nexus | ag

QUARTERLY STATEMENT

01ST JANUARY TO 30TH OF SEPTEMBER 2021

__ Financial Highlights for the 3rd Quarter 2021 and 2020

	30/09/2021	30/09/2020	Change
Sales and operating result	KEUR	KEUR	(in %)
Sales	137,223	115,474	18.8
Segment revenues Healthcare Software (unconsolidated)	132,002	109,106	21.0
Segment revenues Healthcare Service (unconsolidated)	9,966	9,409	5.9
Domestic sales	73,955	63,463	16.5
Sales in foreign countries	63,268	52,011	21.6
EBITDA	27,605	24,762	11.5
EBITA	18,639	15,685	18.8
EBIT	15,140	12,818	18.1
EBT	14,326	12,543	14.2
Consolidated net income	11,110	9,024	23.1
Cash flow from operating activities	24,727	26,882	-8.0
Earnings per share (undiluted/diluted) in EUR	0.69	0.56	23.2
Ongoing development costs and depreciations			
Capitalization of software developments	2,015	2,204	-8.6
Total depreciation	12,465	11,944	4.4
Acquisition-related depreciation from purchase price allocation	3,499	2,867	22.0
Assets and equity capital			
Non-current assets	181,161	159,021[1)]	13.9
Current assets	68,342	64,141[1)]	6.5
Liquid assets (incl. finance assets)	23,742	28,177[1)]	-15.7
Equity capital	132,137	123,583[1)]	6.9
Share price (closing price, Xetra, in EUR)	71.50	46.00	55.4
Employees (quarterly average)	1,445	1,302	11.0

[1)] Key date 31/12/2020

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

__ Letter to our Shareholders

Dear Shareholders,

The COVID-19 pandemic and related shifts in healthcare priorities have resulted in numerous changes. Many work processes have become more digital, and the necessity and advantages of digitization are becoming increasingly clear. Digitization of healthcare has become a significant trend, which will accelerate significantly in the coming months.

This can be seen in the numerous **state-sponsored digitization programs** that were launched in Germany (Hospital Future Act), France, the Netherlands and other countries within a short time. Very extensive programs were launched in this area and provided with considerable resources. The reason is not least the recognition that the pandemic is also a crisis of medical data management and medical statistics.

We are convinced that these programs will improve **medical processes** and accelerate **communication** between those providing treatment as well as with patients. In recent months, we have strongly supported our customers in preparing the application forms for the investment programs and will be processing the resulting tenders in the coming weeks and months.

In this environment, it was not a matter of course to deal with matters successfully in the current period. It also put substantial demands on our employees, who have made every effort to prepare the new programs together with our customers under pandemic conditions as well as to continue to provide optimal service for the existing installations. We are therefore proud that the NEXUS team faced these challenges energetically and **can show consistently strong figures** for the first nine months of 2021.

Results

We were again able to show a very strong increase in sales and earnings and thus successfully continue our two decades of continuous growth in sales and profits.

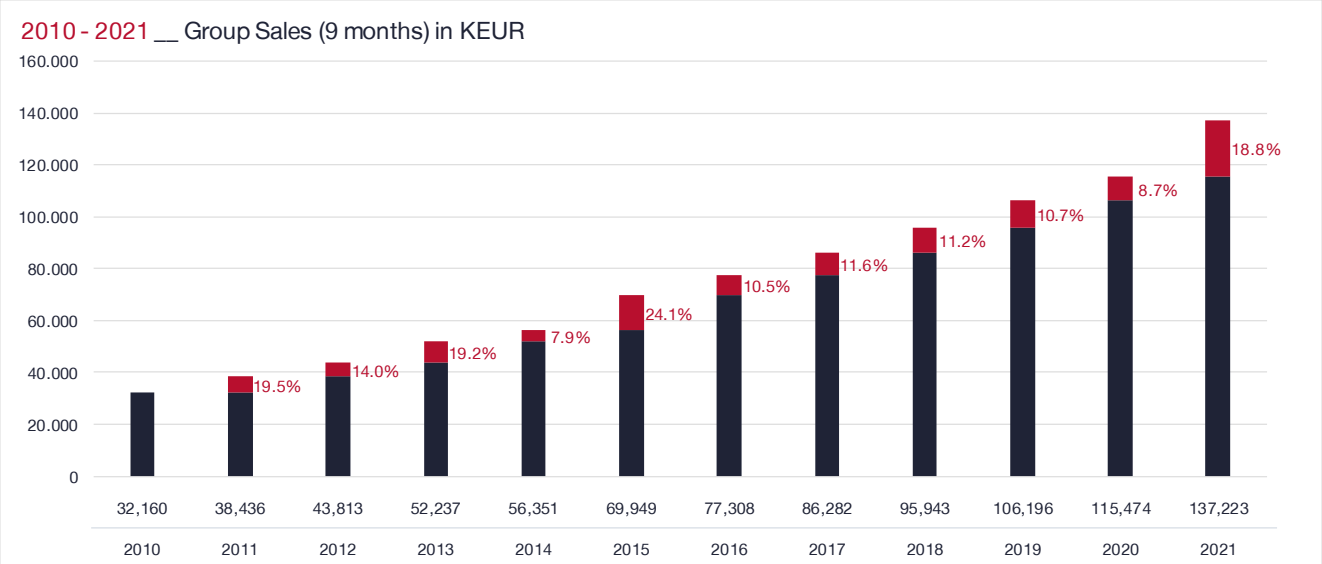
Our sales increased by approx. 18.8% to EUR 137.22 million in the first nine months compared to the previous year. Our earnings before interest and income taxes (EBIT) increased by approx. 18.1% to EUR 15.14 million.

With an **EBITDA of approx. KEUR 27,605** and an operating cash flow of KEUR 24,727, we were once again able to confirm the soundness of our earnings development. Our EBITDA margin remained at 20,1%, a value that can be assessed very positively against the background of the strong sales development and the high integration costs. The **result per share increased by 23.2 %** from EUR 0.56 (9M 2020) to EUR 0.69.

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

The figures include the results of RVC Medical IT Holding B.V. acquired last year. For the first time, the companies ITR Software GmbH, ANT-Informatik AG and DC-Systeme Informatik GmbH integrated in 2021 were consolidated. Without these consolidations, the growth of the NEXUS Group (organic) would have been **approx. 10.0%**. EBIT changed only slightly as a result of the consolidation of the companies.

For us and our customers, the long-lasting exceptional period of the **pandemic was a particular challenge**. We are therefore very pleased that we have been able to cope well with this time with our customers and present such a convincing result at the same time.



Products

The focus of our activities in 2021 is entirely on the **implementation of innovations**. We are convinced that the key success factor in our dynamically developing market lies in innovations that enable users to benefit from tangible work facilitation and positive user experiences (UX). We are currently working intensively on this.
We are about to launch our new "**NEXUS / ADVANCED REPORTING**" diagnostic solution on the market. The module supports the creation of findings texts and diagnoses based on image analyses, predefined terminologies and experience (AI). As a result, findings can be produced significantly faster and in higher quality. We have already successfully placed "**NEXUS / DeepView**" on the market, i.e., hospital-wide image and document archiving, which enables a complete view of patient records. The same applies to the new development "**NEXUS / PORTAL**", which facilitates communication between patients, referring physicians and hospitals. We are pleased to have **accelerated** these product innovations significantly this quarter.

Market

In terms of sales, we focused on processing national funding programs in the first nine months. In Germany in particular, we supported our customers in submitting applications and helped them to meet the tight deadlines. The upcoming tenders will now have to be processed in the coming weeks and months. Irrespective of these programs, we were able to win a number of **important new projects** in 2021, most recently the "Virtual Hospital NRW" project, a large project that connects many hospitals in North Rhine-Westphalia.

It is obvious that the market **trusts our products and our company**. This trend is being reinforced by the many M&A activities of our competitors. This is a **chance** for us; we can offer the customers of the acquired companies a modern system and thus facilitate the replacement decision.

Acquisitions

In 2021, we also strengthened our technological and human resources by acquiring small, highly specialized teams. We are currently focusing on **companies with special know-how**, with which we can jointly tap new market potential and provide synergies in the face of technological and sales challenges. In the first nine months, we were able to acquire a total of **five companies and part of another company** (asset deal).

Most recently, we acquired a small company in Ticino (SINAPSI Sagl), which strengthens our market position in the hospitals in Ticino thanks to one of its developments. The **asset deal** in the Netherlands, which we implemented together with Dedalus, also includes a team that focuses on the development of drug and pharmacy software.

We want to continue this **form of business acquisition** to acquire know-how, technologies and market access. This is a strategy that further strengthens our product portfolio and our customer loyalty.

Highlights Q3 2021 – Company development

- Strong sales increase in the third quarter +18,8%
- National e-health projects in the tender phase
- Large tenders won again
- Strong increase in turnover in foreign markets

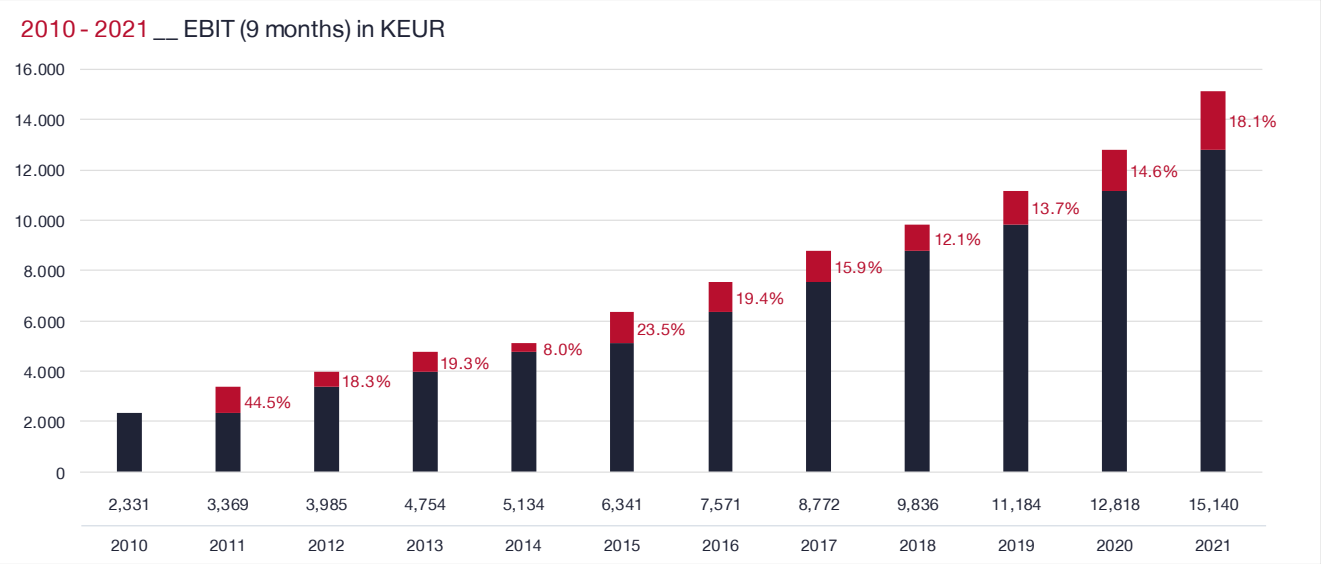
OUTLOOK: BE PREPARED!

The year 2021 has been a challenging but successful one so far. **With a 18,8 % increase in sales and a 18,8 % increase in EBITA**, we have demonstrated strong continuation of our two decades of continuous growth. The large projects we are currently winning and implementing make us confident that 2021 and 2022 will again be successful years.
At the moment, however, it is also becoming apparent that we still have to expect uncertainties and **react quickly to new developments**. The pandemic development can again restrict the activities of hospitals and our ability to work.
Nevertheless, it is important to **be prepared** to actively exploit the opportunities provided by the Hospital Future Act (KHZG) and other national funding programs and to gain market shares. Especially our new developments provide great potential for further improving our product and market position.

The NEXUS team continues to look forward to these great challenges.

Warm regards,

Dr. Ingo Behrendt
Chief Executive Officer



__ Interim Annual Report of Nexus AG

Report about the profit, financial and asset situation

NEXUS Group sales increased from KEUR 115,474 to KEUR 137,223 (+18.8%) in the first nine months of the year 2021. The stable, positive sales development of NEXUS Group of recent years could be continued with that.

In the Healthcare Service Division, sales (unconsolidated) of KEUR 9,966 were achieved after KEUR 9,409 (9M-2020), i.e., approx. 5.9% more than in the previous year. This includes sales of KEUR 4,695 (previous year: KEUR 2,976) with the Healthcare Software segment. On the other hand, sales (unconsolidated) increased from KEUR 109,106 (9M-2020) to KEUR 132,002 (+21.0%) in the Healthcare Software Division. This includes sales of KEUR 50 (previous year: KEUR 65) with the Healthcare Service segment. The values include the figures of RVC Medical IT Holding B.V., Amersfoort (Netherland), DC-Systeme Informatik GmbH, Heiligenhaus (Germany), ANT-Informatik AG, Zürich (Switzerland), which were consolidated for the first time and contributed to about 7.5% of the growth of the NEXUS Group (KEUR 10,262).

ITR Software GmbH, Lindenberg im Allgäu (Germany), osoTec GmbH, Affoltern am Albis (Switzerland) and SINAPSI Sagl, Lugano (Switzerland) have not yet had a significant impact on the revenue and the result of the NEXUS Group.

We respect to the regional development of sales, we were able to increase sales in Germany by 16.5% to KEUR 73,955 ((9M-2020): KEUR 63,463). In international business, we achieved sales of KEUR 63,268 in the first nine months of the year 2021 compared to KEUR 52,011 in the previous year (+21.6%). Sales in Switzerland (+13.4%), the Netherlands (+39.1%), Polen (48.9%), France (+5.4%) and Austria (+14.2%) were very strong.

Consolidated earnings before income interest and taxes (EBIT) developed very positively. They improved by 18.1% to KEUR 15,140 ((9M-2020): KEUR 12,818). RVC Medical IT Holding B.V., Amersfoort, consolidated for the first time, had no significant impact on the EBIT development in the first nine months of the year 2021. A value of KEUR 18,639 was achieved in EBITA and consequently was 18.8% over the value of previous year ((9M-2020): KEUR 15,685). EBITDA reached KEUR 27,605 in the first nine months of the year 2021 ((9M-2020): KEUR 24,762) and consequently was 11.5% higher than in the previous year. The non-recurring costs for the integration of the new companies in the first nine months of the year 2021 amounted to approx. KEUR 1,253.

Cash flow from operating activities amounted to KEUR 24,727 (9M 2020: KEUR 26,882) in the first nine months of the year 2021, still at a high level, but 9.0% below the prior-year figure. This is due to receivables from major projects for which longer payment terms were agreed.

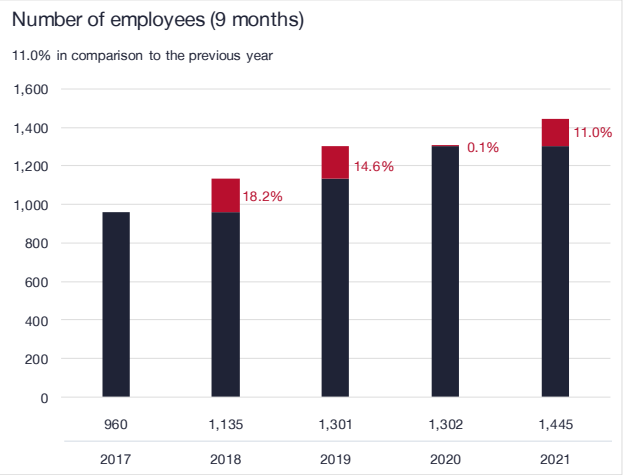
The consolidated surplus increased by 23.1% and amounted to KEUR 11,110 in the first nine months of the year 2021 following KEUR 9,024 (9M-2020). There is a slight decrease in the tax rate there. The undiluted result per share amounted to EUR 0.69 (previous year: EUR 0.56) (diluted: EUR 0.69; previous year: EUR 0.56).

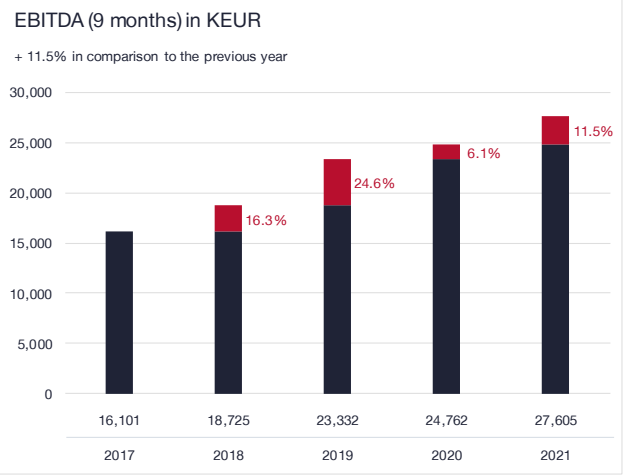
Investments in tangible and intangible assets were made in the amount of KEUR 4,113 in the first nine months of the year 2021 ((9M-2020): KEUR 2,302). This includes KEUR 2,015 ((9M-2020): KEUR 2,204) for capitalizing software developments.

The balance sheet total increased from KEUR 223,162 to KEUR 249,503 compared to 31 December 2020 (11.8%). Intangible assets, goodwill and balanced-out deferred taxes add up to a total of KEUR 152,578 following previously KEUR 134,648 (31 December 2020). Receivables from customers amount to KEUR 29,932 following KEUR 27,550 on 31 December 2020.

EMPLOYEES

NEXUS Group employed an average of 1,445 people in the first nine months (9M 2020: 1,302 employees).





CHANGES IN OWNERSHIP INTEREST

The following changes were implemented in the ownership interest structure:

- With the merger agreement dated 28/11/2020, NEXUS . IT GmbH SÜDOST, Donaueschingen, (Germany) merged with NEXUS / CLOUD IT GmbH, Donaueschingen (Germany) as of 01/01/2021.
- Nexus AG acquired 51.00% of the shares in ITR Software GmbH, Lindenberg im Allgäu (Germany) on 04/02/2021. A put/call option contract exists for a further 49.00% of the shares.
- Nexus AG acquired a further 5.02% of the shares of the subsidiary NEXUS POLSKA sp. z o.o., Poznan, (Poland) on 24/03/2021 from the existing option agreement.
- With the merger agreement dated 24/03/2021, NEXUS AEGERUS SL, Sabadell, (Spain) merged with NEXUS SISINF SL, Sabadell (Spain) as of 01/01/2021.
- NEXUS Schweiz AG, a wholly owned subsidiary of Nexus AG, acquired 63.92% of the shares of ANT-Informatik AG, Zurich (Switzerland), on 01/04/2021. A put/call option contract exists for a further 36.08% of the shares.
- Nexus AG acquired a further 6.33% of the shares of the subsidiary NEXUS POLSKA sp. z o.o., Poznan, (Poland) on 22/04/2021 from the existing option agreement.
- Nexus AG acquired 100.00% of the shares in DC-Systeme Informatik GmbH, Heiligenhaus, (Germany) on 21/06/2021.
- NEXUS Schweiz AG, a wholly owned subsidiary of Nexus AG, acquired 55.00% of the shares in osoTec, Affoltern am Albis (Switzerland) on 01/07/2021. A put/call option contract exists for a further 45.00% of the shares.
- Nexus AG acquired a further 11.7% of the shares of the subsidiary ASTRAIA Software GmbH on 12/08/2021 from the existing option agreement.
- NEXUS Schweiz AG acquired 100.00% of the shares in SINAPSI Sagl, Lugano (CH) on 24/08/2021.

Finance Highlights Q3 2021

- 23.1% increase in the consolidated surplus from KEUR 9,024 (9M-2020) to KEUR 11,110
- 18.1% increase in Group result for earnings before interest and taxes (EBIT) from KEUR 12,818 (9M-2020) to KEUR 15,140
- Continued very strong operational cash flow in the first nine months of the year 2021 of KEUR 24,727
- High net liquidity of KEUR 23,742

EVENTS AFTER THE BALANCE SHEET DATE

- There were no events after the balance sheet date.

SALES BY REGION

	01/01/2021-30/09/2021	01/01/2020-30/09/2020	Change	01/07/2021-30/09/2021	01/07/2020-30/09/2020	Change
	KEUR	KEUR	%	KEUR	KEUR	%
Germany	73,955	63,463	16.5	25,418	20,071	26.6
Switzerland /Lichtenstein	28,710	25,328	13.4	9,015	8,591	4.9
Netherlands	15,478	11,129	39.1	5,409	3,865	39.9
Polen	6,274	4,213	48.9	2,682	1,772	51.4
France	4,821	4,573	5.4	1,361	1,584	–14.1
Austria	2,250	1,971	14.2	704	443	58.9
Other countries	5,735	4,797	19.6	1,777	1,488	19.4
Total	**137,223**	**115,474**	**18.8**	**46,366**	**37,815**	**22.6**

SALES BY OPERATING SEGMENTS

	Healthcare Software		Healthcare Service		Consolidation		Group	
	01/01/2021-30/09/2021	01/01/2020-30/09/2020	01/01/2021-30/09/2021	01/01/2020-30/09/2020	01/01/2021-30/09/2021	01/01/2020-30/09/2020	01/01/2021-30/09/2021	01/01/2020-30/09/2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Sales to third parties	131,952	109,041	5,271	6,433	–	–	137,223	115,474
Sales between segments	50	65	4,695	2,976	–4,745	–3,041	–	–
Segment revenues	**132,002**	**109,106**	**9,966**	**9,409**	**–4,745**	**–3,041**	**137,223**	**115,474**

As of the 2021 fiscal year, sales by business segment will also be reported accordingly in the quarterly reports based on the annual and half-year reports.

GROUP INFORMATION

CHANCES AND RISKS REPORT

Please refer to the explanations in the Annual Report of 31/12/2020 for information about the essential chances and risks in the development of NEXUS Group. There have been no essential changes in the meantime.

ACCOUNTING AND VALUATION METHODS

This interim report of the NEXUS Group of 30/09/2021 has been prepared in keeping with the International Financial Reporting Standards (IFRS) as they are applied in the EU. The interpretations of the International Financial Reporting Interpretation Committee (IFRIC) have been taken into account. The regulations of IAS 34 were observed in the interim report of 30/09/2021. 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 Notes to the Group Financial Report 2020. The same accounting and valuation methods were used in the Group Financial Report for the business year 2020. The report has not been audited.

Stock Market, Event and Financial Data

Investor Relations – Successful Together!

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

Melanie Ilic

Investor Relations

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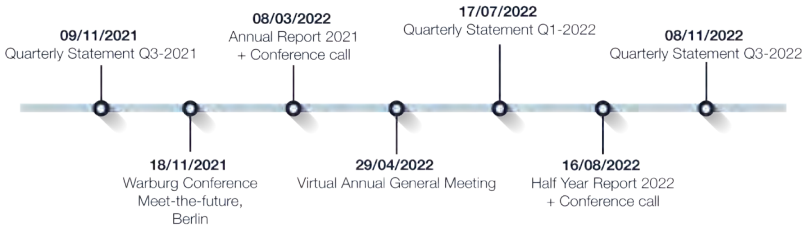
Stock market prices

- Initial listing on 04/01/2021: 50.60 EUR
- Highest price on 17/09/2021: 76.90 EUR
- Stock market capitalization on 30/09/2021: 1,126.28 M EUR
- Closing price on 30/09/2021: 71.50 EUR

Financial calendar



Frankfurt stock exchange stock prices (1-year period)

Focus Topic

The **intelligent diagnosis**

With our focus topics in 2021, we are continuing to work on fulfilling the NEXUS promise of "facilitating digitization in the healthcare sector". This year, we are launching three new products that promise a leap in quality in our customers' digitization strategy. We present **NEXUS / ADVANCED REPORTING** in the Quarterly Statement Q3-2021.

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

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

THE INPUT SOURCES:

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

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

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

Anatomical graphics
Localization and size information from anatomical graphics

HIS
Additional information via medical history data from the HIS

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

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

THE RESULT:

Findings
Structured, complete, precise

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

Consolidated Balance Sheet of Nexus AG

ASSETS	30/09/2021	31/12/2020
	KEUR	KEUR
Non-current assets		
Goodwill	100,957	87,493
Other intangible assets	48,504	43,846
Fixed assets	11,526	9,862
Right-of-use assets	16,439	13,066
Contract assets	239	1,066
Deferred tax assets	3,117	3,309
Other financial assets	379	379
Total non-current assets	**181,161**	**159,021**
Current assets		
Inventories	3,025	2,051
Trade and other receivables	29,932	27,550
Contract assets	4,545	1,270
Income tax receivables	984	1,758
Other non-financial assets	5,128	2,427
Other financial assets	986	908
Current financial assets	-	1,728
Cash and cash equivalents	23,742	26,449
Total current assets	**68,342**	**64,141**
Total assets	**249,503**	**223,162**

LIABILITIES	30/09/2021	31/12/2020
	KEUR	KEUR
Equity		
Subscribed capital	15,752	15,752
Capital reserves	33,307	33,307
Retained earnings	89,644	81,703
Other comprehensive income	-9,799	-10,669
Capital redemption reserve	-285	108
Shareholders' equity attributable to parent	**128,619**	**120,201**
Non-controlling interests	3,518	3,382
Total equity	**132,137**	**123,583**
Non-current liabilities		
Pension obligations	19,771	18,818
Deferred tax liabilities	11,340	9,815
Other financial liabilities	8,981	7,606
Lease liabilities	12,085	9,142
Total non-current liabilities	**52,177**	**45,381**
Current liabilities		
Accrued liabilities	9,974	9,085
Accrued liabilities	682	-
Trade payables	5,620	8,650
Income tax liabilities	1,980	2,432
Deferred revenue	16,082	6,708
Other non-financial liabilities	4,402	3,041
Other financial liabilities	19,038	18,026
Lease liabilities	4,511	4,012
Contract liabilities	2,900	2,244
Total current liabilities	**65,189**	**54,198**
Balance sheet total	**249,503**	**223,162**

__ Consolidated Profit and Loss Account of Nexus AG

	01/01/2021-30/09/2021	01/01/2020-30/09/2020	01/07/2021-30/09/2021	01/07/2020-30/09/2020
	KEUR	KEUR	KEUR	KEUR
Revenue	137,223	115,474	46,366	37,815
Capitalized development costs	2,015	2,204	675	806
Other operating income	3,417	6,483	1,492	941
Cost of goods sold	23,106	16,554	8,698	5,731
Staff costs	81,097	70,149	26,405	22,662
Other operating expenses	10,847	12,696	4,216	3,070
EBITDA	**27,605**	**24,762**	**9,214**	**8,099**
Depreciation	12,465	11,944	4,221	3,743
EBIT	**15,140**	**12,818**	**4,993**	**4,356**
Financial income	47	40	30	12
Financial expenses	861	315	629	60
EBT	**14,326**	**12,543**	**4,394**	**4,308**
Taxes	3,216	3,519	864	1,485
Consolidated net income	**11,110**	**9,024**	**3,530**	**2,823**
Consolidated net income apportioned to:				
– Nexus AG shareholders	10,932	8,788	3,404	2,648
– Non-controlling interests	178	236	126	175
Consolidated earnings per share				
Weighted average (undiluted) of issued shares in circulation (in thousands)	15,748	15,752	15,746	15,750
Weighted average (diluted) of issued shares in circulation (in thousands)	15,748	15,752	15,746	15,750
Undiluted in EUR	0.69	0.56	0.22	0.17
Diluted in EUR	0.69	0.56	0.22	0.17

Consolidated Cash Flow Statement of Nexus AG

	01/01/2021-30/09/2021	01/01/2020-30/09/2020
1. Cash flow from operating activities	KEUR	KEUR
EBIT	15,140	12,818
Depreciation (+)/amortization (-) on intangible assets and fixed assets	8,717	8,671
Depreciation (+) on rights of use leased assets	3,748	3,273
Other non-operating expenses (+)/income (-)	766	-41
Increase (-)/decrease (+) in inventory	-151	66
Gains (-)/losses (+) on the disposal of assets and investments	-53	-5
Increase (-)/decrease (+) in receivables and other assets	-6,220	1,508
Increase (+) / decrease (-) in provisions	-698	-792
Increase (+)/decrease (-) in liabilities	7,147	4,330
Interest paid (-) / interest received (+)	-303	-275
Income taxes paid (-) / income tax refunds (+)	-3,366	-2,671
	24,727	**26,882**
2. Cash flow from investment activities		
Payments (-) for investments in intangible assets and property, plant and equipment	-4,113	-2,302
Proceeds (+) from the disposal of intangible assets and property, plant and equipment	53	1
Payments (-) for the acquisition of consolidated companies less the funds acquired	-15,362	-14,710
Payments (-) for the acquisition of non-controlling interests for already consolidated companies	-	-3,490
Payments (-) for the acquisition of consolidated companies less the funds acquired	1,728	-
	-17,694	**-20,501**
3. Cash flow from financing activities		
Payments (-) for purchase of non-controlling interests for already consolidated companies	-1,555	-1,670
Payments (-) for redemption of lease liabilities	-3,427	-3,804
Payments (-) for redemption of loan liabilities	-721	-2,835
Dividends paid (-)	-2,992	-2,377
Dividends paid to non-controlling interests (-)	-44	-228
Payments (-) for the purchase of treasury stock	-528	-59
Proceeds (+) from the sale of treasury stock	135	94
	-9,132	**-10,879**
Change in cash and cash equivalents	-2,099	-4,498
Effect of exchange rate changes on cash and cash equivalents	-608	-68
Cash and cash equivalents at the start of the period	**26,449**	**33,533**
Cash and cash equivalents at the end of the period	**23,742**	**28,967**
Composition of cash and cash equivalents		
Cash and bank balances	23,742	28,967
	23,742	**28,967**

__ Statement from the Legal Representatives

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.

Donaueschingen, 09/11/2021

Nexus AG

The Executive Board

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