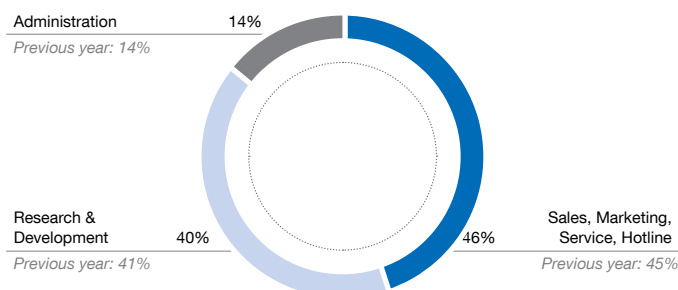


In 2019, personnel expenses rose by 19.4% to EUR 239.4 million (previous year: EUR 200.6 million), resulting in a personnel expense ratio (personnel expense/revenue) of 43.0% (previous year: 43.5%).

PERSONNEL STRUCTURE



Further information on employees can be found in the non-financial statement (item 2).

3.4 Results of Operations, Financial Position and Net Assets of Nemetschek SE

The following information refers to Nemetschek SE as the parent company of the Nemetschek Group. The information is based on the German Commercial Code (HGB) on accounting for large corporations and the German Stock Corporation Act. The result of Nemetschek SE is dependent on the earnings of subsidiaries held directly and indirectly. The separate non-financial consolidated report is combined with the non-financial report of the parent company under item 2.

Revenue development and earnings situation

Nemetschek SE's revenues in the reporting year of EUR 6.3 million (previous year: EUR 5.3 million) resulted primarily from income from licensing the umbrella brand "A Nemetschek Company."

At EUR 2.7 million, other operating income remained almost at the previous year's level of EUR 3.0 million. This includes write-downs on financial assets of EUR 1.7 million (previous year: EUR 1.6 million). Operating expenses of EUR 15.8 million (previous year: EUR 13.1 million) include personnel expenses, consulting costs and other operating expenses that cannot be charged to subsidiaries.

Income from interests of EUR 128.6 million (previous year: EUR 48.2 million) includes EUR 97.2 million in dividends from subsidiaries and income from the sale of the minority share in DocuWare GmbH of EUR 31.3 million. Income from profit transfer agreements in the amount of EUR 40.0 million (previous year: EUR 24.9 million) came as result of profit transfers from Allplan GmbH and Frilo Software GmbH and, for the first time, from transfers from Nevaris Bausoftware GmbH and Maxon Computer GmbH. Nemetschek SE's annual net profit increased to EUR 150.6 million (previous year: EUR 61.4 million).

Net assets

Nemetschek SE's balance sheet is mainly characterized by financial assets amounting to EUR 586.2 million (previous year: EUR 427.2 million). Affiliates accounted for by far the largest share at EUR 568.1 million (previous year: EUR 423.3 million). EUR 82.4 million resulted from capital increases by Maxon Computer GmbH for its acquisitions of Redshift Rendering Technologies Inc. (Newport Beach, USA) and RedGiant LLC (Portland, USA). There was also a capital increase of EUR 62.3 million in FASEAS International NV, the parent company of the Spacewell Group, to finance the acquisition of the Axxerion Group (Heteren, the Netherlands). Due to a sustained increase in earnings expectations, there was a reversal on write-downs of EUR 1.7 million made in previous years on the shares in Nevaris Bausoftware GmbH. In addition, the equity in Nemetschek, Inc. was reduced by EUR 1.6 million. Loans to affiliates increased to EUR 18.8 million (previous year: EUR 1.8 million). In the financial year, EUR 1.3 million was repaid and a new long-term loan of EUR 18.3 million was granted to a Group company.

With regard to current assets, trade receivables from affiliates and profit and loss transfer agreements amounted to EUR 40.4 million as of the balance sheet date (previous year: EUR 23.3 million).

Cash and cash equivalents amounted to EUR 17.0 million at the end of 2019 (previous year's reporting date: EUR 8.1 million).

As of the balance sheet date, the liabilities side of the stand alone balance sheet was dominated by liabilities to banks. As a result of scheduled repayments and new borrowings due to acquisitions, these rose to EUR 185.8 million (previous year's reporting date: EUR 127.8 million). Equity increased by EUR 119.4 million to EUR 389.2 million. Net income for 2019 of EUR 150.6 million was offset by the dividend payment for the 2018 financial year (EUR 31.2 million). Based on a resolution passed by the Annual General Meeting on May 28, 2019, EUR 77,000 were used for a capital increase from company funds. The equity ratio of Nemetschek SE was 60.2% as of the balance sheet date (previous year: 58.4%).

Provisions rose by EUR 3.4 million to EUR 10.3 million, primarily due to higher tax provisions.

Liabilities to affiliates resulted mainly from cash pooling. The increase of EUR 2.3 million to EUR 56.6 million was largely due to higher liabilities from cash pooling within Group companies.

In the 2019 financial year, profit and loss transfer and control agreements existed with the following subsidiaries: Allplan GmbH, Frilo Software GmbH, Nevaris Bausoftware GmbH and Maxon Computer GmbH. The contracts with Nevaris Bausoftware GmbH and Maxon Computer GmbH (terminated on December 31, 2019) were concluded in 2019 with a retrospective effect from January 1, 2019. There were also profit transfer and control agreements between Allplan GmbH and Allplan Deutschland GmbH and Allplan GmbH and Allplan Development Germany GmbH.

Financial position

Nemetschek SE's investment activities in the 2019 financial year were mainly characterized by the capital increases at Maxon Computer GmbH and the Spacewell Group. EUR 144.7 million including incidental costs were capitalized for the new acquisitions. This was offset by a capital reduction of EUR 1.6 million at Nemetschek Inc.

Nemetschek SE's financing activities mainly comprised redemption payments of EUR 72.0 million and the dividend payment of EUR 31.2 million (previous year: EUR 28.9 million). This was offset by cash inflows due to the raising of several bank loans totaling EUR 130.0 million. Interest payments of EUR 1.1 million were made on loans taken out in the financial year.

Within the scope of its financing activities, the company received funds primarily from cash pooling transactions and dividends from selected subsidiaries.

Nemetschek SE employees

On average, Nemetschek SE had 47 employees in 2019 (previous year: 43).

Outlook for Nemetschek SE

The future development of Nemetschek SE with its significant opportunities and risks is strongly influenced by the forecasts of the Nemetschek Group set out in the Opportunity and Risk Report. Based on the Group's planning, Nemetschek SE also expects an increase in net investment income in the 2020 financial year. Accordingly, Nemetschek SE is assuming that earnings will continue to develop positively and that the annual result for

the 2020 financial year will exceed that of the past financial year. The company plans to continue to distribute around 25% of the Group's operating cash flow to its shareholders in the future. The dividend policy always takes into account the overall economic development and the economic and financial situation of the company.

4 Comparison of Actual and Forecast Business Performance of the Nemetschek Group

The Executive Board forecast **revenue** in the range of EUR 540 million to EUR 550 million for the 2019 financial year, representing year-on-year growth of between 17% and 19%. This growth included inorganic effects. Organic growth was expected to be around 13%. Regarding the EBITDA margin, the Executive Board again expected to reach the level of 25% to 27% of Group revenue, excluding effects from the changeover to the new IFRS 16 leasing standard. Including the effects of IFRS 16, the Executive Board expected an EBITDA margin of between 27% and 29%.

On a segment basis, the Executive Board expected growth in the Design and Media segments to be below the average organic Group growth. On the other hand, the Build segment was expected to achieve double-digit percentage revenue growth above the Group average, while double-digit percentage revenue growth in a similar range as the planned organic Group growth was expected for the Manage segment. In the Manage segment, there were additional growth effects from acquisitions.

In the 2019 financial year, **Group revenue** rose by 20.7% to EUR 556.9 million and was therefore slightly above the forecast corridor of EUR 540 million to EUR 550 million. Adjusted for currency effects, total revenue increased by 18.0%. Organic growth of 15.8% (13.1% adjusted for currency effects) also exceeded the forecast of 13%. The targets set were also achieved on a segment basis.

Operating **EBITDA** rose faster than revenue in 2019, increasing by 36.6% to EUR 165.7 million. As a result, the EBITDA margin (including positive effects from the first-time application of the new IFRS 16 standard for lease accounting) also increased from 26.3% in the previous year to 29.7%, and was thus above the forecast range of 27% to 29%.

OVERVIEW OF THE FORECAST TO ACTUAL FIGURES IN THE FISCAL YEAR 2019

	Actual financial year 2018	Forecast 03/2019	Actual financial year 2019	Growth (organic)	Growth (organic) adjusted for foreign currency
Revenue in EUR million	461.3	540 – 550	556.9	20.7% (15.8%)	18.0% (13.1%)
EBITDA margin in %	26.3%	27% – 29%	29.7%	–	–
EBITDA margin in % before IFRS 16	26.3%	25% – 27%	27.0%	–	–