

**DEADLINE: 10:00 a.m.!**

**Virtual Annual  
General Meeting  
of Nemetschek SE  
on May 12, 2021**

**Dr. Axel Kaufmann  
Spokesman of the Executive Board and CFOO**

**Check against delivery!**

**Slide 1: Welcome**

**Slide 2: Kurt Dobitsch (Start guidelines)**

**Slide 3: Start of Dr. Axel Kaufmann's speech**

Dear ladies and gentlemen, shareholders and shareholder representatives,

On behalf of my colleagues on the Executive Board, I would like to welcome you to this year's Annual General Meeting of Nemetschek SE. Unfortunately, a face-to-face event and direct exchange with you is not possible again this year. I'm sure you are all aware of the reasons why we need to hold our AGM virtually. I very much hope that we will be able to exchange ideas in person again next year. I don't know about you, but after more than a year of video conferences and other digital formats, I appreciate personal exchanges and face-to-face conversations. I'm looking forward to experiencing a mix of that again in the future.

**Slide 4: *Business model and 2020 financial year***

Ladies and gentlemen,

In recent years, Nemetschek has written a remarkable success story in terms of growth, profitability and stock market performance, which are both a mandate and an incentive for myself and my colleagues. We have also successfully overcome the challenging coronavirus year 2020, recording business development that even exceeded expectations at the beginning of the global pandemic. The coronavirus crisis and the resulting economic consequences and uncertainties have required our full attention. Rest assured, however, that despite this unforeseeable challenge, we also did our strategic homework in the last financial year in order to continue the success story of the Nemetschek Group.

**Slide 5: *Focus on customer-oriented segments***

Ladies and gentlemen,

As is well known, our company has a long tradition. In 1963, Professor Georg Nemetschek founded his engineering office and thus laid the

foundation for today's group – driven by his visionary foresight to digitalize the entire construction process and to increase the quality and efficiency of buildings through software solutions.

Today, we have an international group with three segments that are placed along the entire value chain of the construction process. Added to this is our fourth segment, Media & Entertainment, which we have significantly expanded over the past two years. Our brands in the four strategic segments are among the best in their respective product sectors. By striking the right balance between integration and independence, our brands are able to make the best possible use of growth opportunities.

The Nemetschek SE executive level is also oriented toward further growth. This is reflected in our Executive Board structure, which has a clear focus on our respective customer and market segments and thus better connects the holding company with operating units. This enables us to act even more effectively and flexibly in our markets and with our customers.

**Slide 6: 2020 financial year**

Ladies and gentlemen,

We now come to the 2020 financial year. We recorded good business development and continued to grow last year, despite the global Covid-19 pandemic. We also laid important foundations to accelerate our growth path in the future.

Ultimately, the 2020 financial year went better than we could have assumed at the beginning of the pandemic. We even raised our annual targets for revenues and profitability in October and were able to fully achieve them. This was possible because we adapted very quickly to the new lockdown circumstances. For example, we have increased our focus on digital sales and support, implemented online training for our customers and, of course, introduced strict cost management.

Not least, our reliable and stable business model with high recurring revenues and strong regional and product diversification also contributed to the fact that we successfully overcame the year 2020 so well.

I would like to take this opportunity to thank our more than 3,000 Group employees – on behalf of my colleagues on the Executive Board too. They

accepted the challenge suddenly presented to us by the coronavirus crisis and ensured that, despite all the restrictions, we remained in close contact with our customers and were ultimately able to record a successful financial year. Many thanks for this!

Let's take a closer look at a few figures from the financial year:

- **Group revenues** increased by a good 7% (adjusted for currency effects: by more than 8%) to EUR 597 million. We thus fully achieved our revenue forecast of achieving a mid-single-digit growth rate.
- The clear growth driver was **recurring revenue** from software service contracts and rental models, i.e., subscription and software-as-a-service, which increased by around 20% to EUR 359 million and thus already accounted for more than 60% of total revenues. This above-average increase reflects the strategic approach of the business model to increasingly offer rental models. Revenues from **subscription + software-as-a-service** alone climbed by a high 80% to EUR 90 million.
- **Group operating EBTIDA** for the full year rose by 4% to EUR 172 million, resulting in an EBITDA margin of 28.9%. We were thus at the upper end of our forecast corridor of 28% to 29%.

- The increase in the **equity ratio** to around 47%, the net cash position of EUR 9 million and the high cash conversion rate of 91.4% also demonstrate the Group's very healthy financial situation geared toward further growth.

**Slide 7: Highlights and successes in 2020**

Ladies and gentlemen,

Those were the key performance indicators in financial terms, but what have we achieved in 2020 in strategic terms? We have grown very strongly in recent years, both organically and through acquisitions. We are now in the process of implementing the next growth phase of our Group.

To do this, we will reduce our internal Group complexity, which has inevitably resulted from the diversity of our 15 brands. At the same time, however, we want to preserve the entrepreneurial spirit of the brands. That is why we are in the process of finding the right balance between integration and independence. Our goal is to share best practices, leverage synergies and continue to develop cross-brand solutions for our customers from a single source. Ultimately, this will all enable us to target our customers even better.

To this end, we successfully launched two cross-brand development projects on the market for the first time in 2020. For example, Integrated Design presents a workflow solution that revolutionizes cooperation between architects, structural engineers and civil engineers. This integrated approach enables the parties to work together on a model in an interdisciplinary manner for the first time, thus significantly increasing efficiency in the planning process. This path is to be continued in 2021.

Furthermore, in the Media segment, we successfully integrated the Red Giant and Redshift brands into our existing MAXON brand last year. At the end of 2020, we also began to integrate the Precast brand into our founding brand Allplan in the Design segment.

However, we are also working internally to become even more efficient and to bundle cross-group topics, for example in the area of human resources, in IT or in customer support.

As before, the topic of mergers and acquisitions is also an essential part of our strategy. Last year we mostly acquired smaller companies, such as Adapt in the Design segment, which we integrated into the successful RISA brand to strengthen our engineering expertise in the USA. In the Manage segment, we also acquired DEXMA at the end of 2020. DEXMA is a fast-growing provider of innovative cloud solutions for energy

management based on artificial intelligence. DEXMA will be integrated into our existing Spacewell brand.

Our acquisition focus is broad. Of course, we can also acquire larger companies as we have the financial means to do so. But investments in very young companies such as start-ups and ventures are also new and supplementary to our list. In the future, we want to be even closer to future developments in order to keep our finger on the pulse of our industry.

It must be noted that the prices for acquisition candidates in our industry have once again risen significantly in the past year. This does not worry us insofar as the Nemetschek Group's financial scope remains large thanks to our excellent capital and financial situation. Nevertheless, the opportunities and growth potential of acquisitions must be in line with the purchase prices. You can be sure that we will pay very close attention to this in the future, on your behalf too.

Allow me to present another strategic focus, namely the successive increase in recurring revenues from service contracts and rental models. Today, these already account for more than 60% of total revenues. Our aim is to maintain close customer contact and a high level of customer satisfaction, as well as to secure long-term, sustainable growth and give the Group greater planning security.

The rental models in particular make it possible for us to tap into new customer groups. The pandemic in particular has also led to greater customer demand for this flexible option. In our four Group segments, the offer and implementation of rental models is at different stages of progress. This is also due to the different needs of customers depending on discipline and region. Following the successful conversion of the Media segment to subscription models in 2020, the Bluebeam brand in the Build segment will start converting to cloud solutions in the second half of 2021. This will open up additional market potential by targeting new customers, extending customer benefits, and achieving higher recurring revenues. Ultimately, a higher share of subscription and software-as-a-service will lead to higher value generation in total.

We have driven key strategic initiatives in 2020, laying the foundation to grow stronger again in the future.

**Slide 8: *Segments***

Dear shareholders,

All four of our Group's divisions achieved growth last year despite the pandemic. I now will briefly discuss the segments.

In the **Design segment**, revenues increased operationally by around 1% to EUR 315 million. This slight increase is due to the decline in licenses since the outbreak of the pandemic. However, we experienced a clear recovery in the second half of the year. We have also made important strategic progress. This includes the aforementioned acquisition of Adapt by our RISA brand, the integration of Precast into Allplan, and our cross-brand development projects. Thanks to our successful cost management, EBITDA in the Design segment remained almost at the prior-year level, with the margin reaching a high 30.4%.

In 2020, the **Build segment** benefited from the well-filled order books of construction companies, with the effect that the coronavirus crisis did not have quite such a strong impact here and was only felt with a time delay. Adjusted for currency effects, revenues increased by around 10% to EUR 193 million. In this segment, we continue to benefit from the still low level of digitalization in the construction sector. This is because the key players still have a considerable amount of catching up to do when it comes to using digital solutions and networking with each other to construct more efficiently and thus more cost-effectively. EBITDA in the Build segment increased slightly year-on-year to 36.3%.

The **Manage** segment, comprising our activities relating to facility management, recorded growth of a good 6% to EUR 41 million. This is positive in that facility and building managers in particular were heavily affected by the lockdowns and the switch to home offices. As I have already mentioned, we acquired DEXMA, a company focused on energy management, for this segment at the end of the year. Due to the acquisition costs and investments in future growth, the EBITDA margin was below the previous year at around 9%.

The **Media & Entertainment** segment was strengthened by the acquisition of the US company Red Giant, which was consolidated for the first time in 2020. Thanks to a simultaneous conversion to subscription models, strong operating growth of around 65% to EUR 55 million was achieved. Organic growth was also at an impressive 21%. Despite integration costs, the EBITDA margin rose slightly to 28.1%.

**Slide 9: Consolidated balance sheet**

To conclude the review of 2020, I would like to say a few words about the consolidated balance sheet of the Nemetschek Group. There is no need for many words anyway. Our Group continues to have a very solid asset

and financial structure. This is an invaluable advantage, especially in times such as these.

The balance sheet total increased by around EUR 33 million to EUR 890 million. This was particularly driven by our acquisitions. The equity ratio rose from 41% to 47% within the year. At the end of 2020, the Nemetschek Group had cash and cash equivalents of EUR 139 million. We therefore continue to have sufficient room scope to grow further, both organically and via acquisitions.

**Slide 10: *Dividend proposal***

Dear shareholders,

Our sustainable dividend policy is closely linked to our solid financial position. Our financial strength combined with our positive business development in 2020 allow us to let you as shareholders participate appropriately in the success of the Nemetschek Group.

For the 2020 financial year, we are therefore proposing to you today under item 2 of the agenda a dividend of EUR 0.30 per share, 7% higher than in

the previous year. With a total of 115.5 million shares, the total dividend payout would therefore rise to EUR 34.7 million.

Thanks to the financial strength our Group has built up in recent years, we can afford this payout without having to neglect the necessary investments in organic and inorganic growth.

**Slide 11:** *Sustainability and market opportunities*

Ladies and gentlemen,

Let us now turn to the opportunities and challenges that our industry, and thus also the Nemetschek Group, face.

**Slide 12:** *Challenges in the construction industry*

Our industry is a phenomenon. On the one hand, the AECO industry is one of the key sectors of every economy. The volume of the construction industry worldwide is estimated at around EUR 10 trillion. Demand for construction services is high and, in our opinion, will remain so. However, on the other hand, the sector lags behind many other important industries in terms of productivity, digitalization and sustainability.

Looking at productivity – as shown here on the chart – construction projects could be handled at least 20% more efficiently. The majority of projects – both small and large – exceed planned costs, are completed later than planned and result in massive material waste, wasted time, and avoidable corrections in the construction process.

This demonstrates that we must expect strong catch-up effects in our industry in order to increase productivity and efficiency, but also to comply with the increasingly important issue of sustainability.

**Slide 13: *Great potential for growth***

We are targeting a large and, in terms of digitalization, underdeveloped market with enormous growth potential. On the left side of the chart, you can see that our industry – construction – is the least digitalized compared with other industries. On the right side, you can see the three market segments along the construction lifecycle that Nemetschek targets. All three have low market penetration, a large market volume and, on average, healthy growth of around 10% per year. So the pie is big, and it is growing steadily. For providers of leading software solutions like

Nemetschek, which support and shape the digitalization trend, the opportunities are accordingly great.

**Slide 14:** *Sustainability*

Ladies and gentlemen,

It is a fact that the topic of sustainability is a major challenge for our target industry in particular. After all, the construction industry is still one of the most resource-intensive industries and drivers of CO<sub>2</sub> emissions. Because the demand for housing and also for infrastructure is constantly increasing, the industry now faces even more challenges to become more efficient and to build more sustainably. To put it mildly, this has been rather neglected in the past. Unfortunately, compared with other industries, the construction sector's productivity and associated resource conservation is evolving at a very slow pace. It is therefore not surprising that the building sector is the only sector to have missed the climate targets in Germany in 2020.

Our product portfolio is a major lever for ecological sustainability, because it will not work without digital solutions. In any case, sustainable building must be defined much more broadly today. It must not be reduced to the

use of environmentally friendly materials and energy-saving concepts alone. It is not the building alone that is decisive for the climate balance, but the entire construction process. What good is an energy-optimized house if considerable amounts of materials were wasted during construction because of incorrect planning or because there was no or too little communication between the parties involved?

Our software solutions make construction planning, the construction process and the management of a property more efficient. Architects, civil engineers, building contractors and building managers can use digital solutions to plan, build and manage the use of resources much more accurately and sustainably. In this way, they make an important contribution to climate and environmental protection. For us, this is the central theme of our Corporate Social Responsibility approach. Our goals and measures are presented in our CSR Report, which you can also find on our website. We will consistently pursue this path and identify and implement opportunities for sustainability in the construction process.

**Slide 15: Q1 2021 and outlook**

Ladies and gentlemen,

We now come to the current financial year. Overall, we had a very successful start to 2021.

**Slide 16: Key figures Q1 2021**

We made a superb start to the new year under friendly market conditions and achieved considerable growth across all segments in an improving environment. Our strategic initiatives are fully on track. The focal points of the strategy include further internationalization, expansion of recurring revenues, reduction of the Group's complexity further development of our software solutions and acquiring new customers.

- In the first quarter, **Group revenues** demonstrated a double-digit percentage increase over the same period of the previous year, rising by around 12% to EUR 158.4 million (adjusted for currency effects).

- The clear growth driver continues to be **recurring revenues** from software service contracts and rental models, which increased by around 16% to EUR 96 million (adjusted for currency effects). Revenues from **subscription + software-as-a-service** alone, which is included in this figure, increased by almost 50% to EUR 28.3 million.
- It is also pleasing that **Group operating EBITDA** rose at an above-average rate compared with revenue, by 26.5% to around EUR 50 million (adjusted for currency effects), with the EBITDA margin improving to 31.3%. This above-average margin is not only attributable to the strong revenue performance. Savings, for example due to lower travel and marketing costs since the start of the coronavirus pandemic, also had an impact here. Nemetschek plans to ramp up its level of investment again in the following quarters to ensure future growth. We also expect a slightly increasing cost base as a result of this.

**Net income for the year** increased significantly in Q1, by 37.5 % to EUR 29.4 million. Accordingly, earnings per share increased to EUR 0.25.

- Our **cash conversion rate** is over 100% and we also expanded our net cash position to almost EUR 65 million at the end of March.

In summary, we have laid strong foundations in the first quarter to achieve our targets for the full year 2021.

**Slide 17:** *Outlook for 2021 and ambition for 2023*

Ladies and gentlemen,

This brings us to the outlook. Following the very successful start to the year, and in view of the favorable market environment, we are positive about 2021. Adjusted for currency effects, we expect revenue growth to be at least in the high single-digit percentage range. We will further increase our share of recurring revenues. We continue to see Group EBITDA in the high target range of 27% to 29%. These expectations assume that the economic environment will continue to improve, particularly in view of the progress of the Covid-19 pandemic.

Looking even further ahead to 2022, we expect Group revenue to grow at a similar rate as in 2021, with an even greater shift to subscription and software-as-a-service models. This is because the gradual shift to

subscription and cloud solutions will contribute to our own value creation and significantly accelerate our growth in the future.

We are therefore optimistic that we will again achieve significantly accelerated revenue growth in the double-digit percentage range from 2023 onwards, and that we will do so under our own steam and on a sustainable basis. According to our expectations, around 75% of our revenue should then already be recurring. We see the share of revenues from rental models included in this at around 45% in 2023.

**Slide 18:** *Good positioning*

Ladies and gentlemen,

We thus find ourselves at the beginning of a new growth phase for the Nemetschek Group. There are many reasons that speak in our favor.

- We are moving in a structurally long-term growing market with a still very low level of digitalization, which is also being accelerated by government regulations.

- We are already one of the world's leading providers of software solutions along the entire lifecycle of buildings and offer best-in-class solutions for our customers.
- Our business model is characterized by high profitability, high recurring revenues and strong cash generation.
- We also have very solid balance sheet figures with a high equity ratio that allows us to continue investing in organic growth and value-adding acquisitions as well as start-ups.
- It is our stable shareholder group that also sets us apart from other companies and gives us security, especially in times such as these. We are still a family-owned company that thinks and acts with a view to the long term.

Ladies and gentlemen,

It is my opinion that these facts speak in favor of your company. The Nemetschek Group is strong and well positioned today. It has a network of strong brands worldwide with comprehensive expertise in future technologies and intelligent solutions. We have every chance that our success story will continue. I will continue to work for this with commitment

and passion, together with my colleagues on the Executive Board and all employees.

Thank you for your attention!