

Since 2014, there has also been a new directive for the EU that recommends the use of computer-based methods such as BIM in the awarding of public works contracts and tenders. In the meantime, many European countries have implemented the EU recommendations on a national level.

In Germany, BIM is being boosted by the “Digital Planning, Building and Operation” step-by-step plan. Since 2015, experience has been gathered and skills have been pooled in pilot projects funded by the Federal Ministry of Transport and Digital Infrastructure (BMVI) in order to define the necessary quality standards. Since 2017, BIM has been used in an extended pilot phase in numerous transport infrastructure projects. From 2020, the use of BIM is to be mandatory in all new public sector infrastructure projects that are in the planning stage.

Sources: Euroconstruct Summary Report Warsaw Nov 2019; HM Government – Construction 2025, NBS National BIM Report 2016 – 2018; JbKnowledge Construction Technology Report 2017-2019; BICP Global BIM Study – Lessons for Ireland's BIM Program; EU BIM Task Group; Stufenplan Digitales Planen und Bauen von BMVI; IT Software & Services von Kepler Cheuvreux 11/2015; Deloitte 2016–2017 Global CIO Survey; BIM Maturity levels in the UK.

## 3.2 Business Performance in 2019 and Key Events Influencing the Company's Business Performance

### General statement on the economic position of the Group

The Nemetschek Group had a successful 2019 financial year, recording revenue growth in the double-digit percentage range and an above-average increase in EBITDA. The growth targets for 2019 regarding revenue and the EBITDA margin were exceeded. Growth was driven both by organic operational business development and the acquisition of the Spacewell brand, which was consolidated for a full 12 months for the first time. In the 2019 financial year, Nemetschek continued to drive forward its key strategic initiatives with a particular focus on internationalization, further developing solutions and targeting new customers.

### Acquisitions/sales

#### Holding level

No acquisitions were made at holding level in 2019.

#### Segment level

After the Nemetschek Group's Manage segment acquired **Spacewell**, a software provider for property, facility and workplace management based in Belgium, at the end of August 2018, the acquisition of 100% of the shares in **Axxerion Group B.V.**, based in Heteren, the Netherlands, followed as of January 11, 2019. Axxerion offers workflow-based cloud solutions for the facility and property management of companies. Available as a pure SaaS model, the solution optimizes operational processes such as data requests, workflow management, contract management and maintenance. The purchase price for the acquisition was approximately EUR 75 million (cash-/debt-free). Axxerion

was integrated into the Spacewell Group.

With the agreement dated April 5, 2019, Maxon Computer GmbH (Media & Entertainment segment) acquired 100% of the shares of Redshift Rendering Technologies, Inc., based in Newport Beach, USA. With its product of the same name, Redshift offers a rendering solution for 3D content creation. Following the acquisition of the remaining 30% of Maxon and the appointment of a new management team in 2018, the acquisition of Redshift was a further step in the expansion of the Media & Entertainment segment. The purchase price for the acquisition consists of a fixed component of EUR 27.3 million and a subsequent purchase price payment of up to EUR 7.6 million (earn-out). The earn-out component is dependent on achieving specific revenue and earnings targets and technical milestones.

Furthermore, Maxon Computer GmbH and the shareholders of RedGiant LLC signed an agreement on December 17, 2019 on the merger of Maxon and RedGiant. As part of the transaction, Maxon will acquire the US company RedGiant through a combination of a cash payment of around EUR 70 million and the granting of shares in Maxon. After closing the transaction, Nemetschek will hold approximately 84% and the former owners of RedGiant will hold around 16% of the shares in Maxon. This is financed by its own cash and cash equivalents and by taking out a loan. The transaction was closed in January 2020. RedGiant, headquartered in Portland, USA, offers a comprehensive product portfolio of motion design and innovative software solutions for visual effects.

### Divestments

The Nemetschek Group sold its 22.4% stake in DocuWare, a supplier of document management and workflow solutions, to the technology company Ricoh with effect from June 28, 2019. The sales proceeds led to a book profit of EUR 29.9 million for the Nemetschek Group and are shown in the financial result for 2019.

### Cooperation and partnerships

In order to expand its market position and meet the diverse customer requirements, the Nemetschek Group also relies on cooperation and collaboration with partners from the industry or with scientific institutions. Partnerships exist both within the Group among the brand companies and between brand and external companies.

Existing partnerships were continued in 2019.