market value (stage 3) is calculated based on the planned sales and/or earnings and determined anew by the growth forecast each year. This value is discounted over its duration with a reasonable interest rate.

Non-controlling interests in company acquisitions

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

Development Costs

Development costs are capitalized in line with the balance sheet and valuation method explained in Appendix position 2.4. The future course of benefits of the self-created developments is to be estimated for determining the depreciation type and period of capital expenditure for manufacturing costs.

Deferred tax assets on losses carried forward

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

Pensions and Other Claims Payments after Termination of Employment

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

2.4 Summary of the Essential Accounting and Valuation Method Classification

Balance Sheet Format

Asset and debt positions in the balance sheet are classified according to their time to maturity. The Profit and Loss Account was drawn up according to the total cost type of short-term results accounting.

Financial Instruments

A financial instrument is a contract, which at the same results in creation of financial asset for one company and creation of financial liability or an equity capital instrument for another company. The financial instruments shown in the balance sheet (financial assets and financial liabilities) in the sense of IAS 32 and IAS 39 cover specific financial assets, trade account receivables, participating shares, securities, liquid funds, short-term loans, trade account payables as well as certain other assets and liabilities based on contractual agreements. In line with IAS 39, financial assets and liabilities are classified in the following categories:

a) Financial liabilities, which are valued at cost less depreciation (FLAC)
b) Financial assets/liabilities (FVTPL (HfT)) (kept for trading purposes) affecting net income at market value
c) Financial assets available for sale (AfS)
d) Loans and receivables (LaR) extended by the NEXUS Group

At the initial entry on the balance sheet, these financial assets or liabilities are entered with their market value plus transaction price. Entry is on the trading day on principle. Subsequent assessment varies for the different categories of financial assets or liabilities and is described within the context of the accounting methods of the respective balance sheet positions. Equity derivative financial instruments, especially securities, are entered in the position for sale of available financial assets. Profits and losses from changes of the fair market value of financial assets available for disposal are entered under other revenue in equity capital. Although the Group is active internationally, most of its business is in Europe and consequently it only has limited market risks due to changes of exchange rates. With respect to financial assets valuated on carried forward procurement costs, it is first determined whether an objective indication exists for decrease in value of financial assets, which are significant in themselves, individual and for financial assets, which are not significant in themselves and exist individually or jointly. Indicators here are especially defaults. If the Group determines that there is no objective indication of a decrease in value for one single examined financial asset, it includes the asset in a group of financial assets with comparable default risk profiles and examines them together for decrease in value. Assets, which are examined individual for decrease in value and for which the value is adjusted or which is still entered, are not included in a joint assessment of decrease in value. If there are objective indications that a decrease in value has occurred, the amount of the decrease in value loss is the difference between the book value of the asset and the cash value of the expected future cash flows.

The book value of the asset is reduced using a value adjustment account and the decrease in value loss is entered affecting the result. At final loss, the asset is written off with simultaneous use of the valuation adjustment account.

Intangible Assets

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

Self-procured intangible assets are not capitalized with exception of capitalized development costs. Costs connected with that are recorded as affecting operational results in the period, in which they occur. Whether intangible assets have a limited or unspecified utilization period must be determined first. Intangible assets with limited utilization period are written off over the useful economic life and examined for possible decrease in value. The depreciation period and the depreciation method are checked for an intangible asset with a limited utilization period at least until the end of each fiscal year. If the expected utilization period of the asset changed, a different depreciation period or a different depreciation method is selected. Such changes are treated as changes of an estimate. Write-offs on intangible assets with limited period of use are shown in the Profit and Loss Account under amortizations. Impairment tests are conducted for intangible assets with limited utilization period at least once per year. These intangible assets are not written off systematically. The utilization period of an intangible asset with unspecified utilization period is checked once annually to determine whether the estimate of an unspecified utilization period remains justified. If this is not the case, the estimate is changed from an unspecified utilization period to a limited utilization period on a tentative basis. Profits or losses from the writing off of intangible assets are determined from the net capital gain and the accounting value of the asset and are entered affecting operational results in the period, in which the item was written off. The intangible assets contain maintenance contracts/customer relations, brands, software, technologies, goodwill and development costs.

a) Maintenance Contracts, Customer Relations

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

b) Software

Software is capitalized with its procurement costs and shown as an intangible asset. Software will be written off linearly during a period of four to six years.

c) Technologies

Technology-related assets refer to process and development know-how, which were acquired within the context of company acquisitions in the past years as well as in last year. Technologies are available to the Group in the long term and will be written off linearly over a period of 5 years on principle.

d) Goodwill

The excess of procurement costs of a company at the adjusted market values over the sum of identifiable assets and debts at the purchase time is called goodwill and entered in the balance sheet as an asset. For the purpose of checking whether depreciation exists, the goodwill must be allocated from the takeover day to each of the cash-generating unit or groups of cash-generating units, which should reap benefits from the synergies of the merger. This applies independent of whether other assets or debts of the Group have already been allocated to these units or groups of units. Each unit or group of units, which is allocated to goodwill, represents the lowest level within the Group on which goodwill is monitored for internal management purposes; it is not larger than a business segment as it is set according to IFRS 8 „Business segments“. The depreciation is determined by the calculation of the achievable amount of the cash-generating unit (group of cash-generating units), to which the goodwill refers. If the utilization amount of the cash-generating unit is less than the accounting value, expenditure for depreciation is entered. The value reduction is first allocated to the complete amount of goodwill. Any further value reduction is allocated proportionately to the book values of the other assets of the payment-generating unit. In cases, in which the goodwill represents a part of the cash-generating unit and part of this business area is sold, the goodwill attributed to the sold business area is included as a component of the accounting value of the business area in determining the result from the sale of the business area. Goodwill, which is sold in this way, is determined on the basis of the ratio of the sold business area to the part of the cash-generating unit not sold. Depreciated goodwill is no longer subject to appreciation.

e) Brands

Valuation of a brand considers the dissemination and utilization within different information systems on the market and is based on the brand strength and dissemination within the target group. It is conducted using a procedure oriented to capital value and based on the three-year planning of management based on the fiscal year in which the acquisition took place. Based on this fiscal year, the revenues are calculated using a constant growth rate. It is available unlimited to the Group and consequently is not subject to depreciation. The valuation base is tested at least once annually for decrease in value to determine whether facts indicate that the book value could have decreased.

f) Development Costs

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

Fixed assets

Fixed assets are shown at the procurement or manufacturing costs minus cumulated, regular amortization and cumulated depreciation. The original procurement costs of fixed assets cover the purchase price as well as all directly attributable costs to use the asset in operations. The manufacturing costs of fixed assets cover expenses, which arise due to consumption of goods and use of services for the manufacturing. In addition to itemized costs, this includes an appropriate share of the required overhead costs. Borrowing costs are recorded in the period, in which they occur. Regular write-offs are made under consideration of normal operational life. Linear depreciation is used as depreciation method.

The estimated period of use is:
1. For buildings: 20 to 33 years
2. For renter installations: 5 to 10 years
3. For other equipment, factory and office equipment: 3 to 8 years

The accounting value of plants, equipment and other fixed assets is checked if there are indications that the accounting value of an asset exceeds its attainable amount. Plant, equipment or other fixed assets are either written off at retirement or if no economic benefit can be expected from further use or sale of the asset. Profits or losses from the writing off of the asset are determined as difference between the net capital gain and the accounting value of the asset and are entered in the consolidated surplus with effects on the operational results. The remaining value of the assets values, utilization periods and depreciation methods are checked at the end of each fiscal year and adapted if necessary.

Financial Assets

The shares in affiliated companies are carried in the balance sheet according to IAS 28 in line with the equity method. An affiliated company is a company, over which the Group has decisive influence and which is neither a subsidiary nor a joint venture. A joint venture is a company managed jointly by a partner company based on a contractual agreement. According to the equity method, the investments in a company are entered in the balance as procurement costs plus the changes of the share of the company in the net worth of the affiliated company following acquisition. The goodwill connected with a company is contained in the accounting value of the share and is not written off systematically. When the equity method is used, the Group determines whether consideration of additional expenditure for depreciation is required with respect to the net investment of the Group in the integrated company. The consolidated surplus contains the share of the Group in the success of companies included according to the equity method. Changes entered directly in the equity capital of the integrated company are also entered by the Group in the amount of its share directly in equity capital and – if required – in the list about changes of equity capital. The balance sheet cutoff date of the affiliated companies corresponds to that of the Group. The balance sheet date and the accounting and estimation methods of the affiliated companies and the Group are similar business without essential deviations from the viewpoint of the Group. The other financial assets were valuated according to IAS 39 at their carried forward procurement costs.

Deferred Taxes

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

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

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

Inventories

Inventories include raw materials, consumables and supplies as well as finished and incomplete performances are evaluated with lower value from the procurement or manufacturing costs and the net sale value. In addition to itemized costs, the manufacturing costs contain an appropriate share of the required material and product overhead costs as well as product-related depreciation, which can be allocated directly to the performance process. Costs of administration are considered insofar as then can be attributed to the performance process. Loan capital interest is not to be capitalized, because no qualified assets exist. Inventories, which cannot be sold, are written off completely. The net sale value is the estimated sale price, which can be expected in a normal business transaction, minus the estimated costs until completion and the estimated, and the estimated, required sale costs.

Receivables and Other Assets

The receivables and other assets, which normally have a maturity period of 30-90 days, are entered with the original invoice amount minus valuation adjustment for uncollectible receivables. Value adjustment is performed if a substantial and objective indication exists that the Group will not be able to collect the receivables. Receivables are written off if they cannot be collected.

Loan against borrower‘s note

In April 2014, a borrower‘s note loan was concluded with a term of three years; notice of cancellation can be given three months in advance to the end of a quarter respectively. Interest calculation is based on the three-month Euribor. The borrower‘s note loan was concluded in March 2017.

Securities

Securities are classified as “financial assets available for sale”. At initial entry in the balance sheet, these are shown with procurement costs, which correspond to the value at the time of the given counter-performance. Transaction costs are included in the initial assessment. After the initial inclusion, securities are assessed with their adjusted current value without deduction or with any transaction costs at their sale. The adjusted current value at the time is based on the publicly listed prices of a securities market. The non-realized profits or losses are entered under other revenue in the list via the changes of the equity capital until the financial asset is sold, redeemed or otherwise disposed of, or until an impairment of the financial asset was determined, so that the previously entered under other revenue in equity capital, cumulated profit or loss is to be included in the consolidated surplus at this time. Decreases in value are entered with effect on the result.

Liquid funds

Liquid funds are composed of cash balance and credit balances at banks. These have a remaining term of fewer than three months and comply with the requirements pursuant to IAS 7.7.

Depreciation of Long-Term Non-Financial Assets

The Group evaluates on each balance sheet date whether indications exist that an asset could have depreciated. If such indications exist or if annual checking of an asset for depreciation is required, the Group estimates the attainable amount of the respective asset. The attainable amount of an asset is the higher of the two amounts from the adjusted current value of an asset or a cash-generating unit minus sales costs and the utilization value. The attainable amount should be determined for each individual asset unless an asset does not generate any injection of funds, which are mainly independent from other assets or other groups of assets. If the accounting value of an asset exceeds its attainable amount, the asset is considered depreciated and written off at its attainable amount. The estimated cash flows are discounted at their cash value (based on a discount rate allowed before payment of taxes) and are used for determining the utilization value, which reflects current market expectations with respect to the rate of interest effect and the specific risks of the asset. Depreciation expenses of business areas to be continued are entered in the item Depreciations. A check is made on each reporting cut-off date with exception of the goodwill to determine whether indications exist that expenditure for depreciation, which was entered in previous reporting periods, no longer exists or could have decreased. If such an indication exists, the attainable amount is estimated. A previously entered expenditure for depreciation should be canceled if estimates have changed since the entry of the last expenditure for depreciation, which was used for determining the attainable amount. If this is the case, the accounting value of the asset should be increased to its attainable amount. This increased accounting value may not exceed the accounting value, which would result after consideration of write-offs if no expenditure for depreciation had been entered in previous years. Such a value adjustment is to be entered immediately in the consolidated surplus. After a value has been adjusted, the expenditure for depreciation should be adjusted in future reporting periods to split the corrected accounting value of the asset, minus any remaining accounting value, among its remaining utilization period.

Stock-Based Payment

In May 2014, share-based compensation was agreed upon with the Executive Board members, which was settled in real shares. It is composed of max. 160,000 real shares, which will become due in 2018 are based on the development of stock prices between 2015 and 2017. The costs, which are incurred due to share-based compensation with settlement in equity capital instruments, are valuated with application of a market-price model at the adjusted market value at the time of their granting. The value determine is entered prorated during the vesting period affecting net income in capital reserves.

Treatment of options

Value changes are entered with effect on profit for options concluded within the context of company acquisitions, which are depicted using the anticipated acquisition method.

Pension Accruals

The Group has four pension plans in Germany. The performances are not financed via funds, with exception of one company. In addition, financial obligations from the pension scheme according to Swiss federal law exist in Switzerland for employee old-age, survivors‘ and disability benefits (BVG). Expenditures for the services granted within the context of the performance-oriented plans are determined separately for each plan using the potential pension cash value method (IAS 19). Actuarial profits or losses are entered under other revenue in equity capital after consideration of deferred taxes without affecting the operational result. The reference tables 2005 G of Heubeck-Richttafeln-GmbH are used as biometric calculation basis (death and disability probability of beneficiaries, probability of being married at time of death) in Germany. In Switzerland, the statistics of the years 2010 – 2014 based on the tariff of the Occupational Pensions Act (BVG) 2015 were used as a basis. In the Netherlands, the Royal Dutch Actuarial Association (AG) projection table 2016 was applied with mortality experience adjustments.

In the Netherlands, the performance-oriented pension plans expired on 31 December 2017 and was changed to a contribution-oriented pension plan with effect from 1 January 2018.

Other Accruals

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

Liabilities

Liabilities are shown in the Group balance sheet when NEXUS has a contractual obligation to transfer means of payment or other financial assets to another party. The initial valuation of a liability is at the adjusted current value of the received counter-performance or at the value of the received means of payment minus any incurred transaction costs. Subsequent valuation of liabilities is at the carried forward procurement costs using the effective interest rate method. Financial liabilities are taken off the books when the contractual obligation has been paid, canceled or expired.

Possible Liabilities

Possible liabilities are not shown in the Group Financial Report until their use becomes probable. They are shown in the Group Financial Report if their use is not improbable.

Sales

The Group sells software licenses and services connected with that, which serve for implementation, maintenance and other services. The company normally grants its customers use of the software for unlimited time. The Group also sells hardware. Revenues are entered when it is probable that the economic benefits will flow to the Group and the amount of revenue can be determined reliably.

License sales are realized in the amount of the agreed-upon license fee according to IAS 18. Realization is performed at delivery if nothing else was agreed upon in the contract, because no essential modifications are required. Consulting services are invoiced monthly according to work performed. Maintenance services are invoiced in installments during the service period.

The following types of contracts can be categorized in the NEXUS Group:

+ Hardware sale contracts
+ License contracts
+ Service contracts
+ Software maintenance contracts

Sale of hardware (hardware sales contracts)

When hardware is sold, revenue is entered when the hardware is delivered to the customer. This is defined as the point in time at which the customer accepts the hardware and the associated risks and opportunities associated with the transfer of ownership. Revenues are recorded at this point in time, provided that the revenues and costs can be valuated reliably, the receipt of the payment is probable, and there is no further existing right of disposal over the hardware.

Sale of licenses (license contracts)

Revenues from the sale of licenses are reclassified in accordance with IAS 18.14 and IAS 18.20. In accordance with IAS 18.14, revenues are entered when a license is installed and customized at the customer's premises. In accordance with IAS 18.20, revenue is recognized after the actual rendering of services.

Provision of services (service contracts)

The Group deals with the installation of software licenses and the provision of related services. If the services are provided under a single agreement in different reporting periods, the service revenue is recorded after actual provision (IAS 18.20). Retail prices are determined based on the list prices at which the Group offers the services in separate transactions.

Provision of software maintenance (software maintenance contracts)

The Group deals with the installation of software licenses and the provision of related software maintenance. Software maintenance is performed within the scope of a single agreement in one reporting period. The sales revenue generated in this connection is recorded pro rata temporis.

Finance Income

Finance income is entered at the time it occurs.

Finance Expenses

Payments for loans are entered as expenditures. There is no capitalization of interest rate on borrowings according to IAS 23, because no qualified assets exist.

Foreign Currencies

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

Operating Lease Relation

A leasing relation is classified as an operating leasing relation if all risks and chances associated with ownership remain with the lessor. Leasing payments within an operating leasing relation are entered linearly as expenses in the consolidated surplus during the period of the leasing relation.

3. Company Mergers

Acquisition of CHILI GmbH, Dossenheim

NEXUS AG expanded its engagement in the areas of telemedicine and image archiving systems with the acquisition of more than 51.19% of the shares of CHILI GmbH, Dossenheim, on 18 May 2017 The aim is to integrate these innovation areas firmly into the NEXUS product portfolio.

KEUR 1,275 was paid in cash as purchase price.

The identified and evaluated assets and debts identified in allocating the purchase prices are essentially composed of customer relations (KEUR 726) and technology (KEUR 177) at the purchase time. The receivables are shown at their gross value. The value was not adjusted, because complete intake of all outstanding receivables is expected. Goodwill resulted from the purchase price allocation in the amount of KEUR 995. The goodwill results mainly from the skills and expertise of the CHILI workforce and the expected synergies from the integration of the company into the Group's existing software business. None of the recorded goodwill is expected to be deductible for tax purposes.

For 2017, sales with third parties from the consolidation time amounted to KEUR 2,653, and the contribution to the consolidated surplus was KEUR 146. The miscellaneous procurement costs in the amount of KEUR 28 are entered affecting the result.

If the company had been acquired at the beginning of the year, sales revenue would have amounted to KEUR 4,803 and the contribution to consolidated net earnings to KEUR -555.

The purchased assets and debts were included in the balance sheet with their adjusted, current value and are as shown as follows:

Assets / Liabilities CHILI GmbH, Dossenheim	Fair value at acquisition time
	EUR
Cash balance	352,074.82
Intangible Assets	924,386.30
Fixed assets	116,453.03
Inventories	14,541.13
Other assets	234,794.42
Receivables	538,564.47
	2,180,814.17
Deferred tax liabilities	254,405.00
Other Accruals	299,473.00
Liabilities	1,079,767.60
	1,633,645.60
Net assets on the acquisition date	**547,168.57**
Goodwill	994,904.41
Shares without dominant influence	-267,072.98
Total acquisition price	**1,275,000.00**
The acquisition costs are composed of the following	
Purchase price paid in cash	1,275,000.00
Total acquisition price	**1,275,000.00**
The development of the means of payment from this acquisition is as follow:	
Purchase price paid in cash	1,275,000.00
Purchased means of payment	352,074.82
Outflow of funds	**922,925.18**

Acquisition of highsystem ag, Zurich, Switzerland

NEXUS AG purchased an 80.0% share in highsystem ag, Zurich, Switzerland, on 24 July 2017. The company has developed a very successful product for all aspects of lifecycle client management. Today, highsystem systems control approx. 50,000 workstations at customers' sites, some of which are at locations around the world. In the future, we will integrate highsystem into our portfolio and offer it to our customers as a solution. We expect this to bring significant benefits in terms of efficiency and transparency in customer service.

KCHF 2,480 was paid in cash as purchase price. There is a put and call-option contract for the remaining 15.0% of shares. According to IAS 32.23, the obligation to buy shares of non-controlling partner is to be carried in the balance sheet as liability with the expected purchase price. The contingent purchase price of KCHF 723 represents the market value. It is unlimited in amount. Amortization to income may be necessary in subsequent periods at failure to achieve the planned EBITA.

The purchased assets and debts were included in the balance sheet with their adjusted, current value and are as shown as follows:

Assets / Liabilities highsystem ag, Zürich	Fair value at acquisition time
	CHF[1]
Cash balance	870,324.05
Intangible Assets	1,315,769.39
Fixed assets	12,298.30
Financial Assets	16,759.90
Deferred tax assets	94,894.00
Other assets	14,459.50
Receivables	130,891.10
	2,455,396.24
Deferred tax liabilities	278,456.00
Pension accruals	449,521.00
Total of long-term debts	100,000.00
Liabilities	1,060,570.35
	1,888,547.35
Net assets on the acquisition date	**566,848.89**
Shares without dominant influence	-28,342.44
Goodwill	2,664,563.28
Total acquisition price	**3,203,069.72**
The acquisition costs are composed of the following	
Purchase price paid in cash	2,480,000.00
Purchase price still to be paid	723,069.72
Total acquisition price	**3,203,069.72**
The development of the means of payment from this acquisition is as follow	
Purchase price paid in cash	2,480,000.00
Purchased means of payment	870,324.08
Outflow of funds	**1,609,675.95**

1) At the time of first-time consolidation, an exchange rate of 1.1398 CHF / EUR to be used.

The identified and evaluated assets and debts identified in allocating the purchase prices are essentially composed of customer relations (KCHF 859) and technology (KCHF 457) at the purchase time. The receivables are shown at their gross value. The value was not adjusted, because complete intake of all outstanding receivables is expected. Goodwill resulted from the purchase price allocation in the amount of KCHF 2,665. The goodwill results mainly from the skills and expertise of the highsystem ag workforce and the expected synergies from the integration of the company into the Group's existing software business. None of the recorded goodwill is expected to be deductible for tax purposes.

For 2017, sales with third parties from the consolidation time amounted to KEUR 804, and the contribution to the consolidated surplus was KCHF 244. The miscellaneous procurement costs in the amount of KEUR 11 are entered affecting the result.

If the company had been acquired at the beginning of the year, sales revenue would have amounted to KCHF 1,827 and the contribution to consolidated net earnings to KCHF 145.

Adjustment of the contingent purchase price of Marabu EDV-Beratung und – Service GmbH, Berlin

At the purchase of Marabu EDV-Beratung und -Service GmbH, Berlin, a contingent purchase price in the amount of KEUR 116 was entered on the liabilities side in the fiscal year 2014. The contingent purchase price was increased by KEUR 12 in the fiscal year due to compounding of interest Because the criteria required for the payment of the contingent purchase price were not fully met in the ex-post analysis, a release affecting net income of KEUR 56 effected as of 31 December 2017. As a result, a contingent purchase price of KEUR 72 resulted on the cut-off date.

Adjustment of the contingent purchase price of NEXUS SISINF SL, Sabadell

At the purchase of SISINF SL., Sabadell, a contingent purchase price in the amount of KEUR 1,377 was entered on the liabilities side. This consisted of a forward in the amount of KEUR 200, which was paid out in the financial year 2017, and a put-call option in the amount of KEUR 1,177. The contingent purchase price was increased by KEUR 12 in the fiscal year due to compounding of interest. As a result, a contingent purchase price of KEUR 1,189 resulted on the cut-off date.

Adjustment of contingent purchase price of IBH Datentechnik GmbH, Kassel

At the purchase of IBH Datentechnik GmbH, Kassel, a contingent purchase price in the amount of KEUR 2,039 was entered on the liabilities side. This was increased by KEUR 27 in the fiscal year due to compounding of interest. As a result, a contingent purchase price of KEUR 2,006 resulted on the cut-off date.

Adjustment of contingent purchase price of nexus/switspot GmbH, Neckarsulm

At the purchase of nexus/switspot GmbH, Neckarsulm, a contingent purchase price in the amount of KEUR 1,177 was entered on the liabilities side. This was increased by KEUR 12 in the fiscal year due to compounding of interest. As a result, a contingent purchase price of KEUR 1,189 resulted on the cut-off date.

4. Intangible Assets

Within the context of the annual impairment test according to IAS 36, goodwill, brands with an indefinite useful life not yet ready for use as well as development costs not yet ready for use are checked for any decrease in value.

The achievable amount is determined respectively on the basis of calculating utilization value on the balance sheet cut-off date.

The utilization value calculated in this way is based on forecasts, which include uncertainties in the estimations. Essential uncertainties are in the following positions:

a) Profit margin

The profit margin was calculated based on an average value, which was formed partially on the basis of already concluded contracts under consideration of the margins from the previous years as well as an expansion of license business. The profit margins were also adjusted by the expected increase in efficiency.

b) Discount rate allowed on advance payment of taxes

The discount rate of the respective CGU is defined by a risk-specific WACC (Weighted Average Cost of Capital).

c) Development of market shares and maintenance revenues

These assumptions are especially significant, because the estimation is reflected here about how the cash-generating units will development with respect to competitors during the planning period. At the same time, it must be observed that it is not a question of clearly defined markets, but instead mainly with project transactions, which do not permit clear comparisons.

d) Detailed planning phase

The detailed planning phase consists of three years. Based on the planning for the first year, the growth rates for the next two years are derived. The growth rates in the detailed planning stage are based on published, industry-related market research. They are also influenced decisively by the individual estimates of future potential made by the cash-generating units. Here, the specific risks of each CGU are considered. These assumptions are supported by concrete sales, development and marketing plans.

The following table shows the CGU for which the book value of goodwill and brands with an indefinite useful life are significant in comparison with the total book value of goodwill and the brands with an indefinite useful life of the Group as a whole.

Cash-Generating Units	Sales growth in % in detailed planning period of 3 years [1]		Discount rate in % before taxes for cash flow forecast		Goodwill (in KEUR)		Brand (in KEUR)	
	2017	2016	2017	2016	2017	2016	2017	2016
NEXUS Nederland B.V.	10	10	10.4	9.92	10,136	10,136	4,308	4,308
E&L medical systems GmbH	10	10	10.4	9.92	[2]	[2]	1,577	1,577

[1] A growth rate of 0.8 % (previous year: 0.0 %) was assumed for the extrapolation of the cash flows according to the detailed planning period.
[2] The book value of the goodwill of E&L medical systems GmbH is not shown here, since it is not significant with respect to the total book value of the goodwill of the entire Group.

5. Fixed assets

Fixed assets are composed mainly of land and buildings, operation and business equipment, and construction in progress. The fixed assets are not subject to any restrictions with respective disposal possibilities.

The development of intangible and tangible assets is included in the fixed-assets development table.

DEVELOPMENT OF ASSETS 2017

	Acquisition and manufacturing costs						
	01/01/2017	Receipts from company mergers within the consolidat-ed Group	Currency fluctuations	Inflows	Reclassification	Disposals	31/12/2017
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Intangible Assets							
Concessions / Patents	5,449	23	-64	386	0	83	5,711
Goodwill	47,128	3,333	-970	0	0	0	49,491
Development Costs	47,782	0	-286	5,058	0	733	51,821
Customer Relations / Technology	23,873	2,058	-283	0	0	461	25,187
Brands	8,792	0	-43	0	0	0	8,749
	133,024	**5,414**	**-1,646**	**5,444**	**0**	**1,277**	**140,959**
Fixed assets							
Tenant installations	793	69	-3	111	140	131	979
Other equipment, factory and office equipment	8,044	56	-132	1,669	135	1,024	8,748
Estate property, leasehold rights and buildings	2,290	0	0	804	1,384	0	4,478
Facilities under construction	2,403	0	0	60	-1,659	0	804
	13,530	**125**	**-135**	**2,644**	**0**	**1,155**	**15,009**
Total	**146,554**	**5,539**	**-1,781**	**8,088**	**0**	**2,432**	**155,968**

[1] Of which development costs not yet ready for use in the amount of KEUR 2,241.

Accumulated Depreciations						Book Value	
01/01/2017	Currency fluctuations	Inflows	Reclassification	Disposals	31/12/2017	31/12/2017	31/12/2016
KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
4,738	-61	383	0	81	4,979	732	711
177	0	0	0	0	177	49,314	46,951
30,248	-219	5,596	0	733	34,892	16,929 [1)]	17,534
13,742	-247	2,759	0	461	15,793	9,394	10,131
0	0	0	0	0	0	8,749	8,792
48,905	**-527**	**8,738**	**0**	**1,275**	**55,841**	**85,118**	**84,119**
219	-6	104	125	128	314	665	574
4,793	-82	1,474	-125	868	5,192	3,556	3,251
10	0	86	0	0	96	4,382	2,280
0	0	0	0	0	0	804	2,403
5,022	**-88**	**1,664**	**0**	**996**	**5,602**	**9,407**	**8,508**
53,927	**-615**	**10,402**	**0**	**2,271**	**61,443**	**94,525**	**92,627**

DEVELOPMENT OF ASSETS 2016

	Acquisition and manufacturing costs					
	01/01/2016	Receipts from company mergers within the consolidated Group	Currency fluctuations	Inflows	Disposals	31/12/2016
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Intangible Assets						
Concessions / Patents	5,271	4	9	166	1	5,449
Goodwill	39,303	7,683	142	0	0	47,128
Development Costs	44,821	0	134	5,444	2,617	47,782
Customer Relations / Technology	23,579	2,836	45	0	2,587	23,873
Brands	7,589	1,196	7	0	0	8,792
	120,563	**11,719**	**337**	**5,610**	**5,205**	**133,024**
Fixed assets						
Tenant installations	450	7	2	334	0	793
Other equipment, factory and office equipment	7,307	52	90	2,036	1,441	8,044
Estate property, leasehold rights and buildings	1,265	278	0	747	0	2,290
Facilities under construction	679	0	0	1,724	0	2,403
	9,701	**337**	**92**	**4,841**	**1,441**	**13,530**
Total	**130,264**	**12,056**	**429**	**10,451**	**6,646**	**146,554**

[1] Of which development costs not yet ready for use in the amount of KEUR 3,890.

6. Shares in companies valuated at equity

NEXUS AG holds the following direct or indirect ownership interest in the following companies as of 31 December 2017, which are all consolidated at equity:

Affiliated companies

+ G.I.T.S. Gesundheitswesen IT-Service GmbH Fürstenfeldbruck, Fürstenfeldbruck (49.00%)
+ Palladium-med GmbH, Berlin (20.00%)

	2017	2016
	KEUR	KEUR
Share of participations in the balance sheet		
Short-Term assets	66	48
Short-Term debts	-26	-5
Prorated net assets	40	43
Shares in revenue and profit of participations		
Revenue	83	94
Profit	-3	3
Accounting value of participation	**31**	**34**

Accumulated Depreciations					Book Value	
01/01/2016	Currency fluctuations	Inflows	Disposals	31/12/2016	31/12/2016	31/12/2015
KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
4,437	10	292	1	4,738	711	834
177	0	0	0	177	46,951	39,126
27,349	30	5,486	2,617	30,248	17,534 [1]	17,472
13,474	39	2,816	2,587	13,742	10,131	10,105
0	0	0	0	0	8,792	7,589
45,437	**79**	**8,594**	**5,205**	**48,905**	**84,119**	**75,126**
132	5	82	0	219	574	318
4,668	11	1,406	1,292	4,793	3,251	2,639
0	0	10	0	10	2,280	1,265
0	0	0	0	0	2,403	679
4,800	**16**	**1,498**	**1,292**	**5,022**	**8,508**	**4,901**
50,237	**95**	**10,092**	**6,497**	**53,927**	**92,627**	**80,027**

7. Inventories

The inventories are as follows:

	31/12/2017	31/12/2016
	KEUR	KEUR
Raw materials, consumables and supplies	76	118
Goods	498	1.083
	574	**1,201**

No decline in economic usefulness or increased valuation (previous year: KEUR 0) was entered in the reporting year. There are no inventories in the current fiscal year, which were carried in the balance sheet at the net disposal price. Raw, auxiliary and operating materials in the amount of KEUR 11,809 (previous year: KEUR 11,635) are entered as expenditures in the fiscal year.

8. Deferred Taxes

Credited and debited deferred taxes were offset in accordance with IAS 12. Credited and debited deferred taxes are classified according to their cause as follows: cf. Table.

As of 31 December 2017, no debited deferred taxes were entered on profits not paid from subsidiaries or affiliated companies, because the Group determined that the profits, which have not been distributed yet, will not be distributed in the foreseeable future. In addition, the amount of taxes resulting for the Group is insubstantial in the case of distribution to the parent company due to the German tax system.

Corporate income tax losses carried forward exist in the amount of KEUR 10,336 (previous year: KEUR 15,926) domestically as well as trade tax losses carried forward in the amount of KEUR 9,278 (previous year: KEUR 14,633). Tax losses carried forward were incurred in foreign Group companies in the amount of KEUR 227 (previous year: KEUR 253). The total volume of KEUR 19,841 (previous year: KEUR 30,812) includes losses carried forward of KEUR 1,621 (previous year: KEUR 1,461), which are estimated not to be usable (corporate income tax KEUR 827 (previous year: KEUR 767), trade tax KEUR 794 (previous year: KEUR 694). A total of KEUR 1,621 (previous year: EUR 1,461) of that can be carried forward for an unlimited time.

	Group balance sheet		Consolidated income statement	
	31/12/2017	31/12/2016	2017	2016
	KEUR	KEUR	KEUR	KEUR
Deferred tax asset				
Tax losses carried forward	2,880	4,491	-1,638	-1,155
Valuation differences of taxable goodwill	24	28	-4	-3
Valuation differences of pensions	1,349	1,599	-258	151
Valuation differences of accruals	171	22	147	29
Valuation differences of securities	157	154	3	20
	4,581	**6,294**	**-1,750**	**-958**
Offsetting with deferred tax liabilities	-2,412	-3,209	1,750	958
Total deferred tax asset	**2,169**	**3,085**	**0**	**0**
Deferred tax liability				
Development Costs	3,702	3,606	-69	-252
Valuation differences of receivables	73	63	-11	4
Technology / Know-How	4,869	5,168	782	814
Accruals	4	0	0	-3
	8,648	**8,837**	**702**	**563**
Of those, offset against deferred tax receivables	-2,412	-3,209	-1,750	-958
Total deferred tax liability	**6,236**	**5,628**	**-1,048**	**-395**

	2017	2016
	KEUR	KEUR
Change of deferred taxes affecting net income	-1,048	-395
Adjustment of deferred taxes entered in other comprehensive income within the context of provisions for pensions	-157	-21
Adjustment of deferred taxes entered in other comprehensive income due to currency conversion	96	5
Determined deferred taxes entered within the context of company mergers	-415	-1,144
Change of deferred taxes in balance sheet item	**-1,524**	**-1,555**

9. Trade receivables and other receivables

Trade account receivables and other receivables are composed of the following:

	31/12/2017	
	Short-term (< 1 year)	Long-term (> 1 year)
	KEUR	KEUR
Trade receivables and Services	20,439	1,247
Other receivables	0	0
Total	**20,439**	**1,247**

	31/12/2016	
	Short-term (< 1 year)	Long-term (> 1 year)
	KEUR	KEUR
Trade receivables	20,101	0
Other receivables	31	0
Total	**20,132**	**0**

Refer to the following table for Individual value adjustments of trade receivables and their development.

Trade receivables (Gross values)	31/12/2017	31/12/2016
	KEUR	KEUR
Neither depreciated in value nor overdue	9,522	10,467
Not depreciated in value and overdue in the next periods		
< 30 days	6,919	4,432
30-120 days	1,784	2,440
120-180 days	671	892
180-360 days	1,858	1,318
> 360 days	797	282
Individual value adjustment at residual book value	135	270
Book value	**21,686**	**20,101**

On n the claims past due without value reduction, no value adjustment was made, because no essential change of the credit rating of the debtor could be determined and consequently payment of the outstanding amounts is assumed. The Group does not have any collateral for these outstanding items.

Receivables from deliveries and services in the amount of KEUR 205 (previous year: KEUR 224) were charged off in the fiscal year 2017. There were no received payments (previous year: none) for charged-off receivables. The market value of trade account receivables and other receivables does not different from the book value. There were receivables diminished in value from deliveries and services in the amount of KEUR 2,914 on 31 December 2017 (previous year: KEUR 2,442). The development of the value adjustment account is as follows:

Development of individual value adjustment for trade receivables	2017	2016
	KEUR	KEUR
As of 1 January	2,172	1,796
Inflows affecting expenses	1,128	866
Consumption	-174	-211
Settlement	-347	-279
As of 31 December	**2,779**	**2,172**

10. Other Financial Assets and Short-Term Financial Assets

he other financial assets and short-term financial assets are composed of the following:

	31/12/2017	
	Short-term (< 1 year)	Long-term (> 1 year)
	KEUR	KEUR
Other financial assets		
From interest	2	0
From loans to employees and third parties	8	79
From other	695	146
Total of other financial assets	**705**	**225**
Short-term financial assets		
Securities	1,849	0
Total of short-term financial assets	**1,849**	**0**

	31/12/2016	
	Short-term (< 1 year)	Long-term (> 1 year)
	KEUR	KEUR
Other financial assets		
From loans to employees and third parties	114	0
From miscellaneous	304	288
Total of other financial assets	**418**	**288**
Short-term financial assets		
Securities	1,933	0
Loan against borrower's note	1,000	0
Total of short-term financial assets	**2,933**	**0**

Other financial assets
The current market value of other financial assets does not different from the book value. The item “Other” mainly contains prepayments made. Valuation adjustments in the amount of KEUR 58 (previous year: KEUR 0) were entered.

Short-term financial assets
The short-term financial assets are as follows on the balance sheet cut-off date:

	31/12/2017	
	Procurement-costs	Market Value
	KEUR	KEUR
Securities		
Pension funds	2,158	1,849
Loan against borrower's note	0	0
Total	**2,158**	**1,849**

	31/12/2016	
	Procurement-costs	Market Value
	KEUR	KEUR
Securities		
Pension funds	2,238	1,933
Loan against borrower's note	1,000	1,000
Total	**3,238**	**2,933**

In the reporting period, declines in economic usefulness in the amount of KEUR 7 (previous year: KEUR 35) as well interest received from securities and borrower's note loans of KEUR 56 (previous year: 49) were entered.

As of 31 December 2017, there were no derivative financial instruments, analog to the previous year.

11. Other non-financial assets

The other non-financial assets are composed of the following:

	31/12/2017	31/12/2017
	KEUR	KEUR
Turnover Tax	159	229
Down payments made	258	140
Wage and salary advances	36	31
Accounts receivable, most for social security	314	284
Prepaid expense and accrued income	1,429	1,412
Total of non-financial assets	**2,196**	**2,096**

The current market value of other non-financial assets does not differ from the book value. Unfulfilled conditions and other success uncertainties do not exist in combination with the public subsidies entered in connection with the financial report.

12. Equity Capital

Equity amounted to KEUR 103,009 on the cut-off date (previous year: KEUR 95,802). Refer to the statement of changes in the shareholders' equity.

a) Subscribed Capital

Subscribed capital on 31 December 2017 is divided into 15,752,231 bearer, no-par stocks with a book value share of equity capital of EUR 1.00 each and paid in the full amount. There are no different share classes. All stocks are common stocks and grant the same rights provided for by the stock law.

In partial utilization of empowerment for the period until 30 April 2021, to increase the share capital once or several times by up to a total of Euro 3,000,000.00 through the issue of up to 3,000,000 new bearer shares against cash or contributions in kind (authorized capital 2016/I) adopted on 13 May 2016 by the general meeting of NEXUS AG, the Executive Board decided on 14 July 17 with the consent of the Supervisory Board of the same day to increase the share capital of the company against cash under exclusion of subscription rights of shareholders—in favor of employees of NEXUS AG and affiliated companies of NEXUS AG—from 15,735,665,00 by 25,000.00 euros to 15,760,665,00 through the issue of up to 25,000 new bearer shares with a share in the company of 1.00 euro each and with profit entitlement starting from 1 January 2017. The registration of the implementation of the capital increase was made in the commercial register at the Freiburg Register of Companies (Commercial Register No. 602434) on 27 October 2017. Capital stock increased by EUR 16,566.00 to EUR 15,752,231.00. As a result, authorized capital 2016/I is still EUR 2,983,434.00 after partial exploitation. 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 essentially contain surcharges from the capital increase conducted in fiscal year 2000 in connection with the IPO of NEXUS AG as well as the increase of the capital reserves in the amount from the issue of new shares against a non-cash capital contribution as well as the exercise of stock options by Executive Board members of management in subsidiaries and employees of the Nexus Group. The directly attributable expenses incurred within the context of the cash increase, the capital increase through capital subscribed in kind, were offset with the capital reserves. In addition, the adjusted current value of the stocks issued within the context of the stock option plans is considered in the capital reserves position.

As a result of the capital increase from the employee share program 2017 of 16,566 bearer shares, the capital reserve increased by KEUR 384. In addition, the capital reserve increased by KEUR 263 from the AOP 2015-2017.

c) Retained Earnings

Retained earnings include profit carried forward, other retained earnings and the legal reserve.

According to Section 150 of the German Stock Corporation Law, the legal reserves and the capital reserves must exceed one-tenth of the equity capital, so that they can be used to compensate for losses or for a capital increase from company funds. As long as the legal reserves and the capital reserves together do not exceed one-tenth of the equity capital, they may only be used to compensate for losses as long as the loss is not covered by profit carried forward or annual net profit and cannot be compensated for by amortizing other revenue reserves.

d) Equity Capital Difference from Currency Conversion

The equity capital difference from currency conversion results from differences, which resulted from the conversion of the annual financial statements of the foreign subsidiaries.

e) Pension Accruals

The pension accruals contain the actuarial, cumulated profits and losses from the valuation from valuation of pension accruals after offsetting deferred taxes.

f) Own Shares

Own shares developed to the cut-off date as follows: cf. the table below.

The own shares were deducted with the total procurement costs in one sum from equity (cost method). As of 31 December 2017, the value of the own shares was KEUR 419 according to the cost method. The company may not use this empowerment to purchase its own stocks for the purpose of trading with its own stocks.

g) Authorized Capital

In the annual general meeting of 23 May 2012, the empowerment granted in the annual general meeting of 14 June 2010 to increase the capital stock in the amount of EUR 6,902,600.00 was revised. With the approval of the Supervisory Board, the Executive Board was authorized to increase the share capital one or more times by up to EUR 7,152,575.00 (Authorized Capital 2012) by 30 April 2017. The empowerment amounted to EUR 5,722,060.00 following partial depletion due to an increase of cash capital in the amount of EUR 800,000.00 in 2012 as well as an increase of cash capital in the amount of EUR 630,515.00 in 2015.

In the annual general meeting of 13 May 2017, the empowerment granted in the annual general meeting of 23 May 2012 to increase the capital stock in the amount of EUR 7,152,575.00 was revised. With the approval of the Supervisory Board, the Executive Board was authorized to increase the share capital one or more times by up to a total of EUR 3,000,000.00 (Authorized Capital 2016) by 30 April 2021. The granted authorization of 23 May 2013 was canceled with that. The empowerment amounted to EUR 2,983,434.00 following partial depletion due to an increase of cash capital in the amount of EUR 16,566.00 in 2017.

Authorized but Unissued Capital and Stock Option Plans (AOP)

Conditional capital in the amount of EUR 1,400,000.00 was created (contingent capital 2012) with the annual general meeting resolution of 23 May 2012. The capital stock was raised contingently corresponding to execution of a stock option program by EUR 1,400,000.00 bearer shares.

Granting of the authorization at the Annual General Meeting of …	Authorization valid until …	Maximum buy-back volume of maximum of 10 % of the share capital (in shares)	Fiscal year of the transaction	Buy-back (+) / Issue (-) (in shares)
			Number of shares 01/01/2016	**4,760**
18 May 2015	30 April 2020	1,573,566	2016	-4,844
			2016	16,056[1)]
			2017	-1,100
			2017	2,699[1)]
12 May 2017	30 April 2022	1,573,566	2017	-1,637
			2017	7,622[1)]
			Number of shares 31/12/2017	**23,556**

[1)] The buy-back was made via a share buy-back program, which the Executive Board approved with the consent of the Supervisory Board on 25 October 2016 decided. In the fiscal year 2016,16,056 share certificates without a par value were acquired at acquisition costs of KEUR 296. In the fiscal year 2017,10,321 share certificates without a par value were acquired at a cost of KEUR 240.

Executive Board Bonus for Future Stock Price Development

Stock-based compensation was also agreed upon with the Executive Board members in May 2014. Dependent on the increase in company value, it is composed of max. 160,000 shares, which will become due during the term and are based on the development of stock prices of the years 2015 to 2017. These compensation components had an adjusted future value of KEUR 788 at the time of granting. In fiscal year 2017, 263 KEUR were booked into capital reserves affecting earnings.

Capital Management

The goal of capital management is to maintain the financial substance of the Group as well as long-term assurance of required financial flexibility. The equity capital rate was also used in measuring the financial security of the Group. In doing this, the equity capital shown in the Group balance sheet was compared to the balance amount. Accordingly, the financing structure is characterized by a capital structures, which is conservative and in which self-financing dominates. The equity capital rate is 68.1 % (previous year: 68.6 %) on the balance sheet cutoff date. Third-party financing is almost exclusively via liabilities, which result from business operations, as well as via pensions to a slight extent. There are no interest-bearing financial liabilities.

In May 2017, a dividend in the amount of EUR 0.15 was paid on the 15,718,094 shares with a right to a dividend on bearer, no-par shares. For fiscal year 2017, a distribution of dividends of EUR 0.16 was proposed for bearer shares for those entitled to dividends.

13. Pension obligations

Pensions accruals have been accrued for NEXUS . IT GmbH SÜDOST, NEXUS / Deutschland GmbH, NEXUS CMS GmbH for the direct pension obligations (employer's pension commitments) taken over by the Forest Gesellschaft für Products & Services mbH as of 30 September 2000 and for the assumed pension obligations for the ASS.TEC Beratungsgesellschaft für Anwendungen, Systeme, Strategien und Technologien mbH. The performance-oriented plans in Switzerland concern the pension scheme according to Swiss federal law for employee old-age, survivors' and disability benefits (BVG). These plans represent complete insurance policies, in which an insurance company is responsible for the at least temporary, complete actuarial risks, including capital market risks.

In the Netherlands, the performance-oriented pension plans expired on 31 December 2017 and was changed to a contribution-oriented pension plan with effect from 1 January 2018. Due to the change in the pension plan, there were revised service costs in the amount of KEUR 1,618.

The amount of payments for assumed pensions is based on employment years and the respective salary of the person entitled to payments. The accrual is established for payable performances in the form of old-age and disability pensions as well as for survivors' pensions. It is a question of non-forfeitable expectancy of future benefits. Plan assets exist for obligations in Switzerland, for one company in Germany as well as in the Netherlands.

The performance-oriented plans burden the Group with actuarial risks, for example, the long-life risk, currency risk, interest rate risk and market (system) risk.

Financing

While domestic pension obligations are financed by the company with the exception of ASS.TEC, the obligations in the Netherlands and Switzerland as well as for ASS.TEC Beratungsgesellschaft für Anwendungen, Systeme, Strategien und Technologien mbH are managed and financed via insurance companies. The financing requirements are based on actuarial evaluation concepts.

Valuation basis

Calculation of the pension obligations considers market interest rates as well as wage, salary and pension trends. In Germany, the reference tables 2005 G (Verlag Heubeck-Richttafeln-GmbH, Cologne), which include death and disability probability, probability of being married at time of death, are used as biometric calculation basis. The wage and salary trend in Germany is 0.0 %, since mainly pensioners are included in the quantity structure. The annual increase in current pensions in the Netherlands and Switzerland amounts to 0.0%, since the majority of active employees are included in the quantity structure. In Switzerland, the statistics of the years 2010 – 2014 based on the tariff of the Occupational Pensions Act (BVG) 2015 were used as a basis. In the Netherlands, the Royal Dutch Actuarial Association (AG) projection table 2017 was applied with mortality experience.

	2018¹⁾	2017	2016
	%	%	%
Calculated interest rate (D	1.93	1.93	1.4
Calculated interest rate (NL)	2.3	2.3	2.1
Calculated interest rate (CH)	0.7	0.7	0.6
Average fluctuation rate (D	5.0	5.0	5.0
Average fluctuation rate (NL)	0.0	0.0	0.0
Average fluctuation rate (CH) [2]	1.3–28.5	1.3–28.5	1.3–28.5
Wage and salary trend (NL)	1.0	1.0	0.5
Wage and salary trend (CH)	0.5	0.5	0.5
Annual increase of current pensions (D)	1.5	1.5	1.5

[1] Basis for the sensitivity analysis
[2] The assumption for the retirement probability includes age-dependent gradation. This is 28.5% from the age of 20 and is then gradually lowered until at age 60 when the rate of probability of leaving the company is 1.3%.

On 31 December 2017, the weighted average term of performance-oriented obligations was 15 years in Germany (previous year: 15 years), 26 years in the Netherlands and 21 years (previous year: 23 years) in Switzerland. 23 years).

Change of the net debt from performance-oriented obligations

The changes of the cash value of performance-oriented obligations and the plan assets are as follows

	2017	2016
	KEUR	KEUR
Cash value of plan assets at the end of reporting period	45,105	39,181
Enter in profit or loss		
Current staff expenses	2,307	2,209
Service costs to be calculated retroactively	-1,618	0
Interest payments	513	457
Entered in other comprehensive income		
Actuarial profits (–) / losses (+) from		
- demographic assumptions	0	16
- financial assumptions	-993	792
- adjustment based on experience	749	1,688
Currency fluctuations	-2,220	335
Other		
Additional pension obligations	1,034	0
Paid benefits	-1,521	-291
Employee contributions	878	977
Administration costs	-233	-259
	44,001	**45,105**

	2017	2016
	KEUR	KEUR
Cash value of obligations at beginning of reporting period	33,531	28,366
Entered in profit or loss		
Interest revenue	437	386
Entered in other comprehensive income		
Revenue from plan assets without interest received	309	2,648
Currency fluctuations	-1,461	215
Other		
Plan assets receipt	649	0
Employer contribution	875	1,466
Employee contributions	878	977
Capital payments	-1,485	-257
Administration costs	-247	-270
Fair value of plan assests at the end of reporting period	**33,486**	**33,531**

	2017	2016
	KEUR	KEUR
Cash value of externally financed obligations	43,092	44,103
Market value of plan assets	33,486	33,531
Shortage	9,606	10,572
Cash value of internally financed obligations	909	1,002
Financing status	10,515	11,574
Pension obligations on the balance sheet	10,515	11,574
Of which proof as pension accruals	10,515	11,574

The obligation is divided into the participant groups as follows:

	2017	2016
	KEUR	KEUR
Active employees	9,568	10,266
Left company due to accident	252	458
Retirees	695	850
	10,515	**11,574**

Actuarial profits (-) and losses (+) in 2017 in the amount of KEUR -554 were entered under other revenue in equity capital before consideration of deferred taxes. The cumulated actuarial losses were entered in other comprehensive income with KEUR 7,967 minus deferred taxes. The total cost of performance-oriented pension obligations, which is included in personnel expenses, is calculated as follows
Are as listed below:

	2017	2016
	KEUR	KEUR
Current and retroactively to be attributed service time expenses	689	2,209
Interest payments	513	457
Interest received from plan assets	-437	-386
Administration costs	16	17
Net pension expenses	**781**	**2,297**

The actual results of the plan assets amount to KEUR -746 percent (previous year: KEUR -3.034). The plan assets are attributable to the Swiss plan as well as to NEXUS Nederland B. V. & ACE. TEC consulting company for applications, systems, strategies and technologies mbH and consists of the claims against superannuation schemes.

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

	2017	2016
	KEUR	KEUR
Bonds	12,225	12,391
Real estate	3,146	2,641
Stocks	670	685
Cash and fixed-term deposits	-686	-100
Other	18,131	17,914
Total	**33,486**	**33,531**

Adjustments of pension obligations based on experience amount to KEUR 748 percent (previous year: KEUR 1,688), and those of the plan assets to KEUR 310 (previous years: KEUR 2,648).

In Germany, the social pension fund is considered a contribution-oriented pension plan. The expenditures entered for the social pension fund for the employees subject to social insurance contributions amounted to KEUR 2,777 in the past fiscal year (previous year: KEUR 2,311). In addition, expenditures for other contribution-oriented plans for executive board members exist for direct insurance during the fiscal year in the amount of KEUR 25 (previous year: KEUR 25).

Sensitivity analysis

If other assumptions had remained constant, the changes possible on the closing key date could have influenced the following amounts with reasonable consideration of a decisive actuarial assumption of the performance-oriented obligation. We assume that the fluctuation factors are not subject to any decisive volatility due to the duration of the essential obligations. Consequently, we have not conducted a sensitivity analysis at this spot.

Although the analysis does not consider the complete split of the expected cash flows according to the plan, it provides an approximate value for the sensitivity of the depicted assumptions. The impact on the expected cash flow in the following periods of the internal financial commitments are of subordinate importance.

Pension payments in the amount of KEUR 40 from the employer.

The expected contributions to the plan assets for 2018 amount to KEUR 96.

	2017	2016
Change of the obligation	KEUR	KEUR
Current assumption as of 31 Dec. 2017		
Total obligation	44,001	45,105
Externally financed obligation	43,092	44,103
Internally financed obligation	909	1,002
Discount rate +0.5 PP	-4,561	-4,665
Discount rate -0.5 PP	5,333	5,471
Salary increase rate +0.5 PP[1)]	637	1,083
Salary increase rate -0.5 PP[1)]	-649	-1,059
Pension trend +0.5 PP[2)]	58	69
Pension trend -0.5 PP[2)]	-54	-62

PP = Percentage points

[1)] Due to the assumption of annual salary increases domestically of %, the sensitivity analysis only concerns the salary increase rate for the external financial obligations in the Netherlands and Switzerland.

[2)] Due to the assumption of annual increases of pensions in Switzerland and the Netherlands, the sensitivity analysis only concerns the pension trend for domestic obligations.

14. Accruals

The accruals are composed of the following:

	As of 01/01/2017	Consumption 2017	Redemption 2017	Additions 2017	As of 31/12//2017
	KEUR	KEUR	KEUR	KEUR	KEUR
Benefits still to be paid	899	690	15	1,572	1,766
Other accruals	79	79	0	474	474
	978	**769**	**15**	**2,046**	**2,240**

The performances still to be provided concerning risks in project business from threatened follow-up costs as well as price discounts, which are calculated based on values from experience as well as the costs still to be expected. Use of them is expected in 2018. The other accruals will presumably be used in the coming year.

15. Liabilities

The liabilities with respect to due dates are as follows:

	31/12//2017	
	Short-term (< 1 year)	Long-term (> 1 year)
	KEUR	KEUR
Trade accounts payable	5,607	0
Taxes on earnings obligation	1,126	0
Deferred revenue	2,391	0
Other non-financial debts	7,625	0
- Payments received	6,175	0
- Other taxes	1,450	0
Other financial debts	7,382	5,148
- From obligations for salary payables	2,598	0
- Other	4,784	5,148
Total	**24,131**	**5,148**

	31/12//2016	
	Short-term (< 1 year)	Long-term (> 1 year)
	KEUR	KEUR
Trade accounts payable	5,678	0
Taxes on earnings obligation	2,082	0
Deferred revenue	2,120	0
Other non-financial debts	6,293	0
- Payments received	4,172	0
- Other taxes	2,121	0
Other financial debts	4,965	4,521
- From obligations for salary payables	1,120	0
- Other	3,845	4,521
Total	**21,138**	**4,521**

The income tax liabilities concern actual tax debts for the current period and earlier period. They are to be assessed with the amount, which is to be paid to tax authorities. In calculating the amount, the tax rates and tax regulations are used as a basis, which are valid or announced for the balance sheet date in the respective country.

Revenue deferrals are required if the performance time for realized sales revenues deviates from the fiscal year for the area of software maintenance. The assignment of cost or expense not relating to accounting period will be transferred to the following fiscal year affect the result.

The other non-financial debts contain received payments for customer contracts and other taxes (turnover tax, wage and church tax payment obligations as well as social security payments).

In the position Other, the probable purchase price obligations from contingent purchase prices (cf. Note 3 for the determination) for purchasing remaining company shares are entered in the amount of KEUR 5,145 (previous year: KEUR 4,730) and are developing as follows

	KEUR
Status of the contingent purchase price on 1 January 2017	4,730
Disposal due to payment of the remaining purchase price liability of NEXUS SISINF SL	-200
Disposal due to non-achievement of the necessary criteria for payment of the contingent purchase price of Marabu EDV-Beratung und -Service GmbH	-56
Inflows due to accrued interest	51
– NEXUS SISINF SL	12
– nexus / switspot GmbH	12
– IBH Datentechnik GmbH	27
Inflows as a result of company acquisitions*	620
– highsystem ag	620
Status of the contingent purchase price on 31 December 2017	**5,145**

* including compounding as of 31/12/2017

16. Contingent Liabilities and Other Liabilities

1) Legal proceedings as well as claims from legal disputes, which occur during the normal course of business, could be asserted in the future against the Group companies. The associated risks are analyzed with respect to the probability of their occurrence. Although the result of these disputes cannot always be assessed precisely, the Executive Board believes that no substantial obligations can arise from this.

There are contingent liabilities of KEUR 99 (previous year: KEUR 99) from warranty obligations.

2) There are also financial obligations from the rental of offices, leasing of vehicles and other obligations. In line with the economic content of the leasing agreements, the leasing relations are to be classified as operating leasing relations. The resulting, possible liabilities are as follows:

31/12//2017	2018	2019 – 2022	ab 2023
	KEUR	KEUR	KEUR
Rents	2,164	5,266	309
Leasing	1,357	1,639	22
	3,521	**6,905**	**331**

31/12//2016	2017	2018 – 2021	ab 2022
	KEUR	KEUR	KEUR
Rents	1,845	5,016	365
Leasing	1,574	1,485	0
	3,419	**6,501**	**365**

The rent and leasing payments of the fiscal year amount to:

	2017	2016
	KEUR	KEUR
Rents	2,051	1,647
Leasing	1,476	1,703
	3,527	**3,350**

Rental and leasing agreements contain neither extension nor purchase options according to price adjustment clauses. Only minimum leasing payments are contained in 2017.

3) In addition, other financial obligations in the amount of KEUR 105 (previous year: 520) consist in the form of purchase order commitments for fixed assets from the expansion and renovation of the property and building in Donaueschingen acquired in 2015 in the amount of KEUR 105 (previous year: KEUR 520).

17. Revenues

The consolidated revenues are categorized in the following overview according to regions and business areas:

	Healthcare Software			
	2017		2016	
	KEUR	%	KEUR	%
Germany	55,664	51.6	46,249	47.3
Switzerland / Liechtenstein	28,052	26.0	26,865	27.5
Netherlands	14,037	13.0	16,277	16.7
France	5,165	4.8	5,240	5.4
Austria	2,186	2.0	1,368	1.4
Other regions	2,850	2.6	1,706	1.7
Total	**107,954**	**100.0**	**97,705**	**100.0**

	Healthcare Service			
	2017		2016	
	KEUR	%	KEUR	%
Germany	10,514	94.5	8,575	91.8
Switzerland / Liechtenstein	395	3.5	594	6.3
Austria	44	0.5	27	0.3
Other regions	176	1.5	150	1.6
Total	**11,129**	**100.0**	**9,346**	**100.0**

Of that attributed to:

	2017		2016	
	KEUR	%	KEUR	%
Services and Maintenance	92,907	78.0	83,227	77.7
Licenses	20,938	17.6	18,599	17.4
Hardware	5,238	4.4	5,225	4.9
Total	**119,083**	**100.0**	**107,051**	**100.0**

18. Other Operating Income

The other operating income refer above all to non-cash-value benefits in the amount KEUR 1,273 (previous year: KEUR 887), redemption of value adjustments from receivables in the amount of KEUR 347 (previous year: KEUR 279), foreign currency profits in the amount of KEUR 184 (previous year: KEUR 89), revenue from closing out short-term liabilities in the amount of KEUR 178 (previous year: KEUR 196), income from asset disposals in the amount of KEUR 161 (previous year: KEUR 149), KEUR 56 (previous year: KEUR 1,119), revenue from closing out reserves in the amount of KEUR 15 (previous year: KEUR 212), and revenues from insurance refunds in the amount of KEUR 4 (previous year: KEUR 6).

19. Material Expenses and Cost for Purchased Services

	2017	2016
	KEUR	KEUR
Costs of raw materials, consumables and supplies and for purchased goods	11,809	11,634
Cost for purchased services	7,555	5,696
	19,364	**17,330**

Costs for raw materials, consumables and supplies as well as for purchased goods are mainly expenses from license and hardware purchases, which were intended for further sales. The area of purchased services mainly concerns services in the wake of project business, which was subcontracted to third parties

20. Number of Employees and Personnel Expenses

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

	2017	2016
Salaried employees	949	904
Senior staff	26	20
	975	**924**

Personnel costs developed during the fiscal year as follows:

	2017	2016
	KEUR	KEUR
Wages and salaries	57,526	53,125
Social security contributions and expenses for pension costs and support	10,023	10,770
	67,549	**63,895**

In personal costs, KEUR 263 (previous year: KEUR 263) refer to expenditures for stock-based payments, which were entered split during the salary period according to IFRS 2.

On 14 July 2017, the Executive Board resolved, with the approval of the Supervisory Board on the same day, to increase the company's share capital against cash contributions to the exclusion of shareholders' subscription rights – in favor of the employees of Nexus AG and affiliated companies of Nexus AG – by up to EUR 25,000.00 from EUR 15,735,665.00 to EUR 15,760,665.00 by issuing up to 25,000 new no-par value bearer shares with a proportionate share in the company's share capital at EUR 1.00 each and with dividend entitlement as of 1 January 2017. A total of 16,566 bearer shares were issued in favor of the employees of Nexus AG and affiliated companies of Nexus AG. The additional personalization expenses amount to KEUR 127.

21. Other Operating Expenses

The other operational expenditures are as follows:

	2017	2016
	KEUR	KEUR
Operating costs	5,077	5,013
Sales costs	3,575	3,298
Administration costs	4,163	3,246
Other operating expenses	3,252	2,138
	16,067	**13,695**

The other operating expenses refer mainly to reserves for value adjustments in the amount of KEUR 1,128 (previous year: KEUR 866), provisions for reserves in the amount of KEUR 474 (previous year: KEUR 79), exchange rate losses in the amount of KEUR 257 (previous year: KEUR 152) as well as write-offs and losses of debts in the amount of KEUR 205 (previous year: KEUR 224). The other operational expenditures in the table above include payment to the auditing company for the Group Financial Statement as follows:

	2017	2016
	KEUR	KEUR
Audit (individual accounts and Group audit)	151	140
Other audit services	26	22
	177	**162**

In the fiscal year 2017, KEUR 15 (previous year: KEUR 10) were due retroactively for the Consolidated Financial Statement of the previous fiscal year. In addition to the consolidated financial statements, the auditors also audited the year-end closing of Nexus AG and conducted a voluntary year-end closing of a subsidiary. In addition, a further contractual audit service was performed at this subsidiary.

22. Revenue from Companies Valuated at Equity

The year-end results of companies valuated at equity, which are due to the NEXUS Group, are shown in the amount of KEUR -3 (previous year: KEUR 3). Expenses from the depreciation of a company valuated at equity were not incurred in the fiscal year (previous year: KEUR 0).

23. Finance Income

From finance income, KEUR 77 (previous year: KEUR 70), KEUR 56 (previous year: KEUR 49) are revenue from securities, KEUR 3 (previous year: KEUR 18) interest revenue from bank deposits, and KEUR 3 (previous year: KEUR 3) other interest receivable and similar income. There was no income from write-ups of securities from current assets in the fiscal year as in the previous year.

24. Finance Expenses

From finance expenses (KEUR 111; previous year: KEUR 91), KEUR 8 (previous year: KEUR 35) are write-offs and outflow losses from securities of current assets, KEUR 96 (previous year: KEUR 55) other interest payable and similar expenses, and KEUR 7 (previous year: KEUR 1) interest payments from bank liabilities.

25. Taxes on profit

Taxes on profit are composed of the actual tax expenses or actual tax amount and the deferred tax expenses or deferred tax amount. The actual tax liabilities or obligations are measured using the applicable tax laws on the cut-off date with the amounts, which probably must be paid to the tax authorities or which they will demand. Deferred tax debts and liabilities are valued on the basis of the tax laws, which applied on the cut-off date, at the tax rate, which probably applies in the period during which the debt or liability is due. In 2017, all losses carried forward were checked for their value based on a five-year plan. Credited deferred taxes were only established in the amount to which realization via future profit is possible. Debited, deferred taxes, which arise especially due to the capitalization of development costs, are accrued as deferred tax expenses or – when possible – offset with credited deferred taxes. The taxes on the result before income taxes are divided into the actual and deferred income taxes as follows:

	2017	2016
	KEUR	KEUR
Current tax expenses	-2,079	-1,902
- Current year	-2,269	-1,770
- Previous years	190	-132
Deferred tax expenses / income	-1,047	-395
- Creation / reversal of deferred differences	-1,047	-395
	-3,126	**-2,297**

The corporate income tax including the solidarity tax and the trade tax as well as comparable taxes dependent on income in foreign countries are shown as income taxes. In addition, tax accruals and deferrals are entered in these positions for all substantial differing amounts between commercial and tax balance sheets as well as possible consolidation measures. Substantial indications for realization of deferred tax claims on losses carried forward not used for taxes, which are higher than the operating results from the conversion of existing, taxable temporary differences, result from:

+ The continual result improvement of core business
+ The increasing maintenance volume
+ The planning of the individual companies belonging to the NEXUS Group

In determining the tax rates, a domestic tax rate of 15.0 % plus solidarity surcharge, i.e., 15.825 % in total, was set for the Group tax burden, and rates between 11.56 % and 16.64 % were set for the trade tax on earnings depending on the municipality. Taxes on profit in foreign countries are between 12.4 % and 33.3 %. The shown tax expenses deviated from the expected tax expenses, which would have resulted from application of the nominal tax rate on NEXUS AG of 30.77 % (previous year: 30.4 %) on the result according to IFRS. The relation of the expected tax expenses to the tax expenses, which result from the Group Statement of Income and Accumulated Earnings, shows the following transitional calculation:

	2017	2016
	KEUR	KEUR
Result before tax on profit	13,282	10,908
Expected tax expenses 30.77 % (previous year: 30.4 %)	-4,086	-3,312
Change of non-capitalized deferred taxes on losses carried forward	252	563
Tax rate differences for subsidiaries	552	348
Deviations from expenditures not deductible from taxes	-24	-15
Previous year taxes and other deviations	179	119
Tax expenses according to the Group profit and loss statement	**-3,127**	**-2,297**
Actual tax expenses (in %)	23.5	21.1

26. Earnings per Share

The undiluted earnings per share results from the division of the consolidated surplus due to the stockholders by the average weighted number of stocks in circulation during the period. For calculating the diluted result per share, the consolidated surplus due to the stockholders and the average weighted number of stocks in circulation during the period would have to be adjusted by the effects of all potentially diluted stocks, which result from the exercise of granted options.

An average number of stocks of 15,742 thousand (previous year: 15,747 thousand) was used as the basis for calculating the diluted result per share.

	2017	2016
Consolidated surplus (Group share) in KEUR	9,832	8,146
Undiluted average of issued shares in circulation (in thousands)	15,719	15,731
Result per share in euros (undiluted)	0.63	0.52
Diluted average of issued shares in circulation (in thousands)	15,742	15,747
Result per share in euros (diluted)	0.62	0.52

The weighted average of common shares (undiluted and diluted) for the fiscal year 2017 is calculated as follows:

	Common shares	Common shares from capital increase (+)	Buyback (-) of own shares	Issue (+) of own shares	Total of common shares
January	15,719,693		2,699		15,716,994
February	15,716,994				15,716,994
March	15,716,994			1,100	15,718,094
April	15,718,094				15,718,094
May	15,718,094				15,718,094
June	15,718,094				15,718,094
July	15,718,094				15,718,094
August	15,718,094				15,718,094
September	15,718,094				15,718,094
October	15,718,094	16,566		150	15,734,810
November	15,734,810		5,435	1,487	15,730,862
December	15,730,862		2,187		15,728,675
	Total	**16,566**	**10,321**	**2,737**	**188,654,993**
	Average (undiluted)				**15,718,876**
	Effect of shares from AOP 2015-2017				**23,556**
	Average (diluted)				**15,742,432**

The weighted average of common shares for the fiscal year 2016 is calculated as follows

	Common shares	Buy-back (-) of own shares	Issue (+) of own shares	Total common shares
January	15,730,905			15,730,905
February	15,730,905			15,730,905
March	15,730,905		480	15,731,385
April	15,731,385			15,731,385
May	15,731,385			15,731,385
June	15,731,385			15,731,385
July	15,731,385			15,731,385
August	15,731,385			15,731,385
September	15,731,385			15,731,385
October	15,731,385	850		15,730,535
November	15,730,535	6,678	2,200	15,726,057
December	15,726,057	8,528	2,164	15,719,693
	Total	**16,056**	**4,844**	**188,757,790**
Average (undiluted)				**15,730,924**
Effect of shares from AOP 2015-2017				**15,972**
Average (diluted)				**15,746,896**

27. Statement of Cash Flows

The statement of cash flows shows how the means of payment of the NEXUS AG changed due to incoming and outgoing flows in the reporting year. Payments are structured according to current transactions, investments and financing activity in the funds statement. The cash flow from current business transactions is shown according to the indirect method.

28. Cash Flow from current business activities

The cash flow from current business activities increased from KEUR 16,542 to KEUR 21,677 the 2017. The increase is mainly attributable to the higher consolidated net income before income taxes and the changes in liabilities.

29. Cash Flow from Investment Activities

The cash flow from investment activities is KEUR -9,416 (previous year: KEUR -16,341). Payments for investments in intangible assets, the expansion and renovation of the purchase property and building in Donaueschingen as well as payouts for the acquired companies were the focus of the investment activities.

30. Cash Flow from Financing Activities

The cash flow from financing activities in the amount of KEUR -2,133 (previous year: KEUR 2,408) was decisively influenced by dividend payments of KEUR 2,358 (previous year: KEUR 2,202) to our shareholders, incoming payments in the amount of KEUR 400 due to the capital increase conducted in the fiscal year, as well as payments from the purchase of own shares in the amount of KEUR 239 (previous year: KEUR 296).

31. Cash Position

The cash position is composed of liquid funds (cash balance and credit balance at banks) minus account adjustment liabilities to banks.

32. Segmenting according Business Divisions

According to IFRS 8, operative business segments are to be differentiated based on internal controlling and reporting. The Executive Board of Nexus AG, as the chief operating decision-maker in the Group, regularly monitors profitability and makes decisions on the allocation of resources on the basis of the business units. Consequently, the business units are the operative segments in the sense of IFRS 8. The legal units included in the Group Financial Statement are also each allocated completely to a business unit. Each business unit is thus composed of one or more legal units.

In the business units NEXUS / CIS, NEXUS / CSO, NEXUS / DIS, NEXUS / QM, NEXUS / PAT.INT, NEXUS / NCS and NEXUS / CCS, software solutions for the healthcare system are developed and marketed in administrative and medical areas. The economic development of these business units reacts uniformly to external influences. The expected economic indicator (sales) has the same characteristic and develops in the long term in the same business units in the same way. In addition, the offered products and services, the service creation process, the customers and the sales methods are almost identical or similar. For the reasons cited, these seven business units are combined in the reportable segment Healthcare Software.

Management controls the segments via the operational segment result and segment sales.

The operative segment NEXUS / HCS not allocated to the Healthcare Software reporting segment reports as independently operating Healthcare Service segment with mandatory reporting. The companies combined under Healthcare Service are managed uniformly. Under the name NEXUS Deutschland, centralized services and solutions are provided for interfaces of the product integration server. NEXUS / IT provides the guiding functions in daily management of the hospital IT department from operational management all the way to taking care of the software applications used and user support. EDP-supported process consulting, including SAP consulting, is mainly offered under the brand ASS.TEC. SAP consulting is mainly provided under the name ProLohn. SAP-HCM consulting is mainly provided under the name NEXUS / SWITSPOT. The balance sheet and valuation methods of both segments with mandatory reporting correspond to the same accounting methods as external reporting. Transactions between the segments are settled at customary market conditions.

In the following, revenue and results as well as segment assets and segment liabilities are presented for the individual Group segments that have mandatory reporting: cf. next page.

The geographic segments of the Group are determined according to the site of the Group assets. Sales to external customers, which are given in the geographic segments, are shown in the individual segments in line with the geographic site of the customers.

The geographic segments are as follows:

	2017	2016
	KEUR	KEUR
Sales		
Germany	66,178	54,824
Switzerland / Liechtenstein	28,447	27,459
Netherlands	14,037	16,277
France	5,165	5,240
Austria	2,230	1,395
Other regions	3,026	1,856
	119,083	**107,051**
Fixed assets (without financial assets)		
Germany	53,521	51,439
Netherlands	18,045	18,899
Switzerland	14,905	13,549
France	5,081	5,562
Spain	2,971	3,175
Austria	2	3
	94,525	**92,627**

33. Financial Instruments

The Group is active internationally in part, whereby it is subject to market risks due to changes of exchange rate. The Group does not believe that these risks can have a substantial influence on the revenue and financial situation of the Group. The following explanations supplement the explanations about the information about risks in Management Report

Non-Payment Risks

Financial instruments, which might cause a concentration of a non-payment risk for the company, are mainly assets at mostly at renowned financial institutes in Germany, Switzerland and the Netherlands, customary market securities and trade receivables. The means of payment and means of payment equivalents of the company are mainly in euros and Swiss francs. The marketable securities concern pension funds. The company continually monitors its investments at financial institutes, who are its contractual partners for the financial instruments, as well as their credit worthiness, and cannot detect any risk of non-fulfillment. Non-payment risks or risks that a contractual partner cannot fulfill his payment obligations are controlled via use of credit lines and other control methods within the framework of debt management (e.g., credit investigations). There is no concentrated default risk of individual receivables on the balance sheet key date in the Group greater than EUR 1 million. There were receivables diminished in value from deliveries and services in the amount of KEUR 2,914 on 31 December 2017 (previous year: KEUR 2,442).

The default risk is limited to the book value (KEUR 24,465; previous year: KEUR 23,771).

Liquidity Risks

The Group strives to have sufficient means of payment and equivalents for these or have corresponding credit lines to fulfill its obligations over the coming years. In addition, the company has approved capital available in the amount of KEUR 2,983 (previous year: KEUR 3,000) for further capital increases.

There are no liabilities to banks in the Group.

The table below shows the effect of the cash flows not discounted from original financial payables on the liquidity position of the Group and compares them to the book values. Negative values correspond to a cash inflow. Payment flows deviating significantly from this (deadlines or contributions) are not expected.

	Book Values	Cash Flows	Cash Flows	Cash Flows
	31/12/2017 (previous year)	Within 1 year (previous year)	Within 1 to 5 years (previous year)	After more than 5 years (previous year)
Self-generated financial liabilities	KEUR	KEUR	KEUR	KEUR
Trade accounts payable	5,607 (5,678)	5,607 (5,678)	0 (0)	0 (0)
Others	13,896 (13,105)	8,823 (8,584)	5,073 (4,521)	0 (0)
Total	**19,503 (18,783)**	**14,430 (14,262)**	**5,073 (4,521)**	**0 (0)**

Reporting according to Business Segments	Healthcare Software		Healthcare Service		Consolidation		Group	
	2017	2016	2017	2016	2017	2016	2017	2016
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Revenue								
Sales with third parties	107,954	97,705	11,129	9,346			119,083	107,051
- Services	82,658	74,392	10,249	8,835			92,907	83,227
- Licenses	20,224	18,238	715	361			20,939	18,599
- Deliveries	5,072	5,075	165	150			5,238	5,225
Sales between segments	60	111	2,931	2,534	-2,991	-2,645	0	0
Segment sales	108,014	97,816	14,060	11,879	-2,991	-2,645	119,083	107,051
Operating segment result	12,030	9,902	1,289	1,024			13,319	10,926
Revenue from Companies Valuated at Equity							-3	3
Finance Income							77	70
Finance Expenses							-111	-91
Result before Tax on Profit							13,282	10,908
Taxes on profit							-3,126	-2,297
Consolidated surplus							**10,156**	**8,611**
Davon entfallen auf:								
- Stockholders of NEXUS AG							9,832	8,146
- Shares of non-controlling partners Partner							324	465
Segment assets	112,670	110,484	5,964	6,409			118,634	116,893
Financial assets							31	34
Other assets							3,126	2,802
Deferred tax assets							2,169	3,085
Receivables from tax on profits							783	904
Cash and balance in bank							26,536	15,923
Total assets							**151,279**	**139,641**
Segment debts	35,772	31,062	2,745	2,947			38,517	34,009
Financial liabilities							1,126	2,082
Other tax liabilities							2,391	2,120
Deferred tax liabilities							6,236	5,628
Total liabilities							**48,270**	**43,839**
Investments	7,768	10,217	320	234			8,088	10,451
Depreciation	10,006	9,651	396	441			10,402	10,092

Currency Risks

Exchange rate risks are created by sales made in Switzerland, the USA and other regions in CHF, USD and other regions as well as the resultant receivables, which are subject to exchange rate fluctuations until payment.

Interest Risks

NEXUS does not take any long-term loans. No cash flow interest risk exists. The securities concern pension funds. The investments are subject to an interest or market value risk. The fair-value risk was entered directly under other income in equity capital in a corresponding valuation reserve due to the classification of securities as performance-neutral as available financial assets until a possible sale or decrease in value.

Market value

The financial instruments of the Group not shown in the balance sheet at the current value primarily concern claims from deliveries and services, payment means and payment mean equivalents, credit in current account, liabilities from deliveries and services and other liabilities. The book value of the payment means and payment mean equivalents is very close to the time value due to the short term of these financial instruments. The book value based on historic purchase costs is also very close to the current time value for claims and debts, which are subject to normal trade credit conditions.

Transaction Risk

NEXUS AG invoiced approx. 26.4 % of its sales outside of the euro sphere in 2017 (previous year: 26.6 %). We incur costs in Swiss francs due to our operations in Switzerland, but only slight costs in US dollars. As of 31 December 2017, the Group had holdings in USD in the amount of KUSD 0 = KEUR 0 (31 December 2016: KUSD 0 = KEUR 0) and holdings in Swiss francs in the amount of KCHF 8,727 = KEUR 7,464 (31 December 2016: KCHF 3,208 = KEUR 2,984). There were trade receivables and other receivables in foreign currency in the amount of TNOK 20 = KEUR 2 (31 December 2016: TNOK 16 = KEUR 2), KUSD 0 = KEUR 0 (31 December 2016: KUSD 10 = KEUR 10) as well as KCHF 2,871 = KEUR 2,455 (31 December 2016: KCHF 2,454 = KEUR 2,282) on 31 December 2017. On 31 December 2017, the trade accounts payable in foreign currency were KCHF 980 = KEUR 838 (31 December 2016: KCHF 1,093 = KEUR 1,017); the liabilities in USD are not substantial as was the case in the previous year. A hedging relation did not exist on the balance sheet cut-off date. Based on the balance sheet prices of the relevant currencies, the determination of sensitivities of a hypothetical change of the exchange rate relations was set at 10 percent respectively. If the euro had appreciated (depreciated) in value 10 % compared to the US dollar on the balance sheet cut-off date, the Group result before taxes would have been reduced (increased) by KEUR 0 (previous: KEUR 1). If the Swiss franc (CHF) had had appreciated (depreciated) in value 10 % compared to the euro on the balance sheet date, the Group result before taxes would have been higher (lower) by KEUR 162 (previous year: KEUR 127).

Translation Risk

The main office of the subsidiaries, NEXUS Schweiz GmbH (100 %), NEXUS Medizinsoftware und Systeme AG (100 %, previous year: 99,98 %), Domis Consulting AG (100%), Synergetics AG (60 %), syseca informatik ag, Lucerne (100 %) and highsystem ag (95 %) are outside of the area where the euro is used Because the reporting currency of the NEXUS Group is the euro, the revenues and expenditures of these subsidiaries are converted into euros within the context of consolidation. Changes in the average exchange rates from one reporting period to another can cause significant conversion effects, for example, with respect to sales revenues, the segment result and the Group result.

Additional Information about the Financial Instruments

The following table shows the book value according to valuation categories in line with IAS 39 and the adjusted current value according to classes of financial assets and financial liabilities. Net profits of the category FVTPL (HfT) are shown under position Other Operating Income. The net profits/losses of the category AfS contain reduction losses of KEUR 7 (previous year: KEUR 35), which are entered in the position Finance Expenses. Profits are shown under Finance Income.

No impairments of value in the reporting year (previous year: due to sales of securities KEUR 611) from the valuation reserve for financial instruments were recorded affecting expenditures in the Profit and Loss Account in the reporting year as was the case in the previous year. The net profits / losses of the category loans and receivables contain reduction losses of KEUR -1,333 (previous year: KEUR -1.090). These are shown in item Other Operating Expenses. Profits from value adjustments in the amount of KEUR 347 (previous year: KEUR 279) are shown under Other Operating Income.

Net Profits/Losses from Financial Instruments

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

	2017	2016
	KEUR	KEUR
FVTPL (HfT)	0	0
Net changes in fair value of plan assets	0	0
AfS	-7	-35
Net change of market value of securities	-7	-35
LaR	-1,149	-878
Net change of market value of receivables	-1,149	-878
	-1,156	**-913**

Interest Income/Expenditures from Financial Instruments

Interest income/expenses from financial instruments, which were not valuated with adjusted current value as revenue, were as follows in the fiscal year 2017:

Interest Income/Expenditures from Financial Instrument	2017	2016
	KEUR	KEUR
Interest revenue	77	70
Interest payments	111	91
	-34	**-21**

Interest revenue refers to financial instruments of the category LaR with KEUR 56 (previous year: KEUR 49). Interest expenses refer to financial instruments of the category AfS with KEUR 7 (previous year: KEUR 35).

As of 31/12/2017 in KEUR	Class pursuant to IFRS 7.6	Fair value	Book value	Valuation base on the balance sheet according to valuation category IAS 39			
	Valuation	as of 31/12/2017	as of 31/12/2017	FVTPL (HfT)	AfS	LaR	FLAC
Assets							
Securities	at current time value	1,849	1,849	0	1,849	0	0
Cash and credit balances at banks	–	0	26,536	0	0	0	0
Trade receivables at	at procurement costs carried forward	21,686	21,686	0	0	21,686	0
Other self-generated non-financial assets	at procurement costs carried forward	930	930	0	0	930	0
		24,465	**51,001**	**0**	**1,849**	**22,616**	**0**
Liabilities							
Trade accounts payable	at procurement costs carried forward	5,607	5,607	0	0	0	5,607
Other self-generated financial liabilities [1]	at procurement costs carried forward	20,155	20,155	0	0	0	20,155
		25,762	**25,762**	**0**	**0**	**0**	**25,762**

As of 31/12/2016 in KEUR	Class pursuant to IFRS 7.6	Fair value	Book value	Valuation base on the balance sheet according to valuation category IAS 39			
	Valuation	as of 31/12/2016	as of 31/12/2016	FVTPL (HfT)	AfS	LaR	FLAC
Assets							
Securities	at current time value	1,933	1,933	0	1,933	0	0
Loan against borrower's note	at procurement costs carried forward	1,000	1,000	0	0	1,000	0
Cash and credit balances at banks	–	0	15,923	0	0	0	0
Trade receivables	at procurement costs carried forward	20,101	20,101	0	0	20,101	0
Other receivables	at procurement costs carried forward	31	31	0	0	31	0
Other self-generated non-financial assets	at procurement costs carried forward	706	706	0	0	706	0
		23,771	**39,694**	**0**	**1,933**	**21,838**	**0**
Liabilities							
Trade accounts payable	at procurement costs carried forward	5,678	5,678	0	0	0	5,678
Other self-generated financial liabilities [1]	at procurement costs carried forward	15,779	15,779	0	0	0	15,779
		21,457	**21,457**	**0**	**0**	**0**	**21,457**

[1] This position shows the contingent purchase price on 31/12/2017 of KEUR 5,145
(previous year: KEUR 4,730), which was rated at the market value of level 3 (see Note 15). The market value corresponds to procurement costs carried forward.

The financial instruments carried in the balance sheet at the adjusted current market value, on which all essential parameters of valuation are based., on which the essential parameters valuation is based. The individual levels are defined according to IFRS 7:

Level 1: Valuation with prices noted on active market (used unchanged) for identical assets and liabilities.

Level 2: Valuations for the asset of liability is either direct (as price) or indirect (deduced from prices) on the basis of observable input data, which do not represent any quoted price according to level 1.

Level 3: Valuation on the basis of models with input parameters not observed on the market.

				31/12/2017
	Level 1	Level 2	Level 3	Total
Financial assets	1,849	0	0	1,849
Securities	1,849	0	0	1,849

				31/12/2016
	Level 1	Level 2	Level 3	Total
Financial assets	1,933	0	0	1,933
Securities	1,933	0	0	1,933

Explanation of Abbreviations

FVTPL (HfT) Financial assets evaluated as revenue at the adjusted value at the time/liabilities (kept for trading purposes))
AfS Financial assets available for sale
LaR Loans and receivables
FLAC Financial liabilities, which are valued at cost less depreciation

A separate class is to be created for the position cash balance and credit balance at banks. General assignment to the carried forward procurement costs or to the finance instruments valuated at market value is not correct, because it is shown at nominal value, whereby foreign currencies are converted at the current exchange rate. Consequently, evaluation of the cash balance and credit balance at banks is connected with a categorization according to IAS 39, which is why there are no valuations in the balance sheet according to valuation category. With respect to the borrower's note loan, the market value does not deviate essentially from the book value, because notice of termination can be given for this semi-annually, it has a variable interest rate and is refunded at nominal value.

34. Contingent liabilities

There were no contingent liabilities on 31 December 2017 as was the case on the cut-off date in the previous year

35. Relation to Closely Affiliated Companies and Persons

Affiliated Companies

NEXUS AG is the highest-ranking parent company Insignificant transactions were conducted with the affiliated company G.I.T.S. Gesundheitswesen IT-Service GmbH, Fürstenfeldbruck, for the Group during the reporting period. Sales were made in the amount of KEUR 60 (previous year: EUR 60), and no purchases were made. There were no outstanding trade accounts receivable or trade account payables on the cut-off date as was the case in the previous year. Sales were made in the amount of KEUR 5 (previous year: KEUR 24) with the affiliated company Palladium-med GmbH, Berlin, and no purchases were made. There were outstanding trade receivables in the amount of KEUR 4 on the cut-off date (previous year: KEUR 0) and there were no outstanding trade payables as in the previous year.

Affiliated Persons

Management members in key positions are only management members (Supervisory Board and Executive Board) of the Group parent company NEXUS AG. In addition to their work in the Supervisory Board, the members of the Supervisory Board provide services themselves or via companies affiliated with them for the Group and invoice them in line with customary market conditions in 2017, the expenses for such service fees amounted to KEUR 72 (previous year: KEUR 81). There were outstanding trade accounts payables in the amount of KEUR 2 on the balance sheet cut-off date (previous year: KEUR 8). In addition, Group companies provide services to Supervisory Board members and invoice them in line with customary market conditions. In 2017, the revenues from such services amounted to KEUR 99 (previous year: KEUR 67). There are no other relations to affiliated persons requiring reporting other than the information already reported at this place and other places.

The outstanding positions at the end of the fiscal year are not collateralized, non-interest bearing and will be paid in cash. There are no guarantees for receivables or payables in connection with affiliated companies. The Group did not adjust any values for receivables with respect to affiliated companies as of 31 December 2017 as was the case on the cut-off date of the previous year. The necessity of reporting a valuation adjustment is checked annually by checking the financial situation of the affiliated company and the market, in which it is active.

36. Organs of the Group

The following persons are members of the Supervisory Board:

- Dr. jur. Hans-Joachim König, Singen; Chairperson
- Prof. Dr. Ulrich Krystek, Hofheim; Deputy Chairperson
- MBA (FH) Wolfgang Dörflinger, Constance
- Prof. Dr. Alexander Pocsay, St. Ingbert
- Gerald Glausauer, Business Economist, Fichtenberg
- Prof. Dr. med. Felicia M. Rosenthal, Freiburg

The overall remuneration of the Supervisory Board amounted to KEUR 112. (previous year: KEUR 112).

The Executive Board:

- Dr. Ingo Behrendt, Constance; Chief Executive Officer
- MBA Ralf Heilig, Kreuzlingen (CH); Chief Sales Officer
- Graduated Engineer Edgar Kuner, St. Georgen; Executive Development Officer

The total salaries of the Executive Board are as follows:

	2017	2016
Salary components	**KEUR**	**KEUR**
Non-performance-related components	672	663
a) Short-term services	647	638
b) Benefits after termination of employment	25	25
Performance-related components without long-term incentives	400	400
Total	**1,072**	**1,063**

The Executive Board received basic pay in the amount of KEUR 1,072 (previous year: KEUR 972) during the business year. This includes KEUR 25 (previous year: KEUR 25) for the pensions of the Executive Board. Stock-based compensation was agreed upon with the Executive Board members in May 2014. Dependent on the increase in company value, it is composed of max. 160,000 shares, which will become due during the term and are based on the development of stock prices between 2015 and 2017 (AOP 2015-2017). Based on the actual increase in the value of the company, this resulted in a share-based remuneration in the amount of the maximum amount. Since these are to be paid from own shares, which are still to be repurchased, the entitlements were deferred.

In January 2018, new contracts were concluded with the members of the Executive Board consisting of a fixed remuneration and a variable remuneration. Share-based compensation based on the performance of Nexus shares for the years 2018 to 2020 is expected to be agreed with the Executive Board in May 2018.

37. Events after the balance sheet date

NEXUS AG acquired 55.0 % of the shares of MedHub sp. z o.o., Poznan (Poland), on 9 January 2018. With more than 90 employees and more than 120 hospital customers, the company is one of the top three providers of medical software in Poland. MedHub is a recognized leader in electronic patient records, including pharmaceutical and laboratory solutions. In the future, the company will operate as NEXUS Polska on the market.

A purchase price of KPLN 14,568 (equivalent to KEUR 3,489) was agreed upon, of which KPLN 14,131 (equivalent to KEUR 3,384) was paid in cash from the current bank account of NEXUS AG; a purchase price liability was formed for a further KPLN 437 (equivalent to KEUR 105). There is a put and call-option contract for the remaining 45.0 % of shares. In accordance with IFRS 3.45, the amounts shown below for the first-time recognition at the time of acquisition are provisional: The contingent purchase price of KPLN 8.385 (corresponds to KEUR 2,008) represents the current value. The contingent purchase price is unlimited in amount.. The identified and evaluated assets and debts identified in setting the purchase prices are essentially composed of technology (KPLN 3.507; equivalent to KEUR 840) and customer relations (KPLN 3.690; equivalent to KEUR 884) at the purchase time. Goodwill resulted from the purchase price allocation in the amount of KPLN 17,171 (corresponds to KEUR 4,112). The goodwill results mainly from the skills and expertise of the MedHub workforce and the expected synergies from the integration of the company into the Group's existing software business. None of the recorded goodwill is expected to be deductible for tax purposes. Deferred tax liabilities were calculated in the amount of KPLN 1,367 (equivalent to KEUR 328).

Procurement costs in the amount of KEUR 55 were accrued.

38. Statement in line with Section 161 German Stock Corporation Law about Corporate Governance Code

The Supervisory Board and the Executive Board of Nexus AG submitted the statement required according to Section 161 of the German Stock Corporation Law on and made it continually accessible on the Group homepage at www.nexus-ag.de – Investor Relations – Corporate Governance.

Donaueschingen, 5 March 2018

NEXUS AG
The Executive Board

Assurance of Legal Representatives

According to the best of our knowledge, we assure that the actual relations corresponding to the assets, finances and revenue situation of the Group in line with the accounting principles to be applied for the Group Financial Statement are stated and that the course of business including the business result and the situation of the Group are depicted in the Group Status Report, so that the actual relations as well as the essential chances and risks of the probable development of the Group are described.

Donaueschingen, 05 March 2018

NEXUS AG
The Executive Board

Audit Certificate of the independent auditor

To Nexus AG, Donaueschingen

Note on the audit of the consolidated financial statements and the group management report

Auditor' Report

We have audited the consolidated financial statements of Nexus AG, Donaueschingen, and its subsidiaries (the Group) consisting of the consolidated balance sheet as at 31 December 2017, the consolidated profit and loss statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year from 1 January to December 2017, and the notes to the consolidated financial statements, including a summary of significant accounting methods. In addition, we have audited the group management report of Nexus AG, Donaueschingen, for the fiscal year from 1 January 1 to 31 December 2017.

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

+ The attached consolidated financial statements comply in all essential aspects with IFRS to be applied in the EU and the additional requirements of Section 315e para. 1 of the German Commercial Code (HGB). Under compliance with these regulations, the consolidated financial statements give a true and fair view of the assets and financial position of the Group as of 31 December 2017 as well as its financial performance for the fiscal year from 1 January to 31 December 2017
+ The attached group management report as a whole conveys a true picture of the situation of the Group. In all essential aspects, this group management report is consistent with the consolidated financial statements, complies with legal requirements and suitably presents the opportunities and risks of future development.

In accordance with Section 322 para. 3 sentence 1 of the German Commercial Code (HGB), we declare that our audit has not resulted in any objections to the regularity of the consolidated financial statements and the group management report.

Basis for the Audit Report

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

Particularly important audit issues in the audit of the consolidated financial statements

Particularly important audit issues are those matters that we consider to be the most significant in our audit of the consolidated financial statements for the fiscal year from 1 January until 31 December 2017. 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.

Credit worthiness of goodwill and brands with indefinite useful lives and development costs capitalized but not yet ready for use

For information on the exercise of management's discretionary powers and sources of estimation uncertainties, please refer to Note 2.3 to the consolidated financial statements. Information on goodwill and intangible assets as well as the impairment test can be found in the notes to the consolidated financial statements in sections 2.4 and 4.

The risk for the financial statements

Goodwill of the Nexus Group amounted to KEUR 49,314 as of 31 December 2017. Other intangible assets include brands with an indefinite useful life of KEUR 8,749 and capitalized development costs of KEUR 2,412 that are not yet ready for use. Consequently, goodwill and brands with indefinite useful lives as well as capitalized development costs that are not yet ready for use have a material impact on the Company's financial position.

Nexus conducts the annual impairment test for goodwill, brands with indefinite useful lives and capitalized development costs that are not yet ready for use at the lowest level of each cash-generating unit. For this purpose, the carrying amount is compared with the recoverable amount of the respective cash-generating unit. If the carrying amount is higher than the recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of the fair value less costs for selling and the value in use of the cash-generating unit. The cut-off date for the impairment test is 31 December 2017.

The determination of any impairment is complex and is based on a number of assumptions. Among other things, these include the expected business and earnings development of cash generating units during the planning period of three years, the long-term planning assumptions for terminal value and the determination of the discount rate used.

There is a risk for the financial statements that an impairment loss existing at the balance sheet date will not be recognized. In addition, there is a risk that the associated notes to the consolidated financial statements may not be appropriate

Our approach in the audit

To assess the adequacy of the planning assumptions, we gained an understanding of the planning process in discussions with the Executive Board and those responsible for planning and compared the assumptions used with general and industry-specific market expectations, among other things. We assessed the design and implementation of controls for the planning process. In addition, we reconciled the planned values included in the impairment test with the corporate planning prepared by the Executive Board and approved by the Supervisory Board.

We also analyzed the forecast quality to date based on the plan/actual deviations from the past prepared by the company. To ensure that the valuation model used is correct, we have reproduced the company's calculations on the basis of risk-oriented, selected elements.

Including our valuation specialists, we have assessed both the company's calculation method and the assumptions and parameters used in determining the discount rate and growth rate for the terminal value for appropriateness.

In this context, we also checked whether the carrying amount of the relevant cash-generating unit was appropriately derived as of the balance sheet date. For this purpose, we assessed whether the assets and liabilities included were determined in an equivalent manner to the underlying calculation method.

To take account of the existing forecast uncertainty, we have reconstructed and assessed the alternative calculations carried out by the company, taking into account the change in the cost of capital or the cash flows.

Finally, we have assessed whether the information in the notes to the consolidated financial statements on the value of goodwill, brands with indefinite useful lives and capitalized development costs that are not yet ready for use is appropriate.

Our conclusions

The calculation method, on which the impairment tests are based, is appropriate and consistent with the valuation principles to be applied. The assumptions and parameters, on which the valuations are based, are generally balanced. The disclosures in the notes to the consolidated financial statements relating to impairment tests are appropriate.

Acquisition and first-time consolidation of CHILI GmbH and highsystem ag

For information on first-time consolidations in the consolidated financial statements of Nexus AG, please refer to the information on company mergers in the notes to the consolidated financial statements 3. For information on the exercise of the Executive Board's discretionary powers and sources of estimation uncertainties, please refer to Note 2.3 to the consolidated financial statements.

The risk for the financial statements

In the fiscal year 2017, Nexus acquired 51.19% of the shares in CHILI GmbH, Dossenheim, and 80% of the shares in highsystem ag, Zurich. A put/call option contract exists for a further 15% of highsystem ag. The purchase price for both share purchases amounted to KEUR 1,275 and KCHF 3,203, while the net assets at the time of the acquisitions amounted to KEUR 547 and KCHF 567. As part of the purchase price allocation, the acquired assets and liabilities are to be identified and measured on the basis of discretionary assumptions. In addition, estimates must also be made by the Executive Board with regard to the expected future purchase price payment in connection with the put/call option contract.

In view of the complexity of the underlying agreement and the high degree of estimation, there is a risk that the assets acquired, the liabilities assumed and the expected future purchase price will not be properly identified and appropriately valued. In addition, there is a risk that the presentation in the consolidated financial statements may not be appropriate.

Our approach in the audit

contracts. We assessed Nexus AG's concept of identifying and reporting the assets and liabilities transferred to the Nexus Group through acquisitions and reconciled it with the underlying valuations and annual financial statements. With regard to the identification of the assets acquired and liabilities assumed, we have assessed whether the approach of the Nexus is consistent with the underlying concept and whether the acquired assets and liabilities are complete. In discussions with the Executive Board and the employees responsible for preparing the purchase price allocations, we gained an understanding of the procedure.

We assessed the adequacy of the valuation models used to determine the fair values of the identified assets and liabilities and the expected future purchase price as well as the respective valuations by including our valuation specialists. In this context, Nexus has essentially identified intangible assets such as technology and customer relationships. We have reviewed the assumptions regarding the existence of customer relationships and technology based on contractual documents and other evidence provided to us. We have assessed whether the disclosures on business combinations in the notes to the consolidated financial statements are appropriate.

Our conclusions

The procedure for the identification and measurement of the acquired assets and liabilities as well as the valuation of the expected future purchase price payment is appropriate and consistent with the accounting and valuation principles to be applied. The assumptions used by the company are reasonable. The information in the notes to the consolidated financial statements is correct.

Accruals and deferrales for the period for sales revenue and trade receivabels

Please refer to the notes to the consolidated financial statements in section 2.4 of the notes to the consolidated financial statements for information on the presentation and delimitation of sales revenues and trade receivables in the consolidated financial statements of Nexus AG.

The risk for the financial statements

The Nexus Group's sales revenue in the financial year 2017 amounted to KEUR 119,083 and trade receivables amounted to KEUR 21,686 as of 31 December 2017.

Transactions generating revenue and the realization of revenue in the Nexus Group are sometimes complex. In particular, it is necessary to examine whether the requirements of IAS 18 for the recognition of revenue on the balance sheet date are met. In addition, multi-component transactions may be regulated in individual contracts, for which different revenue recognition principles must be observed.

There is a risk that sales revenues and trade receivables are not recognized on an accrual basis.

Our approach in the audit

We first assessed the information obtained in the course of our audit to determine the revenue transactions for which there is a risk of non-accrual recording. We have acknowledged the compliance of the accounting and valuation methods applied by the Nexus Group for the realization of sales (including the separation of multi-component transactions) and the capitalization of trade receivables with the regulations of IAS 18. In particular, we examined the prerequisites for the transfer of risk in the case of projects based on a contract for work and services and assessed whether the realization criteria for the sale of goods (IAS 18.14 et seq.) or the provision of services (IAS 18.20 et seq.) are relevant.

We have examined the control environment with regard to the identification of work, maintenance and service contracts as well as the correct and accrual recognition of revenues. Based on the findings of the audit, we have increasingly performed meaningful audit procedures.

To this end, we have reviewed the underlying contractual agreements, invoicing and the conditions for revenue recognition (including the separation of multi-component transactions) for contracts that we consider to be essential and consequently consciously selected them. From the rest of the population, we selected individual transactions by means of a representative random sample and conducted audit procedures to ensure that the sales transactions were correctly recorded, for example, by reviewing performance records and incoming payments as well as, by comparing them with the basis of the contract in individual cases. In addition, we conducted analytical procedures for the sales revenues of selected sales transactions and obtained external confirmations from the respective customers based on a representative sample regarding the existence of individual outstanding trade receivables. In the event of discrepancies or a lack of response, we have obtained alternative audit evidence (invoices, performance records, or incoming payments on bank account statements). We have also analyzed the credit memos in the new fiscal year to assess the volume of trade receivables and sales revenue.

Our conclusions

The Nexus Group's approach of recognizing sales revenue and recognizing trade receivables on an accrual basis provides appropriate results.

Method and evalution of the capitalized development costs

Please refer to section 2.4 of the notes to the consolidated financial statements for the accounting and valuation methods applied. Information on capitalized development costs can be found in the notes to the consolidated financial statements in section 4.

The risk for the financial statements

The capitalized development costs of the Nexus Group amounted to KEUR 16,929 as of 31 December 2017. Development costs of KEUR 5,058 were capitalized in the fiscal year 2017.

Development costs can only be capitalized if certain conditions are met and then amortized over the expected useful life.

Against this background, there is a risk that the capitalization requirements for the recognized development costs may not be met and the useful lives selected for the measurement may not be appropriate.

Our approach in the audit

We first assessed the accounting and valuation methods applied by Nexus AG with regard to the review of the capitalization criteria and the useful life of the development costs. We have also assessed the design and implementation of the controls to verify the capitalization requirements and to determine the useful life. Based on the findings of the audit, we have increasingly performed meaningful audit procedures.

Based on a price list comparison, we checked whether independent assets were created and whether they were sold or licensed independently. Furthermore, we have verified the allocation of capitalized production costs to individual projects in the fiscal year. For these new developments, we have made a deliberate selection to check the allocation of production costs. To check the useful life, we have verified whether individual modules can be sold over the useful life and assessed whether the useful life of the technology change in computer software was appropriately taken into account in determining the useful life of the technology change.

Our conclusions

The Nexus Group's approach to capitalizing development costs and determining the useful life is appropriate

Other Information

The legal representatives are responsible for other information. The other information includes the components of the annual report, with the exception of the audited consolidated financial statements and the group management report as well as our auditor's certificate.

Our opinions on the consolidated financial statements and the group management report do not extend to the other information and we accordingly do not express an opinion or any other form of audit conclusion on them.

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

+ Show significant discrepancies to the consolidated financial statements, the group management report or our knowledge obtained during the test.
+ Otherwise appear significantly misrepresented.

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 and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e. 1 of the German Commercial Code (HGB) in all essential respects and for ensuring that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. In addition, the legal representatives are responsible for the internal controls that they consider necessary to enable the preparation of financial statements that are free from essential misstatements, whether intentional or unintentional.

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

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

The Supervisory Board is responsible for monitoring the Group's accounting process for preparing the consolidated financial 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 as to whether the consolidated financial statements as a whole are free of material misstatements—whether intentional or unintentional—and whether the group management report as a whole provides a suitable view of the Group's position and is consistent in all essential respects with the consolidated financial statements and with the findings of the audit, complies with the German legal requirements and suitably presents the opportunities and risks of future development as well as to issue an audit certificate that includes our audit opinions on the consolidated financial statements and the group management report.

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

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

+ We identify and assess the risks of material misstatements—whether intentional or unintentional—in the consolidated financial statements and the group management report, plan audit procedures in response to these risks, and perform audits that serve as a sufficient and appropriate basis for our audit opinion. The risk that essential misstatements resulting from fraud will not be identified is greater than that for a misstatement resulting from errors, since fraud may include fraudulent co-operation, counterfeiting, deliberate omissions, misleading representations or the overriding of internal controls.
+ We gain an understanding from the relevant internal control system and relevant precautions and measures audit procedures to plan audit procedures for auditing the group management report that are appropriate under the specific circumstances, but not with the objective of issuing an opinion on the effectiveness of the company's internal control system.
+ We assess the appropriateness of the accounting methods used by the legal representatives as well as the justifiability of the estimated values shown by the legal representatives and related information.
+ We assess the appropriateness of the legal representatives' use of accounting principles of continue operations as well as—based on the audit evidence obtained—whether essential uncertainty exists in connection with events or circumstances that may cast significant doubt on the Group's capacity to continue business operations. If we conclude that material uncertainty exists, we are required to draw attention in our audit certificate to the related information in the consolidated financial statements and the group management report or, if such information is inappropriate, to modify our audit opinion. We have drawn our conclusions on the basis of the audit evidence obtained by the date of our audit certificate. However, future events or conditions may result in the Group no longer being able to continue its business.
+ We assess the overall presentation, the structure and content of the consolidated financial statements, including the disclosures, and 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 net assets, financial position and results of operations of the Group in accordance with IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e para. 1 of the German Commercial Code (HGB).
+ We obtain sufficient appropriate audit evidence for the accounting information of the companies or business activities within the Group to give our opinion on the consolidated financial statements and the group management report. We are responsible for the guidance, supervision and conduct 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, its compliance with legal provisions, and the picture presented by it of the Group situation.
+ We perform audit procedures on the forward-looking statements contained in the group management report as presented by the legal representatives. Based on sufficient and suitable audit evidence, we perform our audit in particular on the basis of the significant assumptions, on which the forward-looking statements by the legal representatives are based and assess the proper derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or on the underlying assumptions. There is a significant, unavoidable risk that future events will essentially differ from the forward-looking statements.

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

We make a statement to those responsible for monitoring that we have complied with the relevant independence requirements and discuss with them all relationships and other matters reasonably likely to affect our independence and the safeguards we have taken.

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

Miscellaneous statutory and other legal requirements

Other information in accordance with Article 10 EU-APrVO

We were appointed as auditors of the consolidated financial statements by the Annual General Meeting on 12 May 2017. We were appointed by the Supervisory Board on 30 November 2017. We have been working uninterruptedly as auditors of the consolidated financial statements of Nexus AG since the 2008 fiscal year.

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

We performed the following services, which were not disclosed in the consolidated financial statements or in the group management report, in addition to the audit of the financial statements of the Group companies:

In addition to the consolidated financial statements, we also audited the year-end closing of NEXUS AG and conducted a voluntary year-end closing of a subsidiary. In addition, a further contractual audit service was performed at this subsidiary.

Responsible Auditor

The auditor responsible for the audit is Petra Mayran.

Freiburg im Breisgau, 05 March 2018

KPMG AG
Auditing Company

Brantner	Mayran
Auditor	Auditor

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