

Report of the executive board on Agenda Item 8

1. Reasons for the creation of authorized capital

Nemetschek SE does not have authorized capital at its disposal at present. The company is to have the possibility to make use of financing options for the realization of business opportunities in the best interest of the company and to strengthen the equity basis. The executive board and supervisory board consider it wise to enable the company to increase share capital, also in the short term, subject to the exclusion of the right of subscription. Consequently, authorized capital with the option of excluding the right of subscription is to be resolved.

Under Agenda Item 8, the executive board and supervisory board propose to the annual general meeting that, with the consent of the supervisory board, the executive board be authorized to increase the company's share capital by up to EUR 11,550,000 by issuing up to 11,550,000 new no-par bearer shares (Authorized Capital 2021). The executive board is to be authorized to issue shares on the basis of Authorized Capital 2021 up to (and including) May 11, 2026. Authorized Capital 2021 is to be available for cash increases as well as capital increases by way of contributions in kind.

With the proposed Authorized Capital 2021, the executive board of Nemetschek SE is to be put in a position that allows it to adjust the equity base of Nemetschek SE within the specified limits at any time to suit business requirements and act in the company's best interests quickly and flexibly. For this, in future, the company is to always have the necessary capital procurement instruments at its disposal – independent of actual utilization plans. Since decisions in connection with covering capital requirements generally need to be made in the short term, it is important that the company not be dependent on the dates of the regular annual general meetings and also that it is not necessary for the company to call any extraordinary general meetings. With the instrument of authorized capital, the legislator has addressed the need for short-term capital procurement. Common reasons for the utilization of authorized capital are to strengthen the equity basis and to finance acquisitions of equity interests.

2. Authorization to exclude the right of subscription

In the case of the utilization of Authorized Capital 2021, the shareholders generally have a right of subscription. In accordance with § 186 Para. 5 of the German Stock Corporation Act (AktG), the new shares may also be acquired from a credit institution or more than one credit institution along with the duty to offer them to the shareholders for subscription (so-called indirect right of subscription). The proposed authorization provides for allowing the executive board – in compliance with the applicable provisions – to exclude the shareholders' right of subscription in whole or in part, with the consent of the supervisory board, in the cases described below.

The total of the shares which are issued as a result of Authorized Capital 2021, subject to the exclusion of the shareholders' right of subscription, is not permitted to exceed a proportional amount of 10% of the share capital, neither at the time of

the authorization taking effect nor at the time of the authorization being exercised, with consideration of other shares of the company which are sold and/or issued during the term of Authorized Capital 2021, subject to the exclusion of the right of subscription, and/or which are to be issued after May 12, 2021, subject to exclusion of the right of subscription, as a result of issued bonds. As a result of this limitation of the total scope of an issue of shares without the right of subscription to 10% of the share capital, the shareholders are protected especially against dilution of their shareholdings.

2.1 Exclusion of right of subscription in case of fractional amounts

With the consent of the supervisory board, the executive board is to be authorized to exclude the right of subscription of shareholders for fractional amounts. Such exclusion of the right of subscription is to allow for a practicable subscription ratio and thus facilitate the technical implementation of a capital increase. The value of the fractional amounts is generally low, whereas the time and effort required to issue shares without excluding the right of subscription for fractional amounts are usually considerably higher. The new shares that are excluded from the shareholders' right of subscription as so-called "non-allocable fractional amounts" will be used in the best possible way for the company. The exclusion of the right of subscription in these cases therefore serves to make implementing an issue easier and more practicable.

2.2 Exclusion of the right of subscription for servicing warrant bonds and convertible bonds

Further, in the case of capital increases arising from authorized capital, the executive board is to be authorized to exclude the shareholders' right of subscription, with the consent of the supervisory board, to the extent that this is necessary in order to grant the holders and/or creditors of conversion or option rights and/or the holders and/or creditors of financing instruments carrying conversion or option obligations, which were or are issued by the company or by a domestic or foreign company in which the company holds, directly or indirectly, the majority of the votes and of the capital, a right of subscription to the same extent to which they would be entitled after exercising the conversion or option rights and/or after performing a conversion or option obligation.

The background for this is as follows: The economic value of the aforementioned conversion or option rights and/or the bonds carrying conversion or option obligations depends not only on the conversion or option price but also on the value of the shares of the company to which the conversion or option rights and/or conversion or option obligations relate. In order to ensure a successful placement of the bonds in question and/or to avoid a corresponding markdown of the price during placement, it is therefore common practice to include so-called dilution protection provisions in the bond terms and conditions which will protect the holders of rights against a loss in value of their conversion or option rights as a result of a dilution of the value of the shares to be subscribed; the inclusion of such dilution protection provisions in the bond terms and conditions is therefore also provided for in the authorization to issue convertible and/or warrant bonds as

proposed under Agenda Item 9. In the absence of dilution protection, the subsequent issue of shares with the granting of the right of subscription would typically lead to such dilution of the value. The aforementioned dilution protection provisions in the bond terms and conditions regularly provide for a reduction of the conversion and/or option price in such a case, with the result that in the event of a subsequent conversion or exercise of the option and/or the subsequent performance of a conversion or option obligation, the funds accruing to the company are reduced and/or the number of shares to be issued by the company is increased.

As an alternative by means of which it is possible to avoid reducing the conversion and/or option price, the dilution protection provisions usually permit the holders of rights arising from bonds with conversion or option rights and/or conversion or option obligations to be granted a right of subscription for new shares to the extent to which they would be entitled after exercising their own conversion or option rights and/or after performing their conversion or option obligations. They are thus placed in the position they would be in if they had already become shareholders prior to the offer to subscribe by exercising their conversion or option rights or by performing any conversion or option obligations, and would already be entitled to subscribe to that extent; thus, they are compensated – like all shareholders already holding shares – for the dilution of the value by the value of the right of subscription. For the company, this second alternative for ensuring protection against dilution has the benefit that the conversion and/or option price does not have to be reduced; therefore, this alternative serves to ensure the largest possible inflow of funds in the event of a subsequent conversion or exercise of the option and/or the subsequent performance of any conversion or option obligation, and/or reduces the number of shares to be issued in this case. This also benefits the participating shareholders so that at the same time this is compensation for the restriction of the right of subscription. Their right of subscription as such continues to exist and is merely reduced pro rata to the extent to which, in addition to the participating shareholders, the holders of conversion or option rights and/or bonds carrying conversion or option obligations are also granted a right of subscription. In the case of an issue of rights of subscription, this authorization will enable the company to choose one of the two above alternatives for ensuring protection against dilution after weighing the shareholders' interests and those of the company.

2.3 Exclusion of the right of subscription in case of capital increases in return for cash

In the case of capital increases in return for cash, the executive board is to be able to exclude the right of subscription, with the consent of the supervisory board, in accordance with § 203 Para. 1 Sentence 1, Para. 2, § 186 Para. 3 Sentence 4 of the German Stock Corporation Act (AktG) if the amount of the issue price of the new shares is not substantially lower than the stock exchange price of the shares which are already listed.

It may be expedient to make use of this statutory possibility of excluding the right of subscription in order to quickly and flexibly take advantage of favorable market

situations and cover any existing capital requirements, if necessary, even at very short notice. The two-week subscription period required for granting a right of subscription to shareholders (§ 186 Para. 1 Sentence 2 of the German Stock Corporation Act (AktG)) does not allow for a comparatively short-term response to current market situations. Moreover, due to the volatility of the share markets, terms and conditions which are similar to market conditions can normally only be achieved if the company is not bound to them for a longer period of time. In the case of the granting of a right of subscription, § 186 Para. 2 of the German Stock Corporation Act (AktG) stipulates that the final subscription price must be announced no later than three days before expiration of the subscription period. This means that granting a right of subscription involves greater market risk – in particular, the risk of price changes over several days – than is the case with an allocation without a right of subscription. In the case of the granting of a right of subscription, in order to achieve a successful placement, it is therefore necessary to regularly provide for corresponding safety discounts on the current stock market price; this will normally result in less favorable conditions for the company than in the case of increasing capital with the exclusion of the right of subscription. The exclusion of the right of subscription allows for a placement close to the stock exchange price. Also, in the case of granting a right of subscription, a full placement is not definitely ensured due to the uncertainty regarding the exercise of the rights of subscription by those entitled to do so, and a subsequent placement with third parties is normally associated with additional expenses. Given utilization of authorized capital, market-appropriate price development is ensured in the case of carrying out a book building procedure. Thus, no significant dilution of the value of the shares occurs as a result of the exclusion of the right of subscription in the case of issuing close to the stock exchange price.

The proportion of the share capital which is attributable to the shares issued subject to such exclusion of the right of subscription must not exceed, in total, 10% of the share capital neither at the point in time that this authorization takes effect nor at the point in time that this authorization is exercised. Within this framework, the legislator deems it reasonable for the shareholders to maintain the percentage of their shareholding by means of purchases on the market. This restriction to 10% of the share capital is to include the proportional amount of the share capital that is attributable to shares that are issued, subject to the exclusion of a right of subscription, or sold during the term of Authorized Capital 2021, based on an authorization to issue new shares or sell own shares by direct or corresponding application of § 186 Para. 3 Sentence 4 of the German Stock Corporation Act (AktG). The proportional amount of the share capital that is attributable to shares which may or must be issued in order to service bonds carrying a conversion or option right is to also count towards this 10% limit if the bonds are issued during the term of Authorized Capital 2021 subject to the exclusion of the shareholders' right of subscription by analogous application of § 186 Para. 3 Sentence 4 of the German Stock Corporation Act (AktG). Such taking into account serves to protect the shareholders to keep the dilution of their shareholding as low as possible.

This model for taking specific portions of the share capital into account allows for the shareholders' participation rate to be diluted by no more than 10% even if capital measures are combined with the issue of bonds and/or the sale of own

shares. Aside from this, the shareholders will generally be able to maintain their participation rate by acquiring the necessary shares on the stock exchange at approximately the same terms and conditions because the issue price of the new shares is close to the stock exchange price and because the volume of the capital increase subject to exclusion of the right of subscription is limited. It is therefore ensured that the financial and participation-related interests remain adequately protected, in line with the legal rationale of § 186 Para. 3 Sentence 4 of the German Stock Corporation Act (AktG), in case of the utilization of Authorized Capital 2021 subject to the exclusion of the right of subscription, while the company is given a further scope of action in the interest of all shareholders.

2.4 Exclusion of the right of subscription in case of capital increases by way of contributions in kind

The executive board is to be authorized to exclude the shareholders' right of subscription, with the consent of the supervisory board, in the case of capital increases by way of contributions in kind, in particular for the purpose of (also indirectly) acquiring enterprises, parts of enterprises or other assets (including receivables due from the company or its Group companies) or for servicing financing instruments which are issued in return for contributions in kind.

As a result of this, Nemetschek SE is to be afforded the possibility of offering shares of the company quickly and flexibly as the acquisition currency in suitable individual cases in order to satisfy claims arising from the preparation, implementation, closing or settlement of contractual or statutory acquisition processes as well as company mergers without using the stock market. Nemetschek SE competes at a global level. It must be in a position at all times to be able to act quickly and flexibly on international and regional markets in the interest of its shareholders. This also encompasses acquiring companies, business operations, parts of enterprises, interests in enterprises or other assets or claims to the acquisition of assets, including claims against the company or its Group companies, at short notice in order to improve its competitive position. In return, it may be expedient or even necessary to grant shares in order to preserve liquidity or to meet the sellers' expectations. The awarding of shares instead of money may also be reasonable from the perspective of an optimum financing structure. This will not be disadvantageous to the company since the issue of shares in return for a contribution in kind requires that the value of this contribution in kind be in due proportion to the value of the shares. When determining the valuation ratio, the executive board will ensure that the interests of the company and of its shareholders are appropriately protected and that an adequate issue price for the new shares is achieved. Moreover, the company's listing on the stock exchange generally offers all shareholders the opportunity to increase their participation rate by acquiring additional shares.

2.5 Exclusion of the right of subscription in case of a scrip dividend

Further, the executive board is also to be authorized, with the consent of the supervisory board, to distribute a dividend in kind, in the context of which shares of the company (also in part and/or subject to election) are issued in return for a

contribution of dividend claims of the shareholders (scrip dividend). In the case of the dividend in kind, all shareholders are offered the option of ceding their entitlement to the dividend payment that arises with the resolution on the appropriation of profits by the annual general meeting in order to subscribe for shares in return. In this context, the executive board is to be authorized to exclude the shareholders' right of subscription in whole or in part in order to be able to implement a dividend in kind at optimal terms and conditions.

A dividend in kind subject to the utilization of new shares arising from Authorized Capital 2021 can take the form of an offer made to all shareholders subject to protection of their right of subscription and in compliance with the principle of equal treatment (§ 53a of the German Stock Corporation Act (AktG)). For this, the shareholders are only offered the option of subscribing for whole shares in each case; as regards that part in the claim to a dividend that does not reach the subscription price for a whole share (and/or exceeds same), the shareholders are referred to the purchase of the cash dividend and cannot receive shares to that extent; no offer of partial rights is envisaged, nor the set-up of trading in rights of subscription or fractions thereof. Since the shareholders receive a pro-rated cash dividend instead of the subscription for new shares arising from Authorized Capital 2021, this appears to be justified and appropriate.

In individual cases, depending on the capital market situation, it may be preferable to structure the implementation of a dividend in kind in such a way that while the executive board offers all shareholders that are entitled to the dividend in compliance with the general principle of equal treatment (§ 53a of the German Stock Corporation Act (AktG)) the option of subscribing for new shares arising from Authorized Capital 2021 in return for ceding their claim to a dividend, the shareholders' right of subscription is nevertheless formally excluded in total. Implementing such a dividend in kind while formally excluding the right of subscription provides for more flexible terms and conditions for the dividend in kind.

3. Restriction of the exclusion of the right of subscription to 10%

The authorizations for excluding the right of subscription in the case of capital increases in return for cash contributions and/or contributions in kind described in the above sections are in total limited to an amount which does not exceed 10% of share capital, neither at the time of Authorized Capital 2021 taking effect nor at the time of this authorization being utilized. Further, attributable to the aforementioned 10% limit are own shares which are sold during the term of Authorized Capital 2021 subject to exclusion of the right of subscription, as well as those shares which were or are to be issued for servicing financing instruments, provided that the financing instruments for their part were issued during the term of Authorized Capital 2021 subject to the exclusion of the shareholders' right of subscription. In addition, attributable to the aforementioned maximum limit of 10% of share capital are those shares which were issued during the term of Authorized Capital 2021 on the basis of other capital measures subject to the exclusion of the shareholders' right of subscription. The maximum limit reduced as per the aforementioned sentences of this section will be increased again upon a new authorization

resolved by the annual general meeting going into effect after the reduction with the exclusion of the shareholders' right of subscription, to the extent of the new authorization, but up to a maximum of 10% of share capital as per the provisions of Sentence 1 of this section. As a result of this capital limit, the shareholders are additionally protected against a dilution of their shareholding.

4. Utilization of the authorization

Currently there are no plans to make use of Authorized Capital 2021. The provisional resolutions with the possibility to exclude shareholders' rights of subscription proposed here are common, nationally and internationally. For all cases of exclusion of the right of subscription proposed here, the consent of the supervisory board is required. The executive board will additionally in each case carefully examine whether the utilization of Authorized Capital 2021 is in the best interest of the company; for this, it will also examine in particular whether exclusion of the shareholders' right of subscription is objectively justified. The executive board will report to the next annual general meeting respectively about every utilization of the authorization.