

## **Supervisory board's report on the 2022 financial year of Nemetschek SE**

The Supervisory Board of Nemetschek SE involved itself extensively with the situation and development of the Nemetschek Group during the 2022 financial year. The body monitored the work of the Executive Board throughout the fiscal year, guided it closely, and advised it on important issues. Furthermore, it discharged the duties incumbent upon it under legislation, the Articles of Incorporation, and the rules of procedure with the utmost care.

The Supervisory Board was involved directly and at an early stage in all decisions of fundamental importance to the company, and debated these intensively and in detail with the Executive Board.

### **Constructive deliberations between Supervisory Board and Executive Board**

In the 2022 financial year, the collaboration between the Supervisory Board and the Executive Board was always constructive and marked by open and trustful discussions. The Executive Board informed the Supervisory Board regularly, promptly and comprehensively, verbally as well as in writing, about all relevant topics pursuant to business development and corporate strategy. Inherent opportunities and risks and the development of revenues, earnings and liquidity were extensively debated. Moreover, the Supervisory Board received information on planned and current investments, on the execution of the strategic direction and planning of the Group, of its segments, and of the individual brands; as well as on risk management and compliance.

The Supervisory Board conferred about and intensively discussed business development in the respective months and reporting quarters, the short-term and medium-term prospects, and the long-term growth and earnings strategy internally and together with the Executive Board. During the 2022 fiscal year, this also included information about the deviation of business development from the original planning as well as the indirect consequences of Russia's invasion of Ukraine and the lasting impacts of the Covid-19 pandemic. The Chairman of the Supervisory Board and Chairwoman of the Audit Committee, and for certain topics other Supervisory Board members too, maintained close contact with the Executive Board outside the scheduled meetings as well and regularly communicated with each other. In addition, the Supervisory Board convened regularly, at times without the Executive Board.

Based on reporting by the Executive Board, the Supervisory Board supported the Executive Board's work in an advisory capacity and, in so doing, also made decisions on actions requiring approval. On the basis of the extensive information provided by the Executive Board as well as independent audits, the Supervisory Board was able to completely fulfill its monitoring and advisory role at all times.

### **Supervisory-Board meetings, individual meeting attendance, and focuses of work**

A total of four ordinary Supervisory Board meetings were held in person during the 2022 fiscal year. In addition, there was one extraordinary virtual meeting as well as the inaugural Supervisory Board meeting after the Annual General Meeting. The total attendance rate for the Supervisory Board's meetings was 100%. In addition to the meetings, there were further resolutions on current topics, for which written procedures were used.

Participation in the meetings of the Supervisory Board is disclosed in individualized form in the following table:

	Number of meetings/Participation <sup>1)</sup>	Participation rate in %
Kurt Dobitsch, Chairman	6/6	100%
Patricia Geibel-Conrad, Deputy Chairwoman (since May 12, 2022)	4/4	100%
Rüdiger Herzog (until May 12, 2022)	2/2	100%
Bill Krouch	6/6	100%
Prof. Georg Nemetschek, Deputy Chairman (until May 12, 2022)	2/2	100%
Christine Schöneweis (since May 25, 2022)	3/3	100%
Prof. Dr. Andreas Söffing (since May 25, 2022)	3/3	100%
Dr. Gernot Strube (since May 12, 2022)	4/4	100%
<b>Total participation rate</b>		<b>100%</b>

<sup>1)</sup> The table presents the individual attendance rates of all active Supervisory Board members during the fiscal year. There are different individual meeting numbers due to the election of new Supervisory Board members at the Annual General Meeting on May 12, 2022, and the registration of the amendment of the Articles of Incorporation to enlarge the Supervisory Board on May 25, 2022.

During the 2022 fiscal year, deliberations revolved in particular around long-term strategic development of the four segments in the Group, with a focus on further internationalization of business activities and go-to-market strategy. Further areas of discussion included the impacts of the current geopolitical crises, the after-effects of the Corona pandemic and inflation on short-term business development, potential acquisition targets and investments in start-ups and ventures, strategic projects at the holding company and in individual segments, and the further development of the solution portfolio of the Nemetschek Group. Detailed reports concerning the four segments and the brand companies were received by the Supervisory Board. Business performance which deviated from the corresponding annual targets was discussed and analyzed in detail at the Supervisory Board meetings. The Executive Board presented its M&A roadmap and corresponding projects and decided on these in close collaboration with the Supervisory Board. Interim reports, such as quarterly and half-year reports, were also discussed by the Supervisory and Executive Boards ahead of their publication.

Moreover, the Supervisory Board focused on the integration of its new members and the collaboration within the newly reconstituted body during the last fiscal year. An option was offered for new Supervisory Board members to meet Executive Board members and other management staff as part of an onboarding process, helping them to learn about the markets that are relevant to the Nemetschek Group, the company's business model, and the key strategic direction.

The Supervisory Board dealt with personnel decisions regarding Executive Board members and succession planning for the Executive Board during the 2022 fiscal year. The Supervisory Board of Nemetschek SE appointed Yves Padrines as a member of the Executive Board and Chief Executive Officer with effect as of March 1, 2022. Yves Padrines is also responsible for the Media & Entertainment division and Nemetschek Venture Investments, and oversees M&A activity. The Supervisory Board appointed Louise Öfverström as the Chief Financial Officer (CFO) of Nemetschek SE with effect as of January 1, 2023, and approved Dr. Axel Kaufmann's early departure from his position as an Executive Board member.

The members of the Supervisory Board take responsibility for undertaking any professional development measures necessary for them to fulfill their duties, those regarding changes to the applicable framework conditions or regarding new solutions and future-oriented technologies, and are supported in this by the company. Any costs incurred are borne by the company. During the reporting period, information was made available by the company on the expansion of the compliance management and risk management system, on IT and cybersecurity, and on sustainability (ESG), diversity, and executive remuneration. In addition, the members of the Supervisory Board were informed about current amendments to laws, new

accounting and auditing standards and changes with regard to corporate governance topics as well as future developments in connection with sustainability reporting.

At the four ordinary Supervisory Board meetings, the Supervisory Board was provided with information about the current course of business, the market and competitor environment, communication with the capital market, the systems for internal control and early risk detection, and the status of audit and compliance issues. Topics related to short-, medium-, and long-term business development were also discussed regularly, and the Supervisory Board was kept abreast of programs initiated and of the development of strategic focus topics. There was also regular reporting within the Supervisory Board on the work of the Audit Committee. Moreover, the meetings covered the following focus topics in particular:

#### **Meeting on March 18, 2022:**

- Annual financial statements and consolidated financial statements as well as the consolidated management report for the 2021 financial year, including the nonfinancial statement
- Supervisory Board's report for the 2021 financial year
- Proposal on the appropriation of profits for the 2021 financial year
- Invitation and agenda items for the 2022 Annual General Meeting with proposed resolutions for the Annual General Meeting, particularly for the motions to elect Prof. Georg Nemetschek as the Honorary Chairman of the Supervisory Board and to elect a new auditor for the 2022 fiscal year
- Approval of the business plan for the 2022 fiscal year
- Targets reached by the Executive Board and general managers, and release of payment of variable remuneration shares for the 2021 financial year
- Formulation of target agreements for the Executive Board's variable remuneration components
- Definition of a new remuneration system for the Executive and Supervisory Boards
- Adoption of a virtual stock option plan for the Executive Board Members
- Corporate-governance-related topics for the expansion of the Supervisory Board, including nomination of candidates for Supervisory Board elections and of Audit Committee members

#### **Extraordinary Meeting on May 11, 2022:**

- Personnel matters within the Executive Board

#### **Meeting on May 12, 2022 (Inaugural Meeting Following the Annual General Meeting):**

- Farewell and acknowledgment of Prof. Georg Nemetschek and Rüdiger Herzog, long-serving members leaving the Supervisory Board
- Welcome of Patricia Geibel-Conrad, Christine Schöneweis, Prof. Dr. Andreas Söffing, and Dr. Gernot Strube, new Supervisory Board members elected at the Annual General Meeting
- Election of Kurt Dobitsch as Chairman of the Supervisory Board and Patricia Geibel-Conrad as Deputy Chairwoman of the Supervisory Board

- Election of the Audit Committee members, resulting in the nomination of Kurt Dobitsch, Patricia Geibel-Conrad, and Dr. Gernot Strube
- Election of Patricia Geibel-Conrad as Chairwoman of the Audit Committee
- Exchange of information on rules for collaboration within the Supervisory Board

#### **Meeting on July 26, 2022:**

- Introduction of the new Supervisory Board members and professional development, including in the field of corporate governance
- Strategic projects on segment level and Group level, including cross-brand and cross-segment initiatives
- Market and competitor situation
- Short-term and medium-term initiatives and business development
- Current M&A and venture activity
- Long-term strategic further development of the company

#### **Meeting on October 26, 2022:**

- Planning process and planning foundations for the business plan for the 2023 fiscal year
- Strategic projects on segment level and Group level, including cross-brand and cross-segment initiatives
- Analysis and development of geographical markets
- Current M&A and venture activity

#### **Meeting on December 15, 2022:**

- Business and investment planning at the Group level for the years 2023 to 2025
- Cash flow and liquidity planning at the Group level for the years 2023 and 2024
- Business planning for individual segments and brands, including detailed revenue planning according to different points of view
- Current M&A and venture activity
- Short-, medium-, and long-term strategic planning for and further development of the company

#### **Committees**

The Supervisory Board set up an Audit Committee with effect as of January 1, 2022. Rüdiger Herzog (Chairman), Prof. Georg Nemetschek, and Kurt Dobitsch were members of the Audit Committee in the period from January 1, 2022 to May 12, 2022. Following the 2022 Annual General Meeting on May 12, 2022, new elections were also held for the positions on the Audit Committee as part of the inaugural

Supervisory Board meeting. This resulted in Kurt Dobitsch, Patricia Geibel-Conrad, and Dr. Gernot Strube being elected as members of the Audit Committee, with Patricia Geibel-Conrad as its new Chairwoman.

No other committees were formed apart from the Audit Committee. The Supervisory Board has consisted of six members since May 25, 2022, and is of the opinion that a body of this size ensures the efficient and effective discharge of its duties even without forming further specialized committees. The duties for which the German Corporate Governance Code (DCGK) recommends the formation of such committees were performed by the Supervisory Board of Nemetschek SE as a whole during the reporting period, except for the duties of the Audit Committee. A Nomination Committee was not established, as the Supervisory Board consists solely of shareholder representatives.

## Audit Committee Meetings and Focuses of Work

The Audit Committee held four meetings in person during the 2022 fiscal year. The total in-person attendance rate was 100%.

<b>Audit Committee Meetings and Individual Attendance Rate</b>		
	Number of meetings/Participation <sup>1)</sup>	Participation rate in %
Kurt Dobitsch	4/4	100%
Patricia Geibel-Conrad, Chairwoman (since May 12, 2022)	3/3	100%
Rüdiger Herzog, Chairman (until May 12, 2022)	1/1	100%
Prof. Georg Nemetschek (until May 12, 2022)	1/1	100%
Dr. Gernot Strube (since May 12, 2022)	3/3	100%
<b>Total participation rate</b>		<b>100%</b>

1) The table presents the individual attendance rates of all active Supervisory Board members during the fiscal year. There are different individual meeting numbers due to the election of new Supervisory Board members at the Annual General Meeting on May 12, 2022.

The Audit Committee concentrated on the following topics in the 2022 fiscal year:

- Financial statements and consolidated management report of Nemetschek SE and the Group, including the nonfinancial statement integrated into the consolidated management report
- Half-year financial report as well as quarterly reports and the internal reporting underpinning them
- Recommendation to the Supervisory Board and Annual General Meeting for the auditor election for the 2022 fiscal year
- Confirmation of the audit engagement, definition of audit focuses, and setting of the auditor's fee
- Monitoring of the selection, independence, qualification, rotation, and efficiency of the auditor and the services rendered by the auditor
- Review of the quality of the audit
- Regular discussion of the topics of accounting, accounting procedures, the effectiveness of the internal control system, the company's risk management system, and the effectiveness, resources, and findings of internal audit as well as additional deliberation about possible and pending legal disputes and the implementation of the compliance management system, monitoring of transactions with related parties, and discussion of sustainability-related topics within the company

In addition to that, the Audit Committee also dealt with the following topics in the 2022 fiscal year:

- Onboarding process for the new auditor engaged for the audit
- Current and future requirements for corporate governance and information security in respect of the company, its governing bodies, and the fulfillment of these requirements
- Related Entities Report for the 2022 fiscal year
- Remuneration-related topics, including stock option plans
- Refinancing topics and further development of treasury
- Change in regulation and adjustment due to the reform of the German Corporate Governance Code, such as the qualification matrix
- Exchange with departments relevant to the Audit Committee, including that taking place within the context of the reconstituted Audit Committee

Depending on the agenda item, the Audit Committee's meetings were also attended by members of the Executive Board, experts from relevant departments, and the auditor. In addition, the Audit Committee convened regularly without the presence of Executive Board members or the auditor. Furthermore, the Chairwoman of the Audit Committee maintained regular dialog with the Supervisory Board, CFO and auditors outside of meetings.

#### **Audit of the annual financial statements and consolidated financial statements**

Audit firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, was elected at the Annual General Meeting on May 12, 2022, as the auditor for the audit of the separate financial statements and the consolidated financial statements for 2022 of the Nemetschek SE as well as the corresponding Consolidated Management Report. The Audit Committee satisfied itself of the auditor's independence, obtained a written declaration from the auditor, verified its qualifications, and confirmed the engagement.

The annual financial statements of Nemetschek SE for the 2022 fiscal year, prepared by the Executive Board according to the German Commercial Code (HGB); the consolidated financial statements, prepared according to International Financial Reporting Standards (IFRS) as applicable in the EU and also according to HGB section 315e(1), and the Consolidated Management Report for Nemetschek SE and the Group for the 2022 fiscal year were each audited and approved with an unqualified opinion by auditing firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich.

The Audit Committee regularly conferred with the auditor as part of the preparation for and performance of the audit, at times without the presence of the Executive Board. The specified, relevant final documents of Nemetschek SE and the Nemetschek Group, the Executive Board's proposal for the appropriation of profits, and the auditor's reports were made available to the members of the Supervisory Board in sufficient time ahead of the Audit Committee meeting on March 16, 2023 and the Supervisory Board meeting for the statement of financial position on March 17, 2023. The auditor took part in the meeting, reported extensively on his auditing activities and the main audit results, explained the audit report, and provided detailed answers to all of the Supervisory Board members' questions. The auditor explained in particular the especially important key audit matters and the audit procedures conducted. No material weaknesses with regard to the internal control system and the early risk detection system were reported.

Taking the auditor's reports into consideration, the Audit Committee examined the annual financial statements, the consolidated financial statements, and the Consolidated Management Report for Nemetschek SE and the Group, was convinced of the correctness and completeness of the actual disclosures and reported to the Supervisory Board about this. The Supervisory Board then concurred with the result of the audit performed by the auditor and, following the final outcome of the latter's audit, determined that there were no objections to be raised. The Supervisory Board approved the 2022 financial statements and consolidated financial statements of Nemetschek SE at the balance sheet meeting of

March 17, 2023. The 2022 annual financial statements are thus final in accordance with section 172 of the German Stock Corporation Act (AktG).

In addition, the Supervisory Board dealt with the Executive Board's proposal for the appropriation of net earnings at the balance sheet meeting. Following its own examination, the Supervisory Board endorsed the proposal of the Executive Board.

The Executive Board has for the first time prepared a report on the company's relationships with related entities in accordance with AktG section 312 (Related Entities Report) for the 2022 fiscal year. The Related Entities Report was audited by the auditor in accordance with AktG section 313. The Related Entities Report and the auditor's audit report were submitted to the Supervisory Board and Audit Committee in due time. The Supervisory Board audited the Executive Board's Related Entities Report and the auditor's audit report. All legal and commercial relationships with related parties and the controlling company that are listed in the Related Entities Report correspond to normal market terms of the same type that would be agreed between the Nemetschek Group and third parties. Transactions with related parties of the types that are set out in AktG sections 107 and 111a to 111c and are subject to approval by the Supervisory Board did not take place during the 2022 fiscal year.

The auditor issued the following opinion for the Related Entities Report:

"Based on our statutory audit and assessment, we confirm that:

1. the factual information in the report is correct.
2. in the legal transactions listed in the report, the company's payments were not unreasonably high."

After the final outcome of its audit, the Supervisory Board did not raise any objections to the report or to the Executive Board's declaration at the end of the Related Entities Report.

Moreover, the Audit Committee evaluated the services rendered by the auditor and reviewed the quality and independence of audit firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, as an auditor, and reported to the Supervisory Board accordingly. In doing so, no grounds were determined to exist which would oppose an audit performed by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich.

### **Reporting on sustainability**

Nemetschek SE integrated its nonfinancial declaration into the consolidated management report. Auditing firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, subjected the Group Nonfinancial Statement of the Nemetschek Group to a limited-assurance audit. The Audit Committee also checked the nonfinancial declaration and has come to the conclusion that the nonfinancial declaration provides no grounds for reservations. The Supervisory Board adopted these assessments in its examination and has no objections to raise.

### **Reporting on Executive Board and Supervisory Board remuneration (remuneration report)**

The report on the remuneration of the Executive Board and Supervisory Board to be created on the basis of the German Act Implementing the Second Shareholder Rights Directive (ARUG II) was prepared in the 2022 financial year by the Executive Board and the Supervisory Board. Auditing firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, reviewed the remuneration report and in doing so determined that it contains the disclosures required as per § 162 (1) and (2) of the German Stock Corporation Act (AktG). The corresponding report on the verification of the remuneration report in accordance with § 162 (3) AktG is attached to the separate remuneration report.

## Investor communication

The chairman of the Supervisory Board additionally conducts regular dialogs with shareholders in order to increase transparency. The main topics of the discussions are especially issues concerning with the governance structure of the Nemetschek Group.

## Conflicts of interest / Self-assessment

In the reporting year, there were no conflicts of interest on the part of Supervisory Board members. Moreover, no conflicts of interest on the part of Executive Board members were reported to the Supervisory Board.

The Supervisory Board regularly assesses how effectively it discharges its duties. The most recent self-assessment by the Supervisory Board took place in the 2021 fiscal year. As the Supervisory Board was reconstituted in 2022, the next self-assessment is scheduled for the 2024 financial year. Further information can be found in the [« Corporate Governance Statement »](#).

## Corporate Governance

The Supervisory Board was continuously occupied with the principles of good corporate governance in the 2022 financial year. On May 12, 2022, the Executive Board and Supervisory Board resolved to submit a Declaration of Conformity as per §161 of the German Stock Corporation Act (AktG), in accordance with which the company has, since submission of the previous Declaration of Conformity of December 17, 2021, complied with the recommendations of the German Corporate Governance Code, in the version from December 16, 2019 (published in the Federal Gazette on March 20, 2020), with the exception of the justified deviations specified in the Declaration of Conformity. The Executive Board and Supervisory Board again issued a Declaration of Conformity on March 9, 2023. Since issuing the last Declaration of Conformity, the company has complied with and will continue to comply with the recommendations of the German Corporate Governance Code as amended on April 28, 2022 (published in the Federal Gazette on June 27, 2022 - "GCGC 2022"), with the exception of the deviations outlined and justified in the Declaration of Conformity.

The formulation of the Declaration of Conformity of March 9, 2023, is included in the section [« Corporate Governance Declaration »](#) in the "To our shareholders" part of the annual report for the 2022 financial year. The Declaration of Conformity was made permanently available to shareholders on the company website under [ir.Nemetschek.com/en/corporate-governance](http://ir.Nemetschek.com/en/corporate-governance).

## Changes to the Executive Board and Supervisory Board

The Executive Board was expanded from its previous three members to its current four members during the 2022 fiscal year. Yves Padrines was appointed to the Executive Board with effect as of March 1, 2022, and was appointed as Chief Executive Officer by a vote of the Supervisory Board. Chief Financial and Operations Officer Dr. Axel Kaufmann departed the Nemetschek SE Executive Board and the company as a whole on highly amicable terms with effect as of December 31, 2022. We wish to thank Dr. Axel Kaufmann for his commitment and the successful, trust-filled work done together. The Supervisory Board appointed Louise Öfverström to the Executive Board as Chief Financial Officer with effect as of January 1, 2023. This represents the first time that a woman has been appointed to the Executive Board of Nemetschek SE, hence the female-representation target has been fulfilled.

The Supervisory Board was also enlarged on May 12, 2022, through a corresponding amendment of the Articles of Incorporation and a resolution at the Annual General Meeting, growing from its previous four members to the current six members. The enlargement takes into account the current growth of the company, its planned future growth, the requirements for diversity within the Supervisory Board, and the increasing requirements for corporate governance.

New appointments to the Supervisory Board were voted in at the Annual General Meeting on May 12, 2022, in the person of Patricia Geibel-Conrad, Christine Schöneweis, Prof. Dr. Andreas Söffing, and Dr. Gernot Strube. Kurt Dobitsch and Bill Krouch were voted to return for a further period in office at the Annual General Meeting.

With the conclusion of the Annual General Meeting on May 12, 2022, the positions held by Prof. Georg Nemetschek and Rüdiger Herzog expired, thus these individuals left the Supervisory Board. We express our gratitude to both long-serving members for the trustful work that has been done together and for their extraordinary dedication and significant contribution to the company's success. We owe a special thanks to Prof. Georg Nemetschek, our visionary company founder, Chief Executive Officer, and long-serving Supervisory Board Member who laid the foundation and influenced the company's extraordinary development. His life's work serves as the basis for the Nemetschek Group's ongoing development and lasting success. Prof. Georg Nemetschek was elected as Honorary Chairman of the Supervisory Board at the Annual General Meeting on May 12, 2022.

### **Thanks for dedicated performance**

The Nemetschek Group displayed its operational strength again in 2022, and successfully maintained its profitable growth despite the geopolitical crises. This business success is attributable to the attractive existing and new solutions of the Nemetschek Group, the consistent implementation of strategic focus points, and the high levels of commitment of the entire staff and of management.

The Supervisory Board thanks all employees for their excellent performance and personal commitment. At the same time, the Supervisory Board would like to express its recognition and high level of appreciation to the Executive Board and the CEOs of all the brands for the services rendered.

Munich, March 17, 2023

Kurt Dobitsch  
Chairman of the Supervisory Board