

# Quarterly Report

March 31, 2007



# Letter to our Stockholders

Dear Stockholders,

The first quarter 2007 was again characterized by increasing business figures and a number of very interesting new projects. This is a development, the intensity of which surprised us and of course made us very happy. With a multitude of new customers, we can be very satisfied with the number of received orders in the first quarter.

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In addition, implementation of our large projects has already resulted in good utilization of our resources and in an attractive expansion of our installed basis.

Consequently, we are substantially closer to our long-term goal of achieving a greatly expanded presence on the market with NEXUS products.

NEXUS set the goal last year 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.

It is especially significant that we have acquired a strong customer base and a number of new national and international projects.

This is a result, which is especially thanks to our innovative technology and our consistent orientation to customers.

Consequently, our customers expect that we continue to set standards in the development of medical information processing and provide substantial benefits to our customers in our customer projects with solid and technologically mature products. This is a challenge, which we have to work on hard to master.

## Highlights Q1 - 2007 Business development

- + Further well performance of business figures
- + A multitude of new orders in the first quarter
- + Increase of market shares in Germany, Switzerland, Austria and Saudi Arabia
- + Announcement of new products in the first quarter 2007

Whether we achieve our ambitious goals of the current year will depend on it. 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 already succeeded in the first quarter in surpassing our targets and earned a substantial contribution to our annual goal.

Consequently, the positive development of the last 19 quarters has been continued without a break.

Sales increased from EUR 5.3 million to EUR 6.3 million (+19.3 %) during the first three months. The Healthcare Software Division continued to develop strongly and recorded sales of 5.2 million with an increase of 20.5 %. Sales of NEXUS Schweiz were consolidated in the first quarter.

The operating result of the Group also developed positively in the first quarter. The result before taxes improved slightly from KEUR 376 to KEUR 358 (+5.0 %). KEUR 374 was achieved following KEUR 317 previously (+18.0 %).


As a result, we have surpassed the strong figures from the previous year and are substantially above our planned target.

The operative cash flow increased from KEUR 232 in Q1-2006 to KEUR 834 in Q1-2007. The balance relations have not changed essentially compared to Dec. 31, 2006. The amount of cash on hand remains high at 17.4 million euros and ensures long-term development of the company.

**The repeatedly good start in the first quarter of this year makes us confident that we will achieve our goals in 2007.**

Very important milestones in large projects are coming up, and we will have to prove that we can provide our customers with innovation and added value on a high level in spite of increased business volume. Although the challenge is very big, we are convinced that we are on the right long-term path with our strategy.

Sincerely,



Dr. Ingo Behrendt  
CEO - NEXUS AG



# Further well performance of Business Figures

NEXUS Group sales increased from KEUR 5,287 to KEUR 6,309 (+19.3 %) in the first three months of the year 2006. The increase in sales is due to the inclusion of NEXUS Schweiz on one hand, and on the other hand due to the continuing strong demand for NEXUS products.

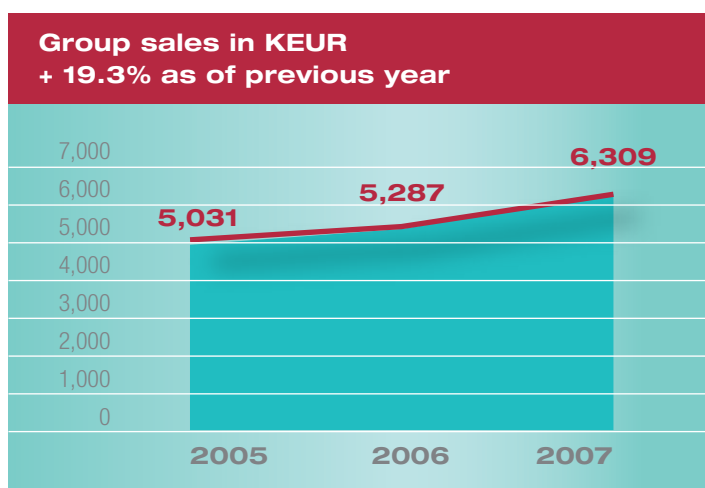
The Healthcare Software segment is responsible for the good development of sales; its sales increased by 20.5 % compared to the same period of the previous year from **KEUR 4,298** to **KEUR 5,177**.

- 4 Sales in the area of Healthcare Service increased by 14.5 % from **KEUR 989** to **KEUR 1.132**.

## Foreign sales again increased substantially in the first quarter.

This is above all due to further increases of our market share in Switzerland, Austria and the rest of Europe. The consolidation of NEXUS Schweiz was part of this. The share of sales outside of Germany increased overall from 24.4 % to 43.2 %.

Growth stimuli in the first quarter came very clearly from international business, while fewer sales were recorded in Germany. The reason for that is that fewer projects were invoiced in the first quarter.



### Sales by regions

	01/01/ - 03/31/06	01/01/ - 03/31/07	Δ in %
	KEUR	KEUR	
Germany	3,998	3,585	-10.3
Switzerland	732	1,886	157.7
Austria	174	360	106.9
Italy	40	51	27.5
Rest of Europe / USA	316	347	9.8
Arabien region	27	80	196.3
<b>Total</b>	<b>5,287</b>	<b>6,309</b>	<b>19.3</b>

### Highlights Q1 - 2007 Group sales and Result

- + 19.3 % Group sales increase in first quarter 2007 from KEUR 5,287 (Q1-2006) to KEUR 6,309
- + 20.5 % Sales increase in Healthcare Software division from KEUR 4,298 (Q1-2006) to KEUR 5,177
- + 18.0 % Increase in Earnings after tax from KEUR 317 (Q1-2006) to KEUR 374
- + Cash reserves at high level with 17.4 Mio. €
- + Turnaround stabilised at Healthcare Service division

### Sales by divisions

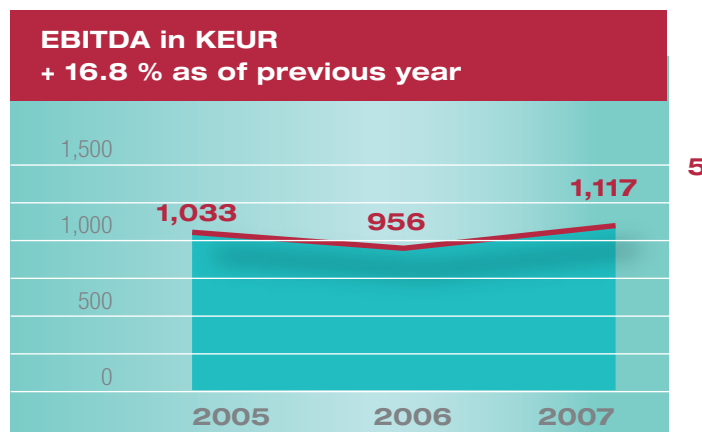
	01/01/ - 03/31/06	01/01/ - 03/31/07	Δ in %
	KEUR	KEUR	
Healthcare Software	4,298	5,177	20.5
Healthcare Service	989	1,132	14.5
<b>Total</b>	<b>5,287</b>	<b>6,309</b>	<b>19.3</b>

# Results of the first three months 2007

The positive development of the operating result of the last quarters continued during the reporting period. The Group result improved by 18.0 % to KEUR 374 (previous year: KEUR 317), and the result before taxes improved by 5.0 % to KEUR 376 (previous year: KEUR 358).

The EBITDA increased by KEUR 161 in the first three months of 2007 (previous year: KEUR 956) to KEUR 1,117 (+16.8 %) now. Consequently, the positive development of the EBITDA compared to 2006 quarters has been confirmed again. This reflects the demand for products of the NEXUS Group and the consistent use of synergy potential within the Group. The highly investment in influencing the market development and the partially heavily expenses for integration of acquired companies are introduced in the operative result.

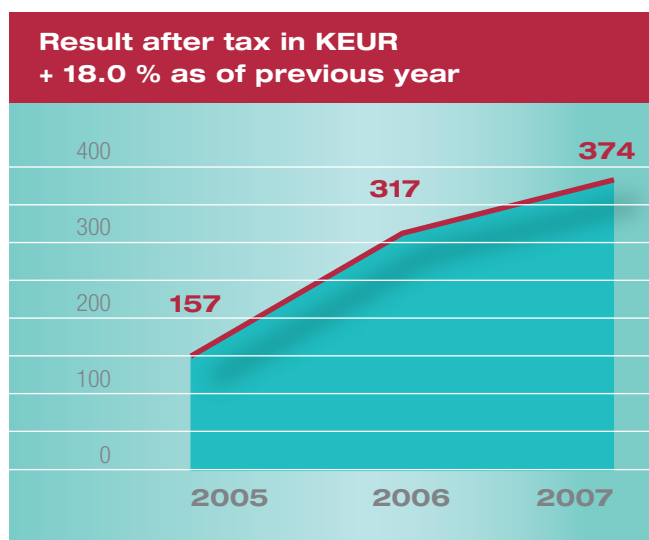
There was a movement of results in the business divisions in the first quarter 2007.



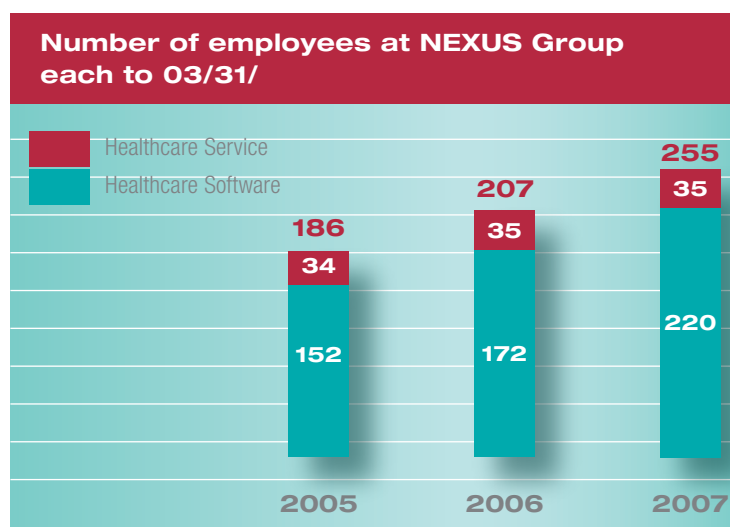
The result in the segment of **Healthcare Software** was with **KEUR 349** following **KEUR 381** about KEUR 32 below the previous year, while segment Healthcare Service increased result by about KEUR 50 to TEUR 27 (previous year: -KEUR 23).

**The cash flow from current transactions increased by KEUR 602 from KEUR 232 to KEUR 834 compared to the previous year.**

Despite the high investment and acquisitions took place the Group continues to have a large amount of cash funds. **Cash reserves** amounted to **KEUR 17,411** on the cutoff date (Dec. 31, 2006: KEUR 17,446).



Number of employees developed like:  
see chart below.



# NEXUS in the environment of Financial and Health markets

## NEXUS-shares in upward trend



Prices of NEXUS stocks experienced a slight upward trend during the first three months. Starting from a "year opening price" of € 3.31, it increased by somewhat more than 10 % to € 3.65 on 30 March 2007. At the beginning of April, the stock price reacted to the company report about winning an order in Saudi Arabia, and this reaction continued positively until the middle of April. Subsequently, the price consolidated somewhat at € 3.79 at the end of April.

## NEXUS maintains contact

Regardless of whether you want paper or electronic documents from NEXUS, we provide you with the requested information. E-mail us at [mail@nexus-ag.de](mailto:mail@nexus-ag.de), and you will receive our financial reports or product information as soon as possible. These documents are available for downloading from our homepage [www.nexusag.de](http://www.nexusag.de). If you would like information on the telephone, you can call our Investor Relations Team at +49 7721-8482-320.

## Finance- and Event schedule 2007 (status quo: May '07)

### Finance schedule

General Stockholders meeting, Stuttgart (D)	June 18th
Half-year Report	August 13th
German equity forum, Frankfurt (D)	November 14th
Quarterly Report - third quarter	November 22nd

### Event and trade fair schedule

Dt. Röntgenkongress, Berlin (D)	17 - 19 May
GMDS HIS-meeting, Ludwigshafen (D)	20 - 21 June
NEXUS <i>on the Lake</i> , Luzern (CH)	September 26th
eHealthcare congress, Nottwil (CH)	September 27th
NEXUS AG customers day, Heidelberg (D)	9 - 10 October
MEDICA, Düsseldorf (D)	14 - 17 November
DGPPN, Berlin (D)	21 - 24 November
Dt. Kongress für Perinatale Medizin, Berlin (D)	11/29/ - 12/01/

## Decisions for NEXUS-solutions 2007

- + Schmieder Kliniken, Allensbach (D)
- + Vivantes-Auguste-Viktoria-Klinikum, Berlin (D)
- + Kliniken Landkreis Biberach, Biberach (D)
- + Pfalzkrankenhaus, Klingenmünster (D)
- + Thüringen-Klinik - Saalfeld, Pöbneck (D)
- + Thüringen-Kliniken - Saalfeld, Rudolstadt (D)
- + DGD Krankenhaus, Sachsenhausen (D)
- + Chirurgische Klinik Dr. Rinecker, Munich (D)
- + Klinikum Neunkirchen, Neunkirchen (D)
- + Kantonsspital, Aarau (CH)
- + Universitätsspital, Basel (CH)
- + Luzerner Psychiatrie, St. Urban (CH)
- + Bürgerspital, St. Gallen (CH)
- + Kantonsspital, St. Gallen (CH)
- + Spital, Altstätten (CH)
- + Spital, Grabs (CH)
- + Spital Walenstadt (CH)
- + Spital, Linth-Utznach (CH)
- + Spital, Wil (CH)
- + Spital, Wattwil (CH)
- + Centre Hospitalier Emile Mayrisch, Esch-sur-Alzette (LU)

# New Projects: NEXUS installs innovative Medication Management System in Vienna

Approximately 40,000 patients are treated annually in the institutions of the Viennese Hospital Association (KAV). In the future, individual drug doses will be packed and distributed completely automatically in hospital pharmacies using the “Unit Dose System”; consequently, the danger of incorrect medication has been eliminated almost completely with respect to the process. In interaction with special software from NEXUS AG, the safety of patients has been increased greatly, the hospital staff has less work and the legally required documentation of drug therapy is guaranteed.

The Viennese Hospital Association spends approx. 117 million euros for patient drugs each year. Drugs were previously noted in writing by nurses and later packed individually for each patient. The eight pharmacies of the three KAV hospitals – Rudolf Foundation, Kaiser-Franz-Josef Hospital and Hietzing Hospital – provide about 6,100 drug packages daily. In addition to the substantial need for workers' time, possible error sources such as illegible writing or putting drugs in the wrong package could never be excluded completely. This is a risk potential, which has now been reduced substantially with the optimization of the medication process in KAV.

The complete complex process of drug administration will be supported by an EDP system in the future. The

new system will be started in the Kaiser-Franz-Joseph Hospital for one ward each in three clinics and three geriatric centers. After a successful trial period, it will be used for 1,400 beds and then in all of Vienna in the coming years. The complete process from prescriptions to administration of individual doses in line with patient needs will be supported and checked electronically.

Besides protecting patients from possible erroneous medication, electronic support and checking of drug administration in the institutions of the Viennese Hospital Association will also provides relief from the required documentation of the various care and therapy steps, which is increasingly required by law and absolutely required for a possible certification process.

**In addition to protecting patients, electronic support will simplify documentation of the various therapy steps.**

Each individual process of patient medication is documented. The status of drug administration can be checked at any time and place, and increases or decreases of doses can be prescribed and set directly. In addition, drug administration can be booked directly using the existing billing system.



Thanks to the comprehensive reform started last year, the Viennese city hospitals and nursing homes not only hope to achieve almost 100 % patient safety using new technologies, but also to cut costs by approx. 10 percent.

# NEXUS Group information and Outlook

## Directors Holdings

The Director's Holdings of the supervisory board and the executive board were as follows on March 31, 2007 in comparison to the previous year:

## Outlook

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We continued our trend of the last 19 quarters by succeeding a total growth of 19.3 % and 18.0 % improvement of results, although there were ambitious intensions from last year. This is a very pleasant performance as 2007 is a year of investment in the development of markets. After heavily expenses in company integration and project launches our acting focus for this year is the realisation of our large amount of new projects.

A very relevant issue is to implement these high quality projects just in time. With these projects we are setting milestones within the different markets, which determines our business and our development for the next few years.

This meaning is also for projects in Germany, which has a strong effect to the market by its quantity. But parallely for the major orders of Switzerland, Austria and Saudi Arabia in equal measure. To handle these projects successfully means to generate high growth potentials for future.

We are enthusiastic by this development und initiated next steps, to manage all the associated challenges. Also we have defined further targets, which we have to fulfil, too, this year. For example new market growth possibilities, developing of new products and further regional expansion.

The current success story of NEXUS propitiates us, to manage the variety of challenges and to continue the positive development in future.

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) 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) Stefan Burkart	116,147	15,000
	Prev. year: 116,147	Previous year: 0



# Facts and Figures

## Group P+L Account as of 03/31/2007 and 03/31/2006 (IFRS)

### ACCOUNTING AND VALUATION METHODS

This interim report from the NEXUS Group as of March 31st, 2007 has been prepared in keeping with the International Financial Reporting Interpretations (IFRS). The interpretation of the International Financial Reporting Interpretation Committee (IFRIC) has been

taken into account. The same accounting and valuation methods were used in the interim accounts as in the consolidated financial statements of the business year 2006. The report has not been audited.

CONSOLIDATED PROFIT AND LOSS ACCOUNT	2006	2007
	KEUR	KEUR
1. Revenue	5,287	6,309
2. Increase / decrease in finished goods and work in progress	-3	232
3. Other capitalized company work	815	856
4. Other operating income	227	286
5. Cost of materials	1,284	1,462
a) Cost of raw materials and supplies	1,183	1,346
b) Cost for purchased services	101	116
6. Personnel expenses	2,899	3,844
a) Wages and salaries	2,430	3,281
b) Social costs	469	563
7. Depreciation and amortization of fixed intangible and tangible assets	825	998
8. Other operating expenses	1,189	1,234
a) Cost of operation	343	347
b) Cost of distribution	271	283
c) Cost of administration	522	543
d) Other expenses	53	61
9. Other taxes	4	3
10. Expenses from associated companies	–	–
11. Other interest and similar income	233	235
12. Revenue from associated companies	–	–
13. Profit resulting from sale of other stocks	0	1
14. Depreciation of financial assets and losses resulting from the sale of assets	–	–
15. Interest payable and other similar charges	0	2
<b>PROFIT BEFORE TAX</b>	<b>358</b>	<b>376</b>
16. Income taxes	-41	-2
<b>ANNUAL NET PROFIT</b>	<b>317</b>	<b>374</b>
Are attributable to:		
Minority interest	-1	23
Stockholders of parent company	318	351
Weighted average of issued shares (in thousands)	13,720	13,748
<b>RESULT PER SHARE IN EUR (DILUTED AND UNDILUTED)</b>	<b>0.02</b>	<b>0.03</b>

# Facts and Figures

## Balance sheet as of 03/31/2007 and 12/31/2006 (IFRS)

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BALANCE SHEET AS OF 03/31/2007 (IFRS) ASSETS	12/31/2006	03/31/2007
	KEUR	KEUR
LONG-TERM CAPITAL		
I. Intangible assets		
1. Concessions, industrial property rights, and rights and assets as well as licenses for such rights and assets	130	121
2. Goodwill	7,749	7,731
3. Development costs	8,311	8,354
4. Customer Base / Technology	2,656	2,569
II. Property, plant and equipment		
1. Tenant installations	5	5
2. Other equipment, factory and office equipment	689	784
III. Financial assets		
1. Investments in associates	48	48
2. Other loans	40	40
IV. Deferred taxes	4,559	4,617
LONG-TERM CAPITAL	<b>24,187</b>	<b>24,269</b>
SHORT-TERM CAPITAL		
I. Inventories		
1. Raw materials and supplies	75	75
2. Work in progress	195	461
3. Finished goods	42	96
4. Down payment made	—	17
II. Receivables and other assets		
1. Trade receivables	7,175	6,854
2. Receivables from associated companies	11	17
3. Other assets	2,047	3,037
4. Tax refund claims	368	432
III. Securities	14,691	14,352
IV. Cash and cash equivalents	2,755	3,059
TOTAL SHORT-TERM CAPITAL	<b>27,359</b>	<b>28,400</b>
TOTAL ASSETS	<b>51,546</b>	<b>52,669</b>

# Facts and Figures

## Balance sheet as of 03/31/2007 and 12/31/2006 (IFRS)

BALANCE SHEET AS OF 03/31/2007 (IFRS) EQUITY AND LIABILITIES	12/31/2006	03/31/2007
	KEUR	KEUR
<b>EQUITY</b>		
I. Subscribed capital	13,720	13,805
II. Capital reserve	39,131	39,254
III. Other reserves	1	1
IV. Equity capital difference from currency translation	8	2
V. Valuation reserve for financial instruments	-94	-180
VI. Reserve for pensions	-126	-122
VII. Loss carry-forward	-11,370	-10,666
VIII. Annual net profit / loss	704	351
EQUITY CAPITAL ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT COMPANY	<b>41,974</b>	<b>42,445</b>
Minority interest	286	309
<b>TOTAL EQUITY</b>	<b>42,260</b>	<b>42,754</b>
<b>LONG-TERM LIABILITIES</b>		
I. Pension provisions	595	578
II. Other provisions	1,921	1,928
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>2,516</b>	<b>2,506</b>
<b>SHORT-TERM LIABILITIES</b>		
I. Tax provisions	43	42
II. Other provisions	715	578
III. Bank loans	43	–
IV. Received payments or orders	187	262
V. Trade accounts payable	2,343	1,922
VI. Liabilities with associated companies	15	30
VII. Other liabilities	3,424	4,575
<b>TOTAL SHORT-TERM LIABILITIES</b>	<b>6,770</b>	<b>7,409</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>51,546</b>	<b>52,669</b>

CASH FLOW	2006	2007
	KEUR	KEUR
<b>1. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	358	376
Depreciation and amortization of intangible assets and plant, equipment and other fixed assets	825	998
Other expenses / income with no impact on cash	0	-92
Depreciation of financial assets	0	0
Profit / loss from disposal of long term capital	5	0
Profit / loss from disposal of securities	0	1
Increase / decrease in inventories	-30	-337
Increase / decrease in trade receivables and other assets that cannot be allocated to investing or financing activities	-1,166	-701
Changes in provision	-714	-142
Increase / decrease in trade accounts payable and other liabilities that cannot be allocated to investing or financing activities	932	568
Interest paid	0	-2
Interest payments received	90	234
Income taxes paid	-68	-69
Income taxes received	0	0
	<b>232</b>	<b>834</b>
<b>2. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash paid for investments in property, plant and equipment / intangible assets	-850	-856
Cash received from disposal of securities	5,826	203
Cash paid for investments in securities	-507	0
	<b>4,469</b>	<b>-653</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
Amount paid out for redeeming loans	0	-43
	<b>0</b>	<b>123</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)	4,701	304
Change in currency translation adjustment	-1	0
Cash and cash equivalents at beginning of fiscal year	3,151	2,755
	<b>7,851</b>	<b>3,059</b>
<b>5. COMPOSITION OF CASH AND CASH EQUIVALENTS</b>		
Cash on hand	7,873	3,059
Bank liabilities due on demand	-22	0
	<b>7,851</b>	<b>3,059</b>

# Facts and Figures

## Development of Group Equity as of 03/31/2007 and 03/31/2006 (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	SUM 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					-98	13			-85		-85	
Profit before tax 2006								704	704	96	800	
OVERALL RESULT OF THE PERIOD	0	0	0	0	-98	13	0	704	619	96	715	
Stock-based payment		114							114		114	
Compensation of IPO costs 2000		131							131		131	
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	
Total income entered directly in equity capital				-6	-86	4			-88		-88	
Profit before tax 03/31/2007								351	351	23	374	
OVERALL RESULT OF THE PERIOD	0	0	0	-6	-86	4	0	351	263	23	286	
Edition of equity options to employees		85	81						166		166	
Stock-based payment			42						42		42	
CONSOLIDATED EQUITY ON 03/31/2007	13,805	39,254	1	2	-180	-122	-10,666	351	42,445	309	42,754	6,860



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