

nexus/ag

QUARTERLY REPORT
from 01st of January to
31th of March 2017

Letter to Our Stockholders

Dear Stockholders

The NEXUS team is pleased to be able to present extremely positive results also for the first quarter 2017. Despite the strong results last year, we again succeeded in increasing sales and earnings significantly.

Compared to the previous year, sales increased by approx. 11 % in the first quarter and earnings before interest and taxes by approx. 13 %. Operating cash flow reached EUR 18.0 million and consequently was almost 30 % higher than in the previous year. The positive business development went hand in hand with the consistent continuation of our product initiative „NEXT / NEXUS“, on which we concentrated intensively in the first quarter.

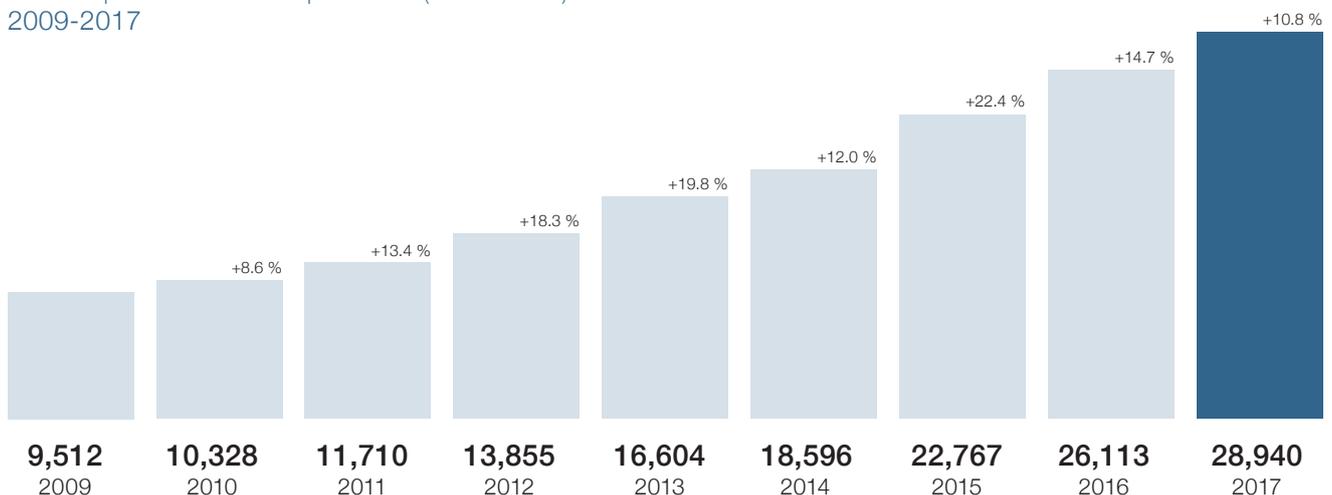
NEXT / NEXUS is a synonym for our new software generation NG (NEXUS / NEXT GENERATION). The term stands for an application that we are offering to our customers, which has the potential to redefine the market standard. For the first time, software has been developed that focuses entirely on users and their work processes. NEXUS / NEXT GENERATION uses holistic „workspaces“ to depict the processes of users individually. Searching in menus and function trees is eliminated entirely, and the cost of software training is reduced significantly.

In the first quarter, we worked on five projects for introducing the NEXT GENERATION and have already gone live in two projects. In another major project, we are shortly before the acceptance phase. The experience gained in these projects is very positive. We have seen that users can quickly get their bearings in the new world and do their work much faster.

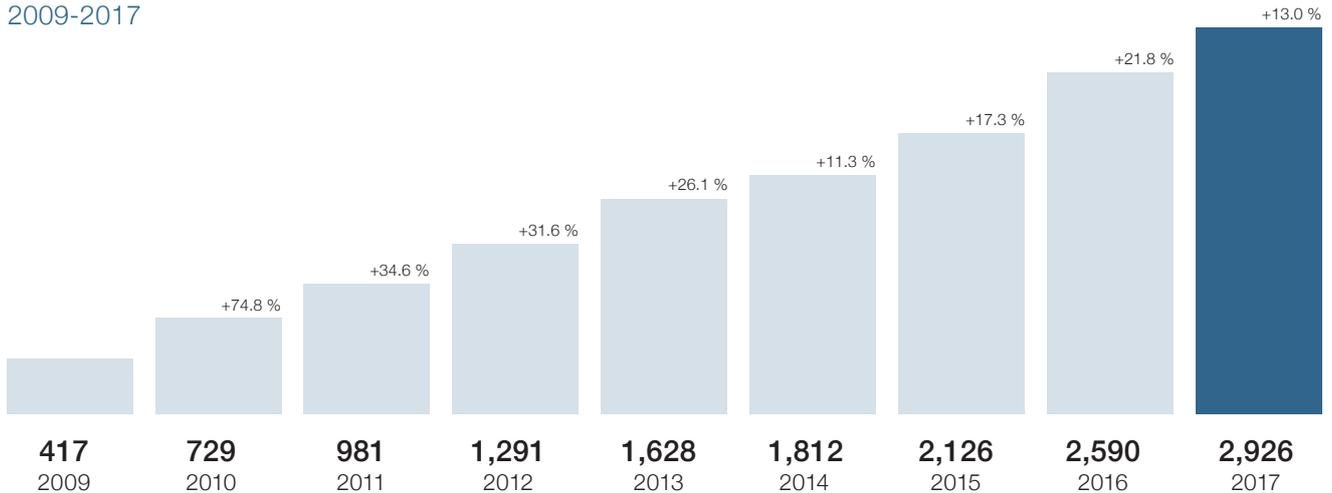
Highlights 1st Quarter - 2017 Company development

- + Strong increases in sales in the 1st quarter
- + First NEXUS / HIS^{NG} project in productive operation
- + High demand for apps
- + ENDOBASE NEXT from Olympus released

Development of Group Sales (3 months) in KEUR 2009-2017



Development of Group Earnings before Interest and Taxes (3 months) KEUR 2009-2017



We have gone live with our mobile APPs in three projects. In our product initiative NEXT / NEXUS, we have ensured that all „workspaces“ are also available as apps on mobile devices. We have already won several hundred new users for our apps this year.

Overall, incoming orders continued to develop positively in the first quarter. We were able to fire the enthusiasm of four new customers and numerous new customers for NEXUS diagnostic systems, especially in the fields of radiology (the new NEXUS / RIS^{NG}), endoscopy and cardiology (E&L). The joint development project with the medical technology group Olympus also progressed positively. We received the release for the product ENDOBASE NEXT from Olympus. We expect significantly increasing orders for this in the current year.

Dear Shareholders, NEXUS continues to show healthy growth and is consistently pursuing its core topics of „NEXT/NEXUS“ and „European Expansion“. The projects present particular challenge for us, and we are aware that we are taking significant risks with this innovative and expansive course. However, we are convinced that we are on the right path and are working ambitiously on these convincing future strategies.

We want to thank you, dear Shareholders, for your trust.

Warm regards,

Dr. Ingo Behrendt
CEO



Financial Highlights

for the 1st Quarter 2017 and 2016

	31/03/2017	31/03/2016	Changes
	KEUR	KEUR	%
Sales	28,940	26,113	10.8
Healthcare Software Sales	25,932	24,335	6.6
Healthcare Service Sales	3,008	1,778	69.2
Domestic sales	14,276	12,755	11.9
Sales in foreign countries	14,664	13,358	9.8
Earnings before tax on income (EBT)	2,940	2,571	14.4
Earnings before interest and taxes on earnings (EBIT)	2,926	2,590	13.0
EBITA	3,520	3,157 ¹⁾	11.5
EBITDA	5,411	4,839	11.8
Consolidated surplus	2,503	2,353	6.4
Cash flow from current business transactions	18,153	13,977	29.9
Net income per share (undiluted/diluted) in EUR	0.15 / 0.15	0.14 / 0.14	7.1 / 7.1
Share price (closing price on 31 March, Xetra, in EUR)	20,21	16,56	22.0
Capitalization of software developments	1,289	1,491	-13.5
Depreciation	2,485	2,248	10.5
Acquisition-related depreciations from purchase price allocation	594	566	4.9
Fixed Assets (without deferred taxes)	92,997	92,949 ²⁾	0.1
Current Assets / Short-Term Assets	68,571	62,818	9.2
Net Liquidity	34,111	32,902	3.7
Equity Capital	98,344	95,802 ²⁾	2.7
Employees (as of the cut-off date)	918	835	9.9

¹⁾ adjusted

²⁾ cut-off date 31 December 2016

Interim Annual Report

Report about the Profit, Financial and Asset Situation

NEXUS Group sales increased from KEUR 26,113 to KEUR 28,940 (+10.8 %) in the first three months of the year 2017.

The sustained steady sales development of NEXUS Group of recent years could be continued. Sales increased from KEUR 24,335 (3M-2016) to KEUR 25,932 (+6.6 %) in the Healthcare Software Division. The Healthcare Service Division developed very positively (+69.2 %) and achieved sales of KEUR 3,008 following KEUR 1,778 (3M-2016) in the previous year. The trend of contracting NEXUS for comprehensive support of the software installations is reflected in these figures very clearly.

We were able to increase sales in Germany by 11.9 % to KEUR 14,276 (3M-2016: KEUR 12,755). In international business, we recorded sales of KEUR 14,664 in the first quarter 2017 compared to KEUR 13,358 in the previous year (+9.8 %). There were negative sales effects from exchange rate fluctuations of the Swiss franc in the amount of KEUR 149. The average exchange rate of the Swiss franc of SFR 1.07 on 31 March 2017 was below of the average price on 31 Dec. 2016 (SFR 1.09). Thanks to the integration of the companies NEXUS / SISINF SL and IBH Datentechnik GmbH acquired in 2016, we were able to achieve a sales increase of approximately EUR 0.9 million in the first quarter.

The Group result for earnings before interest and taxes (EBIT) also increased considerably. It improved by 13.0 % to KEUR 2,926 (3M-2016: KEUR 2,590). A value of KEUR 3,520 was achieved in EBITA and consequently was 11.5 % above the value of previous year (3M-2016 adjusted: KEUR 3,157). EBITDA reached KEUR 5,411 in the first quarter of 2017 (3M-2016: KEUR 4,839) and consequently was 11.8 % higher than the previous year.

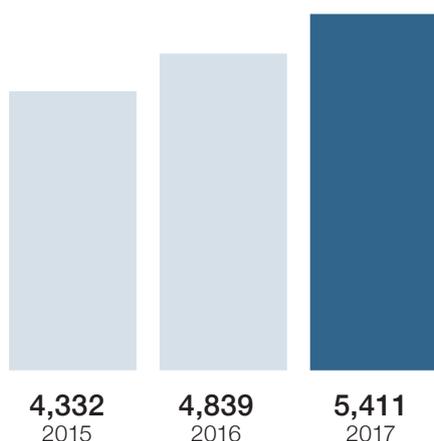
The cash flow from on-going business transactions developed extremely positively. We reached a value of KEUR 18,153 there and thus an increase of 29.9 % compared to the previous year (3M-2016: KEUR 13,977). The reasons for this are the overall increase in business volume as well as higher proceeds from the maintenance revenue.

The consolidated surplus amounted to KEUR 2,503 for the first quarter 2017 following KEUR 2,353 (3M-2016) and consequently increased by 6.4 %. The undiluted earnings per share reached 15 cents (previous year: 14 cents) (diluted: 15 cents; previous year: 14 cents).

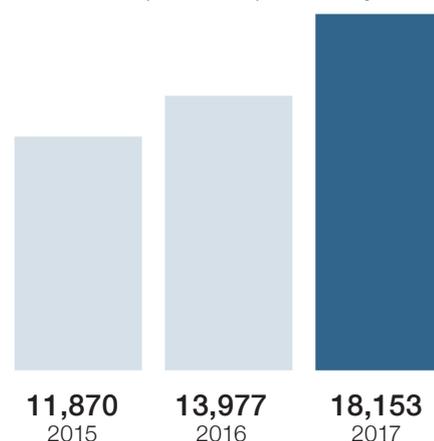
Cash resources including short-term financial assets amounted to KEUR 34,111 on 31 March 2017 (31 March 2016: KEUR 32,902). Investments in tangible and intangible assets were made in the amount of KEUR 2,794 in the first quarter 2017 (3M-2016: KEUR 1,997). This includes KEUR 1,289 (3M-2016: KEUR 1,491) for capitalizing software developments.

The balance sheet total increased from KEUR 139,641 (31 December 2016) to KEUR 164,588. Intangible assets, goodwill and balanced-out deferred taxes add up to a total of KEUR 81,021 following KEUR 81,576 (31 December 2016). Receivables from customers amount to KEUR 25,904 following KEUR 20,132 on 31 December 2016.

EBITDA (3 months) in KEUR
+11.8 % compared to previous year



Cash Flow from current business transactions (3 months) in KEUR
+29.9 % compared to previous year



Employees

NEXUS Group employed a total of 918 people as of 31 March 2017 (31 March 2016: 835 employees). A total of 830 employees (31 March 2016: 771) are employed in the Healthcare Software Division. The Healthcare Service Division employed 88 people (31 March 2016: 64).

Annual Stockholders Meeting and Dividends

At the Annual Stockholders Meeting of NEXUS AG in Stuttgart on 12 May 2017, the Executive Board and Supervisory Board proposed to pay a one cent higher dividend of 0.15 EUR to shareholders than the previous year from the retained earnings of fiscal year 2016.

Finance Highlights 1st Quarter - 2017

- + 10.8 % sales increase in 1st quarter 2017 from KEUR 26,113 (3M-2016) to KEUR 28,940
- + 13.0 % increase in the Group result for earnings before interest and taxes (EBIT) from KEUR 2,590 (3M-2016) to KEUR 2,926
- + Strongly positive operating cash flow (+29.9 %); KEUR 18,153 following KEUR 13,977 (3M-2016)
- + High net liquidity of KEUR 34,111

Sales by division

	01/01/-31/03/17	01/01/-31/03/16	Changes
	KEUR	KEUR	%
Germany	14,276	12,755	11.9
Switzerland	8,380	7,097	18.1
Netherlands	3,644	4,273	-14.7
France	1,344	1,324	1.5
Austria	661	390	69.5
Other countries	635	274	131.8
Total	28,940	26,113	10.8

Sales by region

	01/01/-31/03/17	01/01/-31/03/16	Changes
	KEUR	KEUR	%
Healthcare Software	25,932	24,335	6.6
Healthcare Service	3,008	1,778	69.2
Total	28,940	26,113	10.8

Events after the Balance Sheet Date

There were no events requiring reporting after the balance sheet key date.



nexus / pdms^{NG}

Workspaces for the Essential!

You work with a continuous chart in the ICU and the normal ward with the new PDMS from NEXUS. This is an advantage, because the essential factors are always accessible. NEXUS / PDMS^{NG} helps to keep a close eye on critical changes in a patient condition's thanks to color signals.

You can learn more about your NEXT GENERATION-PDMS from NEXUS at www.nexus-ag.de.

nexus / pdms^{NG} – NEXT GENERATION SOFTWARE FROM NEXUS

NEXUS Group Information and Outlook

Chances and Risks Report

Please refer to the explanations in the annual report of 31 December 2016 for information about the essential chances and risks in the development of NEXUS Group. There have been no essential changes in the meantime.

Outlook: NEXT / NEXUS and Internationalization

We are extremely satisfied with the first quarter. A sales increase of approx. 11 % and an increase in earnings before interest and taxes (EBIT) of approx. 13 % as well as our extraordinary strong operating cash flow of approx. EUR 18 million are a good start into the current year. We were able to continue the positive development of the past years unabated. Although we already had outstanding increase rates in the previous years, we are still able to improve our figures continually.

The challenge of the near future can be clearly outlined with the key words „NEXT / NEXUS“ and „International Expansion“. We are facing a challenge to master with these two major projects successfully. If we succeed, we are on the way to becoming the European market leader. Thanks to the combination of a highly differentiated and innovative product portfolio and a good European presence, we have a very attractive position on the market. We have succeeded in pursuing these challenging projects parallel up to now. The NEXUS team continues to look forward to these challenges.

Accounting and Valuation Methods

This interim report from the NEXUS Group of 31 March 2017 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 31 March 2017. 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 2016. The same accounting and valuation methods were used in the Group Financial Statement for the business year 2016.

The report has not been audited.

Directors' Holdings

The director's holders of the Supervisory Board and the Executive Board are as follows on 31 March 2017 in comparison to the previous year: cf. Table.

Supervisory Board	Numbers of stock owned	Numbers of options
Dr. jur. Hans-Joachim König	89,900 Previous year (89,900)	0 Previous year (0)
Prof. Dr. Alexander Pocsay	121,500 Previous year (121,500)	0 Previous year (0)
Prof. Dr. Ulrich Krystek	0 Previous year (0)	0 Previous year (0)
Wolfgang Dörflinger	0 Previous year (0)	0 Previous year (0)
Gerald Glasauer	0 Previous year (0)	0 Previous year (0)
Prof. Dr. med Felicia M. Rosenthal	315 Previous year (315)	0 Previous year (0)

Executive Board	Numbers of stock owned	Numbers of options
Dr. Ingo Behrendt	111,900 Previous year (111,900)	0 Previous year (0)
Ralf Heilig	137,650 Previous year (137,650)	0 Previous year (0)
Edgar Kuner	250,351 Previous year (250,351)	0 Previous year (0)

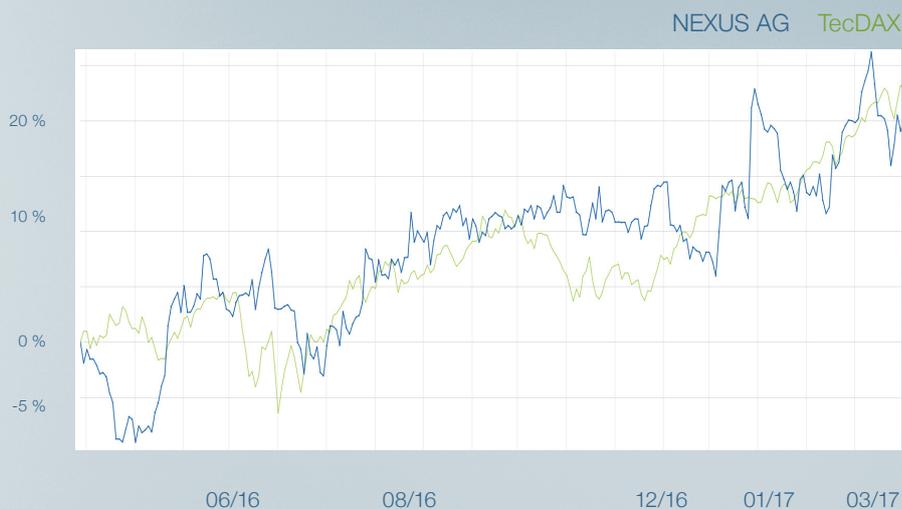
Capital market, event and finance data

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.

Frankfurt Stock Exchange stock prices (1-year period)



Stock Market Highlights (XETRA closing prices)

- + Initial listing on
02 January 2017: 17.60 €
- + Highest price on
13 March 2017: 20.90 €
- + Stock market capitalization
on 31 March 2017:
318.0 million €

16 - 18 May 2017

HIT, Paris (F)

24 - 27 May 2017

Deutscher Röntgenkongress,
Leipzig

09 - 10 June 2017

HISTOLOGICA, Oberhausen

22 - 24 June 2017

Tagung der Deutschen Gesellschaft
für Pathologie, Erlangen

22 - 23 September 2017

Deutsche Pathologietage,
Berlin

25 - 26 September 2017

INUG-Jahrestagung, Berlin

04 - 07 October 2017

DGSV, Bonn

30 November - 02 December 2017

Deutscher Kongress für
Perinatale Medizin, Berlin

12 May 2017

Annual Stockholders Meeting,
Stuttgart

15 August 2017

Semi-Annual Report 2017

07 November 2017

Quarterly Report Q3 / 2017

27 - 29 November 2017

Analyst Event, Frankfurt

Group profit and loss account

for the period from 01 January to 31 March 2017 and 2016

	01/01/-31/03/2017	01/01/-31/03/2016
	KEUR	KEUR
Revenue	28,940	26,113
Development work capitalized	1,289	1,491
Other operating income	690	352
Cost of materials including purchased services	5,051	3,706
Personnel costs	17,108	14,974
Depreciation	2,485	2,248
Other operating expenses	3,349	4,438
Operating Result	2,926	2,590
Finance Income	58	54
Finance Expenses	44	73
Result before Tax on Profit	2,940	2,571
Taxes on profit	437	218
Consolidated surplus	2,503	2,353
of the consolidated surplus, accounted to:		
- Stockholders of NEXUS AG	2,306	2,265
- Shares of non-controlling partners	197	88
Consolidated net earnings per share in EUR		
Weighted average (undiluted/diluted) of issued shares in circulation (in thousands)	15,733 / 15,784	15,731 / 15,775
Undiluted / diluted	0.15 / 0.15	0.14 / 0.14

Group Statement of Consolidated Income

for the period from 01 January to 31 March 2017 and 2016

	01/01/-31/03/2017	01/01/-31/03/2016
	KEUR	KEUR
Consolidated surplus	2,503	2,353
Actuarial profits and losses	25	32
Tax effects	-22	7
Currency conversion differences	-3	-78
Other Overall Result	0	-39
Overall Result of the Period	2,503	2,314
of the overall result of the period, accounted to:		
- Stockholders of NEXUS AG	2,304	2,226
- Shares of non-controlling partners	199	88

Consolidated Balance Sheet

as of 31 March 2017 und 31 December 2016

Assets	31/03/2017	31/12/2016
	KEUR	KEUR
Long-Term Assets		
Goodwill	47,011	46,951
Other intangible assets	36,491	37,168
Fixed (Intangible) assets	8,958	8,508
Shares in companies valued at equity	31	34
Deferred tax assets	3,020	3,085
Other financial assets	506	288
Total of Long-Term Assets	96,017	96,034
Short-Term Assets		
Inventories	869	1,201
Trade receivables and other receivables	25,904	20,132
Receivables from tax on profits	1,166	904
Other non-financial assets	6,122	2,096
Other financial assets	399	418
Short-term financial assets	2,992	2,933
Cash and balance in bank	31,119	15,923
Total of Short-Term Assets	68,571	43,607
Balance Sheet Total	164,588	139,641

Equity and Liabilities	31/03/2017	31/12/2016
	KEUR	KEUR
Equity Capital		
Subscribed capital	15,736	15,736
Capital reserves	34,346	34,307
Retained earnings*	50,686	42,414
Consolidated surplus	2,306	8,146
Other cumulated Group result	-4,882	-4,755
Own shares	-246	-244
Equity capital attributable to stockholders of the parent company	97,946	95,604
Shares of non-controlling partners	397	198
Total Equity Capital	98,344	95,802
Long-Term Debts		
Pension obligations	11,695	11,574
Deferred tax liabilities	5,501	5,628
Other financial debts	4,521	4,521
Total of Long-Term Debts	21,717	21,723
Short-Term Debts		
Accruals	994	978
Financial liabilities	4,663	5,678
Liabilities from tax on profit	1,676	2,082
Deferred revenue	21,419	2,120
Other non-financial debts	9,705	6,293
Other financial debts	6,070	4,965
Total of Short-Term Debts	44,527	22,116
Balance Sheet Total	164,588	139,641

* The equity capital position of "Profit carried forward" was changed to "Retained earnings" in the fiscal year to increase transparency.

Consolidated Cash Flow Statement

for the period from 01 January to 31 March 2017 and 2016

	2017	2016
	KEUR	KEUR
1. Cash Flow from Current Business Transactions		
Group annual result before tax on income	2,940	2,571
Write-offs (+) / write-ups (-) on intangible assets, tangible assets and financial assets	2,485	2,248
Other expenses not affecting payment (+) / revenue (-)	910	-215
Increase (-) / decrease (+) in inventories	332	-184
Gain (-) / loss (+) on disposal of fixed assets and securities	95	139
Increase (-) / decrease (+) in receivables and other assets from operating activities	-10,194	-5,443
Increase (+) / decrease (-) of accruals insofar as not entered in other comprehensive income	-60	-51
Increase (+) / decrease (-) in liabilities from operating activities	22,256	15,012
Paid interest (-)	-46	-74
Received interest (+)	59	57
Taxes on profit paid (-)	-628	-151
Taxes on profit received (+)	3	68
	18,153	13,977
2. Cash Flow from Investment Activities		
Payments (-) for investments in intangible and fixed assets	-2,794	-1,997
Payments (-) / receipts (+) from the acquisition/disposal of short-term financial assets	-99	0
	-2,893	-1,997
3. Cash Flow from Financing Activities		
Payments (-) for the acquisition of own shares	-50	0
Receipts (+) from the sale of own shares	21	9
	-29	9
Cash relevant changes in cash and cash equivalents (sum of 1 + 2 + 3)	15,231	11,989
Exchange rate changes on cash and cash equivalents	-35	46
Cash and cash equivalents at beginning of period	15,923	18,185
Cash and cash equivalents at end of period	31,119	30,220
Composition of cash and cash equivalents		
Liquid funds	31,119	30,220
Bank liabilities due on demand	0	0
	31,119	30,220

Group Statement of Changes in Equity

as of 31 March 2017 and 31 March 2016

	Subscribed capital	Capital reserves	Retained earnings*	Annual Net Profit	Equity capital difference from currency conversion	Pension reserves	Own shares	Equity capital attributable to stock of parent company	Shares of non-controlling partners	Equity capital total	Authorized Capital
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Consolidated equity as of 01/01/2016	15,736	34,044	37,034	7,583	2,585	-7,627	-37	89,318	-258	89,060	5,722
Posting of consolidated surplus 2015 in the Group profit carried forward			7,583	-7,583				0		0	
Currency differences					-78	39		-39	-5	-45	
Other comprehensive income after taxes as of 31/03/2016	0	0	0	0	-78	39	0	-39	-5	-45	0
Consolidated surplus 3M-2016				2,265				2,265	88	2,353	
Overall Result of the Period	0	0	0	2,265	-78	39	0	2,226	83	2,308	0
Sale of own shares		8					1	9		9	
Stock-Based Payment		66						66		66	
Consolidated equity as of 31/03/2016	15,736	34,118	44,617	2,265	2,507	-7,588	-36	91,619	-176	91,443	5,722
Consolidated equity as of 01/01/2017	15,736	34,307	42,414	8,146	2,827	-7,582	-244	95,604	198	95,802	3,000
Posting of consolidated surplus 2016 in the Group profit carried forward			8,146	-8,146				0		0	
Currency differences			126		-81	-47		-2	2	0	
Other comprehensive income after taxes as of 31/03/2017	0	0	126	0	-81	-47	0	-2	2	0	0
Consolidated surplus 3M-2017				2,306				2,306	197	2,503	
Overall Result of the Period	0	0	126	2,306	-81	-47	0	2,304	199	2,503	0
Purchase of own shares		-47					-3	-50		-50	
Sale of own shares		20					1	21		21	
Stock-Based Payment		66						66		66	
Consolidated equity as of 31/03/2017	15,736	34,346	50,686	2,306	2,746	-7,629	-246	97,946	397	98,344	3,000

* The equity capital position of „Profit carried forward“ was changed to „Retained earnings“ in the fiscal year to increase transparency.

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.

Donaueschingen, 09 May 2017

NEXUS AG
The Executive Board

nexus / ag

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