

# Half Year Report 2007

June 30, 2007



# Letter to our Stockholders

Dear Stockholders,

The first half year 2007 has again been very successful. This applies both with respect to development of sales and the operating result as well as the number of orders received, which improved further despite their already high level. In addition, we also took a substantial step forward in expanding our product portfolio with the acquisition of Computer Partner Paschmann GmbH.

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Analog to our business plan, the focal point of the first half year was on the continual development of our business base. This means that the realization of customer projects as well as the consistent implementation of development strategies are the essential milestones in 2007.

As in the previous years, we are pushing this concentration consistently, because we want to work on the long-term success potential of our company: product quality and customer satisfaction.

We set the goal to bet consistently on innovation and increased sales by 2008 and only secondly in improved profits. We have implemented this strategy over the past years with great determination and have surpassed our targets for the most part.

For this reason, it is that much more good news that the market has given us extremely positive feedback to our company development - in the form of new orders - over the past months. Consequently, our belief that our strategy leads to success has been confirmed and we will pursue consistently.

## Highlights First Half Year - 2007 Business development

- + Further increase in sales and profit
- + Many new orders in first half year
- + Increasing market shares in Switzerland and Austria
- + Further announcement of new products

**At the same time, the order entry of the first half year represents an extremely solid basis for our business in this and the coming years.**

But we also see the obligation, which results from our strong market position. We are challenged to realize our tasks in product development and implementation faster and with even more innovation.

Customers trust NEXUS AG and expect highly professional solutions with advanced technology and contents to optimize their hospital processes. These are challenges, which we are glad to face.

Whether we achieve our ambitious goals of the current year will depend on our meeting these challenges. In spite of the very good results from last year, we want to again achieve a big increase in sales and profits. At the same time, consolidation of the Group and of our product portfolio is an essential goal of the current year.

We are very happy that we have succeeded in the half year in meeting our targets and earned a substantial contribution to our annual goal.

**Consequently, we have been able to continue the positive development of the last 20 quarters without a break. Sales increased in the first half year by approx. 20% from EUR 11 million to EUR 13.2 million.**

The **Healthcare Software Division** again developed convincingly, and increased by 21.7% from EUR 9.1 to **EUR 11.1 million in sales**. The sales contribution of one month of NEXUS / PASCHMANN GmbH was consolidated for the first time.

The **operating result** of the Group also **developed positively** in the first half year. The **EBITDA** improved from **2.3 million EUR to 2.5 million EUR (+9.5%)** The **result before taxes of KEUR 605** was improved from KEUR 562 by approx. 8%; **after taxes**, an **improvement** of approx. **20%** to **KEUR 553** was achieved (1st half year 2006: KEUR 460).

The again positive first half year makes us confident that we will achieve our goals of the current year.

We are faced with very substantial challenges, we have to prove that the market is right in trusting us within our projects. Against the background of our modern product range and our excellent staff, we are convinced that we can do justice to these demands.

Sincerely,



Dr. Ingo Behrendt  
CEO - NEXUS AG



# New Member in the NEXUS Group: NEXUS / PASCHMANN GmbH

NEXUS acquired 100% of the shares of its computer partner Paschmann GmbH, Oberhausen as of 4 June 2007. With more than 250 customers, the company is one of the market leaders in the segment of pathology and cytology systems in the German-speaking areas. With this step, NEXUS is expanding its know-how base in this area and consequently is augmenting its product range of special medical solutions consistently.

4 Pathology – often delegated to basements in hospitals – is playing an increasingly important role, especially in tumor diagnostics (but not only there). Almost every cancer case is diagnosed on the microscope of a pathologist and communicated to clinicians with corresponding treatment recommendations.

In this context, the reliability of laboratory organization as well as the skilled work of laboratory workers is just as important a role as the experience of the doctors working on the microscopes. All those involved are supported effectively using customized software.



**The newly developed program package NEXUS / PATHOLOGY is the most modern pathology program in German-speaking regions, based on experience with 140 installations of the PAS (Pathology Application System) and 80 ZytoMaster installations over the past 20 years.**

NEXUS / PATHOLOGY is adapted to specific institute workflows from material receipt and electronic registration to contents with digital dictation and photo/video documentation, laboratory support all the way to effective support of the pathologist using the microscope, digital dictation and speech recognition, link of customary microscope cameras and virtual microscopy and telepathology.

Of course, all accounting methods are supported. Close integration in hospital processes is also included with order entry, findings and service data communication to the HIS system used.



**Uwe Paschmann**, Managing Director of NEXUS / PASCHMANN GmbH

# NEXUS in the environment of Financial and Health markets



The price of NEXUS stocks consolidated somewhat at the end of April and end of May following previous strong upward movements. At the beginning of July, the price hovered around a basic value of approx. 4 €. Overall, prices of NEXUS stocks experienced an upward trend during the first six months. Following a price of 3.65 € on 30 March 2007, the stocks were at a higher level of 4.00 € at the end of July. At the beginning of August the price moved between 3.70 and 3.90 €.

## Finance- and Event schedule 2007 (status quo: August `07)

### FINANCE SCHEDULE

|                                    |               |
|------------------------------------|---------------|
| German equity forum, Frankfurt (D) | November 14th |
| Quarterly Report - third quarter   | November 22nd |

### EVENT AND TRADE FAIR SCHEDULE

|   |                  |
|---|------------------|
| eHealthcare congress, Nottwil (CH)              | September 27th   |
| NEXUS AG customers day, Heidelberg (D)          | 9 - 10 October   |
| 31. Dreiländertreffen (EFSUMB), Leipzig (D)     | 24 - 27 October  |
| 7. KTQ-Forum, Berlin (D)                        | November 5th     |
| Forensiktage Klinik Nette-Gut, Andernach (D)    | November 5th     |
| MEDICA, Düsseldorf (D)                          | 14 - 17 November |
| DGPPN, Berlin (D)                               | 21 - 24 November |
| Dt. Kongress für Perinatale Medizin, Berlin (D) | 11/29/ - 12/01/  |

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## Decisions for NEXUS-solutions 2007

- + Schmieder Kliniken, Allensbach (D)
- + Deutsches Herzzentrum, Berlin (D)
- + Vivantes-Auguste-Viktoria-Klinikum, Berlin (D)
- + Kliniken Landkreis Biberach, Biberach (D)
- + Klinikum, Darmstadt (D)
- + Kath. Kliniken, Duisburg (D)
- + Neurologisches Reha Zentrum, Greifswald (D)
- + Kreiskrankenhaus, Groß-Umstadt (D)
- + Diakonie-Krankenhaus, Ingelheim (D)
- + Westpfalz-Klinikum, Kaiserslautern (D)
- + Zentrum für Rad. und Nuklearmed., Karlsruhe (D)
- + Pfalz-Klinikum, Klingenmünster (D)
- + Krankenhaus, Leonberg (D)
- + Klinikum, Neunkirchen (D)
- + Luisenkrankenhaus, Lindenfels (D)
- + Chirurgische Klinik Dr. Rinecker, Munich (D)
- + Diakonie-Krankenhaus, Rotenburg (Wümme) (D)
- + Thüringen-Klinik - Saalfeld, Pößneck (D)
- + Krankenhaus, Porz (D)
- + Thüringen-Kliniken - Saalfeld, Rudolstadt (D)
- + Klinikum, Saarbrücken (D)
- + DGD Krankenhaus, Sachsenhausen (D)
- + Kreiskrankenhaus, Seeheim-Jugenheim (D)
- + DRK Krankenhaus, Teterow (D)
- + Anna-Henrietten-Stift, Traben-Trarbach (D)
- + Uni-Klinik, Tübingen (D)
- + Evang. Krankenhaus Hochstift, Worms (D)
- + Krankenanstalten Verbund (KAV), Vienna (A)
- + St. Josef Klinik, St. Vith (B)
- + Krankenhaus Sheinovo, Sofia (BG)
- + Kantonsspital, Aarau (CH)
- + Spital, Altstätten (CH)
- + Universitätsspital, Basel (CH)
- + Spital, Flawil (CH)
- + Spital, Grabs (CH)
- + Spital, Linth-Utznach (CH)
- + Kantonsspital, Luzern (CH)
- + Spital, Rorschach (CH)
- + Bürgerspital, St. Gallen (CH)
- + Kantonsspital, St. Gallen (CH)
- + Luzerner Psychiatrie, St. Urban (CH)
- + Spital Walenstadt (CH)
- + Spital, Wattwil (CH)
- + Spital, Wil (CH)
- + Centre Hospitalier Emile Mayrisch, Esch-sur-Alzette (LU)

# Interim Group Management Report

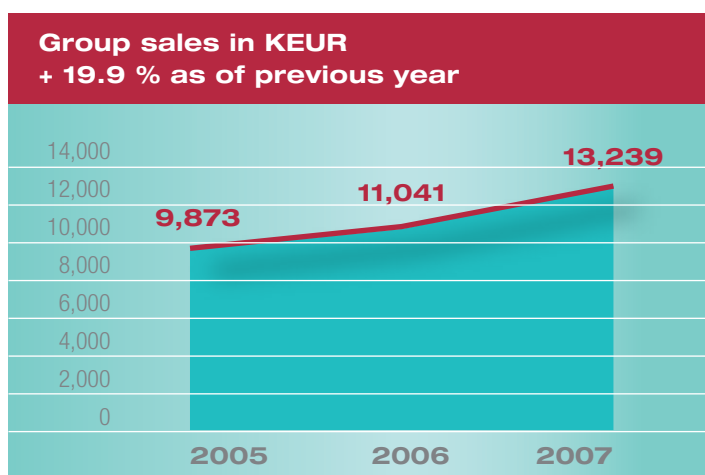
## Good first Half Year 2007

NEXUS Group sales increased from KEUR 11,041 to KEUR 13,239 (+19.9 %) in the first six months of the year 2007. The increase in sales is due to the consolidation effect on one hand, and on the other hand due to the continuing strong demand for NEXUS products.

The **Healthcare Software segment** is responsible for the good development of sales; its sales increased by 21.7% compared to the same period of the previous year **from KEUR 9,100 to KEUR 11,071**. Sales in the area of **Healthcare Service** increased by 11.7 % from **KEUR 1,941 to KEUR 2,168**.

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**Group sales increased by 20.4% to KEUR 6,930** compared to the second quarter (Q2-2006: KEUR 5,754). Sales of NEXUS / PASCHMANN GmbH were consolidated for one month for the first time.



### Foreign sales again increased substantially in the first half year.

This is above all due to further increases of our market share in Switzerland and Austria. The share of sales outside of Germany increased overall from 28% to 41.7 %. Growth stimuli in the first half year came very clearly from international business, while sales in Germany mainly stagnated with KEUR 7,714 following 7,945 in the same period of the previous year (-2.9%).

#### Sales by regions

|                      | 01/01/ -      | 01/01/ -      | Δ in %      | 04/01/ -     | 04/01/ -     | Δ in %      |
|----------------------|---------------|---------------|-------------|--------------|--------------|-------------|
|                      | 06/30/06      | 06/30/07      |             | 06/30/06     | 06/30/07     |             |
|                      | KEUR          | KEUR          |             | KEUR         | KEUR         |             |
| Germany              | 7,945         | 7,714         | -2.9        | 3,947        | 4,129        | 4.6         |
| Switzerland          | 1,959         | 4,290         | 119.0       | 1,227        | 2,404        | 95.9        |
| Austria              | 340           | 507           | 49.1        | 166          | 147          | -11.4       |
| Italy                | 65            | 88            | 35.4        | 25           | 37           | 48.0        |
| Rest of Europe / USA | 705           | 560           | -20.6       | 389          | 213          | -48.2       |
| Arabien region       | 27            | 80            | 196.3       | 0            | 0            |             |
| <b>Total</b>         | <b>11,041</b> | <b>13,239</b> | <b>19.9</b> | <b>5,754</b> | <b>6,930</b> | <b>20.4</b> |

#### Highlights First Half Year - 2007 Group sales and Result

- + 19.9 % group sales increase in first half year 2007 from KEUR 11,041 (1.HY-2006) to KEUR 13,239
- + 21.7 % sales increase in Healthcare Software division from KEUR 9,100 (1.HY-2006) to KEUR 11,071
- + 20.2 % increase in earnings after tax from KEUR 460 (1.HY-2006) to KEUR 553
- + Cash reserves decreased by acquisitions to 14.1 million €
- + Turnaround at Healthcare Service division continued
- + Very high order entry in first half year

#### Sales by divisions

|                     | 01/01/ -      | 01/01/ -      | Δ in %      | 04/01/ -     | 04/01/ -     | Δ in %      |
|---------------------|---------------|---------------|-------------|--------------|--------------|-------------|
|                     | 06/30/06      | 06/30/07      |             | 06/30/06     | 06/30/07     |             |
|                     | KEUR          | KEUR          |             | KEUR         | KEUR         |             |
| Healthcare Software | 9,100         | 11,071        | 21.7        | 4,802        | 5,894        | 22.7        |
| Healthcare Service  | 1,941         | 2,168         | 11.7        | 952          | 1,036        | 8.8         |
| <b>Total</b>        | <b>11,041</b> | <b>13,239</b> | <b>19.9</b> | <b>5,754</b> | <b>6,930</b> | <b>20.4</b> |

# Interim Group Management Report

## Results of the first Half Year 2007

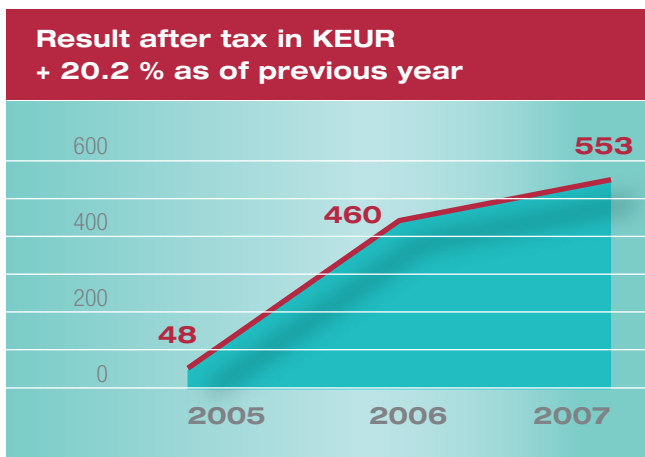
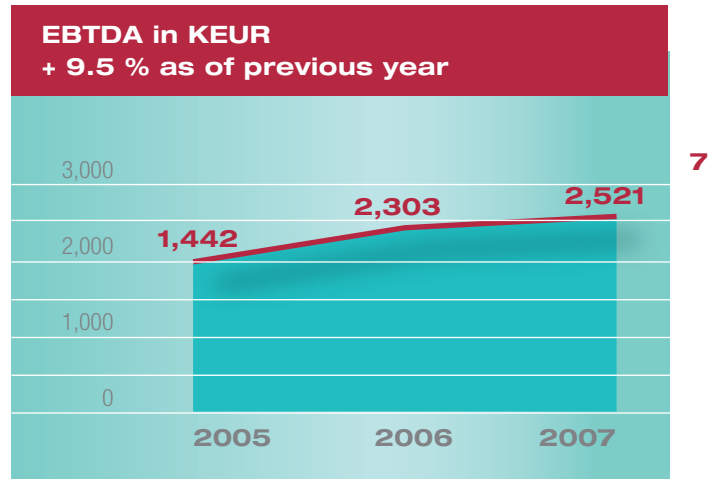
The positive development of the operating result of the last quarters continued during the reporting period. The Group result improved by 20.2% to KEUR 553 (1st half year 2006: KEUR 460), and the result before taxes improved by 7.7% to KEUR 605 (1st half year 2006: KEUR 562).

The **EBTDA** increased by KEUR 218 in the first half year of 2007 (previous year: KEUR 2,303) to **KEUR 2,521 (+9.5%)** now. The positive development of the result figures reflects the positive overall development of the company.

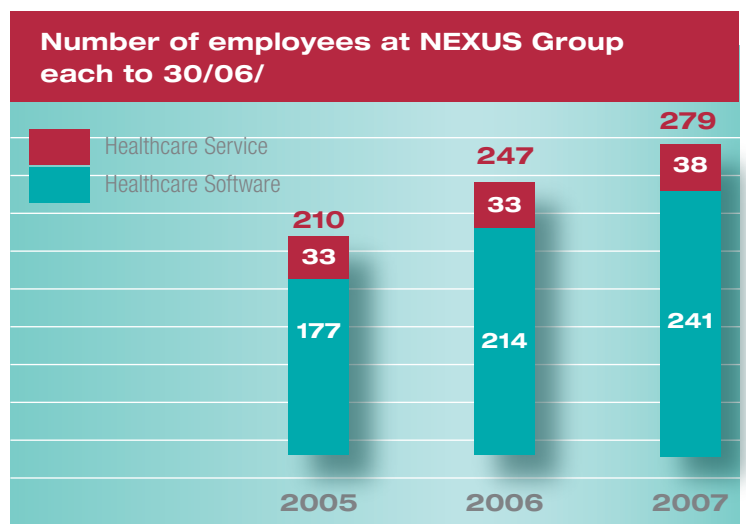
It should be noted here that one-time effects and expenses for company integration are represented in their complete amount in the operating result. This especially applies to the **segment Healthcare Software**, in which the acquisitions were consolidated.

**The segment with a result of KEUR 511 following KEUR 467 was approximately KEUR 44 higher than the value of the previous year (+9.4%), while the segment Healthcare Service achieved a more considerable result increase of about KEUR 66 to KEUR 42 (previous year: KEUR -24).**

At **KEUR 1,428** the operative **cash flow** is at the level of the previous year (First half year 2006: KEUR 1,440), whereby especially the increase of accounts receivable resulted in charges. **Cash reserves** decreased to **14.1 million €** against the background of payments for purchase of Computer Partner Paschmann GmbH and greatly increased current assets of 17.4 million EUR on 31 December 2006. The still high amount of cash reserves will increase again from expected payments from projects during the current year.



Number of employees increased by 32 employees to 279 on the cutoff date. See also chart below:



# Interim Group Management Report

## Group informationen and Outlook

### Directors Holdings

The Director's Holdings of the supervisory board and the executive board were as follows on June 30, 2007 in comparison to the previous year:

### Chances and Risiks

Strong growth in sales and operating result: we have been able to open our business reports with this result over the past 20 quarters. This continual organic and strong growth, which is also the result of acquisitions, has characterized our development over the past years. This represents successful development without restrictions in a complex environment with substantial stress of competition. This is especially the case against the background of the many new projects, which we won in the past months.

We are now faced with new challenges. In the upcoming months, it will be a question of completing our projects with a high degree of quality and on time. The projects not only represent sales for us, but they are also proof of our operating efficiency and consequently publicity for our company at the same time.

### Outlook

We are looking at substantial growth potential, which is very promising both in the short term and in the long run. But this requires that we can use our projects successfully as a sales message.

We are going to concentrate on these topics for the rest of this year. It will be a question of not only achieving our goals this year, but also of creating the basis for next year. The prerequisites are good: large amount of orders on hand, good technology and a motivated staff. Our development till now makes us confident that we will have success with these prerequisites.

### Financial situation

There are no significant changes in the financial situation of the group compared to 12/31/2006.

| Directors Holdings                           | Numbers of stocks owned | Numbers of options  |
|--|-------------------------|---------------------|
| <b>Supervisory Board</b>                     |                         |                     |
| Dr. jur. Hans-Joachim König                  | 81,099                  | 0                   |
|  | Prev. year: 81,099      | Previous year: 0    |
| Prof. Dr. Alexander Pocsay                   | 0                       | 0                   |
|  | Previous year: 0        | Previous year: 0    |
| Ronny Dransfeld                              | 0                       | 0                   |
|  | Previous year: 0        | Previous year: 0    |
| Prof. Dr. Ulrich Krystek                     | 0                       | 0                   |
|  | Previous year: 0        | Previous year: 0    |
| Dipl.-Betriebsw. (FH)<br>Wolfgang Dörflinger | 0                       | 0                   |
|  | Previous year: 0        | Previous year: 0    |
| Dr. Dietmar Kubis                            | 0                       | 0                   |
|  | Previous year: 0        | Previous year: 0    |
| <b>Executive Board</b>                       |                         |                     |
| Dr. Ingo Behrendt (MBA)                      | 82,000                  | 355,000             |
|  | Prev. year: 82,000      | Prev. year: 165,000 |
| Dipl.-Betriebsw. (FH)<br>Stefan Burkart      | 116,147                 | 15,000              |
|  | Prev. year: 116,147     | Previous year: 0    |



# Facts and Figures

## Group P+L Account as of 06/30/2007 and 06/30/2006 (IFRS)

| CONSOLIDATED PROFIT AND LOSS<br>ACCOUNT   | 04/01/ -<br>06/30/06 | 04/01/ -<br>06/30/07 | 01/01/ -<br>06/30/06 | 01/01/ -<br>06/30/07 |
|---|----------------------|----------------------|----------------------|----------------------|
|   | KEUR                 | KEUR                 | KEUR                 | KEUR                 |
| 1. Revenue  | 5,754                | 6,930                | 11,041               | 13,239               |
| 2. Increase / decrease in finished goods and work in progress                     | -41                  | -192                 | -44                  | 40                   |
| 3. Other capitalized company work   | 861                  | 1,015                | 1,677                | 1,872                |
| 4. Other operating income   | 146                  | 307                  | 374                  | 592                  |
| 5. Cost of materials  | 1,143                | 1,417                | 2,425                | 2,879                |
| a) Cost of raw materials and supplies   | 848                  | 1,165                | 2,030                | 2,511                |
| b) Cost for purchased services  | 295                  | 252                  | 395                  | 368                  |
| 6. Personnel expenses   | 3,272                | 4,179                | 6,173                | 8,023                |
| a) Wages and salaries   | 2,760                | 3,575                | 5,191                | 6,857                |
| b) Social costs   | 512                  | 604                  | 982                  | 1,166                |
| 7. Depreciation and amortization of fixed intangible and tangible assets          | 927                  | 1,010                | 1,752                | 2,008                |
| 8. Other operating expenses   | 1,308                | 1,374                | 2,497                | 2,608                |
| a) Cost of operation  | -                    | 392                  | -                    | 739                  |
| b) Cost of distribution   | -                    | 490                  | -                    | 773                  |
| c) Cost of administration   | -                    | 446                  | -                    | 989                  |
| d) Other expenses   | -                    | 46                   | -                    | 107                  |
| 9. Other taxes  | 1                    | 2                    | 6                    | 5                    |
| 10. Expenses from associated companies  | -                    | -                    | -                    | -                    |
| 11. Other interest and similar income   | 137                  | 154                  | 370                  | 389                  |
| 12. Revenue from associated companies   | -                    | -                    | -                    | -                    |
| 13. Profit resulting from sale of other stocks                                    | -                    | -                    | -                    | -                    |
| 14. Depreciation of financial assets and losses resulting from the sale of assets | -                    | -                    | -                    | -                    |
| 15. Interest payable and other similar charges                                    | 2                    | 2                    | 3                    | 4                    |
| <b>PROFIT BEFORE TAX</b>  | <b>204</b>           | <b>230</b>           | <b>562</b>           | <b>605</b>           |
| 16. Income taxes  | -60                  | -51                  | -102                 | -52                  |
| <b>ANNUAL NET PROFIT</b>  | <b>144</b>           | <b>179</b>           | <b>460</b>           | <b>553</b>           |
| Are attributable to:  |                      |                      |                      |                      |
| Minority interest   | 19                   | 54                   | 17                   | 77                   |
| Stockholders of parent company  | 125                  | 125                  | 443                  | 476                  |
| Weighted average of issued shares (in thousands)                                  | 13,720               | 13,805               | 13,720               | 13,777               |
| <b>ERESULT PER SHARE IN EUR (DILUTED AND UNDILUTED )</b>                          | <b>0.02</b>          | <b>0.01</b>          | <b>0.02</b>          | <b>0.03</b>          |

# Facts and Figures

## Balance sheet as of 06/30/2007 and 06/30/2006 (IFRS)

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| <b>BALANCE SHEET AS OF 06/30/2007 (IFRS)<br/>ASSETS</b>   | <b>12/31/2006</b> | <b>06/30/2007</b> |
|---|-------------------|-------------------|
|   | <b>KEUR</b>       | <b>KEUR</b>       |
| <b>LONG-TERM CAPITAL</b>  |                   |                   |
| I, Intangible assets  |                   |                   |
| 1, Concessions, industrial property rights, and rights and assets<br>as well as licenses for such rights and assets | 130               | 206               |
| 2. Goodwill   | 7,749             | 9,648             |
| 3. Development costs  | 8,311             | 8,555             |
| 4. Customer Base / Technology   | 2,656             | 2,641             |
| II. Property, plant and equipment   |                   |                   |
| 1. Tenant installations   | 5                 | 5                 |
| 2. Other equipment, factory and office equipment  | 689               | 885               |
| III. Financial assets   |                   |                   |
| 1. Investments in associates  | 48                | 45                |
| 2. Other loans  | 40                | 115               |
| 3. Long-term securities   | 0                 | 36                |
| IV. Deferred taxes  | 4,559             | 4,615             |
| <b>TOTAL LONG-TERM CAPITAL</b>  | <b>24,187</b>     | <b>26,751</b>     |
| <b>SHORT-TERM CAPITAL</b>   |                   |                   |
| I. Inventories  |                   |                   |
| 1. Raw materials and supplies   | 75                | 75                |
| 2. Work in progress   | 195               | 231               |
| 3. Finished goods   | 42                | 284               |
| 4. Down payment made  | –                 | 0                 |
| II. Receivables and other assets  |                   |                   |
| 1. Trade receivables  | 7,175             | 8,153             |
| 2. Receivables from associated companies  | 11                | 12                |
| 3. Other assets   | 2,047             | 3,437             |
| 4. Tax refund claims  | 368               | 332               |
| III. Securities   | 14,691            | 12,006            |
| IV. Cash and cash equivalents   | 2,755             | 2,109             |
| <b>TOTAL SHORT-TERM CAPITAL</b>   | <b>27,359</b>     | <b>26,639</b>     |
| <b>TOTAL ASSETS</b>   | <b>51,546</b>     | <b>53,390</b>     |

# Facts and Figures

## Balance sheet as of 06/30/2007 and 06/30/2006 (IFRS)

| <b>BALANCE SHEET AS OF 06/30/2007 (IFRS)<br/>EQUITY AND LIABILITIES</b>      | <b>12/31/2006</b> | <b>06/30/2007</b> |
|--|-------------------|-------------------|
|  | <b>KEUR</b>       | <b>KEUR</b>       |
| <b>EQUITY</b>  |                   |                   |
| I. Subscribed capital  | 13.720            | 13.805            |
| II. Capital reserve  | 39.131            | 39.296            |
| III. Other reserves  | 1                 | 3                 |
| IV. Equity capital difference from currency translation                      | 8                 | -29               |
| V. Valuation reserve for financial instruments                               | -94               | -218              |
| VI. Reserve for pensions   | -126              | -119              |
| VII. Loss carry-forward  | -11.370           | -10.666           |
| VIII. Annual net profit  | 704               | 476               |
| <b>EQUITY CAPITAL ATTRIBUTABLE TO STOCKHOLDERS OF<br/>THE PARENT COMPANY</b> | <b>41.974</b>     | <b>42.548</b>     |
| Minority interest  | 286               | 364               |
| <b>TOTAL EQUITY</b>  | <b>42.260</b>     | <b>42.912</b>     |
| <b>LONG-TERM LIABILITIES</b>   |                   |                   |
| I. Pension provisions  | 595               | 572               |
| II. Other provisions   | 1.921             | 2.018             |
| <b>TOTAL LONG-TERM LIABILITIES</b>   | <b>2.516</b>      | <b>2.590</b>      |
| <b>SHORT-TERM LIABILITIES</b>  |                   |                   |
| I. Tax provisions  | 43                | 42                |
| II. Other provisions   | 715               | 629               |
| III. Bank loans  | 43                | 138               |
| IV. Received payments or orders  | 187               | 747               |
| V. Trade accounts payable  | 2.343             | 1.980             |
| VI. Liabilities with associated companies                                    | 15                | 17                |
| VII. Other liabilities   | 3.424             | 4.335             |
| <b>TOTAL SHORT-TERM LIABILITIES</b>  | <b>6.770</b>      | <b>7.888</b>      |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>51.546</b>     | <b>53.390</b>     |

| <b>CASH FLOW</b>  | <b>2006</b>   | <b>2007</b>   |
|---|---------------|---------------|
|   | <b>KEUR</b>   | <b>KEUR</b>   |
| <b>1, CASH FLOW FROM OPERATING ACTIVITIES</b>   |               |               |
| Profit before tax   | 562           | 605           |
| Depreciation and amortization of intangible assets and plant, equipment and other fixed assets                                    | 1,752         | 2,008         |
| Other expenses / income with no impact on cash  | 0             | -161          |
| Depreciation of financial assets  | 0             | 0             |
| Profit / loss from disposal of long term capital  | 0             | 0             |
| Profit / loss from disposal of securities   | 2             | 26            |
| Increase / decrease in inventories  | 189           | -277          |
| Increase / decrease in trade receivables and other assets that cannot be allocated to investing or financing activities           | -364          | -851          |
| Changes in provision  | 558           | -238          |
| Increase / decrease in trade accounts payable and other liabilities that cannot be allocated to investing or financing activities | -1,378        | -34           |
| Interest paid   | -3            | -4            |
| Interest payments received  | 237           | 323           |
| Income taxes paid   | -115          | -146          |
| Income taxes received   | 0             | 177           |
|   | <b>1,440</b>  | <b>1,428</b>  |
| <b>2, CASH FLOW FROM INVESTMENT ACTIVITIES</b>  |               |               |
| Cash paid for investments in property, plant and equipment / intangible assets  | -1,648        | -2,303        |
| Cash received from disposal of securities   | -1,753        | 0             |
| Acquisition of consolidated companies, net of purchased cash  | 0             | -1,756        |
| Cash receipts from aus Abgängen von Wertpapieren  | 5,379         | 4,506         |
| Cash paid for investments in securities   | -4,309        | -1,994        |
|   | <b>-2,331</b> | <b>-1,547</b> |
| <b>3, CASH FLOW FROM FINANCING ACTIVITIES</b>   |               |               |
| Increase in share capital by edition of equity options  | 0             | 85            |
| Allocation to capital reserve by edition of equity options  | 0             | 81            |
| Auszahlungen in Finanzanlagevermögen  | 0             | -750          |
| Cash receipts from issuing short-term loans   | 0             | 94            |
| Amount paid out for redeeming loans   | -161          | 0             |
|   | <b>-161</b>   | <b>-490</b>   |
| <b>4, CASH AND CASH EQUIVALENTS AT END OF FISCAL YEAR</b>   |               |               |
| Cash-relevant changes in cash and cash equivalents (sum of 1 + 2 + 3)   | -1,052        | -609          |
| Change in currency translation adjustment   | -9            | -37           |
| Change in financial resource fund caused by consolidation   | -577          | 0             |
| Cash and cash equivalents at beginning of fiscal year   | 3,860         | 2,755         |
|   | <b>2,222</b>  | <b>2,109</b>  |
| <b>5, COMPOSITION OF CASH AND CASH EQUIVALENTS</b>  |               |               |
| Cash on hand  | 2,383         | 2,109         |
| Bank liabilities due on demand  | -161          | 0             |
|   | <b>2,222</b>  | <b>2,109</b>  |

# Facts and Figures Development of Group Equity as of 06/30/2007 and 06/30/2006 (IFRS) (IFRS)

| DEVELOPMENT OF GROUP EQUITY   | SUBSCRIBED CAPITAL | CAPITAL RESERVES | OTHER PROVISIONS | EQUITY DIFFERENCE FROM CURRENCY CONVERSION | RESERVE FOR FINANCIAL INSTRUMENTS | RESERVE FOR PENSIONS | CONSOLIDATED LOSS CARRY FORWARD | CONSOLIDATED DEFICIT / PROFIT | EQUITY CAP., ATTRIBUTABLE TO STOCKH. OF PARENT COMPANY | MINORITY INTEREST | TOTAL EQUITY | AUTHORIZED CAPITAL |
|---|--------------------|------------------|------------------|--|-----------------------------------|----------------------|---------------------------------|-------------------------------|--|-------------------|--------------|--------------------|
|   | KEUR               | KEUR             | KEUR             | KEUR                                       | KEUR                              | KEUR                 | KEUR                            | KEUR                          | KEUR   | KEUR              | KEUR         | KEUR               |
| CONSOLIDATED EQUITY AS OF 12/31/2005                                  | 13,720             | 38,886           | 1                | 8  | 4                                 | -139                 | -11,632                         | 262                           | 41,110   | 190               | 41,300       | 6,860              |
| Transfer of 2005 consolidated loss to consolidated loss carry-forward |                    |                  |                  |  |                                   |                      | 262                             | -262                          | 0  |                   | 0            |                    |
| Total income entered directly in equity capital                       |                    |                  | 1                | -9   | -124                              |                      |                                 |                               | -132   |                   | -132         |                    |
| Profit before tax 06/30/2006  |                    |                  |                  |  |                                   |                      |                                 | 443                           | 443  | -2                | 441          |                    |
| OVERAL RESULT OF THE PERIOD   | 0                  | 0                | 1                | -9   | -124                              | 0                    | 0                               | 443                           | 311  | -2                | 309          |                    |
| CONSOLIDATED EQUITY ON 06/30/2006                                     | 13,720             | 38,886           | 2                | -1   | -120                              | -139                 | -11,370                         | 443                           | 41,421   | 188               | 41,609       | 6,860              |
| CONSOLIDATED EQUITY ON 12/31/2006                                     | 13,720             | 39,131           | 1                | 8  | -94                               | -126                 | -11,370                         | 704                           | 41,974   | 286               | 42,260       | 6,860              |
| Profit before tax 2006 entered directly in accumulated deficit        |                    |                  |                  |  |                                   |                      | 704                             | -704                          | 0  |                   | 0            |                    |
| Transfer to other Provisions  |                    |                  | 2                |  |                                   |                      |                                 |                               | 2  |                   | 2            |                    |
| Total income entered directly in equity capital                       |                    |                  |                  | -37  | -124                              | 7                    |                                 |                               | -154   |                   | -154         |                    |
| Profit before tax 06/30/2007  |                    |                  |                  |  |                                   |                      |                                 | 476                           | 476  | 78                | 554          |                    |
| OVERAL RESULT OF THE PERIOD   | 0                  | 0                | 0                | -37  | -124                              | 7                    | 0                               | 476                           | 322  | 78                | 400          |                    |
| Edition of equity options to employees                                | 85                 | 81               |                  |  |                                   |                      |                                 |                               | 166  |                   | 166          |                    |
| Stock-based payment   |                    | 84               |                  |  |                                   |                      |                                 |                               | 84   |                   | 84           |                    |
| CONSOLIDATED EQUITY ON 06/30/2007                                     | 13,805             | 39,296           | 3                | -29  | -218                              | -119                 | -10,666                         | 476                           | 42,548   | 364               | 42,912       | 6,860              |

# Notes to the consolidated interim financial statements

## 1. Accounting and Valuation Method

This interim report from the NEXUS Group of 30 June 2007 has been prepared in keeping with the International Financial Reporting Standards (IFRS) as they are applied in the EU. The interpretation of the International Financial Reporting Interpretation Committee (IFRIC) has been taken into account.

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The regulations of IAS 34 have been observed in the interim report of 30 June 2007. This refers to a summarized report, which does not contain all information of an IFRS Group Financial Statement, and consequently this report should be read in connection with the Appendix of the Group Financial Statement 2006. The same accounting and valuation methods were used in the Group Financial Statement for the business year 2006.

The report has not been audited.

The Group Financial Statement 2006 and the interim report of 30 June 2007 can be seen on the homepage in the Internet at:

<http://www.nexus-ag.de> .

## 2. Consolidated 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.

NEXUS AG acquired 100% of the shares of its computer partner Paschmann GmbH in Oberhausen on 4 June 2007. Expenditures and revenues starting from June 2007 are contained in the Group Financial Statement with sales of KEUR 228 and a revenue share of KEUR 8.

Four affiliated companies were included in the balance sheets according to the equity method.

| LIST OF SUBSIDIARIES CONSOLIDATED                                       | 06/30/2006             | 06/30/2007 |
|---|------------------------|------------|
|   | SHARES OF CAPITAL IN % |            |
| <b>FULL CONSOLIDATION</b>   |                        |            |
| NEXUS Digitale Dokumentationssysteme Projektentwicklungsges.mBh, Vienna | 100.00                 | 100.00     |
| NEXUS.IT GmbH SÜDWEST, Villingen-Schwenningen                           | 100.00                 | 100.00     |
| NEXUS.IT GmbH SÜDOST, Villingen-Schwenningen                            | 50.20                  | 50.20      |
| NEXUS.IT GmbH NORD, Villingen-Schwenningen                              | 100.00                 | 100.00     |
| NEXUS Medizinsoftware und Systeme AG, Kreuzlingen                       | 99.98                  | 99.98      |
| NEXUS Schweiz GmbH, Schwerzenbach                                       | 100.00                 | 100.00     |
| NEXUS Italia S.r.l., Bologna  | 80.00                  | 80.00      |
| INOVIT Radiology Software GmbH, Ismaning                                | 91.49                  | 91.49      |
| NEXUS / MEDICARE GmbH, Ismaning   | 100.00                 | 100.00     |
| NEXUS / GMT GmbH, Frankfurt am Main                                     | 100.00                 | 100.00     |
| Computer Partner Paschmann GmbH, Oberhausen (ab 01.06.2007)             | –                      | 100.00     |
| <b>EQUITY-CONSOLIDATION</b>   |                        |            |
| G.I.T.S Gesundheitswesen IT-Service GmbH, Fürstenfeldbruck              | 49.00                  | 49.00      |
| Medidata GmbH, Berlin   | 25.00                  | 25.00      |
| VEGA Software GmbH, Aachen  | 30.00                  | 30.00      |
| Medizin Forum AG, Ober-Mörlen   | 15.63                  | 15.63      |

### 3. Trade accounts receivable and other Assets

| IN KEUR                               | 06/30/2006                 |                           | 12/31/2006                 |                           | 06/30/2007                 |                           |
|---------------------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
|                                       | short-termed<br>(< 1 year) | long-termed<br>(> 1 year) | short-termed<br>(< 1 year) | long-termed<br>(> 1 year) | short-termed<br>(< 1 year) | long-termed<br>(> 1 year) |
| TRADE ACCOUNTS RECEIVABLE             | <b>5,486</b>               | -                         | <b>7,175</b>               | -                         | <b>8,153</b>               | -                         |
| RECEIVABLES FROM AFFILIATED COMPANIES | <b>6</b>                   | -                         | <b>11</b>                  | -                         | <b>12</b>                  | -                         |
| OTHER ASSETS                          | <b>544</b>                 | <b>2,074</b>              | <b>602</b>                 | <b>1,445</b>              | <b>1,124</b>               | <b>2,313</b>              |
| of interests of undue securities      | 83                         | -                         | 228                        | -                         | 162                        | -                         |
| of receivables from tax on sales      | 70                         | -                         | 19                         | -                         | 84                         | -                         |
| of loans to staff and third parties   | -                          | 2,074                     | -                          | 1,445                     | -                          | 2,313                     |
| of others                             | 391                        | -                         | 227                        | -                         | 379                        | -                         |
| capitalized deferred income           | <b>247</b>                 | -                         | 128                        | -                         | 499                        | -                         |
| INCOME TAX ASSET                      | <b>446</b>                 | -                         | <b>368</b>                 | -                         | <b>332</b>                 | -                         |

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The capitalized deferred income, which was shown as separate positions in the balance sheet in the previous year, have the character of other assets and are shown under this position for this reason. The previous year's amount of KEUR 105 was reclassified correspondingly.

The other assets are not interest-bearing and normally are due between 30 and 360 days. Loans to third parties have interest rates of 3.5% and 5% and are normally safeguarded. Receivables from deliveries and services are not interest-bearing and normally are due between 30 and 90 days.

There were receivables from deliveries and services in the amount of KEUR 901 on 30 June 2007 (30 June 2006: KEUR 241) diminished in value. The development of the value adjustment account is as follows:

| ADJUSTMENT ACCOUNT            | 06/30/06   | 12/31/06   | 06/30/07   |
|-------------------------------|------------|------------|------------|
|                               | KEUR       | KEUR       | KEUR       |
| Status January, 1st           | 340        | 340        | 959        |
| Allowed expenses allocation   | -          | 718        | 3          |
| Consumption                   | -99        | -99        | -10        |
| Dissolution                   | -          | -          | -51        |
| <b>STATUS - END OF PERIOD</b> | <b>241</b> | <b>959</b> | <b>901</b> |

## 4. Securities

| SECURITIES IN KEUR | 06/30/2006     |               | 12/31/2006     |               | 06/30/2007     |               |
|--------------------|----------------|---------------|----------------|---------------|----------------|---------------|
|                    | purchase costs | market value  | purchase costs | market value  | purchase costs | market value  |
| Corporate bond     | 5,951          | 5,675         | 9,565          | 9,319         | 8,481          | 8,132         |
| Money market bond  | 2,004          | 1,946         | 1,000          | 988           | 1,000          | 958           |
| Shares in funds    | 7,404          | 7,421         | 4,400          | 4,384         | 2,930          | 2,916         |
| <b>TOTAL</b>       | <b>15,359</b>  | <b>15,042</b> | <b>14,965</b>  | <b>14,691</b> | <b>12,411</b>  | <b>12,006</b> |

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There were no impairments of value to enter in the reporting year or the previous year.

A valuation reserve for financial instruments was established in equity capital, which shows the profits or losses from the sale of available financial assets minus the deferred taxes applicable to them.

## 5. Current Liabilities

| IN KEUR   | 06/30/2006              |                        | 12/31/2006              |                        | 06/30/2007              |                        |
|---|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|
|   | short-termed (< 1 year) | long-termed (> 1 year) | short-termed (< 1 year) | long-termed (> 1 year) | short-termed (< 1 year) | long-termed (> 1 year) |
| <b>BANK LOANS</b>                               | <b>161</b>              | <b>-</b>               | <b>43</b>               | <b>-</b>               | <b>138</b>              | <b>-</b>               |
| <b>RECEIVED ORDER DEPOSITS</b>                  | <b>1,011</b>            | <b>-</b>               | <b>187</b>              | <b>-</b>               | <b>747</b>              | <b>-</b>               |
| <b>LIABILITIES FROM DELIVERIES AND SERVICES</b> | <b>1,530</b>            | <b>-</b>               | <b>2,343</b>            | <b>-</b>               | <b>1,980</b>            | <b>-</b>               |
| <b>LIABILITIES WITH ASSOCIATED COMPANIES</b>    | <b>21</b>               | <b>-</b>               | <b>15</b>               | <b>-</b>               | <b>17</b>               | <b>-</b>               |
| <b>OTHER LIABILITIES</b>                        | <b>2,081</b>            | <b>-</b>               | <b>3,424</b>            | <b>-</b>               | <b>4,335</b>            | <b>-</b>               |
| for obligations for salary payments             | 929                     | -                      | 1,114                   | -                      | 1,115                   | -                      |
| for liabilities of social securities            | 81                      | -                      | 398                     | -                      | 679                     | -                      |
| for value-add tax payments                      | 370                     | -                      | 658                     | -                      | 358                     | -                      |
| Others  | 701                     | -                      | 586                     | -                      | 385                     | -                      |
| Deferred income                                 | <b>1,877</b>            | <b>-</b>               | <b>668</b>              | <b>-</b>               | <b>1,798</b>            | <b>-</b>               |

The owed deferred income, which was shown as separate positions in the balance sheet in the previous year, has the character of other assets and is shown under this position for this reason. The previous year's statement has been adjusted accordingly..

Conditions of the financial liabilities listed above:

- Liabilities to banks serve solely for short-time payments. Interest due here is paid monthly.
- Average down payments on orders are offset after 12 months.
- Liabilities from deliveries and services are not interest-bearing and normally are due with 30 days.



## **6. Taxes on Income**

On 6 July 2007, the Bundesrat passed the Corporate Tax Reform Law 2008, which - among other things - stipulates reduction of the corporate tax rate to 15% and elimination of the deductibility of trade tax from the valuation basis for corporate income tax.

As a result, there will be overall taxing of corporations of almost 29% in the future. For calculated deferred taxes in the Group Financial Statement, the deferred taxes and accounts payment should be valued using the tax rates, which apply to the period, in which an asset was realized or a debt was paid.

Because the Corporate Tax Reform Law 2008 was passed after the cutoff date of the half year report, the tax effects of the Corporate Tax Reform Law 2008 are to be considered in the report for the third quarter 2007.

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## **7. Seasonal Influences on the Business Activities**

Seasonal effects resulted in the NEXUS Group operations with regards to the receipt of maintenance revenues in the first quarter of the financial year (deferral of the influences on the result of corresponding incoming payments throughout the year) and significantly greater demand and project accounting in the fourth quarter of the financial year.

### **Declaration according to § 37y No. 1 WpHG**

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Villingen-Schwenningen, August 9, 2007

NEXUS AG

Executive Board

**nexus/ag**  
*e-health solutions*

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