

The development of the earnings situation of the NEXUS Group is positive from the point of view of the Executive Board.

___ Asset situation

Goodwill and brands with an indefinite useful life of KEUR 146,967 (previous year: KEUR 144,468) have risen slightly. This is mainly due to the inflows of goodwill in the context of the acquisitions in the reporting period, there were no indications of value reductions in 2024. For the other intangible assets in the amount of KEUR 62,074 (previous year: KEUR 60,312), which are composed mainly of our own capitalized developments as well as acquired technology and customer relations, there were no indications of value reductions in 2024. In the 2024 financial year, contract fulfilment costs in connection with customer contracts amounting to KEUR 4,609 (previous year: EUR 2,204) were capitalised in accordance with IFRS 15.95. There were no indications of value reductions. Intangible assets total KEUR 209,041 (previous year: KEUR 204,780) and thus to 47.8% (previous year: 49.7%) of the balance sheet total.

As of 31/12/2024, inventories increased by KEUR 1,409, mainly due to hardware inventories.

Trade and other receivables increased by 3.3% and amounted to KEUR 48,590 on 31/12/2024 following KEUR 47,031 in the previous year.

Cash and cash equivalents short-term cash management and forecasts amounted to KEUR 114,038 as of 31/12/2024 (previous year: KEUR 97,434). This corresponds to 26.1% (previous year: 23.7%) of the balance sheet total.

The equity capital of NEXUS Group amounted to KEUR 282,958 on the cut-off date following KEUR 258,582 in the previous year, which corresponds to an equity capital rate of 64.6% (previous year: 62.8%).

A dividend of EUR 0.22 per share (previous year: EUR 0.21) was paid to stockholders in 2024.

The contract liabilities amounting to KEUR 33,571 (previous year: KEUR 24,040) relate essentially to the down payments received from customers for software projects.

___ Financial situation

The inflow and outflow of funds is shown in the cash flow statement. In 2024, the cashflow from operating activities amounted to KEUR 51,541 and was thus significantly higher than the level of the previous year (KEUR 30,407). This is mainly the result of payments received in the amount of EUR 14,968 for customer projects.

The cashflow from investment activities was KEUR -30,315 as of the balance sheet date (previous year: KEUR -17,022). Payments for investments in intangible assets and for the acquired companies and payment for cash investments in short-term financial dispositions formed the main focus of investment activities.

The cashflow from financing activities amounted to KEUR -19,628 (previous year: KEUR -16,722) and mainly includes payments for dividends, payments for the repayment of lease liabilities, incoming and outgoing payments for the sale and purchase of treasury stock and the acquisition of non-controlling interests of already fully consolidated companies.

No significant loans were taken from banks in the fiscal year. Existing credit lines at banks did not have to be used. We manage the liquidity of NEXUS primarily via a cash-pool system in which almost all subsidiaries operating in Germany are included. This allows cash surpluses and requirements to be balanced and the number of external banking transactions to be minimised. Free liquidity is invested centrally via the parent company at the best possible conditions.

___ Investments / Acquisitions

Please refer to the "Business model" section of the consolidated financial statements to learn about changes to the Nexus AG ownership structure.

___ Principles and Objectives of Financial Management

NEXUS financial management targets ensuring the financial stability and flexibility of the company. A balanced ratio between own and outside capital plays an essential role in this. The capital structure of NEXUS Group is composed of 64.6% equity capital, 14.7% long-term debts and 20.6% short-term debts. The long-term debt consists of pension obligations, from contingent purchase prices from company acquisitions and other non-current liabilities. The current liabilities essential concern accruals, other financial liabilities, trade payables and current lease liabilities.

INFORMATION RELEVANT TO ACQUISITIONS

___ Composition of Subscribed Capital and Stock Exchange Listing

Nexus AG is listed on the Frankfurt securities market in Prime Standard under securities identification number (WKN) 522090. The subscribed capital in the amount of EUR 17,274,695.00 (previous year: EUR 17,274,695.00) is composed of the following: Common stocks: 17,274,695 shares (previous year: 17,274,695 shares) at the accounting par value of EUR 1.00 each. Refer to the German Stock Corporation Law (Subsection 8 ff AktG) for information about the rights and obligations with respect to the individual den share certificates. A total of 17,236,881 shares (previous year: 17,264,609) have been issued as of the cut-off date.

___ Type of voting right control in the case of employee participations

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

___ Appointing and dismissing Executive Board members and amendments to the articles of incorporation

There are no more far-reaching provisions in the articles of incorporation beyond the statutory provisions for the appointment and dismissal of Executive Board members. In addition, there are no essential bylaw provisions, which deviate from legal regulations and flexible regulations.

___ Rights of the Executive Board in terms of the ability to issue or buy back shares, authorization to purchase treasury stocks

With its resolution on 16/05/2023, the Annual General Meeting of Nexus AG authorized the Executive Board to purchase treasury stocks up to a total amount of 10% of the capital available upon convocation of the Annual General Meeting prior to 30/04/2028, namely to purchase a maximum of 1,727,469 no-par value shares with a respective book value of EUR 1.00. The Executive Board is authorized to redeem the purchased treasury shares with the approval of the Supervisory Board without further shareholders' resolution as well as the shareholders' subscription rights in the case of the use of the treasury shares subject to the detailed provisions of point 8 from the agenda of the Nexus AG Annual General Meeting, as published in the Federal Gazette on 04 April 2023. The hitherto existing authorization of 12/05/2017 was thus revoked.

The Executive Board is also empowered to offer the stocks purchased with approval of the Supervisory Board to a third party within the context of company mergers or at purchase of companies or participating shares in companies. The subscription rights of stockholders to their own stocks are insofar excluded.

With regard to the information pursuant to Section 160 (1) no. 2 of the German Stock Corporation Law (AktG), we refer to the Appendix.

___ Authorized capital

The authorisation granted at the Annual General Meeting on 27/04/2021 to increase the company's share capital once or several times by up to a total of EUR 3,100,000.00 by issuing new no-par value bearer shares in return for cash and/or non-cash contributions (Authorized Capital 2021); which still amounts to EUR 1,577,536.00 due to partial utilisation, was cancelled at the Annual General Meeting 2023 and new authorisations to increase the share capital were created

Authorized Capital I 2023

The Executive Board is empowered to increase the capital stock of the company in the period until 30/04/2028 with approval of the Supervisory Board one time or several times up to a total of EUR

1,727,469.00 via issue of new no-par bearer stocks (individual share certificates) against cash and/or capital subscribed in kind (authorized capital I 2023). The new shares can also be issued to employees of the company or an affiliated company. The Executive Board shall decide about the conditions of the stock issue subject to approval by the Supervisory Board. The Executive Board is also empowered – subject to approval by the Supervisory Board – to shareholders* subscription rights in the following cases:

- a) For fractional amounts
- b) For issue of new stocks to employees of the company or an affiliated company
- c) For issue of new stocks against capital subscribed in kind for purchase of companies, company parts or shares in companies
- d) At issue of new stocks against cash investment, if the issue amount of the new shares does not fall substantially short of the already the listed price of shares already listed on the securities markets of the same class and same investment at the time of final determination of the issue amount by the Executive Board in the sense of Sections 203 (1) and (2), 186 (3) sentence 4 of the German Stock Corporation Law (AktG) and the proportional amount of the capital stock for the new shares does not exceed 10% of the capital stock existing (EUR 17,274,695.00) at the time of entering this empowerment in the commercial register and – cumulatively – 10% of the new stocks existing at the time of the issue, for which the subscription right was excluded. The proportional share of capital stock is to be deducted at the highest limit of 10% of capital stock, which applies to the new or repurchased shares, which were issued or sold since entry of this empowerment in the commercial register with simplified purchase right exclusion pursuant or corresponding to Section 186 (3) sentence 4 of the German Stock Corporation Law (AktG). This applies as well to the proportional share of capital stock, which refers to the option and/or conversion rights from option and/or convertible bonds and/or conversion requirements, which were issued or sold since entry of this empowerment in the commercial register pursuant to Section 186 (3) sentence 4 of the German Stock Corporation Law (AktG).

Authorized Capital II 2023

The Executive Board is empowered to increase the capital stock of the company in the period until 30/04/2028 with approval of the Supervisory Board one time or several times up to a total of EUR 3,454,900.00 via issue of new no-par individual share certificates against cash (authorized capital II 2023). The shareholders are generally entitled to subscription rights. In accordance with section 186 (5) of the German Stock Corporation Law (AktG), the new shares can also be taken over by a bank or in accordance with section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the German Banking Act (KWG), by a company with the obligation to offer them to shareholders for subscription ('indirect subscription right'). The Executive Board is also authorised, with the approval of the Supervisory Board, to exclude the statutory subscription right of shareholders once or several times for fractional amounts only.