

## **Report of the Executive Board on agenda item 7 regarding the purchase and use of treasury shares and the exclusion of the subscription right**

*Note: This English version of the report is for information purposes only. Legally binding is only the German version of this report.*

The Executive Board and the Supervisory Board propose to the annual general meeting to authorize the Executive Board to purchase and to use treasury shares. In the event of the use of treasury shares for the acquisition of enterprises, participations in enterprises or of parts of enterprises, the shareholders' subscription right may be excluded.

The Executive Board reports pursuant to Sec. 186 para. 4 sentence 2 AktG (Aktiengesetz / Stock Corporation Act) as follows:

An exclusion of the subscription right which can be passed by the Executive Board with the approval of the Supervisory Board may be required if the treasury shares shall be used as consideration for the acquisition of enterprises, participations in enterprises or of parts of enterprises.

The Executive Board analyses continuously opportunities for the acquisition of enterprises, participations in enterprises or of parts of enterprises. In this respect it may be worthwhile using treasury shares as acquisition currency instead of or in addition to cash. Sometimes sellers even require this. Therefore, it may be required that the Company can use treasury shares in order to take advantage of acquisition possibilities. Considering that such acquisition decisions often have to be taken within a short term it is not possible to consult the general meeting in advance.

Considering that the shares shall exclusively be granted to the seller of the enterprise, the participation in an enterprise or the part of an enterprise it is decisive that the subscription right of the shareholders may be excluded.

The Executive Board will analyze with due diligence in each concrete possibility of an acquisition whether own shares shall be used and the subscription right be excluded. This will only be the case if the acquisition against treasury shares is in the well-understood interest of the Corporation.

The Executive Board is further authorized to redeem treasury shares with the approval of the Supervisory Board, it being understood that neither the redemption nor the execution of the redemption requires any further resolution by the general meeting. In this respect, the redemption shall be permissible either with reduction of the share capital or without reduction of the share capital (by increasing the value of the remaining shares respectively). In both cases, the shareholder rights are not negatively affected.

In case the Executive Board makes use of this authorization, the following general meeting will be informed about the details.

Munich, April 4, 2019

Nemetschek SE  
Executive Board



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Patrik Heider



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Jon Elliott



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Viktor Várkonyi