

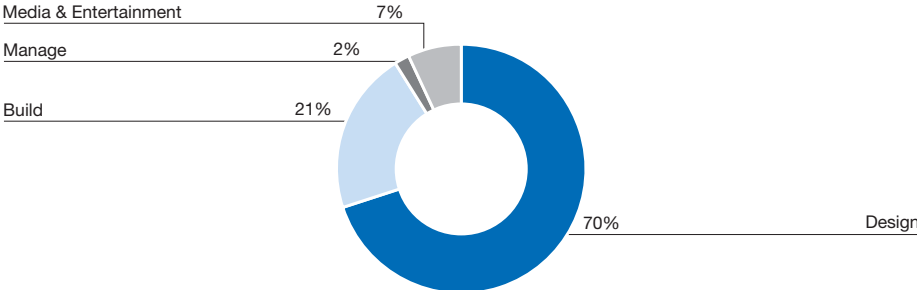
# NEMETSCHKE GROUP

ANNUAL REPORT  
2015

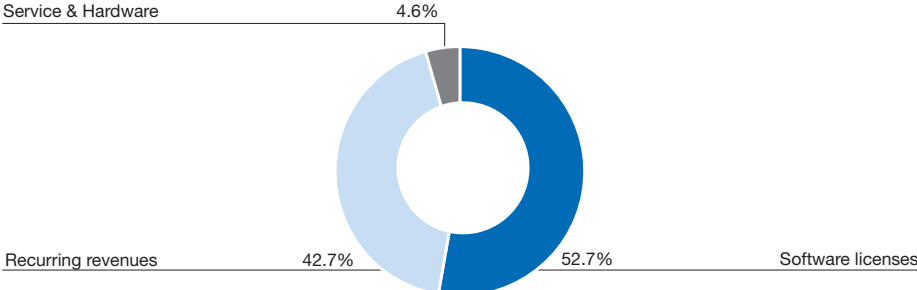
**12**  
**One** BRANDS  
PHILOSOPHY  
NETWORK  
OF INDUSTRY  
LEADERS

# At a glance

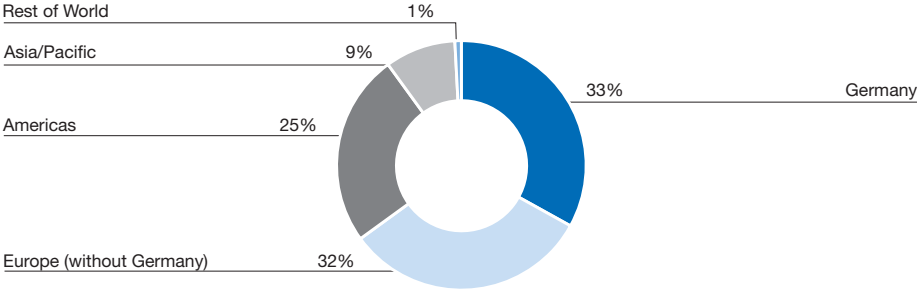
## REVENUES BY SEGMENTS IN %



## REVENUES BY TYPE IN %



## REVENUES BY REGIONS IN %



# Key figures

## NEMETSCHEK GROUP

in EUR million	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
<b>Revenues</b>	<b>285.3</b>	<b>218.5</b>	<b>185.9</b>	<b>175.1</b>	<b>164.0</b>
<b>EBITDA</b>	<b>69.5</b>	<b>56.8</b>	<b>46.3</b>	<b>40.9</b>	<b>39.3</b>
as % of revenue	24.4%	26.0%	24.9%	23.4%	23.9%
<b>EBIT</b>	<b>52.7</b>	<b>46.5</b>	<b>35.7</b>	<b>29.9</b>	<b>29.1</b>
as % of revenue	18.5%	21.3%	19.2%	17.1%	17.7%
<b>Net income (group shares)</b>	<b>35.9</b>	<b>31.5</b>	<b>24.0</b>	<b>19.5</b>	<b>20.8</b>
per share in €*	0.93	0.82	0.62	0.51	0.54
<b>Net income (group shares) before depreciation of purchase price allocation</b>	<b>42.8</b>	<b>35.3</b>	<b>29.7</b>	<b>25.3</b>	<b>27.1</b>
per share in €*	1.11	0.92	0.77	0.66	0.70
<b>Cash flow from operating activities</b>	<b>65.1</b>	<b>44.2</b>	<b>40.2</b>	<b>36.5</b>	<b>37.1</b>
<b>Free cash flow</b>	<b>23.7</b>	<b>-35.2</b>	<b>18.7</b>	<b>29.8</b>	<b>31.5</b>
<b>Net liquidity/net debt</b>	<b>3.3</b>	<b>-3.0</b>	<b>48.6</b>	<b>44.3</b>	<b>28.8</b>
<b>Balance sheet total</b>	<b>379.5</b>	<b>291.7</b>	<b>178.5</b>	<b>159.9</b>	<b>162.4</b>
<b>Equity ratio</b>	<b>44.0%</b>	<b>46.8%</b>	<b>66.2%</b>	<b>66.8%</b>	<b>63.9%</b>
<b>Headcount as of balance sheet date</b>	<b>1,754</b>	<b>1,559</b>	<b>1,356</b>	<b>1,229</b>	<b>1,173</b>
<b>Closing price (Xetra) in €*         </b>	<b>46.03</b>	<b>20.90</b>	<b>12.58</b>	<b>8.30</b>	<b>6.45</b>

\* For better comparability, the figures have been presented after the share split of 1 to 4.

**12**  
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LEADERS



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The Nemetschek Group is an innovative and internationally leading software group in the AEC industry. It comprises 12 strong brands which are among the best in their respective product sectors. The joint success is based on a philosophy, a vision, which can be easily described with a single word: “Open”. Open to new things in a global world – with interdisciplinary collaboration across borders and open interfaces. And with a clear commitment to “Open BIM”, a standard that enables seamless and smooth collaboration of all those involved in the building process. This is the foundation of a global network of companies with unparalleled top-of-the-line products. That’s what the Nemetschek Group stands for: “The Heart of Open BIM”.



*Eco House 3.0, Castellón, Spain  
Designer: NOEM  
Image: Meritxell Arjalaguer*



# OPEN

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**ONE PHILOSOPHY**

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# 12 strong brands

## FIRST-CLASS SOLUTIONS

With its 12 brands, the Nemetschek Group offers a wide range of graphical, analytical and commercial software solutions which play a major role in all phases and thus in the entire life cycle of buildings – from building design and visualization all the way to the actual construction process and building management and renovation.

ALLPLAN

 bluebeam®

CREM SOLUTIONS

MAXON

NEVARIS

PRECAST | SOFTWARE  
engineering

12 BBR



The software solutions help improve workflows, save time and money, leverage synergies and guarantee construction quality. These solutions optimize the entire design, construction and management process for buildings – in Germany, in Europe, all over the world. Our brands win awards worldwide as best-of-breed solutions which make it possible for us to address the target groups that are relevant to us in a perfectly appropriate manner.



DATA DESIGN SYSTEM

**FRILO**  
Software

**GRAPHISOFT®**



**SCIA**



**SOLIBRI**

 **VECTORWORKS®**

**ANDS**

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# Network of Industry Leaders

## INDEPENDENT AND SUCCESSFUL BRANDS

We see one major pillar of our success in every brand's having its own character and operating independently in the corresponding market. The entrepreneurial freedom of each of our brands to recognize trends at an early stage and consistently open up new markets based on their own judgement provides our entire Group with unrivaled levels of flexibility and agility.

And yet we do have one thing in common: Today, 50 years after Professor Nemetschek founded the company, his philosophy is still inherent in every brand, every company and every employee belonging to the Nemetschek Group, and that is the philosophy of "Being open". Being open to the requirements and needs of our customers, to new ideas and to market changes. 100 percent customer proximity and 100 percent innovation. This puts us in a position to make the best possible use of growth opportunities.

Our 12 brands are the key to the Nemetschek Group's long-term success and innovation leadership.

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## **WE KEEP ON GROWING**

The Nemetschek Group now delivers appropriate software solutions for every stage of the building process. The factors of our success include strong organic growth, high profitability and an extremely sound balance sheet structure.

Moreover, strategic cooperations and acquisitions play an important role for us. As a strategic buyer, the Nemetschek Group is very attractive to potential companies. The holding company structure with independent brands is viewed very positively by potential target acquisitions, as is our sound financial structure. The relationship between the holding company and the brands in the Nemetschek Group is based on partnership, and is a decisive criterion in distinguishing ourselves from the competition in bidding processes. The founders of potential acquisitions see an opportunity for their company to become part of a strong group, which also opens up new perspectives with a focus on internationalization and synergies.

Our many years of expertise and wide range of experience gained every day in the course of various building projects allow us to rapidly recognize new market requirements and continuously expand our solution portfolio organically and by means of strategic acquisitions – and this is all done worldwide.

One <sup>12</sup> BRANDS  
PHILOSOPHY  
NETWORK  
OF INDUSTRY  
LEADERS



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# Think and Act Openly

Open for new things – for us this begins with listening and looking closely. How are customer requirements and markets developing, where are trends and innovations emerging? We don't just want to recognize change but also understand it, and even better, predict it and actively shape it. We think and act openly. On the basis of this motto, we develop software solutions that are ahead of their time – worldwide, in various disciplines, via various stages and throughout all building life cycles.

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One BRANDS  
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# Think and Act Openly

## **WHEN SOFTWARE IS CREATED ON THE BASIS OF CUSTOMER REQUIREMENTS AND INNOVATIVE SPIRIT**

How can software contribute to managing increasingly complex building projects?  
What can our industry do to master growing cost pressure and meet ambitious deadlines?

How can we generate more transparency and more planning reliability, especially in the case of large-scale construction projects, get information to harmonize better, eliminate errors, and make important data accessible for everyone?

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We have found answers to these questions and developed appropriate software solutions. They enable efficient building design, construction and management. With solutions from one group – the Nemetschek Group – it is possible to cover the entire building process.

In all this, we remain open to new things. As a result of our proximity to customers and markets, we succeed in detecting trends that offer new market potentials. New and better software solutions arise from changing customer requirements and the innovative spirit of our Group.

The Nemetschek Group stands for change, for technological innovations and for always thinking ahead. We invest about 25 percent of our revenues in research and development every year, with the budget being consistently used for three quantifiable objectives: Greater performance, innovative features for added customer benefit and enhancement of proven functions.

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One BRANDS  
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# Open World

The Nemetschek Group pursues a global growth strategy. More than ever, we have adopted an international alignment which allows us to enter new countries, new cultures and new markets. In an open world, we also want to grow by means of cooperations and by buying new brands that suit our strategy.

**12** BRANDS  
**One** PHILOSOPHY  
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# Open World

The Nemetschek Group repositioned itself with an extensive rebranding in 2015. Growing internationalization and the Group mindset with strong brands were important drivers. We now consistently present ourselves with the addition of the word “Group”, which accentuates the broad scope of our offering and the open structure of the Group. Furthermore, we thus support the autonomy of our strong brands. Their logos all contain the words “A NEMETSCHKEK COMPANY” as an indication of their connection.

The brands remain the individual face presented to the customer. With their unique strengths, they distinguish themselves from one another and at the same time they are strongly positioned as members of an international corporate group. The individual brand profits – and the Group does too.

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A honed brand strategy, internationally aligned and open, also offers advantages for the acquisition of new companies. It makes change and integration processes easier for us. The acquired companies are able to continue serving their existing customers without any major changes. In addition, new markets and distribution channels open up by belonging to the Group. And as technology partners, they can generate added value for their fellow subsidiaries.

With our globally consistent external representation, we have considerably increased recognition of Nemetschek as a Group in the international AEC market. We are identified as a “big player”, we clearly indicate where our expertise lies and what added value we offer our customers thanks to our Group’s strength: A wide, innovative spectrum of Open BIM software solutions for all phases of the building process.

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# Open for Collaboration

Using our software, we create a foundation for optimum and seamless collaboration among all the project stakeholders in the building process. Open interfaces, effective communication and documentation, clear visualization, design, and consistent quality assurance enable seamless collaboration among all of the cooperating professional groups – across borders and time zones.

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# Open for Collaboration

## **COLLABORATION – A DIGITAL DIALOG**

In the software world, the term collaboration stands for decentralized and digital cooperation between people, teams and companies based in different locations and time zones. Primarily in the case of the design, implementation and management of buildings, many different parties come together: From the business-oriented building contractor and initiator to creative architects and designers to highly specialized engineers. The idea is to create a mutual basis for working for small and large construction and supply companies as well as an extremely wide variety of service providers all the way to building administrators and facility managers.

Collaboration between all of these people is still characterized by numerous individual communication relationships and is correspondingly complex and high-maintenance. Mistakes can happen whenever there are varying levels of knowledge and information statuses, whenever data is maintained locally or in parallel and whenever interfaces are lacking.

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## **THE NEMETSCHEK GROUP RELIES ON DIGITALIZATION FOR THE ANSWER**

Nemetschek Group's innovative software solutions and collaboration technologies remedy the dilemma which was previously inherent to the system and ensure an effective workflow with high quality. Internet-based software solutions, collaboration and documentation platforms and data exchange formats, as well as solutions that are suitable for mobile applications, bring those involved in the project together as if they were all physically seated at the same table. All this not only allows for a seamless flow of information, but also enables collaborative work in real time. The project becomes more efficient, simpler and more secure.

Thanks to open solutions, project partners and required experts can be brought on board quickly, no matter where they are. Physical distance is no longer a hindrance, which is a great advantage – especially in international projects.

We make it possible for the construction industry to work without paper and without borders, reduce costs, keep on schedule, and significantly improve project communication and project documentation. We enable valid quality assurance and quality control in the data model itself. This IT-based, cross-company and cross-site cooperation paves the way for whole new opportunities for the AEC industry, which has been traditionally marked by interrupted information and process flows. The result is considerable optimization in terms of quality, time and costs.

12 BRANDS  
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# The Heart of Open BIM

The term that is revolutionizing our industry and modern building processes is “Open BIM” – Open Building Information Modeling. Open BIM enables the digital, seamless exchange of all building-relevant information in the construction process. It ensures that all of the Nemetschek Group’s software solutions can collaborate openly and smoothly – among themselves as well as with software from competitors.

Open BIM is the future we are already living today. We are proud that we, as an incubator and innovator, and as a creative force and partner to third parties, have been successfully establishing this technology in the industry for years. In a nutshell: We are “the Heart of Open BIM”.

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# The Heart of Open BIM

## **OPEN** BIM™

Our world is becoming increasingly complex and international, one in which we rely on Open BIM as an innovative approach to interdisciplinary collaboration between all members of the AEC industry. The Open BIM philosophy guarantees maximum flexibility, a synchronized database and seamless cooperation between architects, engineers, building contractors, the building industry and building trade, project managers, authorities and administrators – in short, all those involved in the planning, building, and managing of building projects.

Back in the 1980s – more than 30 years ago now – Nemetschek developed the concept of a database-driven platform for all those involved in the construction process in order to optimize this process holistically. Today, the Nemetschek Group is a leading provider of globally recognized BIM solutions and trusts completely in Open BIM. We are convinced that Open BIM will shape the future of construction. It is already part of the cross-brand corporate strategy in the Nemetschek Group. Open BIM ensures that different software solutions are able to communicate with one another. Within the Group, but also intentionally open for other suppliers. This results in seamless collaboration between all those involved in the construction project and makes end-to-end processes possible in the first place.

Together with partners and within the framework of the global buildingSMART Initiative, the Nemetschek Group is intensely committed to the further development and implementation of suitable industry standards, e.g., the data exchange format Industry Foundation Classes (IFC). Our approach: Being open – no matter what software the other project partners are using.

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## **CLEAR COMMUNICATION – EFFICIENT QUALITY MANAGEMENT**

The acquisitions of Bluebeam and Solibri were two important milestones in our strategy. Bluebeam offers fundamentally new opportunities in project communication and documentation using the ubiquitous PDF format. As a result, design partners and building contractors, for instance, can “meet” online in the digital 3D model, navigate their way together virtually through the building, discuss possible design conflicts, and record agreements and changes.

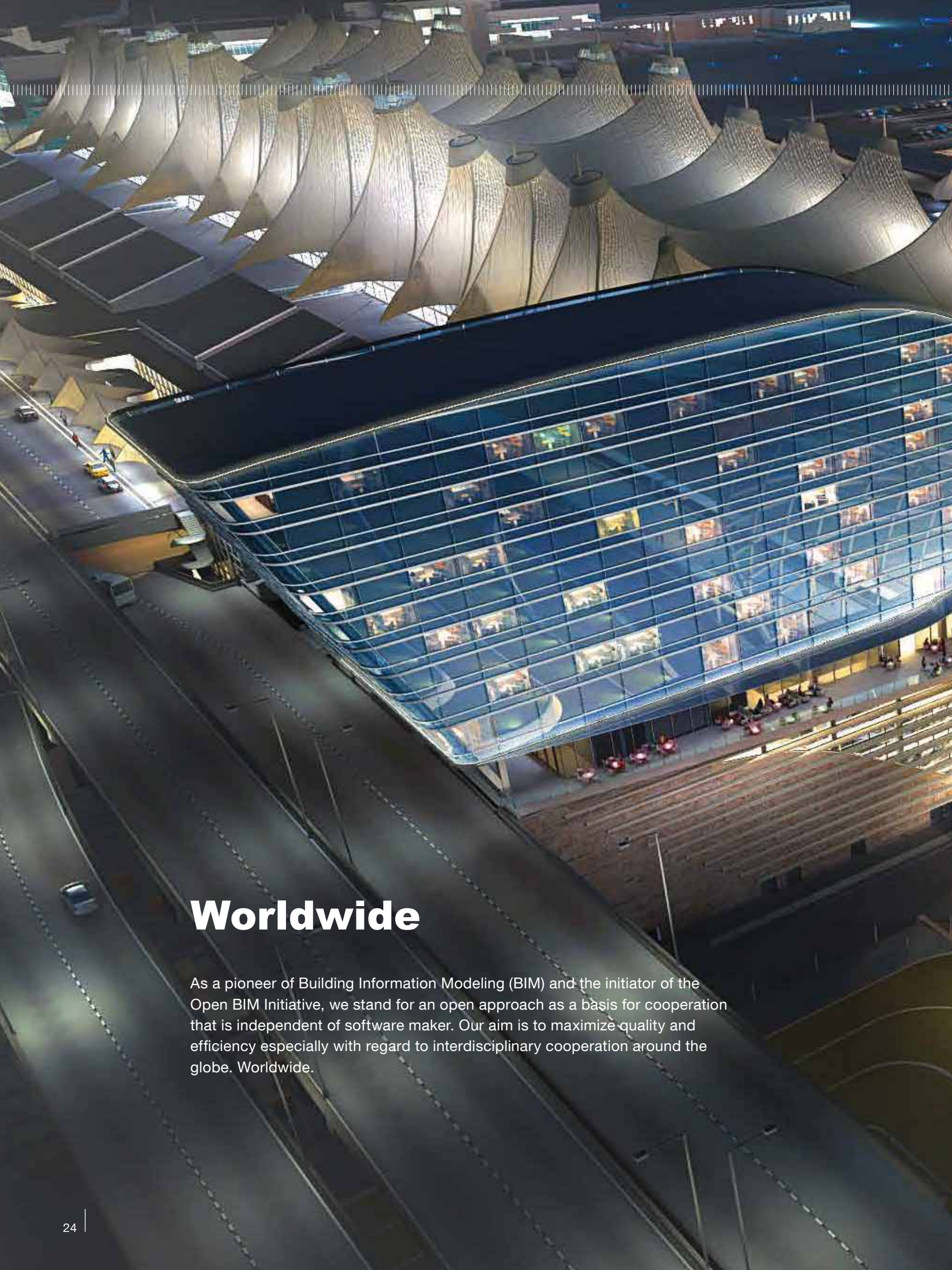
Solibri delivers one-of-a-kind tools for quality assurance and quality control for building plans with a focus on potential and actual sources of error. Both companies ensure that building processes can be planned better with greater efficiency, security and transparency.

### **5D**

The Nemetschek Group is one of the first providers to address all five dimensions in the building process with an innovative and comprehensive solution portfolio: Three-dimensional design that accounts for the timeline and all cost implications.

This high performance and the breadth and depth of the offering is unique in the AEC market. The Nemetschek Group has thus ushered in a new era in the building industry.

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One BRANDS  
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# Worldwide

As a pioneer of Building Information Modeling (BIM) and the initiator of the Open BIM Initiative, we stand for an open approach as a basis for cooperation that is independent of software maker. Our aim is to maximize quality and efficiency especially with regard to interdisciplinary cooperation around the globe. Worldwide.



Denver International Airport, Denver, USA  
Architecture Office and Visualization: Gensler

# Worldwide

**12 BRANDS**  
**1 PHILOSOPHY**  
**2,1 M USERS**  
**50 LOCATIONS**  
**142 COUNTRIES**

## AMERICAS

Brazil  
Canada  
Mexico  
USA

Building occurs worldwide. Therefore, the Nemetschek Group operates subsidiaries, branch offices, representations, and cooperations in all the important markets in the world – with 12 strong brands and more than 50 sites worldwide.

With 2.1 million registered users in 142 countries, today we are among the most successful software providers worldwide for the AEC (Architecture, Engineering, Construction) industry that have long since overcome all national borders.

NORTHERN AND EASTERN EUROPE

- Czech Republic
- Finland
- Hungary
- Norway
- Russia
- Slovakia
- Sweden

ASIA

- China
- Japan
- Singapore

WESTERN AND SOUTHERN EUROPE

- Austria
- Belgium
- France
- Germany
- Great Britain
- Italy
- Netherlands
- Spain
- Switzerland



# Highlights 2015

## January

Nemetschek Group draws a positive conclusion on the trade fair BAU 2015

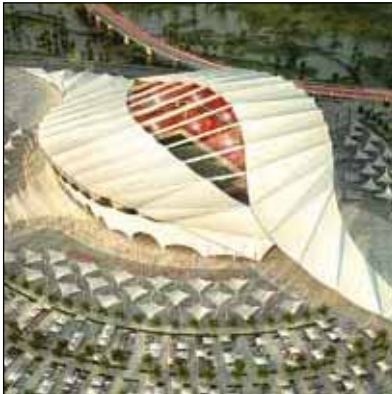
GRAPHISOFT acquires Cigraph Distribution Unit in Italy



## February

Vectorworks releases "Essentials" Tutorial Guide

Bluebeam Software launches Revu 2015 to simplify document management and speed up project communication



## May

GRAPHISOFT's new release convinces by speed: ARCHICAD 19 – "Faster Than Ever"

Vectorworks experiences rapid growth in the United Kingdom

## June

Architosh names Vectorworks Designer 2015 and Vectorworks Nomad 3.0 as "BEST of SHOW" winners at the AIA Convention 2015

Nemetschek Group conducts stock split successfully

## September

MAXON Cinema 4D Release 17 available now

Vectorworks Opens Atlanta Office

## October

SCIA and Allplan announce the winners of the 2015 User Contest

New brand name for two Nemetschek subsidiaries: Auer and Nemetschek Bausoftware become Nevaris







## March

MAXON announces the opening of its new R&D office in Montreal, Canada

## April

SCIA announces the release of SCIA Engineer 15, the company's flagship structural analysis and design software

## July

Allplan launches new version Allplan 2016

GRAPHISOFT signs major Brazil client

## August

GRAPHISOFT's marketing campaign, "Faster Than Ever" wins Bronze Stevie® Award in 2015 International Business Awards

Bluebeam eXtreme Conference focuses on innovation through extension



## November

Bluebeam presents Studio Prime solution

ARCHICAD is "BIM Product of the Year" in the UK fifth year in a row

Rebranding of the Nemetschek brands successfully implemented

## December

Global VDC and GRAPHISOFT enter into strategic partnership

Nemetschek acquires leading BIM specialist Solibri





House Harjannetie 44, Helsinki, Finland  
Architects: Hannunkari & Mäkipaja Architects  
Image: Mikael Lindén

# GRAPHISOFT®

*“GRAPHISOFT has had an exceptionally successful year in 2015. We have further strengthened our leading position both in our traditional markets in Europe and especially in DACH as well as in our overseas markets, Japan in particular. In its first full year our BIMcloud product-line gave us great leverage for the growth of our ARCHICAD business in large architecture and design-build practices as well.”*

Viktor Várkonyi, GRAPHISOFT

**Segment:**  
Design

**Company size:**  
423 employees

**Locations:**  
Budapest, Beijing, Boston, Hong Kong, London, Mexico City, Moscow, Munich, São Paulo, Singapore, Tokyo, Venice

**Solutions:**  
ARCHICAD  
BIMcloud  
BIMx

**Awards and References:**  
BIM Product of the Year  
Bronze Stevie® Award  
Best of Show Awards at AIA 2015

## Virtual Building

GRAPHISOFT is a global leader in architectural 3D BIM software. GRAPHISOFT ignited the BIM revolution in 1984 with ArchiCAD, the industry first BIM software for architects. GRAPHISOFT's mission is to bring BIM into common practice for the design and realization of buildings by enabling model-based workflow integration through innovative IT solutions. Founded in 1984 in Budapest, Hungary, GRAPHISOFT has been a part of the Nemetschek Group since its acquisition in 2007.

[www.graphisoft.com](http://www.graphisoft.com)

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## **TO OUR SHAREHOLDERS**

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## To our Shareholders



*Patrik Heider,  
Spokesman of the Executive Board and CFO*

*Dear Shareholders,*

The Nemetschek Group looks back on a very successful 2015 financial year, which achieved new records in terms of revenue and earnings. We were even able to again exceed the targets which had last been adjusted upwards in October 2015. Our company currently enjoys excellent health: We are flourishing, profitable and innovative, and we are standing on a very sound financial basis.

Group revenue in 2015 rose to a new all-time high of EUR 285.3 million, a growth of 30.6% compared to the previous year. In addition to the strong organic growth of about 14%, which exceeded expectations, the positive development was driven by the US acquisition of Bluebeam Software, which was included for the first time for the entire 12 months following first-time consolidation on October 31, 2014. Despite future-oriented investments, consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) also rose considerably by 22.3% to EUR 69.5 million, and thus exceeded the most recently communicated target range of EUR 65 million to EUR 67 million. The EBITDA margin, i.e., the operating profit proportional to revenue, amounted to 24.4% in 2015, and was thus within our target range.

What were the drivers of this favorable business development? On the one hand, we made good progress in important strategic areas such as internationalization, expansion of our market position in the target markets, product innovations and the integration of technological trends in the solution portfolio. On the other hand, we created the foundation for further growth by using the financial strength of our Group for future-oriented

investments. This includes the acquisition of Helsinki-based Solibri Oy, which was completed at the end of the year. This globally aligned software specialist is the market leader in BIM quality assurance and quality control for Building Information Modeling (BIM), the digital work method in the construction industry. The solutions from Solibri are the perfect complement, and play a major role in the solution portfolio of the Nemetschek Group and beyond.

### **DIGITALIZATION, OPEN BIM AND FIVE-DIMENSIONAL BUILDING ARE THE FUTURE**

Our ongoing objective is to provide innovative and customer-oriented solutions for the AEC (Architecture, Engineering, Construction) industry which set benchmarks in the sector. Our customers face ever-greater challenges: Buildings are becoming more and more complex, with shrinking design and construction time allowances. Pressure on all those involved in the building process to collaborate across disciplines and borders is growing. Stringent cost controlling is another factor. In this environment, the BIM digital work method offers great opportunities, especially when all five dimensions are to be integrated into the building process – from 3D models and time (4D) – all the way to cost planning (5D). BIM is synonymous with a modern and efficient building process. Software has long been a critical success factor, and this applies in the construction industry as well.

No matter how great our customers' challenges are, the unexploited potentials in terms of efficiency are just as great. While digital networking is welcomed by all those involved in the building process, and also demanded and promoted by politicians, the digitalization of design and building processes alone is not sufficient. Our industry needs more openness – vis-à-vis other disciplines, interfaces and competitors. This is precisely the cause we have taken up at the Nemetschek Group. We want to be “open” and are 100% committed to “Open BIM”, a standard that enables maximum flexibility, a synchronized database, and seamless and smooth collaboration between all those involved in the building process.

We are convinced that the global trend towards “Open BIM” will continue. We don't just want to accompany this development; we want to actively shape it as a trendsetter in the industry. Therefore, all of our Group brands align their product portfolio with this aim in mind. With their solutions, they help increase the efficiency and quality of workflows and significantly improve adherence to cost and time budgets for building and infrastructure projects. Our brands are considered to be technology leaders today in almost all areas of building software and, thanks to their customer orientation, ensure that companies have the opportunity to make optimum use of digitalization for maximum leverage.

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## **SUSTAINABLE DIVIDEND POLICY**

Nemetschek was also convincing on the capital market in 2015. Following the very good development of the company, it was possible for our shares to maintain their dynamic performance of previous years and close the year with a new high of EUR 46.03. This corresponds to a rise in value of some 120% within one year. The attractiveness of investing in Nemetschek is also reflected in our sustainable dividend policy: On May 20, 2016, the supervisory board and executive board will propose a dividend for the fiscal year 2015 to the annual general meeting.

**Dear shareholders,** the Nemetschek Group, as one of the leading providers with more than 1,700 employees and a broad customer base of around 2.1 million users, significantly strengthened its position in the international AEC market in 2015. We are among the globally leading providers of building software. And by the way, we are also one of the biggest software companies in Germany.

As a strategic buyer, the Nemetschek Group is also very attractive to companies. Our holding company structure with independent brands is viewed very positively by potential target acquisitions. The acquired companies are able to continue serving their existing customers without any major changes. In addition, new markets and distribution channels open up as a result of belonging to a group that is financially strong and powerful. As technology partners, they can also generate added value for their fellow subsidiaries in the Group. This structure has proven itself and is one of our success factors.



## OPTIMISTIC OUTLOOK FOR 2016

We will do everything we can to maintain the successful course of the Nemetschek Group. As a market and technology leader in the AEC industry, it is our objective to position ourselves more strongly worldwide. For this purpose, we need effective sales and marketing activities in order to make the Nemetschek Group better known internationally. The most important component is clear, organic growth, in order to gain further market share, especially in North America, and to achieve above-average expansion in Asia and Europe. In addition, we have the financial strength and attractiveness to enter into strategic cooperations and make further acquisitions, through which we can supplement our solution portfolio and make it even more attractive for our customers.

In keeping with these positive business prospects, we have set ambitious goals for ourselves for 2016. Without accounting for currency influences and further acquisitions, the Nemetschek Group plans to generate **revenue** in the **2016 financial year** within the range of EUR 319 million to EUR 325 million, which would correspond to 12% to 14% growth. Purely organic growth, i.e., excluding Solibri Oy, which was acquired on December 31, 2015, is to be between 11% and 13%. We anticipate an **EBITDA** of between EUR 77 million and EUR 80 million. Nemetschek will therefore remain on its profitable growth course in 2016 as well.

The past year was once again a year of growth and strategic successes for our Group. I would like to take this opportunity to extend my heartfelt thanks on behalf of the entire executive board to all our employees worldwide. With your expertise, motivation and high level of dedication, you made the outstanding 2015 financial year possible. My thanks also go out to the supervisory board for its commitment and excellent collaboration in the past year. Together we exceeded the targets we were aiming for. I would also like to thank you, dear shareholders, again for the trust placed in us and your loyalty.

Sincerely yours,



Patrik Heider

## The Executive Board

“Our Group stands for open standards. That’s why we talk about Open BIM at Nemetschek. As a result of our many years of commitment to open standards for BIM workflows, we are able to react very flexibly to growing complexity in the building process. We continuously strive to make the best possible solutions available to our customers so that they can optimally manage challenges in the design and building process with an eye on the dimensions of quality and design (3D), time (4D) and costs (5D). Our open approach pays off, as shown once again by our very successful 2015 financial year.”

**PATRIK HEIDER**  
SPOKESMAN OF THE EXECUTIVE BOARD AND  
CFO OF NEMETSCHKE AG

“2015 saw many strategies throughout the Nemetschek Group pay off. Our internationalization targets and goals to increase sales in the Build segment both contributed to the success. Our matching investment in staff last year to support those initiatives will continue to drive these strategies in the coming years. Combined with the new Group branding, the Nemetschek Group is spreading its brand image as the AEC expert around the world.”

**SEAN FLAHERTY**  
EXECUTIVE BOARD OF NEMETSCHKE AG AND  
CEO OF VECTORWORKS, INC.

“2015 brought substantial progress to the AEC industry, with increasing demand for BIM and model-based workflows using open standards. The public sector has led the transition to BIM as governments and various industry organizations worldwide actively continue to introduce mandatory BIM standards. This trend is in perfect alignment with the Nemetschek Group’s core strategy: that is delivering workflow solutions to allow all the different stakeholders to work together with their tool of choice that is best in their particular field of expertise.”

**VIKTOR VÁRKONYI**  
EXECUTIVE BOARD OF NEMETSCHKE AG AND  
CEO OF GRAPHISOFT SE





*f. l. t. r. Viktor Várkonyi, Patrik Heider, Sean Flaherty*

# ALLPLAN

*“Allplan supports all stakeholders with integrated software solutions, from the first draft to building construction and operation. BIM means more to us than just three letters; for more than 30 years it has been the core of our value proposition.”*

Michael Koid, Allplan

**Segments:**

Design, Build, Manage

**Company size:**

363 employees

**Locations:**

Munich, Berlin, Bratislava, Graz, Madrid, Paris, Prague, Salzburg, Vienna, Zurich etc.

**Solutions:**

Allplan Architecture  
Allplan Engineering  
Allplan Allfa  
bim+

**Awards and References:**

“Architect’s Darling” 2012 and 2014

## ALLPLAN – BIM Right from the Start

Allplan is a leading European provider of Building Information Modeling (BIM) solutions for architects, civil engineers, the construction industry, and facility management. As a subsidiary of the Nemetschek Group in Munich, Allplan offers its customers innovative tools for designing and completing sophisticated architectural and civil engineering projects. The solutions are in use in 20 languages with more than 190,000 users. As a member of the Open BIM Initiative, Allplan supports the IFC Standard. In this way, Allplan contributes to making the holistic design, construction and management of buildings possible.

[www.allplan.com](http://www.allplan.com)

BSU (Authority for Urban Development and the Environment), Hamburg, Germany  
Facade: NBK Keramik  
Image: Andreas Lechtape



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## **Supervisory board's report on the 2015 fiscal year of Nemetschek AG**

In the 2015 fiscal year, the supervisory board of Nemetschek AG followed the executive board closely, advised it regularly and monitored it in addition to carrying out the tasks assigned to the supervisory board by law and the articles of association with the utmost care.

The executive board instructed the supervisory board regularly, promptly and comprehensively, also between meetings, orally and in writing, about all relevant corporate strategy issues. Inherent opportunities and risks, corporate planning and the development of revenues, earnings and liquidity were extensively debated. Moreover, the supervisory board obtained information on planned and current investments, the fulfillment of the planning of the Group, the segments and the individual brands, as well as on risk management.

The strategic alignment of the corporate Group was decided on by the executive board in close collaboration with the supervisory board. The developments in the respective reporting quarters, the short-term and medium-term prospects and the long-term growth and earnings strategy were regularly discussed, and checked and scrutinized in the meetings. The supervisory board was very involved in decisions of fundamental importance for the company and obtained holistic information on backgrounds and contexts.

On the basis of the executive board's reports, the supervisory board supported the executive board's work and made decisions on actions requiring approval. Collaboration in this regard between the supervisory board and the executive board was always marked by openness and trust as well as a constructive dialog. As a result of the extensive information provided by the executive board as well as independent audits, the supervisory board was able to completely fulfill its monitoring and advisory role.

### **MEETINGS AND TOPICS OF FOCUS**

In the 2015 fiscal year, four regular supervisory board meetings were held – in the months of March (balance sheet meeting for the 2014 annual financial statements), July, October and December. The supervisory board was completely represented at all meetings. In addition to the meetings, there were further resolutions on current topics, for which the written circular procedure was used.

The deliberations focused in particular on the internationalization of business, segment expansion, potential acquisition targets, strategic investments, and the further development of the Group's solution portfolio. The supervisory board requested and discussed detailed reports concerning the individual brand companies and Bluebeam Software, Inc., which is headquartered in Pasadena, USA, and was acquired in 2014. Business performance which deviated from the corresponding annual targets was openly discussed in detail at the supervisory board meetings and jointly analyzed. The acquisition strategy and actual projects were presented by the executive board and decided on in close collaboration with the supervisory board. Opportunities and risks were extensively debated and discussed with the committee. The supervisory board approved all transactions in the reporting year.

The meetings and further discussions outside of the meetings focused on the following additional topics, which were the subject of intensive deliberation and verification:

- III Annual financial statements and consolidated financial statements for the 2014 fiscal year
- III Proposal on the appropriation of profits
- III Invitation and agenda items for the regular annual general meeting for the 2015 fiscal year with proposed resolutions to the annual general meeting
- III Executive board and general managers' specification of targets reached in 2014 and release of payment of variable remuneration shares as well as the definition of target agreements for the 2015 fiscal year; nominations for participation in the "Long-Term Incentive Plan" (LTIP)
- III Declaration of Conformity in accordance with the "German Corporate Governance Code"
- III Strategic alignment of the Nemetschek Group and its internationalization
- III Group planning, revenue planning, earning planning and investment planning for 2015
- III Implementation and further action for the Nemetschek Group rebranding
- III Stock split and the subsequent increase in share capital
- III Procedure and status of the conversion of Nemetschek AG into a Societas Europaea (SE)
- III Product developments and innovations of the respective brand companies regarding topics such as Open BIM, 5D, collaboration platform and digitalization
- III Development of market conditions and competitive situation
- III Acquisition strategy, strategic investments and cooperations
- III Acquisition, financing and integration of Helsinki-based Solibri Oy
- III Sale of 70% interest in Wennigsen-based Glaser -isb cad- Programmsysteme GmbH
- III Internal control and early stage risk detection systems, audit and compliance report
- III Increase in the forecast for revenue and operating result within the scope of the 9-month report
- III Capital market and share price development
- III Group planning and investment projects for 2016

## **COMPOSITION OF EXECUTIVE BOARD AND SUPERVISORY BOARD**

There were no changes in personnel on the three-man executive board of Nemetschek AG.

As in the previous year, the supervisory board was made up of three members. There were no changes in personnel. The formation of supervisory board committees is not expedient since the supervisory board comprises three members.

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## **AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS**

On May 20, 2015, the annual general meeting chose auditing firm Ernst & Young GmbH, Munich, for the audit of the individual financial statements and the consolidated financial statements for 2015 as well as the corresponding management report and Group management report. The supervisory board was convinced as to the independence of the auditor and obtained a written declaration from the auditor.

The annual financial statements prepared by the executive board according to the German Commercial Code (HGB), taking into consideration the accounting principles and annual report of Nemetschek AG for the 2015 fiscal year, the consolidated financial statements prepared according to the International Financial Reporting Standards (IFRS), as applicable in the EU, and also according to § 315a Paragraph 1 of the German Commercial Code (HGB), and the consolidated annual report for the 2015 fiscal year have been audited and approved without qualification by auditing firm Ernst & Young GmbH, Munich.

The specified final documents of the AG, the Group and the executive board's proposal on the appropriation of profits as well as the auditor's reports were available to the members of the supervisory board in good time before the balance sheet meeting on March 23, 2016. The auditor took part in the meeting, reported extensively on his auditing activities and the main audit results, explained his audit report and provided detailed answers to all of the supervisory board members' questions.

Taking the auditor's reports into consideration, the supervisory board has examined the annual financial statements, the management report, the consolidated financial statements, and the Group's management report and is convinced of the correctness and completeness of the actual information. The supervisory board concurs with the result of the audit performed by the auditor and has determined, within the scope of its own investigations, that there are no reservations whatsoever to be raised. The supervisory board approved the 2015 financial statements and consolidated financial statements of Nemetschek AG at the balance sheet meeting of March 23, 2016. The 2015 annual financial statements are thus final within the scope of § 172 of the German Stock Corporation Act (AktG).

## **DIVIDEND**

The executive and supervisory boards follow a long-term and sustainable dividend policy. The company will also propose a dividend payment for the fiscal year 2015 to the annual general meeting on May 20, 2016.



## CONFLICTS OF INTEREST

In the reporting year, there were no conflicts of interest on the part of the supervisory or executive board members.

## CORPORATE GOVERNANCE

The supervisory and executive boards were continuously occupied with the principles of good Corporate Governance in the 2015 fiscal year. In March 2016, the supervisory board and executive board submitted an updated Declaration of Conformity as per § 161 of the German Stock Corporation Act (AktG) and made this permanently available to shareholders via the website of the Nemetschek Group. Nemetschek AG conforms to the recommendations of the Government Commission of the German Corporate Governance Code as per the version of the code published in the Federal Gazette in June 2015 with the exception of the justified deviations specified in the Declaration of Conformity. For further details on this subject, please refer to the Corporate Governance section of the annual report or to the website at: [www.nemetschek.com/en/investor-relations](http://www.nemetschek.com/en/investor-relations).

The Nemetschek Group looks back on a very successful fiscal year, during which new all-time highs were achieved in terms of revenue and operating result. It was even possible to again exceed the targets, which had last been adjusted upwards in October. For the successful 2015 fiscal year, the supervisory board thanks all employees worldwide for their dedication, motivation and high level of personal commitment. Also at this time, the supervisory board would like to thank the executive board and the managing directors of all the brands and express its recognition and great appreciation of their excellent performance.

Munich, March 23, 2016



Kurt Dobitsch  
Chairman of the Supervisory Board

# Nemetschek on the Capital Market

## LOOKING BACK AT THE YEAR 2015

Stock markets showed volatile price developments in 2015. While developments at the beginning of the year were positive, encumbrance factors increased with the start of spring, which resulted in share price fluctuations and even some decline. Uncertainties were caused, among other things, by concerns as to the stability of the global economy, lack of clarity as to various aspects of the further interest policy of the US central bank, growing geopolitical tensions and falling economic dynamics in China and other emerging countries. Nevertheless, the German stock market showed increases in value for the year as a whole. The DAX (German stock index) improved by 9.6% in 2015. The TecDAX, which contains the 30 largest technology values – including Nemetschek AG, developed much better and showed a rise of some 33.5%. In the USA, in contrast, the Dow Jones closed with a slight minus and lost about 2.3% in value.

## NEMETSCHKEK SHARES WITH CONTINUED DYNAMIC DEVELOPMENT

Increase in share price by 120.2% in 2015

In alignment with the very good development of the company, in the reporting year it was possible for Nemetschek shares to maintain their positive performance from the previous years and close 2015 with a new all-time high yet again. The shares started off the new year at a price of EUR 20.90 (after the stock split, EUR 83.61 before stock split) on January 2. A clear upwards trend followed, during which the shares repeatedly responded with slight retracements due to general market developments. Nemetschek shares closed the fiscal year at EUR 46.03. Thus, the value of the shares more than doubled within a single year (+120.2%).

As a result of the very positive share price development, the market capitalization of Nemetschek AG increased from EUR 804.7 million at the end of 2014 to EUR 1,772.0 million as of the end of the year. This corresponds to a rise in value of EUR 967.3 million in total. The steadily growing interest in the Nemetschek Group on the part of investors was also reflected in the volume of shares traded. During the 2015 financial year, an average of 69,840 shares were traded daily via the electronic computer trading platform Xetra (previous year: 44,145).

## PRICE DEVELOPMENT OF NEMETSCHKEK SHARES IN THE YEAR 2015 COMPARED TO DAX AND TECDAX (INDEXED)



## TECDAX RANKING

In 2015, in the TecDAX ranking, Nemetschek was able to improve market capitalization (in terms of free float) as well as with reference to the volume of shares traded. The ranking of Deutsche Börse AG listed Nemetschek 15th for market capitalization as of December 31, 2015. The company ranked 22nd in the previous year. Nemetschek ranked 24th for the volume of shares traded, after placing 27th at the end of the previous year.

## ANNUAL GENERAL MEETING APPROVED ALL ITEMS ON THE AGENDA

On May 20, 2015, the executive board and supervisory board of the Nemetschek Group welcomed more than 100 shareholders to the annual general meeting in Munich. Shareholders were informed about the past financial year 2014 and about the prospects for the current financial year 2015. For the resolution on the agenda, the company's shareholders approved all agenda items with a large majority. The high level of consensus of the voting results documents the great trust placed in the executive board and supervisory board.

Great trust placed in executive board and supervisory board

## STOCK SPLIT SUCCESSFULLY COMPLETED

At the 2015 annual general meeting, management's proposal for a stock split at a ratio of 1:4 was approved. The stock split was carried out on June 30, 2015. Every shareholder received three additional shares for every Nemetschek share held at no further charge. Given that the overall value remained the same, the estimated price level per share for the shareholders decreased accordingly by one quarter. As a result of the stock split, Nemetschek share trading will be further supported and the stock will be made even more attractive to investors. The share capital of Nemetschek AG quadrupled as a result of the split from EUR 9,625,000 to EUR 38,500,000.

## DIVIDEND PAYMENT OF EUR 0.40 PER SHARE FOR FISCAL YEAR 2014

Nemetschek AG's earnings-oriented dividend policy, which is based on continuity, was again pursued in the 2014 financial year. The annual general meeting approved the proposal of the executive board and the supervisory board to pay a dividend in the amount of EUR 0.40 per share for 2014 (after the stock split, EUR 1.60 per share before the stock split), an increase compared to the previous year (EUR 0.325 per share after the stock split, EUR 1.30 per share before the stock split) of about 23%. Thus, on May 21, 2015, a total of EUR 15.4 million (previous year: EUR 12.5 million) was paid out. The dividend payout ratio for the 2014 financial year was therefore approximately 35% (previous year: 31%) – in relation to the cash flow from operating activities amounting to EUR 44.2 million.

The Nemetschek Group pursues a long-term dividend policy, and would like to continue to involve its shareholders in the success and development of the company in the future. At the same time, a solid base with equity for sustainable organic company development as well as the use of acquisition opportunities are also in the focus.

The supervisory board and the executive board will also propose a dividend payment for the fiscal year 2015 to the annual general meeting on May 20, 2016.

## CONVERSION OF THE COMPANY INTO AN SE

At the 2015 annual general meeting, the shareholders also approved the conversion of Nemetschek AG into a Societas Europaea (SE). An SE is a public company according to EU law. The conversion into an SE is a consistent step in the company's development following the successful internationalization and growth of the past few years. 65% of the Group's employees, a clear majority, now work outside of Germany. Some 65% of the Group's revenue was generated outside of Germany in 2015. Nemetschek's conversion is in keeping with the Group's global alignment and the requirements of an international and open corporate culture.

The conversion will have no impact on the company structure. The legal and entrepreneurial identity of the company will be retained. The dualist system, comprising executive board and supervisory board, will continue and the involvement of the shareholders in the company will remain the same. Nemetschek's corporate headquarters remain in Munich, Germany.

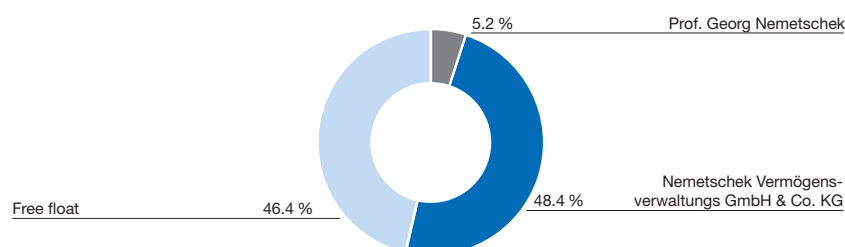
Negotiations between the executive board of the Nemetschek Group and the so-called special negotiation board, which consisted of European employees of the Nemetschek Group, had already been successfully completed, making it possible for an agreement on the involvement of employees of Nemetschek SE to be signed in January 2016. This contains all of the details of the future SE workers' council such as election procedures, meetings and composition. The entry of the SE went into effect on March 22, 2016.

## SHAREHOLDER STRUCTURE UNCHANGED

As of December 31, 2015, the free float remained unchanged at 46.4 percent. It is spread across a broad shareholder structure comprising private and institutional investors in Germany and abroad.

Nemetschek Vermögensverwaltungs GmbH & Co. KG remains the biggest shareholder in the company, with a share of 48.4% (18,622,928 shares). Furthermore, 5.2% (2,000,000 shares) is held directly by Prof. Georg Nemetschek. For the shares held by Nemetschek Vermögensverwaltungs GmbH & Co. KG and the shares held directly by Prof. Georg Nemetschek, a pooling agreement was concluded between the KG and Prof. Georg Nemetschek. The purpose of this agreement is to ensure a shareholder structure which is permanently stable.

### SHAREHOLDER STRUCTURE\*



\* Direct shareholdings as of December 31, 2015

## COMMUNICATION WITH THE CAPITAL MARKET

Open and reliable communication with all stakeholders

The objective of Nemetschek AG is to maintain open and reliable communication with all stakeholders, i.e., private and institutional investors, analysts and representatives of the media as well as employees and the interested general public. An ongoing and timely dialog serves to increase transparency and reinforce trust in the Nemetschek Group.

In the 2015 financial year as well, the executive board presented the company at numerous capital market conferences and road shows in order to explain the development, strategy and future prospects of the Nemetschek Group to existing and potential investors. In telephone conferences on the occasion of the publication of the annual and quarterly financial statements, as well as in numerous individual and group talks, analysts, investors and journalists were provided with information to better acquaint them with the business development, key figures and strategy.

As of the end of the year, a total of 9 banks and research institutes were covering Nemetschek shares. Nemetschek is in regular and constructive communication with all institutes, which has been intensified by visits by analysts to company headquarters, various conferences and jointly conducted road shows.

### KEY FIGURES ON SHARES

	2015	2014*
Earnings per share in €	0.93	0.82
High in €	46.03	21.25
Low in €	20.52	12.60
Closing price in €	46.03	20.90
Price/earnings ratio	49.49	25.57
Market capitalization in € million	1,772.16	804.65
Average number of shares traded per day (Xetra)	69,840	44,145
Average number of outstanding shares	38,500,000	38,500,000

\* For reasons of better comparability, the figures have been shown after the stock split.

# Corporate Governance Report

The executive board and the supervisory board of the Nemetschek Group undertake responsible, long-term and substantial development of the enterprise. Good Corporate Governance is one main component of this. Open and transparent corporate communication, observance of shareholder interests, forward-looking handling of opportunities and risks and efficient and trustful cooperation between the executive board and the supervisory board are major aspects of good Corporate Governance. These are conducive to the Nemetschek Group's gaining the trust of shareholders, business partners, employees and the general public. At the same time, these principles are important orientation standards for both committees. In the following, the executive board and supervisory board jointly report on Corporate Governance at Nemetschek AG as per Item 3.10 of the German Corporate Governance Code.

## LEADERSHIP STRUCTURE AND COMPANY STRUCTURE

Nemetschek AG has a two-tier management and monitoring structure with the two bodies of the executive board and the supervisory board.

### EXECUTIVE BOARD

In 2015 the composition in terms of personnel remained unchanged from the previous year. The three-man executive board leads the company under its own responsibility. In compliance with corporate interests, the executive board performs its leadership role with the objective of sustainably increasing corporate value.

The supervisory board is promptly involved and provided with complete information concerning all decisions which may decisively affect the net asset situation, financial situation and earnings situation of the company. The executive board reports to the supervisory board regularly, quickly and comprehensively in written and verbal form about all relevant topics relating to business development, company planning, strategic alignment, the opportunity and risk situation, risk management, and compliance. In the case of acquisition projects, the executive board provides detailed information on project progress and project status at an early stage and coordinates the acquisition and integration processes in close collaboration with the supervisory board.

### SUPERVISORY BOARD

The supervisory board also has three members. It serves the executive board in an advisory capacity, monitors the executive board in its management of the company and verifies all significant business transactions for the executive board by examining the documents in question in terms of the German Stock Corporation Act (AktG), the company's articles of incorporation and articles of association. The supervisory board is also provided with information on the position of the individual brands and the Group as well as on major developments by the executive board outside of the regular supervisory board meetings. In this way, it can supply operating business with advice and recommendations made on the basis of appropriate information.

The supervisory board is elected by the annual general meeting. The election of the supervisory board conforms to the recommendations of the German Corporate Governance Code; all supervisory board members are elected individually. The members of the executive board are appointed by the supervisory board. The supervisory board defines a catalog of business which requires approval as well as a business allocation plan in the rules of procedure for the executive board. The supervisory board acts on the basis of its own rules of procedure. Moreover, the supervisory board declares the annual financial statements and approves the consolidated financial statements. The chairman of the supervisory board presents the activities of the supervisory board every year in his report to the shareholders as part of the annual report. In addition, he is available for discussion as chairman at the annual general meeting. You will find additional information on the executive board and the supervisory board, in particular, regarding their working methods and further mandates performed by the members in the supervisory board's report, in the notes to the consolidated financial statements and in the management report under "Report on enterprise controlling and declaration on corporate management".

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## REMUNERATION OF EXECUTIVE BOARD AND SUPERVISORY BOARD

In accordance with the recommendations of the German Corporate Governance Code, Nemetschek AG has been reporting the remuneration of each member of the executive board and supervisory board for some time now. The remuneration for members of the executive board consists of a base salary (fixed) and performance-dependent variable remuneration. The variable remuneration in turn contains a short-term and long-term component. The short-term, performance-dependent variable remuneration depends primarily on company targets achieved, which are agreed upon at the beginning of each year between the supervisory board and executive board. With a view to corporate management over the long term and in accordance with the provisions of the German act on the appropriateness of executive board remuneration (VorstAG), a long-term component was added to the executive board remuneration system at the end of 2009, the amount and payment of which depends on the achievement of defined targets for revenue and earnings. The period to be observed for this is always three financial years.

The members of the supervisory board receive fixed and performance-related remuneration. This is based on the consolidated earnings per share (diluted earnings per share in accordance with IAS 33). The remuneration report is part of the certified consolidated financial statements. It contains detailed descriptions of the principles of the remuneration systems for the executive board and for the supervisory board as well as individual declaration of the remuneration.

## OPPORTUNITY AND RISK MANAGEMENT AND COMPLIANCE

Weighing opportunities and risks continuously and responsibly is one of the principles of responsible company leadership. The objective of opportunity and risk management is to develop a strategy and define targets which generate a balanced equilibrium between growth targets and profit targets on the one hand and the risks inherent to such on the other. Please refer to the management report for detailed information on the opportunity and risk management system of the Nemetschek Group.

Compliance has always been an important component of risk prevention at the Nemetschek Group and is embedded in the company culture. Alignment of the business activities with all relevant laws and with company-internal principles is a basic prerequisite for successful economic activity in the long term. This includes open and fair treatment of employees, customers, business partners, shareholders, and the general public. For this purpose, guidelines and rules were developed which apply worldwide as a compass of conduct for all employees of the Nemetschek Group. They reinforce the values of the company and serve as a secure framework for decisions in complex issues in day-to-day business. The executive board ensures that legal requirements and internal company guidelines within the Nemetschek Group are adhered to. They are supported in this by the Compliance department.

The subject of compliance is becoming increasingly significant as a result of the Nemetschek Group's international alignment. In order to reinforce this subject efficiently and sustainably throughout the corporation, the Nemetschek Group uses a modern, interactive e-learning tool which can be used intuitively. The learning modules are designed to generate an awareness of the proper treatment of one another and contribute to the recognition of critical situations and reactions to them that are correct and appropriate.

## FINANCIAL REPORTING AND YEAR-END AUDIT

Nemetschek AG prepares its consolidated financial statements as well as the consolidated interim reports as per the International Financial Reporting Standards (IFRS). The annual financial statements of Nemetschek AG (individual financial statements) are prepared in accordance with the provisions of the German Commercial Code (HGB). The consolidated financial statements are prepared by the executive board, examined by the auditor and approved by the supervisory board. The annual general meeting selected the Ernst & Young GmbH auditing firm, Munich, as auditor and group auditor for the 2015 fiscal year. On March 23, 2016, Ernst & Young took part in the deliberations of the supervisory board concerning the annual financial statements and the consolidated financial statements and reported on the results of its audit. Furthermore, the auditor was available to provide the supervisory board with additional information and answer questions concerning the year-end audit.

## SHAREHOLDERS AND THE ANNUAL GENERAL MEETING

Shareholders can assert their rights and exercise their voting rights at the annual general meeting. One vote is granted for each Nemetschek AG share. The chairman of the supervisory board chairs the meeting. The executive board presents the consolidated financial statements and annual financial statements, explains the prospects of the company and, together with the supervisory board, answers the shareholders' questions. The invitation to the annual general meeting and the corresponding documents and information are made available on the Nemetschek Group website the day the meeting is called in accordance with stock corporation laws or are made available for viewing in the offices of the company. Nemetschek supports its shareholders in the assertion of their voting rights by appointing voting representatives, who vote according to the instructions of the shareholders.

## TRANSPARENCY AND COMMUNICATION

The Nemetschek Group makes open and trustful communication with the shareholders and other stakeholders a priority and maintains a fair, prompt and reliable dialog with all stakeholders. All capital market-relevant information is published simultaneously in German and English and made accessible on the company's website. This includes annual and quarterly reports, press releases, ad hoc notifications, information on the annual general meeting and company presentations. The financial calendar with the relevant publication and event dates can also be found there.

## DIRECTORS' DEALINGS, VOTING RIGHTS AND STOCK OPTION SCHEME

Furthermore, Nemetschek AG provides information on the trading of company shares by executive board and supervisory board members (directors' dealings) as per § 15a of the German Securities Trading Act (WpHG) as well as on changes in the shareholdings if the voting thresholds defined in the German Securities Trading Act (WpHG) are reached, surpassed or fallen below. Information on the shares held by the executive board and supervisory board is included in the notes. No transactions subject to reporting were announced in the 2015 financial year.

Nemetschek AG does not have a stock option scheme at the present time.

## **DECLARATION OF CONFORMITY IN ACCORDANCE WITH § 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG) DATED MARCH 2016**

In accordance with § 161 of the German Stock Corporation Act (AktG), the executive board and supervisory board of Nemetschek AG declare that the recommendations of the “Government Commission of the German Corporate Governance Code”, version dated May 15, 2015, with the resolutions resulting from the plenary session of May 5, 2015, published in the official part of the Federal Gazette on June 12, 2015, (hereinafter “Code”), have been and are being met with the following exceptions:

- III The D&O insurance does not include excess insurance for supervisory board members (Code Item 3.8 Clause 3). Nemetschek AG does not believe that excess insurance would increase the motivation and sense of responsibility of the members of the supervisory board.
- III For the specification of executive board remuneration, the supervisory board made no vertical comparison of remuneration at the level of Nemetschek AG, as recommended by Code Item 4.2.2 Clause 2. As a holding company, Nemetschek AG does not offer any appropriate standards of comparison for either upper management circles or staff as a whole. Nevertheless, the supervisory board – as in the past – used the remunerations of the heads of the most important product organizations as a standard of comparison on which to base its remuneration decisions.

The variable short-term incentive plan does stipulate upper limits, which however are not always expressed as a fixed amount but as a percentage of a fixed amount. Based on the Code and its justification, it is not possible to clearly determine whether this is still in compliance with the Code. In this respect, a deviation is declared with reference to Code Item 4.2.3 Clause 2. Ultimately, the executive board employment contracts do not stipulate upper limits in terms of amount for the total remuneration (Code Item 4.2.3 Clause 2). Nemetschek AG is not of the opinion that this is required in the case of the existing remuneration system. If the amount of variable incentive plans is limited, this also applies for the total remuneration to be achieved.

The contracts of executive board members Viktor Várkonyi and Sean Flaherty, which are valid until December 31, 2016, do not stipulate a severance payment cap due to the comparatively low level of remuneration (Code Item 4.2.3 Clause 4). In case of renewal or the conclusion of new executive board contracts, it is planned that appropriate caps are to be agreed upon.

- III An age limit for members of the executive board and the supervisory board has not been defined explicitly and is not currently planned (Code Items 5.1.2 Clause 2 and 5.4.1 Clause 2). Such age limit would generally restrict the company in its selection of suitable members of the executive board and the supervisory board. With regard to the composition of the executive board, supervisory board and further management circles, the individual’s experience, skills and knowledge are of primary importance to the company (Code Items 4.1.5, 5.1.2 Clause 1 and 5.4.1 Clause 2). In contrast, the supervisory board and, with reference to Code Item 4.1.5, the executive board regard diversity criteria as less important, even if these are expressly welcomed.

In view of the fact that the company’s supervisory board only has three members, the supervisory board did not specify any defined targets for its composition, nor did it specify any defined limit for the duration of the term of office on the supervisory board (Code Item 5.4.1 Clause 2). Consequently, such objectives are not published in the Corporate Governance Report (Code Item 5.4.1 Clause 3). The supervisory board will however come to an agreement as to suitable candidates for the next supervisory board elections in good time, and in so doing consider the aspects specified in the Code, including the duration of the term of office on the supervisory board.



- III The Code's recommendation on the formation of qualified committees of the supervisory board is not followed (Code Item 5.3), as the supervisory board only has three members. The tasks for which the Code recommends the formation of such committees are all performed by the supervisory board of Nemetschek AG.
- III The members of the supervisory board receive performance-related and fixed remuneration. This is based on the consolidated earnings per share (diluted earnings per share in accordance with IAS 33) and furthermore does not have special components to account for the company's long-term development (Code Item 5.4.6 Clause 2). The existing remuneration system has worked well for quite some time, without detecting any tendency that the short-term success of the company has been at the expense of the company's long-term development.

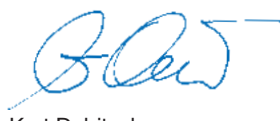
Munich, March 20, 2016

For the Executive Board

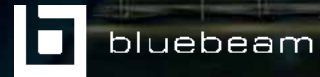


Patrik Heider  
Spokesman of the Executive Board

For the Supervisory Board



Kurt Dobitsch  
Chairman of the Supervisory Board



***“At Bluebeam, our goal is to provide customers with open, flexible solutions to enhance the way they work. We enable teams in the most document-intensive industries to seamlessly access, manage, annotate, share and store project documents when and how they need. And we believe our customers should have no limits to collaboration.”***

Richard Lee, Bluebeam

**Segment:**  
**Build**

**Company size:**  
**217 employees**

**Locations:**  
**Pasadena, Chicago, Kista, Manchester (USA), San Diego**

**Solutions:**  
**Bluebeam Revu  
Bluebeam Vu  
Bluebeam Studio**

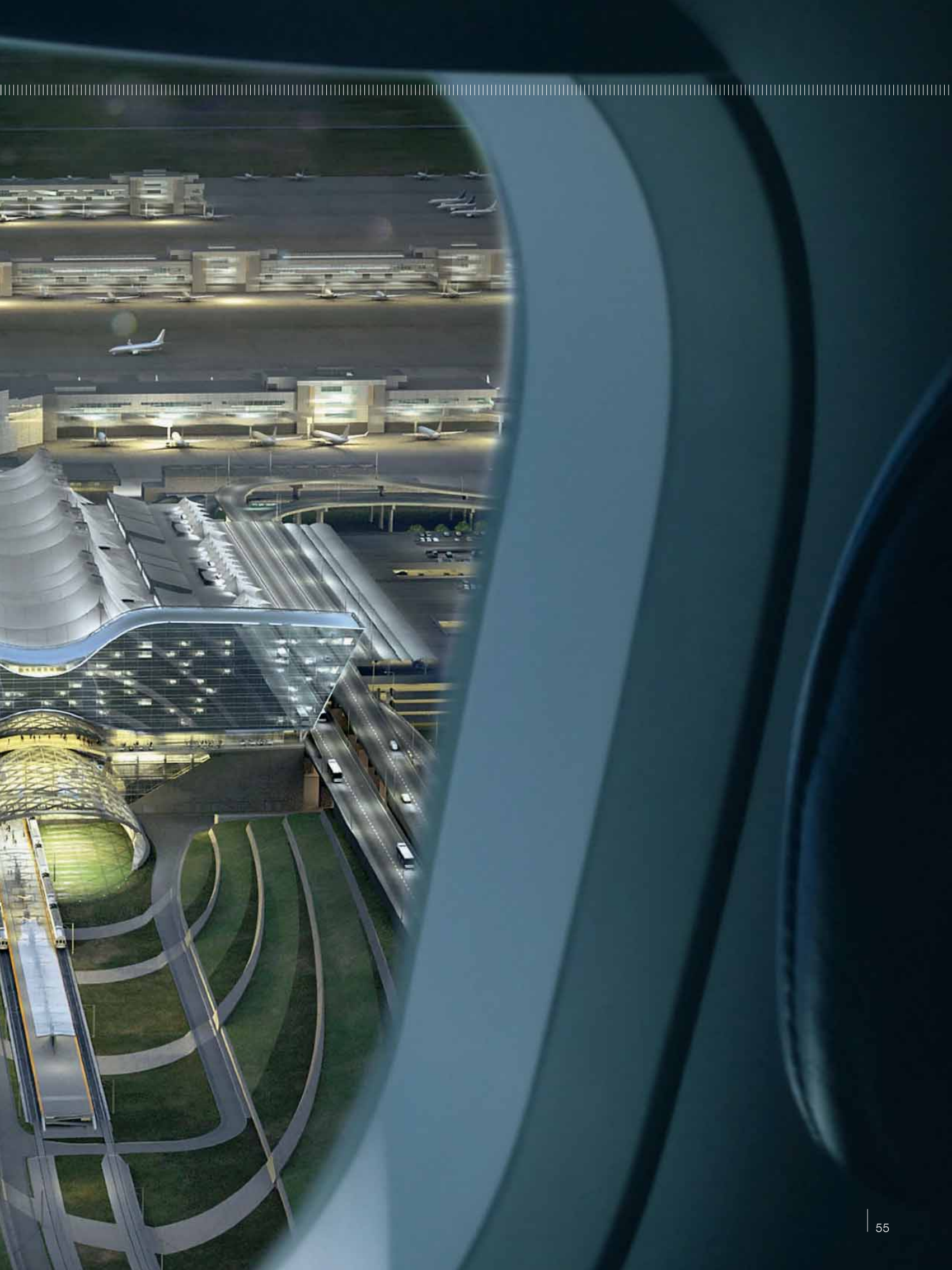
**Awards and References:**  
“2015 Tabby Award”, “Gold 2015 Hermes Creative Award”, “Bronze Telly Award”, three times listed on “Deloitte Technology Fast 500”

## **PDF Solutions to Work without Limits**

Bluebeam creates solutions for technical professionals. Bluebeam Software designs PDF-based workflow and collaboration solutions that enable the most document-intensive industries in the world to go paperless, shorten schedules, reduce costs and improve project communication. Bluebeam was founded in 2002 in Pasadena, California, USA and became a part of Nemetschek Group in 2014.

[www.bluebeam.com](http://www.bluebeam.com)

Denver International Airport,  
Denver, USA,  
Architecture Office and  
Visualization: Gensler



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# **GROUP MANAGEMENT REPORT**

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# Group management report for the financial year 2015

## 1 BASIC INFORMATION ON THE GROUP

### 1.1 BUSINESS MODEL OF THE GROUP

#### LEGAL STRUCTURE

12 brands serve  
around 2.1 million  
users worldwide

The Nemetschek Group is a leading global software provider for the AEC industry (Architecture, Engineering, Construction) and, as an Open BIM 5D provider, offers innovative and comprehensive solutions for the integrated planning of 3D models combined with a professional time (4D) and cost (5D) planning system. From more than fifty locations worldwide and with its twelve independent brands, the Nemetschek Group serves around 2.1 million users in all regions of the world. With its software solutions the company, which was founded in 1963 by Professor Georg Nemetschek, addresses all participants involved in construction and covers the complete life cycle of buildings, from planning and visualization of a building to the tender and contract award to the actual construction process. Nemetschek's software enables time and cost planning, management, administration, utilization, modernization, and renovation.

Nemetschek AG with its headquarters in Munich undertakes, as the holding company, the central functions in the areas of corporate finance and controlling, risk management, investor relations and corporate communication, business development, M&A and strategic corporate planning, human resources, as well as corporate audit and compliance.

The holding comprises the four segments, Design, Build, Manage and Media & Entertainment, which together encompass twelve brands. The brands appear in the market as independently operating entities. The managing directors of the operating subsidiaries act with a high degree of autonomy. Hence the brands can react quickly to customer demands and wishes, market trends, and changes in circumstances. Despite the brands' independence, a high level of management efficiency is ensured through continual reporting to the holding company and steady dialogue. This holding structure gives Nemetschek the perfect foundation for successfully shaping the destiny of the company.

A complete overview of the legal corporate structure is given in the notes to the financial statements.

#### BUSINESS ACTIVITIES

Wide range of graphic,  
analytical and  
commercial solutions

The twelve brands under the umbrella of the Nemetschek Group provide solutions for architects and design offices, structural designers, and civil and specialist engineers as well as software for cost and schedule planning, tenders, the awarding and invoicing of contracts, and the execution of building work. Additionally, there are solutions for technical and commercial property management as well as visualization software for architecture, film, animation and advertising. A wide range of graphics, analytical and commercial solutions accompanies building projects over their entire life cycle.

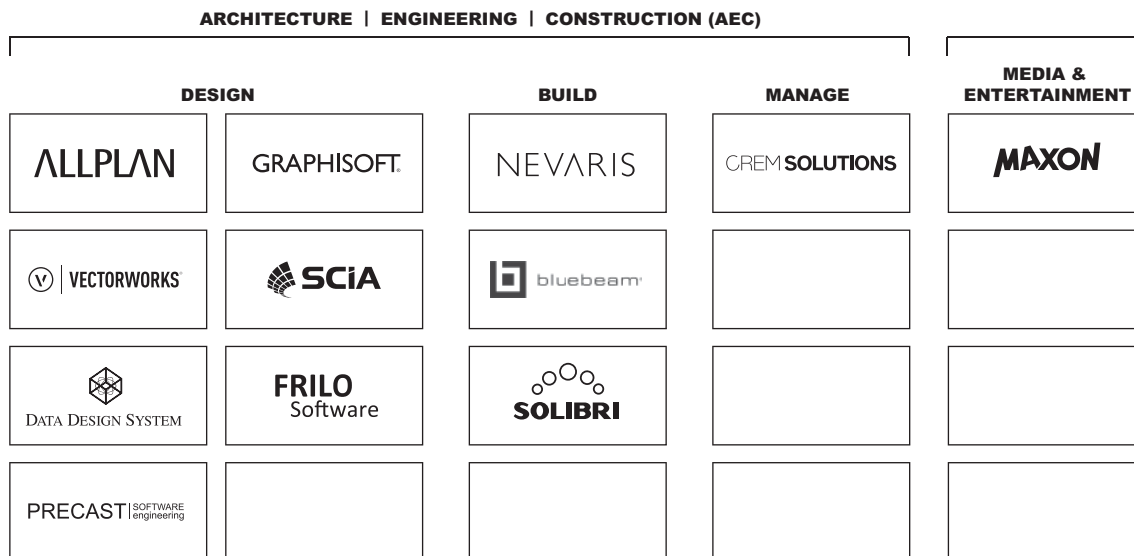
The central feature of the planning, construction and administrative process for buildings is Building Information Modeling (BIM) and the trend to 5D. With Building Information Modeling (BIM) all relevant building data is digitally recorded and cross-linked, generating a virtual, three-dimensional building model. From the outset of the simulation, time and cost are added as the fourth and fifth dimensions. BIM 5D enables the optimal collaboration of all those involved in the project over the whole life cycle of a property. Thus, particularly in realizing complex projects, cost and efficiency advantages are gained and risks are detected before they escalate into current problems. In the five-dimensional future, building is first virtual and then real.

The Nemetschek Group has always been concerned with providing the best possible software solutions in order to master the challenges inherent in the building process. As the pioneer of the BIM idea, the Nemetschek Group has followed this holistic approach for over thirty years. Nemetschek adopts an open approach (Open BIM). The open standard enables each software from the Nemetschek Group to communicate with every other software, even with software from competitors, via open data and communications interfaces. Thus, there is seamless transition of all information relevant to construction, with documentation at all levels from the origin right through to the management of buildings.

The interconnected Open BIM software solutions of the Nemetschek Group for all five dimensions simplify the collaboration between all those involved in the building process. The project work is faster, costings are more reliable, timetables are adhered to, and errors are reduced. Thus, the Nemetschek Group is paving the way for an integrated, open 5D planning and realization process in the AEC sector and, in the final analysis, increasing efficiency in the building process.

## BUSINESS SEGMENTS

The Nemetschek Group structures its activities into the four segments, Design, Build, Manage and Media & Entertainment. The twelve brands under the umbrella of the Nemetschek Group are allocated to these four segments.



### DESIGN

Nemetschek's software solutions are conceived for the building industry and are tailored to the specific needs and the working methods of architects, designers, engineers of all disciplines, structural designers, inhouse technicians as well as for technical and landscape planners. With intelligent solutions the customers of the Nemetschek Group can successfully realize each exercise creatively, with attention to detail and with maximum precision and accuracy, from the earliest planning and design phase through to the works and building planning. The portfolio comprises, in particular, BIM-oriented solutions for Computer Aided Design (CAD) and Computer Aided Engineering (CAE), which set worldwide standards in the 2D and 3D design of and visualization of buildings.

The following brand companies are allocated to the Design segment: Allplan, Graphisoft, Vectorworks, Scia, Data Design System, Frilo Software, and Precast Software Engineering. Whereas Graphisoft and Vectorworks cater to architects and designers in particular, the brands Data Design System, Scia, Frilo Software and Precast Software Engineering are directed at civil engineers. Allplan addresses facility managers as well as architects and engineers.

Tailored to the specific needs of the construction industry

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**Allplan**, which is headquartered in Germany, is known in the AEC sector as a competent software partner for architects, civil engineers, property developers, building companies, and facility managers. Allplan offers powerful BIM solutions to support the complete planning process in architecture, engineering and design offices. In the area of architecture, the strength of the software is that it ensures continuity from the first idea to the high value competition plans and exposés to the completed work preparation and other detailed planning. In the area of civil engineering, Allplan leads the way in formwork and reinforcement planning. Its software covers all application levels of a BIM-oriented CAD and CAE system, from simple 2D designs to complex 3D models including quantity and cost determination. All usual interfaces ensure smooth data exchange. The solution portfolio also includes Allplan bim+, which is a central and open BIM platform for uninterrupted collaboration during the entire construction phase. There, digital models are stored, visualized and coordinated – independently of the BIM and CAD software the project team is using. Furthermore, with its software Allplan Allfa, Allplan offers a comprehensive CAFM software (Computer Aided Facility Management) for efficient facility management.

The Allplan software family thus enables all the participants involved in the whole development process of buildings to optimize quality, cost and time. Allplan has numerous locations in Europe. The software, which is available in twenty languages, is sold mainly in the European market.

The Hungarian company **Graphisoft** is one of the leading global manufacturers of architecture software. With Archicad, the first model-oriented 3D software for architects, Graphisoft changed the working methods of architects and became the forerunner of BIM. The BIM solutions enable a high degree of design freedom and guarantee a smooth and efficient workflow through all planning phases of a building project. The solutions portfolio also includes BIMcloud and BIM server products, which has introduced a paradigm shift for joint planning in the project team. Thus, teams of any size can work together on projects of any scope in real time, independent of location. Furthermore, with BIMx, Graphisoft offers an innovative and interactive presentation tool that is also suitable for use with mobile end devices. In addition to its head office in Budapest, Graphisoft now has eleven branches worldwide. The solutions, which are available in 25 languages, are sold around the globe in over 100 countries.

The software developed and distributed by the American company **Vectorworks** is a global leader, with CAD and BIM solutions for architects, landscape planners and the entertainment industry. The specific sector solutions of Vectorworks for design, architecture, landscape and interior design have been specifically developed and tailored to these professional groups. Vectorworks is the most-used CAD program on the Apple Macintosh in the world and is one of the leading programs for Windows. With Vectorworks Cloud Services, users can also centrally save, share, call up and process data from any place – whether they are in the office or on the road. Customers include large planning offices as well as design boutiques. With its flexible and intuitive solutions, the company counts as one of the leading suppliers worldwide in the field of 3D design technology. Today, designers and planners in over 85 countries work with Vectorworks technology.

**Scia**, which is headquartered in Belgium, is one of the leading suppliers of software for statics applications and structural analysis for the building industry. With its powerful software solutions, the company supports its customers in designing and manufacturing all types of constructions – from complex buildings to bridges and infrastructure to sophisticated industrial buildings and energy plants. The software is available in fourteen languages, supports twenty national standards, and is distributed in more than fifty countries.

**Data Design System (DDS)**, which is headquartered in Norway, sells its trusted and intelligent CAD projection software for technical building equipment worldwide. In the lead when it comes to innovation and functionality, DDS offers solutions for the specialisms of electrical engineering, sanitary engineering, heating, ventilation and climate control technology as well as for photovoltaic systems. All DDS-CAD products support the Open BIM planning method and accompany the customers from the first drawing to the craft and technical tasks in the construction industry to the delivery of a comprehensive parts list for costing or tender to the contract award and final accounting. The range of performances includes the project documentation in conformity with standards. In addition to design offices and trade businesses, DDS's customers include industrial companies and facility managers. With branches in Germany, Austria and the Netherlands, DDS mainly sells its solutions in the European market.



**FriLo Software** is one of the leading suppliers of calculation programs for structural construction tasks and efficient structural engineering. With over eighty programs for structural construction, FriLo Software covers a large area of applied statics. Intuitive handling, quick results and continual alignment to changing norms are key to the success with customers. It is these qualities that FriLo Software offers with its solutions, which are focused both on the needs of its customers as well as on state-of-the-art technology and norms. At present, the software is mainly in use in the German-speaking region. An English version is available for international use.

**Precast Software Engineering** develops and markets software for the pre-fabricated concrete industry. The advantages of prefabricated production, which include quality, improved ability to plan in the building process and cost efficiency, are leading to the increased use of prefabricated concrete parts across the world. The solutions of Precast Software Engineering offer very efficient and highly-automated planning for prefabricated parts – from serial production to complex architectural elements and special parts. In the DACH region, where prefabrication plants have been highly automated for years, the planning solutions of Precast Software Engineering are the leading ones. These solutions are, however, also sold successfully beyond Europe at branches in Singapore and Shanghai.

## BUILD

In the Build segment, the Nemetschek Group offers holistic 5D solutions that run the whole gamut of Building Information Modeling, from tender, award and final accounting to costing, scheduling, and cost accounting. Included here are commercial ERP solutions for the accounting of construction operations. Further components are PDF-based workflow solutions for digital work processes, collaboration and documentation. Finally, the Nemetschek Group offers solutions for quality assurance and control for BIM, the digital work method in construction. In the Build segment, the Nemetschek Group addresses construction companies, property developers and sub-suppliers plus general contractors as well as planning offices, architects, civil engineers and many more. The following brands are subsumed under the Build segment: Nevaris Bausoftware, Bluebeam Software, and Solibri, which was acquired at the end of 2015.

Since October 1, 2015, the formerly individual brands Nemetschek Bausoftware from Achim, Germany, and Nemetschek Auer from Austria have operated under the company name **Nevaris Bausoftware**. Since 2014 Auer has also included the BIM specialist hartmann technologies, which is located in Berlin, and its product family ice BIM. Nevaris has since enhanced ice BIM to cover the determination of costs and quantities for building modeling, these being areas of growing importance. The thinking behind the renaming and combination is that the commercial and technical product family Nevaris has been developed jointly. Nevaris is a holistic 5D solution that enables an uninterrupted model-based approach in planning and execution; it covers graphical quantity determinations on the basis of a 3D model (BIM) and planning (AVA) alongside technical and commercial aspects. The product family comprises different modules that, depending on the line of business of the customer, can be combined or else deployed separately. The product family Nevaris includes the three areas BIM, Build and Finance.

Nevaris BIM makes it possible to process construction measures on schedule (4D) and with cost management (5D). The interplay of 3D modeling, planning (AVA) and technical solution (costing, invoicing, controlling) leads to a rapid and holistic BIM 5D solution of premium quality. The operational part of the solution is Nevaris Build. This process-oriented software offers many novel functions such as cost planning with initial costing and quantity determination as well as final accounting and controlling. Nevaris Build is scalable and suitable equally for small, mid-size and large construction companies. Nevaris Finance is the business part, which is based on a sector-independent ERP solution for construction companies. With its modular composition, the software offers many evaluation capabilities for construction accounting. Extensive financial bookkeeping and cost accounting, detailed material and machine cost tracking as well as wages and salaries accounting with personnel bookkeeping ensure that all company data are accessible quickly and securely and that they can be administered efficiently. The solution can handle multiple clients. It is multilingual and it is suitable for small or mid-sized companies just as much as for companies within a concern.

As software of the latest generation, Nevaris also supports use in the Cloud. The data filed in the Cloud can be accessed from everywhere and at any time, even via mobile end devices. Nevaris is offered both as an on-premise solution and as a software-as-a-service.

Nevaris BIM enables the punctual and cost-reliable processing of building measures

Since October 31, 2014, an additional member of the Build segment has been **Bluebeam Software**, a US enterprise. Bluebeam develops and distributes PDF-based workflow and collaboration solutions that enable sectors which involve high intensity documentation to work more efficiently. According to internal calculations, the use of Bluebeam solutions increases productivity by 60%, reduces paper and related costs by up to 85%, and leads to a time saving of 40%. These award-winning PDF preparation, mark-up and processing solutions are used mainly in the AEC industry. The solutions are also applied in other industries with large amounts of paperwork rates, for instance the oil and gas sectors or manufacturing. The Bluebeam Revu platform, which supports the digital and paperless work processes, considerably improves the communication and documentation of the different parties involved in building. With Bluebeam Studio, a cloud-based collaboration solution from Revu, teams have access at all times and from everywhere to projects, which they can then administer. Customers can store in the Cloud an unlimited number of files, share them, and collaborate with each other in real time. Thanks to Bluebeam Revu for iPad, mobile employees can work on the road, without limitation: They can access PDF files, edit them, make comments on them, and collaborate on them with other employees.

Solibri is a globally leading software provider for quality assurance and control of BIM

A new member of the Build segment is **Solibri Oy**, based in Helsinki, Finland, which was consolidated for the first time on December 31, 2015. Solibri is a globally leading software provider with solutions for quality assurance and control of Building Information Modeling (BIM), the digital working method for planning, execution and operation of buildings. The Solibri Model Checker examines, in particular, BIM models to verify integrity, quality and conformity to local standards during the entire planning and construction process. One globally unique feature is the ability of reviewing entire projects using logical analysis rules to detect any defects. As do all the brands in the Nemetschek Group, Solibri promotes open standards (Open BIM) so that information relating to the building can be transferred through open interfaces to all of those involved in the building process. The solutions are a perfect add-on; they will occupy a central position in the solution portfolio of the Nemetschek Group and connect all brands and their products through an integrated, holistic workflow. Moreover, the high profile that Solibri enjoys in the construction segment will expand access to customers for the Nemetschek Group in this strongly growing market. Solibri addresses customers through the entire life cycle of the AEC industry, including general contractors, architects, engineers, and proprietors. The solutions are distributed directly as well as through a network of resellers. The solutions are already finding purchasers worldwide.

## MANAGE

Property administrators are dependent today on commercial and technical solutions for the management of their properties in order to meet increasing requirements. The solutions help to bridge the gap between cost pressure on the one hand and increasingly demanding users and owners on the other. An important customer benefit is derived from the rapid accommodation of statutory changes and from elaborate and intelligent reporting. The focus in the Manage segment is on IT solutions for the administration of complex commercial properties. Additionally, Nemetschek offers software solutions for the management of housing associations and residential management firms as well as comprehensive solutions for computer-aided facility management (CAFM).

**Crem Solutions** belongs to the Manage segment, the name Crem standing for "Corporate Real Estate Management". Crem Solutions is a leading German supplier of software solutions for property management. Its core product iX house offers flexible and efficient instruments to administer property. It covers the entire range of modern commercial property management. iX-Haus permanently ensures the efficiency of the operation of buildings and facilities as well as the management of the property portfolio. Together with its clients, Crem Solution develops its software continually, in line with the market, thereby adapting it to changing customer demands. At present, Crem Solutions is in deployment at companies from all areas of property management, starting with small-scale administrators and widely diversified property and asset managers and ending with well-known banks and insurance companies as well as globally operating property companies.

## MEDIA & ENTERTAINMENT

Architects and engineers, designers and, in particular, the entertainment and media industry use the solutions from this segment in order to develop virtual buildings from plans, to create “tangible” items from outline drawings, and to create perfect illusions. The Media & Entertainment segment includes Maxon Computer.

**Maxon Computer** is a leading developer of professional 3D modelling, painting, animation, and rendering applications. The company has developed worldwide into one of the leading manufacturers of 3D graphics software. Its original field of activity was the production of technical computer magazines alongside the development of hardware and software. Over time its field of activity has shifted to pure software production, with a specialization in 3D graphics applications. Its main products are the software family centered around Cinema 4D, the leading animation system for media production, alongside Body Paint 3D, the revolutionary 3D painting program. The much acclaimed software packages Cinema 4D and BodyPaint 3D are deployed worldwide in numerous productions in the areas of film, television, advertising, and games alongside the visualization of architecture, medicine, product design, and info-graphics. The solutions are characterized by their high working speed, absolute reliability and use of pioneering technologies.

Thanks to diverse areas of application and the resulting heterogeneous customer structure, the Media & Entertainment segment is relatively independent of industries and country borders. The company, located in Germany, maintains branches and representations in the USA, Great Britain, France, Canada, Japan and Singapore.

## LOCATIONS

The Nemetschek Group has its headquarters in Munich and is represented by its twelve brands at more than 50 locations worldwide. The Nemetschek Group solutions are sold around the globe.



## SIGNIFICANT SALES MARKETS AND COMPETITIVE POSITION

The AEC sector has consolidated increasingly over the past few decades. The Nemetschek Group has been actively involved in this process through its acquisitions. Today, there are only a few global suppliers like the Nemetschek Group. They are faced with a multitude of smaller, locally active companies. In the regional AEC markets, the Nemetschek Group finds itself needing to cope with numerous disciplines involved in the building process, various standards, and regionally various specifications, norms and regulations.



*“When establishing Solibri, we had two ambitious goals in mind. Firstly, we wanted to develop a universal software for evaluating and analyzing BIM models, a software which can detect any possible design conflicts, errors and weaknesses in building plans. Secondly, and equally important, was the intention to revolutionize the workflow by offering quality assurance throughout the process.”*

Heikki Kulusjärvi, Solibri

**Segment:**  
Design

**Company size:**  
29 employees

**Locations:**  
Helsinki, Madrid, Newbury, Scottsdale

**Solutions:**  
Solibri Model Checker  
Solibri Model Viewer  
Solibri IFC Optimize

## Quality Checking in all Stages of the Building Process

Solibri was founded in 1999, focusing upon the construction industry from the beginning. The fundamental challenges of money and material waste could be solved with Solibri’s new ideas. From this thinking came out-of-the-box software to check and analyze construction designs. Solibri Model Checker (SMC) X-rays Building Information Models – offering 3D visualization and walk-in functionality to reveal potential clashes, flaws and weaknesses. The company, based in Helsinki, continues to work with architects and construction companies to save time, money, and the environment.

[www.solibri.com](http://www.solibri.com)

Visualization of the planned Santiago Bernabéu Stadium,  
Madrid, Spain  
Architects: gmp, Hamburg, Germany



Nemetschek  
concentrates on the  
AEC market

Unlike other major competitors, the Nemetschek Group concentrates almost exclusively on the AEC market with its software solutions. It is only in the Media & Entertainment segment that the Nemetschek Group also addresses the media and film industry alongside architects and designers. In all four segments, it competes with different companies. In its target markets in the Design segment, which accounts for 69.7% of sales, the Nemetschek Group is market leader in Europe and number two worldwide. In other segments there are several local and international competitors.

The strong, specialized brands in the Nemetschek Group focus on aligning their solutions with customer needs and reacting to market changes rapidly. Each brand works continually on improvements and innovations. These enter the releases of the individual software solutions published annually. To meet the variety of customer demands, the Nemetschek Group offers an assortment of solutions that are tailored to the distinct working requirements and to local guidelines and norms. The direct proximity to the customers and the transformation of customer requirements into the solutions are part of the Group's philosophy.

Regionally, the Nemetschek Group has its roots in Europe. In particular, Nemetschek has a strong base and secures sustainable growth in the DACH region. In recent years, the Nemetschek Group has considerably expanded its sales share outside of the DACH region, both organically and through acquisitions. Meanwhile around 54% of revenues are generated outside of the DACH countries. One of the markets that is growing is the USA. During the reporting year 2015, the Nemetschek Group increased its sales share there by some 14% to about 25%. This favorable development was helped in particular by the acquisition of Bluebeam Software. The focus of growth efforts, outside the American markets, is Asia, and especially Japan, where Nemetschek meanwhile occupies a leading position with its BIM software solutions. The sales share in Asia is about 9%.

The Nemetschek Group has numerous branches and offices worldwide whose purpose is to keep in touch with its customers and enable it to respond early to changes in the market. The brand companies handle their own distribution, organized worldwide in the form of dedicated sales teams. Additionally, the brands cooperate with distribution partners and retailers who exclusively sell brand solutions globally.

## 1.2 CORPORATE MANAGEMENT AND CONTROL

Nemetschek AG, with its registered office in Munich, acts as a strategic holding company. It holds majority shares in national and international brand companies which operate in their different markets with their own identity and a high degree of autonomy. The operational and strategic management of the group is organized through the four segments, Design, Build, Manage, and Media & Entertainment. The secret of success for the twelve brands lies in the relationship between group membership and the associated synergies, on the one hand, and their flexibility and independence on the other. This is connected with a high innovation power since the brands can respond quickly to customer requirements and requests.

The corporate management is based on the group strategy jointly approved by the executive and supervisory boards. This covers the strategic positioning of the Nemetschek Group and its solutions portfolio in the global sales markets, as well as its medium-term revenue and earnings projections. Corporate management is performed at the level of the reportable segments. The group specifications and annual targets for the brand companies and their subsidiaries are derived from the strategic objectives. In the annual planning process at profit center level these targets are agreed with the brand companies, are substantiated by them and assigned individual quantitative and qualitative targets for marketing, sales and development. The reconciliation of annual planning, individual targets and medium-term planning is performed in agreement with the general managers of the relevant brands and with the executive and supervisory boards.

During the year the group targets are monitored on the basis of a group-wide management information system with detailed reporting of the key performance indicators for revenue, growth, earnings, and risk. The central controlling indicators for the Nemetschek Group are revenues and growth over the prior year as well as the operating result (EBITDA) per segment. There are no non-financial performance indicators as control measures at the holding level. Non-financial performance indicators such as customer satisfaction are measured at brand level. The measurement of customer satisfaction occurs through external surveys, feedback via direct sales, and through selling or reselling partners or via service. The results of the customer satisfaction surveys represent an important source of information for future solutions, product improvements, marketing, and selling activities.

Strategic and operating corporate management is the responsibility of the executive board. There is regular discussion with the relevant management of business developments and expected-to-actual comparisons of the individual brand companies at intervals during the year. Finally, there are regular cross-company reconciliation processes in all functional areas of the holding company.

### 1.3 OBJECTIVES AND STRATEGY

The Nemetschek Group pursues a definite growth strategy, focusing on the AEC industry and the media & entertainment markets worldwide. The brand companies are continually engaged in the strategic direction chosen and the related development with regard to growth, productivity, and market leadership.

The major growth drivers are internationalization, innovations and new strategic growth fields which result from technological trends. Further notable factors are the powerful, worldwide sales network and customer orientation. In addition to growing organically, Nemetschek seeks non-organic growth by well-considered, value-enhancing acquisitions. The strategy is to grow organically faster than the market average with acceleration of this growth through acquisitions. For acquisition projects, the focus is on growth over the life cycle in the AEC market, the rounding off of the product portfolio and on internationalization. The international nature of the Nemetschek Group and the inter-relationships between the brands are illustrated by a common global corporate identity: Each brand features on its logo the tagline "A NEMETSCHKEK COMPANY". In this way the brands are in the foreground for the customer with their individual strengths, and they differentiate themselves from each other, but they are equally positioned as members of an international corporate group and enjoy recognition worldwide as Nemetschek brands.

#### INTERNATIONALIZATION – WORLDWIDE DISTRIBUTION

The Nemetschek Group follows a global growth strategy. Here the focus is on three major regions: Europe, North & Latin America, and Asia. In the past few years it has steadily extended its market position, notably in the USA and Latin America, while reinforcing and expanding its position in existing sales markets. In total, 66.4% (previous year: 60.2%) of revenues are now generated outside of Germany. This enables the exploitation of regional growth opportunities but also a better spread of risks. The global distribution network, consisting of in-house selling, in particular in the core markets, plus distributors and resellers, ensures proximity to customers in all markets. The steady expansion of a worldwide service and sales business is a central concern and will remain an important growth driver over the coming years.

Nemetschek follows a global growth strategy

#### INNOVATIONS – ADDRESSING TECHNOLOGICAL TRENDS

With forward-looking solutions, the Nemetschek Group is immersed in technological trends such as Building Information Modeling (BIM), five-dimensional building, collaboration, mobile solutions, and cloud computing. These trends and progressive digitalization will transform industry and customer demands and influence future growth. The themes the building sector deals with are transparency, costs, time management, the increasing complexity of projects and comprehensive project management. Software for architecture, engineering and construction as well as for the administration and renovation of buildings constitutes a decisive contribution to the mastering of these requirements.

The success of the Nemetschek Group is based on innovations. The brand companies follow this philosophy. With their solutions they set new benchmarks in the AEC and Media & Entertainment market; they also set standards. The Nemetschek Group is constantly working on its status as a reliable and sought-after partner and on developing tailor-made solutions for its customers. The feedback from customers is thus significant for the further development of solutions. High customer satisfaction forms a decisive basis for a successful and sustainable corporate development.

The Nemetschek Group is the pioneer and brand owner of Open BIM and one of the first providers overall that can handle all five dimensions in the building process from a single source. The Nemetschek Group is, however, also an important trendsetter and opinion leader and, with the help of its solutions, it contributes to changing and improving the working methods of the sector. The ultimate objective is to make available to customers the most appropriate and best possible tools for their projects in order to master the challenges with regard to design, quality, time and costs in the best possible way. This should also be ensured for the future. Around a quarter of the revenues generated therefore flows regularly into research and, thus, into new and further development of the solutions portfolio. Further information on innovation activity can be found in the section "Research and development".

## ACQUISITIONS

With its long-term growth perspective, continuing technological changes plus strong positioning and familiarity of the brands, the AEC market is very attractive for the Nemetschek Group. This basic situation combined with the robust balance sheet and high cash generation of the Nemetschek Group opens up acquisition possibilities in order to generate further growth. The identification of suitable companies is made by the Business Development department within the Nemetschek Group and by the brands themselves since these observe the markets and competitors continually. In its acquisition projects, the Nemetschek Group focuses on companies in the AEC and media industry.

Basically, three types of acquisition are possible. Firstly, there are those done directly under the umbrella of the Nemetschek Group. The precondition here is that the target company should have a certain size and generate an end user turnover of about EUR 10 million or be able to reach this figure quickly by strong growth. The more brands there are under the Nemetschek Group umbrella, the more complex management becomes. Further parameters are the horizontal and/or vertical expansion of the market position within the AEC industry. "Horizontal" means a rounding and/or expansion of the technology competence over the life cycle of buildings. An example is DDS, which opened the market for CAD software in the area of technical building equipment in the Design segment of the Nemetschek Group. The meaning of "vertical" is a development and expansion of end customer segments that are less well defined, such as infrastructure or urban planning. Further parameters are internationalization, a strong management and a business model that has already established itself in the market and so has demonstrated a certain profitability.

Secondly, the brand companies can acquire interesting target companies directly, provided that the framework conditions such as the expansion of technology, regional expansion, sales structure, and a healthy balance sheet are given.

Thirdly, the Nemetschek Group can invest in innovative and young companies – incubators – in order to position itself early within a future field such as 5D or mobile solutions. In this way the Nemetschek Group combines its many years of experience in the BIM market with novel ideas and principles.

### Nemetschek leaves companies acquired their independence and own identity

The Nemetschek Group leaves the companies it has acquired basically as they are – independent and with their own identity – but accompanies the brands in their integration into the segments and establishes contact to other brands within the group in order to encourage exchange, especially within the segments. The Nemetschek Group is thus highly attractive as a strategic purchaser. Alongside the robust financial structure, the holding structure with independent brands is perceived by target companies very positively and as a decisive factor in deciding in favor of the Nemetschek Group in the tender process. For the founders, a sale offers the prospect of their company becoming part of a strong group and gaining from internationalization and from synergies. Simultaneously, framework conditions are created to preserve the company, to develop it independently and to increase the brand reputation.

In view of its stable cash flows and high net liquidity, the Nemetschek Group is well positioned, now and in the future, to secure external funds for larger acquisitions under very attractive conditions.

The goals of the Nemetschek Group are hence set: Through further internationalization, investments in research & development, intensification of worldwide distribution by strategic and well-considered acquisitions as well as through global partnerships and industry-wide commitment, the Nemetschek Group is well equipped to defend and expand its place at the technological peak of the AEC industry.

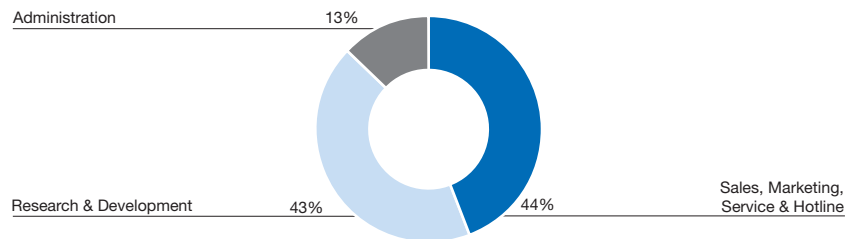


## 1.4 EMPLOYEES

As of December 31, 2015, the Nemetschek Group employed 1,754 staff worldwide (previous year: 1,559); this does not include employees on parental leave, freelancers or those with long-term health problems. The total at the year-end included 29 staff who joined the Group through the acquisition of Solibri Oy on December 31, 2015. The greater portion of the workforce of the Nemetschek Group, 68% (previous year: 66%), is employed outside Germany. Personnel expense rose in 2015 absolutely by EUR 32.5 million to EUR 127.1 million (previous year: EUR 94.5 million), equivalent to a personnel expense ratio (personnel expense/turnover) of 44.5% (previous year: 43.3%).

The Nemetschek Group employed an annual average of 1,664 staff worldwide (previous year: 1,384). In terms of activities, the focus is on two areas: research & development; and sales & marketing. The average number of staff employed in the area of research & development in the year 2015 was 722 (previous year: 606). On average, 732 employees (previous year: 621) worked in sales, marketing and hotline, and 211 (previous year: 157) in administration – including 20 trainees (previous year: 18). Trainees work primarily in the commercial departments, in IT and in development. The Nemetschek Group attaches great importance to taking on trainees after they have gained their qualification.

### PERSONNEL STRUCTURE



Globally, the Nemetschek Group employs almost only staff with a vocational or higher education qualification. Numerous employees are architects and engineers, reflecting the company's strong roots in the AEC industry. Women are playing an increasing role in technical and managerial positions; the proportion of women measured against the total number of employees in 2015 was about 35%. In selecting the appropriate candidates for management positions, the company makes a point of a balanced occupation of positions with male and female applicants wherever possible.

Women play an increasing role in top management positions

All employees receive appropriate remuneration. Depending on the location and size of the brand company, various special benefits are also offered, such as a company car, a company pension or subsidies for canteen meals. In most companies there is performance-related remuneration, which is crucial to high employee motivation. The criteria for performance are the development of revenues and earnings of the relevant company and the achievement of personal targets. Managers and sales employees are assessed primarily in terms of the overall success of the relevant subsidiary, whereas the variable remuneration for the other employees depends on the achievement of individual or team targets.

## 1.5 RESEARCH AND DEVELOPMENT

The Nemetschek Group is a leading provider of software solutions for the digitalization of building processes and a pioneer with regard to innovation. Nemetschek's objective is to gradually expand its portfolio of solutions and to constantly improve those solutions already present in the market and to implement innovations in the market.

Innovative products are the basis for the success of the Group. Approximately one quarter of the revenues generated therefore flows regularly into product and process innovations. The high importance of research and development is also highlighted by the fact that the majority of the employees work in this area. In 2015, as an annual average, the Nemetschek Group employed 722 staff (previous year: 606) in research and development. This is about 43% (previous year: 44%) of the total workforce.

The strategy of the Nemetschek Group in the area of research and development is focused on innovation, customer benefits and an improvement in the performance of the solutions. The main component of the development work is represented by the releases of the individual software solutions of the relevant brands published annually. Close cooperation with customers is essential to the continued development of solutions, which enables Nemetschek to win customers and meet their requirements. In the internationalization activities of the different brands, a key role is played by adjustment to national standards. With regard to trends such as Open BIM, 5D, Cloud, Software-as-a-Service (SaaS), collaboration or mobile application possibilities, the brands of the Nemetschek Group are working steadily on new tailor-made solutions. Data security is paramount in solutions involving the Cloud and in mobile use.

Open BIM is part of  
the Nemetschek  
Group strategy

As a pioneer of Building Information Modeling, Nemetschek adheres to the principle of Open BIM as the basis for co-operation, which is independent of which software a user has chosen. Open BIM is the future of building, and for Nemetschek it is part of the Group strategy for all its brands. Thus today, Nemetschek is already the leading provider of Open BIM solutions such as, for example, Allplan, Archicad or Vectorworks. Together with partners, and also as part of the global Building-SMART initiative, Nemetschek is intensively committed to the continued development and implementation of the appropriate standards, in particular of the Industry-Foundation-Classes (IFC). IFC is a manufacturer-independent and freely-available data exchange format that has proved particularly powerful for the exchange of 3D building-oriented planning data in the construction industry – regardless of which software the other project partners use. The brand companies are constantly working on improving, testing and certifying their interfaces for the seamless exchange with other open BIM solutions. Furthermore, the brand companies are working on the development of collaborative additional functions – for example, those which allow the user to follow which project participant received, read and possibly amended or approved which detailed information when.

In the segment **Design** the releases of the three major CAD brands, Allplan, Graphisoft and Vectorworks, have again been well received by customers, something which is reflected not least in their strong organic growth. The solution **Allplan 2016** for architects and engineers has again given a boost to flexibility in 3D modelling. One highlight is the integration of the Parasolid modelling core of Siemens PLM Software. This gives users more freedom and precision in creating volume and surface models as well as in the modelling of engineering constructions. Further features are improvements in the visualization, with, for example, realistic light and shadow relationships, through the integration of the CineRenderer of Maxon. The processes for the use of intelligent planning data have been further improved.

Graphisoft has presented its **Archicad 19** release this year under the slogan “Faster Than Ever”. Archicad 19 features a significant improvement in BIM performance, with a much greater process speed combined with an improved user surface. The reaction time of the software increases sustainably. A further highlight is the so-called point-cloud support. At the outset of a refurbishment or renovation project, there is as a rule the time-consuming measurement of the building, often performed manually, before a digital building model is created on the basis of the measurements collected. With innovative 3D scanners, however, “point clouds” are generated that contain all the requisite geometric information about a space. Archicad 19 can read these point cloud files and represent the cloud completely in 3D. This measurement method not only reduces the time needed very considerably, it also comes close to excluding errors. The new version of Vectorworks, too, accommodates the point cloud. The **Vectorworks 2016** release can import 3D point clouds so that the 3D object created on it can afterwards be used in various ways in the Vectorworks software. A further novel feature is the function Project Sharing, which revolutionizes collaboration within the team. All members of a team can work simultaneously on the same project, independently of whether they are in or out of the office. The goal sustainability is also served. With the function “Energos” it is possible to monitor the power consumption of a project during the entire planning process, from draft to execution plans, at the touch of a button. A further feature is the so-called “Subdivision Modeling” with which it is possible to plan multiple curved surfaces or shapes that do not fit into any standard. The subdivision tool, which is based on PIXAR technology, goes far beyond the modelling possibilities of traditional CAD applications. All in all, 70% of the innovations stem from customer feedback and requests.

The other brands, too, have published their releases successfully in the market and presented numerous new features. One example is Scia with its flagship solution **Scia Engineer** for structural analysis and drafting. Version 15 brings the drafting of concrete and composites to a new quality level.

There have also been a number of improvements in the Engineering Report, the Open Design platform and the user friendliness of the software such that productivity has increased.

Since October 2015, two brands which were previously separate have been operating together under the company name Nevaris Bausoftware in the segment **Build**; they are Nemetschek Bausoftware, domiciled in Germany, and Nemetschek Auer, domiciled in Austria, which has been united since 2015 with the Berlin-based hartmann technologies. The coming together of the two companies to create a common solution and to form one enterprise was a logical step since both had addressed the same customers and they had already collated their development activities in the past. In 2015 numerous commercial and technical functions and modules were combined in the now common product family Nevaris and focused on the needs of the customers. Since then **Nevaris** has been marketed as a holistic 5D solution that makes it possible to work from start to finish, model-based in planning and execution. Depending on the activity concerned and customer wishes, the three core modules **Nevaris BIM**, **Nevaris Build** and **Nevaris Finance** can either be combined with each other or deployed separately.

Bluebeam, too, has showcased the new version of its platform **Bluebeam Revu 2015** with further improvements. There are new features that enable project teams to manage and simultaneously handle very complex document structures, to track changes and to insert comments. Additional illustration is provided by embedded photos and videos. Bluebeam Studio, which is the collaboration solution of Bluebeam, has expanded its offer with an assortment of solutions including **Bluebeam Studio Prime**, a new subscription solution based in the Cloud.

In the segment **Manage**, Crem Solutions is continually refining its **iX-Haus** solution and adjusting it to conform with the statutory framework conditions. In addition to the management of industrial properties and building administration, Crem Solutions is concentrating more and more on residential management. The software is modular and so it can be adapted for individual needs.

In the segment **Media & Entertainment**, Maxon has met with success in its launch of Release 17 of the industry solution **Cinema 4D**. Users of this version benefit from greater stability and increased performance in their workflow. There have also been numerous improvements in the Modeling, Rendering and Animation areas.

In developing new products and continuing the development of trusted solutions, mostly internal group resources were utilized while third-party services were used only to a limited extent.

In the fiscal year 2015 the Nemetschek Group invested across the group in research and development EUR 67.9 million (previous year: EUR 55.3 million). This corresponds to about 24% (previous year: 25%) of the group turnover. In the last two years there has not been any capitalization of development work.

## 1.6 SUSTAINABLE AND RESPONSIBLE BEHAVIOR

An underlying prerequisite for long-term success is adherence to sustainable economic principles. Sustainability means preparing the company to be secure in the future and creating conditions for a successful future. The Nemetschek Group has established itself as a leading worldwide software company in the AEC industry providing its customers with innovative software solutions over life cycle of buildings and in the media & entertainment industry. Simultaneously, Nemetschek assumes social and ecological responsibilities. Here the focus is on three aspects: the environment, the company's workforce and society at large.

Sustainable economic principles are the prerequisite for long-term success

### ENVIRONMENT\*

The Nemetschek Group seeks continually to link innovation and commercial success with the highest quality expectations and conservative treatment of resources and the environment. The building sector plays a significant role in the discussion about global climate change. Meanwhile, in Europe, it is obligatory to provide an energy certificate when renting out or selling a building. Any extra costs for energy efficient design and building have

\* Source: Germany Trade & Invest 2015 – "Grünes Bauen profitiert in den USA von anziehender Baukonjunktur"

usually been amortized within a few years. Against this background the pressure on the designers has intensified. Today, building owners expect more than a good design – they want to know what effects the planning will have on future energy consumption; they also place value on using environmentally friendly materials. It is not “only” the aesthetic and functional requirements of a building that must be implemented, it is even more important to harmonize these factors with a positive ecological assessment of a building. Energy efficiency, freedom from contamination, and recyclability of the building materials play a significant role in the planning process. This is a challenge above all for architects, engineers or indeed in-house technicians.

The software solutions of the Nemetschek Group cater to sustainability, promoting efficient and environmentally resilient construction. The solution portfolio of Nemetschek supports architects and engineers in designing energy-efficient buildings and in minimizing the consumption of raw materials. Almost all brands under the umbrella of the Nemetschek Group have the appropriate solutions in their portfolio.

#### Trend to sustainable construction can be observed worldwide

For example, Archicad from Graphisoft has an integrated solution, the EcoDesigner STAR, for determining the energy profile of a building. This enables architects to conduct a reliable and dynamic evaluation of the energy requirement of the building model in order to optimize the energy demand of their draft. It is also possible to document the necessary evidence for the energy certificate. Allplan also focuses on energy-efficient building and refurbishing. With the optional module for energy certification, energy and ecology assessments of buildings can be performed on the basis of the Allplan model. Vectorworks also places value on sustainability. With the tool Energos, which is integrated in the CAD software Vectorworks, the energy consumption of any project can be monitored at the touch of a button any time during planning, i.e., from first draft through to implementation instructions. It is also possible to export the energy data for further analysis. And, finally, the environment is also served by the trend to “just-in-time” implementation of precision-manufactured prefabricated concrete units. Consequently, there is a reduction in the consumption of materials and their transport to the building site. The Planbar solution from Precast Software enables comprehensive planning – from the relevant processes in the prefabrication plants to the logistics at the building site. Solibri, which was acquired at the end of 2015, offers the Solibri Model Checker to improve quality in the entire planning and building process, to lower costs and save time. The software also helps the environment since, right at the beginning of the planning process, and later in the building process, the necessary material quantities can be calculated exactly using the tool Information Take-off. The trend to sustainable construction can be observed worldwide. In the USA, for example, there is a continual rise in the demand for environmental sensitivity in the construction of office buildings and premium condominiums. In green building – i.e., projects where high demands are made for sustainability and energy efficiency of the building – these two sectors have been recording top growth rates since 2014. The total annual value of such projects in US dollars is, according to the estimates of the industry journal Engineering News-Record, in the high two digit billions. The Nemetschek Group is addressing this potential with suitable software solutions.

The idea of environmental protection enjoys a high priority internally. For example, almost all brand companies use telephone and video conferences in order to reduce business trips to a minimum. Furthermore, innovative training methods such as e-learning and learning videos are used instead of printed manuals and operating instructions; this approach leads to a significant reduction in paper consumption. The courses provided include, for instance, compliance training. Moreover, downloads from the internet are increasingly replacing the shipment of DVDs – a further component in protecting the environment.

#### EMPLOYEES AND WORKING ENVIRONMENT

A high degree of motivation and identification of the employees is a core element for the global success of the Nemetschek Group. The company promotes this by creating attractive working conditions and a positive working environment.

The brand companies are also keen to enable their employees to reconcile work and family. This is upheld not least by flexible working time rules. The exact structure varies and is also dependent on local regulations. The same applies for the scope of part-time work and parental leave.

Optimal working conditions also involve a comprehensive further education program with internal and external training. The choice of training events ranges from specific technical training to foreign-language and IT courses through to management training and seminars. There is also an offer of various sports facilities. The success of these measures is reflected in the high number of unsolicited applications at the different brands and also at the parent company.

Inevitably, on account of the company's international orientation, corporate compliance also ranks high on the agenda. The Nemetschek Group insists on the integrity of employees in their dealings with stakeholders and on good relations with one another within the Nemetschek Group. To this end Nemetschek has defined a "Code of Conduct" – a compass for the behavior of all employees of the Nemetschek Group worldwide. The relevant principles, which are reproduced on the Nemetschek Group website, are conveyed to employees as part of special internal training courses.

## SOCIETY

Nemetschek has its roots in the university environment and its software has been present there for many decades. The brand companies provide free software licenses and online training material to students and professors as part of their "campus programs". In addition to the core markets in Europe this applies, also, to many other markets, above all the USA. Furthermore, Nemetschek also supports university projects on a regular basis. Thus, support is given to student competitions for promoting young talent in the areas of architecture and engineering.

In Germany, Allplan grants annually a student scholarship. It is aimed at graduates of vocational schools who are starting a course of study at a German university or college and who intend to obtain a "Master" or "Bachelor" degree in the field of architecture or civil engineering. The scholarship amounts to €300 per month and is granted for a year. In addition, there is close cooperation with universities and colleges. For instance, Nemetschek supports as a partner the Leonhard-Obermeyer-Center of the Technical University of Munich. This is a think tank; at its annual Center Day it presents the latest developments in digital processes in the market for the construction industry. In this way the company promotes the up-and-coming generation in architecture and engineering while fostering greater awareness among potential future customers of its own software solutions. Nemetschek also grants financial support to university graduates for their dissertation or master's thesis and sponsors a teaching post at the RWTH Aachen.

In 2015 the US subsidiary Vectorworks again awarded, for instance, a scholarship for which the students of all architectural and design institutions worldwide submit their best work and for which they can win prizes with a worth totaling USD 10,000. All prize winners are nominated for the Richard Diehl Award, a prize which was named after the founder and now Chairman of Vectorworks. The winner receives a prize of USD 7,000.

Graphisoft in its turn offers Archicad training courses through various channels in the form of workshops, which are free of charge for beginners and more advanced learners or university teachers. The courses are conducted each semester at numerous universities and as regular webinars or take the form of established tutorial programmes at numerous colleges and universities.

The US subsidiary Bluebeam Software, too, addresses this matter. Webinars free-of-charge and low-price student licenses enable students to familiarize themselves with Bluebeam Revu early on. By promoting students and universities in competitions within the AEC industry, Bluebeam Software helps them gain direct experience in the real world of work.

## FRILO Software

*"Our product needs to continuously cope with new provisions and modified standards. We have adapted our software to allow us to communicate changes to the users in a fast and uncomplicated manner. In addition, we have designed our applications to enable cloud-based work."*

Dr.-Ing. Hans Stegmüller, FRILO Software

**Segment:**  
Design

**Company size:**  
41 employees

**Locations:**  
Stuttgart, Dresden

**Solutions:**

GEO	The FRILO Building Model
PLT	Plates by Finite Elements
DLT	Continuous Beam for all Materials
DA	Programs for Roof Constructions
MW	Programs for Masonry Design
HO	Programs for Timber Constructions
Toolbox	Simple verifications for everyday use

### Efficient Software for Structural Engineering

FRILO Software is one of the leading providers of calculation programs for structural engineering tasks. With more than 100 stand-alone programs, FRILO covers a large range of practical structural engineering calculations. Intuitive operation, fast results and on-going adaptation to current design codes are decisive criteria for success with customers. FRILO Software, headquartered in Stuttgart, Germany, was founded in 1978 and has been part of the Nemetschek Group since 1998.

[www.friilo.eu](http://www.friilo.eu)

Barco's "One Campus", Kortrijk, Belgium  
Engineering Office: Establis



Every two years Allplan and Scia hold a user competition for engineers. The theme of this year's international user competition, which has awarded prizes for the ninth time, is 'The Art of Structural Design'. From among the submissions, a technical jury nominated extraordinary engineer building projects which had a connection with Allplan, or Scia, which stood out on account of originality, level of difficulty and special prestige. One essential aspect is the use of Building Information Modeling (BIM) as an integrated planning method.

A comprehensive selection of webinars, videos, tutorials combined with student or lecturer licenses for their software solutions are offered by additional brands such as Maxon or Nevaris. This way they support a wide range of educational options at schools and universities.

Since its inception, the Nemetschek Group has enjoyed a very good reputation at universities and other educational organizations on account of these activities.

## 2 ECONOMIC REPORT

### 2.1 OVERALL CONDITIONS\*

#### OVERALL CONDITIONS

The economies of the industrial countries showed a moderate development in 2015. Although the economic upturn continued, it had lost momentum, suffering from lower demand for commodities and from recessions in Brazil and Russia, while being marked also by weaker growth in the threshold countries. These, especially China, are facing declining growth such that prices for commodities are under pressure. There is on the other hand a positive development thanks to the good economic climate in the Eurozone and the continuation of the upturn in the United States and in the United Kingdom. The industrial countries recorded growth of +1.9% in 2015 in comparison with the prior year (+1.8%). In the threshold countries, growth was noticeably slower, at +3.9% (previous year: +4.8%). In its current appraisal, the German Council of Economic Experts has forecast a growth in the global gross domestic product (GDP) of 2.6% in 2015 (previous year: 2.8%).

#### EUROZONE

The economy of the Eurozone continued to revive

Things in the Eurozone looked up as the economy continued to revive in 2015. The causes of this can be found in a very loose monetary policy of the European Central Bank which has led to a devaluation of the euro and an improvement in the financial situation. A further positive element is a clear recovery in those member states that were hit particularly hard by the euro debt crisis. Negative economic implications from the crisis in Greece have not materialized. For the Eurozone, it was assumed for 2015 that real GDP would grow by 1.6% (previous year: 0.9%).

#### USA

Although the dollar rose relative to the euro, and despite turbulence in the financial markets, the economic upturn in the United States was not affected negatively. Consumption remained the main driver of growth, whereas the strong revaluation of the dollar against the euro had a moderating effect on the economy. In its appraisal, the German Council of Economic Experts estimates that the gross domestic product of the United States grew by 2.4% in 2015, as it did in 2014.

\* Source: Jahresgutachten 2015/16 Sachverständigenrat & GTAI/Wirtschaftstrends



## JAPAN

Japan continues in recession and, despite further capital injections by the government, it has failed to signal any positive outlook for a revival of the economy. The economic development of Japan continues to be driven strongly by its monetary and fiscal policy. There are no signs of any self-sustaining upturn. After a slight decline in GDP in 2014, the Council of Economic Experts expected a slight growth of +0.7% in 2015.

## EMERGING COUNTRIES

The decline in growth in the threshold countries will continue in most countries. It is expected that the recessions will end in Brazil and Russia. There is no forecast of any abrupt collapse in growth in China although a further economic weakening is expected in the emerging countries. The GDP in the emerging countries was predicted to be 3.9% in 2015 (previous year: 4.9%).

## CONSTRUCTION SECTOR SITUATION\*\*

### EUROPEAN CONSTRUCTION ECONOMY

Europe continues to be the region with the highest sales for the Nemetschek Group. Since 2014 the private home building sector has played an important role in the European construction industry. With a share of 46% this segment in particular has contributed to and advanced the recovery of recent years.

For the European construction industry, according to first extrapolations, growth is expected in 2015 even if the market as a whole is subject to some instability. For the next three years, the industry experts Germany Trade & Invest expect an average growth of +2.4% in home building, +3.2% in the area of civil engineering, and +2.3% in the non-residential building area. Supported by the forecasts mentioned above, the Nemetschek Group looks to the coming year 2016 with confidence.

## USA

Some 22% of the turnover of the Nemetschek Group comes from the USA. As in Europe, in the US private home building and commercial building remain the main pillars of the continuing recovery. The Nemetschek Group notices that the investment stagnancy which has continued since 2014/2015 has still not been overcome, but that the US economy as a whole is moving ahead.

The expenditure of the United States in modern technologies in the area of infrastructure has recently (1st half of 2015) been climbing. In some areas of water supply, transport infrastructure and in the railway sector, there is a need to catch up, which will lead to infrastructure projects. In parallel there is strong demand for office buildings and "green building". There is high demand too for environmentally friendly construction products outside the residential sector, and especially in structural engineering, which indicates great potential for the Nemetschek Group.

## SOUTH AMERICA, BRAZIL

Brazil suffers from a great need to replace infrastructure although the funds for this are presently limited. There are good opportunities for a long-term commitment in Brazil since spending on infrastructure has long been low, with too little happening in terms of the expansion of export transport routes and the diversification of the power supply. Airports, underground railways, entire transport systems as well as residential building are promising projects for international players such as the Nemetschek Group. Some EUR 14.9 billion will flow into expanding the transport infrastructure alone. Some EUR 19.5 billion will be invested in railways. Airports, ports and terminals, water treatment and supply, and waste disposal are further examples of projects that may materialize.

\*\* Source: EuroConstruct Summary Report, GTAI/Bauwirtschaft

## ASIA, JAPAN

Our most important market in Asia is the construction industry in Japan, which has recently been unsteady due to the economic climate there. Consequently, the Nemetschek Group sees the Japanese construction industry and its development in 2016 as being moderately positive. On account of the increase in consumption tax, the year 2014 developed as expected in a less than satisfactory manner and the year 2015 was also disappointing. Despite this, the Japanese market remains in the focus of the Nemetschek Group activities in Asia.

## OVERALL VIEW\*\*\*

The performance indicators of the construction sector presented here represent only some of the many indications for the development of the Nemetschek Group markets. Expenditure on IT and software in the construction industry influences the market environment and growth. At present this expenditure is about 1% of building industry turnover, placing it at the low end in comparison with other sectors. It is estimated that spending on IT in the construction industry will rise at 17% annually on average until 2025. This indicates that the building industry has recognized the necessity of software for its industry.

The future of design, building and operating will also be determined materially by the digital transformation and trends such as BIM and 5D. The preparation of digital (i.e., virtual) models of building, which are then realized on the building site and then serve as documentation and basis for the operational phase, will soon be a dominant feature of everyday working in construction. Digital technologies offer enormous potential for quality, efficiency and speed. Their use ensures, especially in the case of major projects, an early networking, close collaboration and intensive communication with all those involved. Designs can be visualized early, processes standardized, transparency increased and a realistic risk calculation made – and consequently building time and costs considerably reduced. This is being demonstrated already outside Germany. Especially in the USA, the Scandinavian countries, the United Kingdom and in the Netherlands, the use of BIM is being advanced systematically. In Germany these projects are being supported by the Federal Ministry for Traffic and Infrastructure (BMVI). The intention is that digital design and building should become the standard across Germany under the principle “first digital, then build”. At the end of 2015 the graduated “Digital Design, Build and Operation” plan was presented in which public building projects and all infrastructure projects at the federal level are to be realized in future on the basis of BIM 5D. The current BIM pilot projects will be concluded and evaluated by 2017. In a further pilot phase lasting until 2020 experiences will be gathered in additional pilot projects in order to define the quality standards. Thereafter, all construction in publicly financed projects must be performed using BIM 5D. There is already a directive for the EU, in which all 28 member states of the European Union are obliged to use BIM in the realization of publicly financed construction and infrastructure projects.

Worldwide the foundations are being laid that will establish BIM 5D increasingly strongly in the coming years and that will develop it as the basis for optimizing the planning, execution and use of buildings in the construction process. Thus, for software solution providers the potential and opportunities are excellent.

## 2.2 BUSINESS PERFORMANCE AND EVENTS WITH A SIGNIFICANT EFFECT ON BUSINESS PERFORMANCE

The Nemetschek Group looks back at its most successful business year in the history of the enterprise. The group not only achieved record figures in terms of sales and earnings, it also extended its worldwide profile, improved its market standing further, and again demonstrated its competence as a world-leading supplier of Open BIM solutions. In parallel, the Nemetschek Group has created the basis for further growth with future-oriented investments.

\*\*\* Sources: Software & IT Services von Berenberg 04/2015,  
IT Software & Services von Kepler Chevreux 11/2015  
Stufenplan Digitales Planen und Bauen von BMVI

The fiscal year 2015 was influenced by the following material events, among others:

## SEGMENT EVENTS

At the start of the year, the Nemetschek Group presented itself at BAU 2015, the leading world fair for the construction industry in Munich. Almost all brands were represented, some of them such as Allplan, Graphisoft and Vectorworks at their stands, others at the joint booth of the Nemetschek Group. The presentations showcased the digital 3D software solutions as well as solutions addressing scheduling (4D) and cost planning (5D).

Alongside the visit of the German Federal Minister Alexander Dobrindt, the focus was on the users of Nemetschek Software – including architects, engineers, designers, contractors, process controllers, costing accountants, building managers and many more. They were able to familiarize themselves with the brands of the Nemetschek Group and its solutions and obtain insight into reference projects, application examples and current design projects. BAU 2015, which received a record 250,000 visitors, was a successful event at the beginning of the year and it offered a superb setting for the Nemetschek Group to present itself as a leading AEC Group worldwide.

In the **Design** segment the different brands have presented and launched new releases of their software. These include **Graphisoft** with Archicad 19, the current version of the BIM architecture software. Under the slogan “Faster Than Ever”, ArchiCAD 19 constitutes a significant improvement in the BIM performance, which manifests itself in a much accelerated process speed and faster reaction times. Numerous awards have demonstrated that Archicad sets standards. The prestigious Construction Computing Award in Great Britain named Archicad BIM product of the year for the fifth time running. Graphisoft also received two “Best of Show” awards in the BIM and Desktop category at the American Institute of Architects (AIA) fair which was held at Atlanta. The BIM presentation apps BIMx and BIMx Pro, both of which have also won awards, have been further refined. With the BIM presentation apps, users now have direct access to their model data through standard Cloud storage services such as iCloud or Dropbox. The array of Graphisoft products is rounded out by its exhaustive collaboration platform BIMcloud.

**Vectorworks** too is setting standards with its latest CAD version Vectorworks 2016. The new version contains novel features and more than 100 updates. Moreover, Vectorworks has further refined its cloud service and the “Nomad” app. With the Vectorworks Cloud Services program, Cloud libraries can be generated and administered, files can be uploaded, processed and monitored, and the status of files can be verified. With the app Vectorworks Nomad files can be viewed, commented on, sent and synchronized on the iPhone, iPad or an Android appliance. The AIA gave this app the “Best of Show” award.

In the middle of the year, **Allplan** presented the new version Allplan 2016 for architects and engineers. With bim+ Allplan offers an open platform that enables all those involved in drafting, design, realization and administration of buildings to collaborate smoothly and in an integrated and interdisciplinary way. The emphasis of the collaboration is on documentation, communication, version and revision management, clash detection and analysis of BIM projects. Allplan Allfa in its turn connects design and management. With Allplan Allfa, building managers can organize the operation and use of properties reliably.

In the area of building services, **Data Design System** has launched its version DDS-CAD 11. With numerous new functions the DDS planning software optimizes the efficient TBS project planning (Technical Building Services) and offers a flexible, model-based 3D planning tool with intuitive use across all functions.

Furthermore, **Scia** has presented the version 15 of its flagship solution Scia Engineering for structural analysis and draft with numerous improvements in the Engineering Report, the Open-Design platform and in ease of use.

In the area of prefabricated concrete parts, the application Planbar and the technical information manager TIM from **Precast Software** ensure openness to other systems and support the Open BIM process optimally through the loss-free exchange of 3D models.

In summary, the Design segment progressed successfully in the fiscal year 2015. All the brands in the segment have been applauded in the market for their innovations and improvements, won new customers and entered new markets.

The previously separate brands Nemetschek Bausoftware, based in Germany, and Nemetschek Auer, which is based in Austria, joined together in October 2015 under the company name **Nevaris Bausoftware** in the **Build** segment. The coming together of the two companies to a common solution and to form one enterprise was a logical step since both had addressed the same customers and had already collated their development activities in the past. Now under a common umbrella, the software Nevaris can be more clearly and effectively marketed. The software Nevaris, which was given the German Design Award, was further developed in 2015, adjusted to customer requirements and it is offered as a holistic 5D solution. Depending on the activity concerned and customer wishes, the three core modules of the software Nevaris BIM, Nevaris Build and Nevaris Finance can either be combined with each other or deployed separately. This makes it very flexible to use. As software of the latest generation, Nevaris also supports use in the Cloud and is offered as an on-premise solution as well as a software-as-a-service.

**Bluebeam Software**, which was acquired in October 2014, has continued its international expansion under the umbrella of the Nemetschek Group. Bluebeam Software is the leading developer of PDF-based comment and collaboration solutions for architecture, engineer and construction (AEC). In order to accelerate its worldwide growth, it has now expanded its portfolio of solutions, has acquired the Swedish exclusive distributor Bluebeam AB, and won new re-sellers and technology partners. The end of 2015 saw the staging of the trade fair Bluebeam eXtreme Conference in the USA under the motto "Innovation through Expansion". Expansion is to be understood here not only in terms of geography, but also as reflecting the introduction of a new open license option running in parallel. Bluebeam Studio, which as the collaboration solution of Bluebeam has won several prizes, has expanded its offer with an assortment of solutions, including Bluebeam Studio Prime, a new subscription solution based in the Cloud. The spread of Bluebeam Studio has been exponential since the introduction of the Cloud-based collaboration solution in 2010. At present, more than 225,000 users have generated more than two billion posts worldwide.

In the **Manage** segment, **Crem Solutions** has further developed its flagship product iX-Haus, which offers the entirety of commercial processes for property management. In 2015 Crem Solutions gained numerous prestigious customers. With DocuWare, Crem Solutions also offers an integrated document management system.

In the segment **Media & Entertainment**, **Maxon** has secured new customers in its launch of Release 17 of the industry solution Cinema 4D. Maxon attended many international fairs in order to present itself to the specialist public and advertise its solutions, which have received several awards. These include, for example, participation at the NAB in Las Vegas, the Siggraph in Los Angeles, the IBC in Amsterdam and the Content & Communications World in New York. Additionally, Maxon has opened a new development location in Montreal, Canada. With a new team recruited from among internationally known software developers, the solutions of Maxon are being developed with special regard to their integration into new production and development environments.

## ACQUISITIONS AND DIVESTMENTS

### UNDER THE UMBRELLA OF THE NEMETSCHEK GROUP

In the previous year, effective October 31, 2014, the Nemetschek Group took over 100% of the US company **Bluebeam Software, Inc.**, which is a leading supplier of PDF workflow solutions for digit work processes and collaboration in the AEC industry. It has in the meanwhile successfully integrated this company. In 2015 a further substantial acquisition was made.

#### Nemetschek acquires 100% of Solibri as of December 31, 2015

Effective December 31, 2015, the Nemetschek Group agreed the purchase of 100% of the shares in **Solibri Oy**, which is headquartered in Helsinki, Finland. Nemetschek won out against a number of competing purchasers, not least because of its group structure of independent brands. Solibri is a globally leading software provider with solutions for quality assurance and control of Building Information Modeling (BIM), the digital working method for planning, execution and operation of buildings. The Solibri Model Checker examines in particular BIM models to verify integrity, quality and conformity to local standards during the entire planning and construction process. One globally unique feature is the review of entire projects using logical analysis rules to detect any defects. As do all the brands

in the Nemetschek Group, Solibri promotes open standards (Open BIM) so that information relating to the building can be transferred through open interfaces to all of those involved in the building process.

Solibri was founded in 1999. At the end of 2015 its workforce numbered about 30 employees. In addition to its headquarters in Helsinki, the company has distribution companies in the USA and the UK and maintains representative offices in Spain and Germany.

Solibri is of high strategic importance for the further development of the Nemetschek Group. The solutions are a perfect add-on and will occupy a central position in the solution portfolio of the Nemetschek Group and will connect all brands and their products in an integrated and holistic workflow. Moreover, the high profile of Solibri in the construction segment broadens access to customers for the Nemetschek Group in this strongly growing market. Solibri addresses customers through the entire life cycle of the AEC industry, these clients including general contractors, architects, engineers, and proprietors. The solutions are distributed directly as well as through a network of resellers. The solutions are already finding purchasers worldwide. Solibri for its part benefits from a strong group with international sales focus and direct access to a growing customer basis of more than 2.1 million users worldwide.

As of December 31, 2015, the Nemetschek Group sold its interest of 70% in **GLASER -isb cad- Programmsysteme GmbH**, which is located in Wennigsen, Germany, to the managing director of GLASER -isb cad-. The company had been in the Nemetschek Group since 1998. It develops and sells CAD program systems for civil engineering. With the sale of the interests in GLASER -isb cad-, the Nemetschek Group will now concentrate its activities in the area of CAD solutions for civil engineering in the 100% subsidiary Allplan.

With the takeover of Solibri and the sale of the participation in GLASER -isb cad-, the Nemetschek Group is continuing to pursue its strategy. The focus is on growth, internationalization, innovation, and the creation of synergies within our solution portfolio.

The Nemetschek Group has implemented the growth goals it announced organically and by acquisitions. Following the Bluebeam acquisition, the Nemetschek Group acquired with Solibri yet another strongly growing enterprise and extended its leading position as an Open BIM supplier.

## UNDER THE UMBRELLA OF THE BRANDS

Acquisitions also took place at the brand level. At the beginning of the year Graphisoft took over a unit of the distributor **Cigraph** in Italy and subsequently opened a branch in northern Italy. The aim is to cater better to the promising Italian market and build up a dedicated service operation. Vectorworks has acquired the technology of ESP Vision in order to improve workflows in design and visualization. **ESP Vision** has, for instance, Software Vision Pro, which is the leading market solution for light visualization and design, enabling even better collaboration with the Vectorworks solution Spotlight.

Bluebeam Software has strengthened itself in Europe and purchased the exclusive distributor **Bluebeam AB** in Sweden. With the purchase of Bluebeam AB, which was founded formally as the European headquarters of the firm, Bluebeam has increased its global range in key European markets. This step enables Bluebeam Software to serve the large European market and the existing customer base of the Nemetschek Group directly, to accelerate growth in Europe and extend the infrastructure flexibly. Moreover, it enables better support for local resellers and customers and cultivates regional expertise.

## COOPERATION AND BUSINESS PARTNERSHIPS

In order to expand its market position and in order to satisfy the diverse customer demands, the Nemetschek Group relies on – in addition to acquisitions – cooperation and collaboration with partners from the sector who, themselves, offer leading solutions in specialist areas.

In 2014 the Nemetschek Group joined, as a founding member together with other companies from the construction industry, the new strategic advisory body of buildingSMART International in order to continue to improve the interoperability between the players in the building sector. The objective is to create a universal collaboration format for building modelling and thereby enable the efficient and high-quality information exchange between the various software solutions. Nemetschek and buildingSMART follow the same objective here: To ensure that open standards such as IFC and BCF become the indisputable standard for model-based collaborations in the AEC sector.

Nemetschek is a  
founding member  
of buildingSMART  
International

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In May 2015 the Nemetschek Group entered a strategic partnership with Trimble in order to promote the use of Building Information Modeling in the design, construction and operation of buildings. The cooperation between the two enterprises is intended to improve the openness and interoperability between their respective software. The two enterprises have undertaken to use open standards and work routines. Taking joint measures in the development and application of technologies for the construction industry and proprietors of buildings, they aim to promote a shift in paradigm and expand the use of Building Information Modeling (BIM) over the entire building life cycle from drafting through building to operation.

Also in 2015, the Nemetschek Group extended the strategic partnership with CABR Technology Co., Ltd., which was entered into in September 2012, for a further three years; CABR is a core entity in the China Academy of Building Research. It comprises more than 1,000 research institutes and has developed more than 150 national industrial standards. The purpose of the partnership is to introduce and market BIM jointly to the AEC sector in China. At the same time, it is intended to strengthen the product and brand positioning of CABR Technology and Nemetschek in order to support the growth of BIM in China and the further technical development of the AEC sector there. The focus is on the development of a BIM data format to correspond to the needs of the Chinese market and the elaboration of a software interface between the two enterprises as well as other technical and business cooperation.

In Asia, Graphisoft announced a further strategic partnership at the end of 2015 with Global VDC, a leading supplier of BIM services headquartered in Hong Kong. The aim of the agreement is to jointly promote BIM technologies and bespoke solutions for the specific needs of the construction industry in Hong Kong. There the primary task will be sustainable, energy-efficient architecture and innovative asset management solutions. An additional declared aim of the partnership is to bring the experiences of the two companies in the area of building life cycle management more strongly in the market and to advance BIM processes in the construction industry in the entire region.

Vectorworks has also signed a cooperation contract with BIMObject. BIMObject, which is headquartered in Sweden, is the leading enterprise in Europe for digital content management systems for BIM applications. The cooperation will involve the two enterprises supporting their respective BIM technologies, jointly identifying customer needs and responding with improvements to BIM contents. Closer integration and collaboration between Vectorworks and the Cloud platform of BIMObject is also planned. Since 2014 Vectorworks has been in a partnership with Datacubist Oy, the provider of the software platform simplebim. The objective is to simplify the exchange of data between Vectorworks and simplebim users via the open interface IFC and to improve the quality. This technology partnership also helps the Open BIM workflow and thereby improves collaboration in the building process.

The Bluebeam eXtreme Conference staged annually in the USA highlighted the expansion through technology partnerships – such as with Microsoft, CMiC and FieldLens – which facilitate improvements in interoperability over the entire design and building process. The purpose of the partnership between Bluebeam and Microsoft is that users should be offered performance increases in the mobile use of project data management solutions on tablets. With the Bluebeam Studio API as a starting point, FieldLens developed an integration with Revu that enables users to compare in real time field data recorded daily with drawings on an iPhone or an Android appliance. CMiC used Studio API for a solution integration at company level that noticeably facilitates collaboration workflows for their users.

There are yet more partnerships, for example, in document management. Crem Solutions from the Manage segment and Nevaris from the Build segment work together here with DocuWare. The partner product DocuWare legally and securely archives digital documents and paper documents company-wide from various IT systems, automatically and independently of source or format, in a central document pool. Integrated document management signifies a clear time saving and ensures a better information level through permanent access to all the necessary data.

## 2.3 DEVELOPMENT OF THE MATERIAL PERFORMANCE INDICATORS

### POSITIVE REVENUE DEVELOPMENT

The Nemetschek Group looks back on a very successful business year that achieved new records in revenues and operating results. The targets, which had already been revised upwards in October 2015, were exceeded again.

New records in revenues and operating results

All four **quarters** contributed to the very positive development. In the first quarter, revenues climbed 30.5% to EUR 66.6 million (previous year: EUR 51.0 million). The second quarter showed a similar picture with a sales rise of 33.8% to EUR 68.6 million (previous year: EUR 51.3 million). In the third quarter the growth climbed again. With an increase of 38.2% revenues rose to EUR 70.7 million (previous year: EUR 51.2 million). The fourth quarter of 2015 was the strongest in the company's history. Revenues reached a record level of EUR 79.3 million (previous year: EUR 65.0 million).

In 2015 as a whole, the **group revenues** rose markedly to stand at EUR 285.3 million, a rise over the previous year (EUR 218.5 million) of 30.6%. It was therefore above the forecast corridor of EUR 278 million to EUR 282 million. Besides strong organic growth throughout 2015 of about 14%, growth was driven by Bluebeam Software, Inc., which, after initial consolidation October 31, 2014, was included for the first time over a full 12 months. The non-organic revenue effect from Bluebeam (10-month effect) totaled EUR 36.1 million. Organically generated revenues climbed in the first quarter by 10.9%, in the second by 12.3% and in the third by 16.5%. In the fourth quarter, which is usually strong, organic growth was 16%.

After eliminating currency exchange effects, group revenues would be lower by EUR 12.4 million so that the growth would be about 25%. Nemetschek is particularly exposed to currency effects from the USA, Switzerland, Great Britain, Japan and Hungary.

### SEGMENT DEVELOPMENT

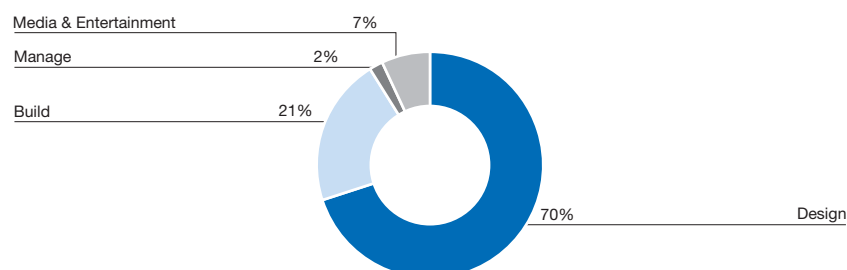
The **Design** segment was a growth driver in the fiscal year 2015. It grew through all quarters at over 10%. In total, revenues climbed clearly by 13.5% to EUR 198.8 million (previous year: EUR 175.1 million). The brands Graphisoft (Hungary) and Vectorworks (USA) contributed materially to the positive development. Allplan and DDS also reported favorable growth. The Design segment contributes more than 69.7% to group revenues. This proportion in the previous year was 80.2%. The shift to the Build segment is attributable to the recently acquired Bluebeam Software. There was an almost equally marked climb in EBITDA. With a plus of 12.9% it rose to EUR 49.5 million (previous year: EUR 43.8 million). The EBITDA margin was almost at the same level as in the previous year at 24.9% (previous year: 25.0%).

The **Build** segment grew very strongly on the shoulders of the Bluebeam acquisition. The segment turnover climbed in the fiscal year 2015 to EUR 60.1 million, which is three times the figure of the previous year, namely EUR 20.1 million. These figures include non-organic sales effects (10 months) through Bluebeam Software, which run to EUR 36.1 million. The organic growth of the Build segment was about 19.4%. EBITDA climbed similarly, from EUR 4.1 million to EUR 10.4 million. At the end of the fiscal year the EBITDA margin stood at 17.4% (previous year: 20.5%). Meanwhile the Build segment contributes 21.1% of group sales. Through the acquisition of Bluebeam Software this is a clear increase over the previous year (9.2%).

Revenues in the **Manage** segment rose by 19.3% to EUR 6.3 million (previous year: EUR 5.3 million). The rise in revenues is due particularly to a strong fourth quarter with an increase of 38.2%. EBITDA grew more strongly than sales. With a plus of 23.8% it rose to EUR 1.3 million (previous year: EUR 1.1 million). This produced an EBITDA margin of 21.3% (previous year: 20.6%).

The segment **Media & Entertainment** also grew at a double-digit rate in the fiscal year 2015. In total, revenues climbed by 11.9% to EUR 20.1 million (previous year: EUR 18.0 million). There was a slowing of growth over the quarters. EBITDA increased to EUR 8.2 million (previous year period: EUR 7.8 million) so that the EBITDA margin was at 41.0% (Previous year period: 43.2%). The result reflects investments such as those made in order to create innovative products.

#### REVENUES BY SEGMENTS IN %



#### SUMMARY OF SEGMENT INDICATORS

In EUR million	FY 2015	FY 2014	Δ in%
<b>Design</b>			
Revenues	198.8	175.1	+13.5%
EBITDA	49.5	43.8	+12.9%
EBITDA margin	24.9%	25.0%	
<b>Build</b>			
Revenues	60.1	20.1	+199.0%
EBITDA	10.4	4.1	+153.0%
EBITDA margin	17.4%	20.5%	
<b>Manage</b>			
Revenues	6.3	5.3	+19.3%
EBITDA	1.3	1.1	+23.8%
EBITDA margin	21.3%	20.6%	
<b>Media &amp; Entertainment</b>			
Revenues	20.1	18.0	+11.9%
EBITDA	8.2	7.8	+6.1%
EBITDA margin	41.0%	43.2%	

#### REVENUE FROM SOFTWARE LICENSES AND RECURRING REVENUES

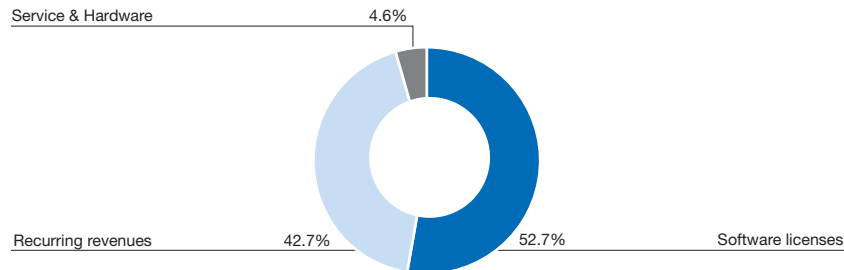
There was a sharp rise in software licenses sold during 2015. Up by 43.2%, revenues from software licenses climbed to EUR 150.4 million (previous year: EUR 105.0 million) The US brand Bluebeam Software contributed to this achievement. Software licenses now constitute 52.7% (previous year: 48.1%) of sales.

The recurring revenues from software service contracts continued the positive development of the previous year. They rose 20.5%, reaching EUR 121.7 million (previous year: EUR 101.0 million EUR). Accordingly, the proportion of total revenues was 42.7% (previous year: 46.2%).



The double-digit growth in both significant areas secures sustainable corporate growth for the Nemetschek Group: The license business enables new customers to be acquired or existing ones catered to more intensively while the software service contracts and rental models secure recurrent sales.

#### REVENUES BY TYPE IN %



#### INTERNATIONALIZATION

The Nemetschek Group now has more than fifty locations and sells its software solutions worldwide. In the last few years the Nemetschek Group has constantly strengthened its market position outside of its core markets in the DACH region and is stronger above all in the USA. Today, Nemetschek solutions are being sold in almost all regions of the globe. The geographical extension of the group's business activities makes it possible to recognize additional regional growth opportunities while also leading to a better allocation of risks.

Geographic extension enables regional growth opportunities and improved spreading of risks

The declared goal of the Nemetschek Group is to strengthen and develop further its international market position. Apart from the DACH region, the focus is on other European markets, including Scandinavia, southern Europe and the United Kingdom, while outside of Europe it is North and Latin America that are targeted, as well as Asia, especially Japan and China.

Through the acquisition of Bluebeam Software Inc. with its registered office in Pasadena, USA, the profile of the Nemetschek Group has been raised. The sales share climbed from about 14% in 2014 to 25% in 2015. Apart from Bluebeam, the other brands, and notably Vectorworks, have contributed to expanding the positioning in this strategic market. Vectorworks, with its headquarters close to Washington, D.C., is well positioned with local representative offices in Los Angeles and Chicago. A further office was established in Atlanta in 2015. The choice of location is governed by transport considerations and the presence of many well-qualified software programmers.

Maxon has opened a new development location in Montreal, Canada. The team consists of internationally known software developers from various sectors of the 3D sector. The aim is to develop further the Maxon solutions for integration into new production and development environments. Maxon is strengthening its position on the promising North American market.

In line with the strategy of positioning itself more strongly in Central America, after the adoption of a distribution partner in Mexico City in 2014, Graphisoft now has a branch in Brazil. In July 2015, Graphisoft signed a major order with Fernandes Arquitetos Associados (FAA), one of the biggest architectural offices in Brazil, whose portfolio of achievements includes two stadiums for the football World Cup. Scia too addresses the building industry in North and South America via its branches in Columbia (Maryland, USA) and São Paulo (Brazil).

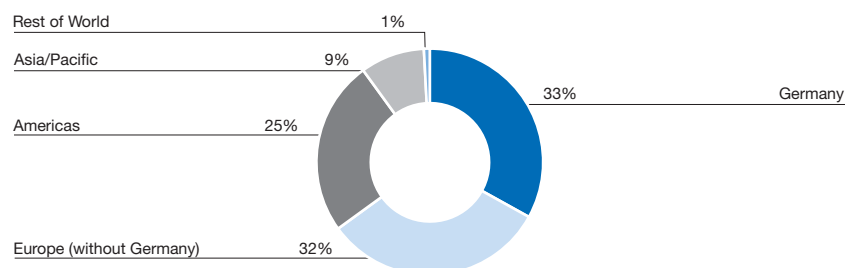
The Nemetschek Group managed to grow in Europe, where Scandinavia and the United Kingdom developed extremely well. One particular contributor here was Vectorworks. A prestigious magazine described Vectorworks Software as the most popular CAD software for BIM workflows among British users. Indeed, Vectorworks has positioned itself successfully in this market in recent years, more than doubling the number of users over the last five years.

Bluebeam concentrated more on the European markets in 2015. With its purchase of Bluebeam AB in Sweden, the company created its European headquarters, thereby strengthening its presence in the key market Europe. Last year Bluebeam enhanced its presence in Switzerland by engaging Allplan Schweiz AG as a reseller. Bluebeam's top solution, Bluebeam Revu, rounds off Allplan's CAD and BIM software family to create a complete portfolio of end-to-end solutions. This has enabled the Swiss AEC experts to manage their project data digitally and work on these collaboratively over an entire project life cycle.

In addition to Precast Software Engineering with branches in Singapore and Shanghai, Graphisoft Vectorworks and Maxon are also well represented in Asia. Graphisoft is securing a strong position in this growing market through cooperation with major firms of architects and construction companies.

Revenues rose overall both domestically and abroad in the financial year 2015. In Germany revenues again climbed by two-digit rates. With a plus of 10.1%, revenues rose to EUR 95.8 million (previous year: EUR 87.0 million). Revenues outside Germany climbed by 44.1% to EUR 189.5 million (previous year: EUR 131.5 million). The regions where growth was strongest were the USA, China, Scandinavia and the United Kingdom. In the reporting financial year, the Nemetschek Group generated 66.4% (previous year: 60.2%) of its sales outside Germany.

#### REVENUES BY REGION IN %



Details of non-financial performance indicators can be found under Section 1.2 Corporate management.

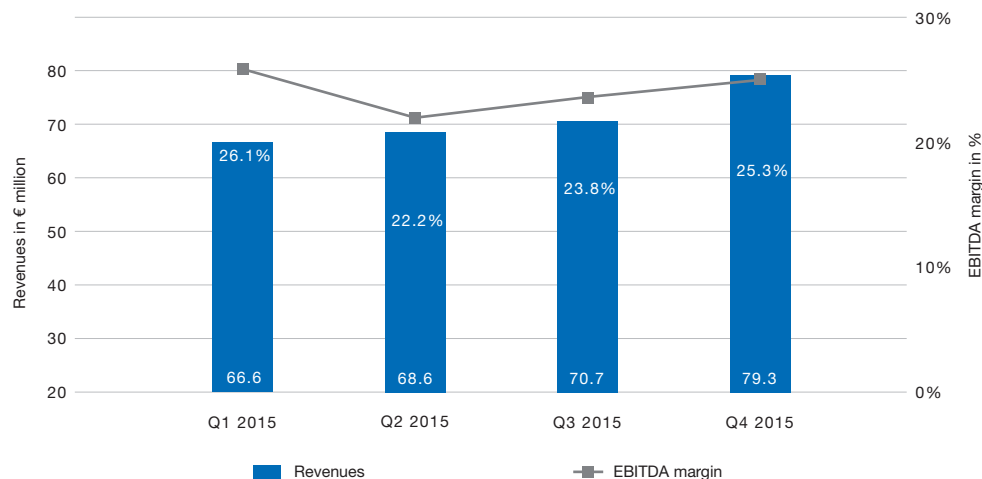
## 2.4 EARNINGS SITUATION

### GROWTH IN EARNINGS

With growth of 22.3%, earnings before interest, tax and depreciation/amortization (EBITDA) increased to EUR 69.5 million (previous year: EUR 56.8 million). EBITDA surpassed the forecast corridor of EUR 65 million to EUR 67 million, this corridor having already been raised in October. The EBITDA margin in fiscal 2015 was at 24.4% after 26.0% in the previous year. The decline in the EBITDA margin is partly attributable to investments. This includes, for instance, the extension of the international market presence, the expansion of sales and marketing as well as the extension of the BIM-5D competence. The full-year effect of the newly acquired Bluebeam also affected the EBITDA margin, which was slightly lower than the level of the Nemetschek Group. It is emerging more and more clearly that our strategic investments in new brands, products and markets are paying off and that we are creating the basis for future growth here.

Here there was also a positive effect on earnings from exchange translation in the amount of EUR 0.7 million (previous year: EUR 2.1 million). This currency effect is contained in other operating income and expenses (translation effect). The translation effect was EUR 3.6 million at EBITDA level (previous year: EUR 0.6 million). Therefore, if currency effects were eliminated, EBITDA would be EUR 3.6 million lower.

### QUARTERLY DEVELOPMENT OF REVENUES AND EBITDA MARGIN



The operating expenses before depreciation amounted to EUR 221.7 million, an increase of 33.0% over the previous year (EUR 166.7 million). The rise is primarily in connection with increased personnel costs and higher other operating expenses. In total, personnel expenses climbed by 34.4% to EUR 127.1 million (previous year: EUR 94.5 million). Other operating expenses came to EUR 84.9 million, an increase of 33.7% compared to the previous year (EUR 63.5 million). The background to this increase is that Bluebeam Software Inc. was consolidated for the first time for an entire year – in 2014 it had only been included for November and December; a further factor was expenditure on personnel and infrastructure that had become necessary in response to the growth in the group as a whole.

Depreciation and amortization on fixed assets were higher due to higher charges from the purchase price allocations of EUR 10.3 million in 2014 to EUR 16.8 million in 2015. Charges from the purchase price allocation ran to EUR 10.1 million in 2015 (previous year: EUR 4.8 million).

Earnings before taxes and interest (EBIT) improved in 2015 to EUR 52.7 million, which is 13.3% higher than in the previous year (EUR 46.5 million). The fact that the development is proportionately lower compared with the EBITDA increase is attributable to the higher amortization charges from the purchase price allocation.

The financial result was almost breakeven in the previous year and improved in 2015 to EUR 1.5 million. The reason for the recovery is mainly a marked climb in the result from associates due to the very good business development of the DocuWare group. The financial result also contains one-off income from the lowering of a subsequent purchase price obligation of EUR 1.0 million. Because of the loan in connection with the acquisition of Bluebeam Software, net interest ran to EUR –0.5 million after EUR 0.1 million in the previous year.

The group tax rate was slightly higher at 30.3% (previous year: 28.1%). Taxes on income increased in the fiscal year 2015 from EUR 13.1 million to EUR 16.4 million.

In total, the period result climbed by 12.9% to EUR 37.8 million (previous year: EUR 33.5 million). Net income for the year (shareholders of the parent company) climbed by 14.0% and reached EUR 35.9 million (previous year: 31.5 million EUR). Earnings per share were EUR 0.93 (previous year: EUR 0.82 relating to the number of shares after the share split), an increase of 14.0%.

Adjusted for the purchase price allocation (PPA) the net income for the year would be EUR 42.8 million, which represents an increase of 21.3% over the previous year (EUR 35.3 million). Earnings per share would then stand at EUR 1.11 (previous year: EUR 0.92 relating to the number of shares after the share split).

#### SUMMARY OF GROUP INDICATORS

In EUR million	FY 2015	FY 2014	Δ in %
<b>Revenues</b>	<b>285.3</b>	<b>218.5</b>	<b>+30.6%</b>
thereof software licenses	150.4	105.0	+43.2%
thereof recurring revenues	121.7	101.0	+20.5%
<b>EBITDA</b>	<b>69.5</b>	<b>56.8</b>	<b>+22.3%</b>
EBITDA margin	24.4%	26.0%	
<b>EBIT</b>	<b>52.7</b>	<b>46.5</b>	<b>+13.3%</b>
EBIT margin	18.5%	21.3%	
<b>Net income for the year (group shares)</b>	<b>35.9</b>	<b>31.5</b>	<b>+14.0%</b>
Earnings per share in EUR	0.93	0.82	+14.0%
Adjusted net income before amortization of purchase price allocation	42.8	35.3	+21.3%
Adjusted earnings per share before amortization of purchase price allocation	1.11	0.92	+21.3%

## 2.5 FINANCIAL POSITION

### PRINCIPLES AND OBJECTIVES OF FINANCIAL MANAGEMENT

The prime objective of our financial management is to secure the financial stability and flexibility, as well as the liquidity of the Nemetschek Group. This is done by ensuring equilibrium between equity and debt capital. By taking up a further bank loan with a term of five years in the amount of EUR 32 million in order to finance the acquisition of Solibri Oy, liabilities to financial institutions as at December 31, 2015, rose to about EUR 80 million (previous year: EUR 60 million). The capital structure has thus changed slightly year on year but remains very solid with an equity rate of 44.0% (previous year: 46.8%).

### LIQUIDITY ANALYSIS

Nemetschek holds enough liquid reserves to undertake growth projects

As at December 31, 2015, Nemetschek held liquid funds of EUR 84.0 million, an increase of 47.4% (previous year: EUR 57.0 million). This represents EUR 2.18 per share eligible for dividends (previous year: EUR 1.48). Despite the current redemption obligations from acquisition loans of EUR 18.4 million annually and the dividend distribution amounting to EUR 15.4 million after the annual general meeting in May 2015, Nemetschek holds enough liquid reserves to undertake further growth projects, both organic and non-organic.

In investing the surplus liquidity, priority is given to short-term, risk-free availability rather than profit maximization; this is so that funds can be accessed quickly if needed to finance an acquisition.

At the balance sheet date December 31, 2015, there were loan liabilities amounting to EUR 48.0 million due to the Bluebeam acquisition and EUR 32.0 million due to the Solibri acquisition. The loans are charged with interest at 1.03% and 0.94% p.a. Net liquidity at the balance sheet date was EUR 3.3 million (previous year: EUR -3.0 million).

To ensure efficient cash and liquidity management Nemetschek AG, as the group's ultimate parent, carries out group-wide cash pooling with selected subsidiaries. Other liquid assets flow to the ultimate parent of the group through the annual profit distributions of subsidiaries.

## CASH FLOW DEVELOPMENT

The cash flow for the period increased by 22.8% to EUR 70.0 million (previous year: EUR 57.0 million). This increase has come about mainly from the higher net earnings before taxes and, in comparison with the previous year, higher non-cash amortization.

Cash flow from operating activities at EUR 65.1 million increased by 47.4% compared to the previous year (EUR 44.2 million). The growth in operating cash flow was characterized in the reporting year mainly by the described effects on the period cash flows as well as developments in trade receivables. Despite strong revenue growth, trade payables remained almost at the level of the previous year. The high growth in the software service contracts contributed to the favorable development of operating cash flow.

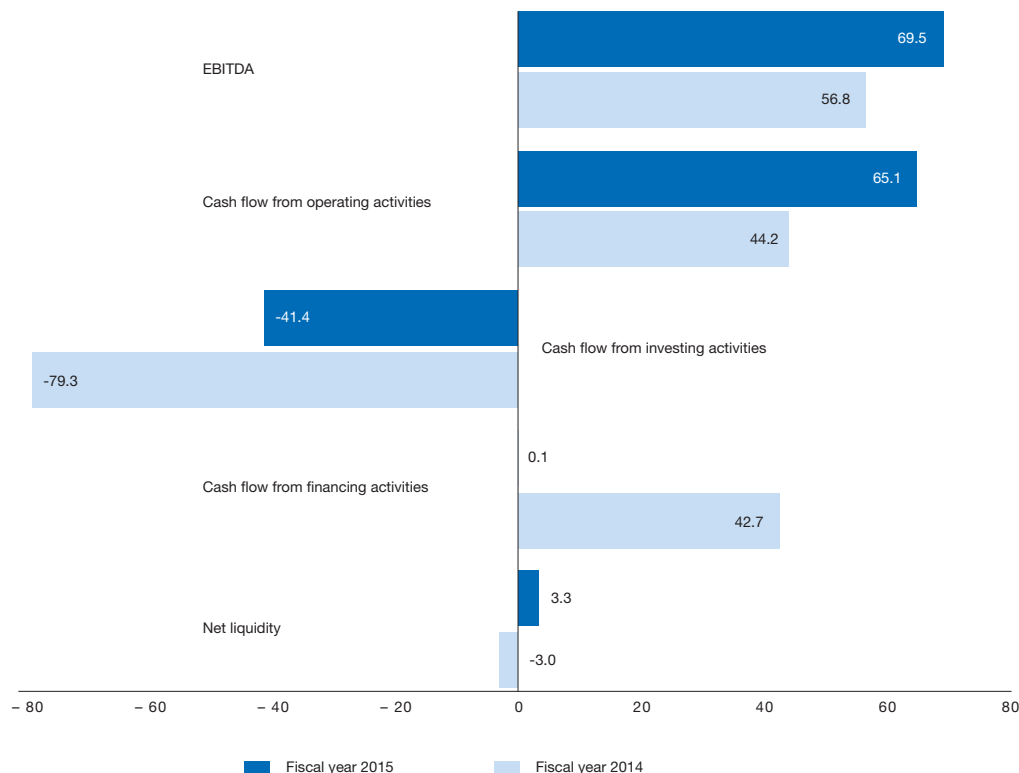
Operating cash flow increased by 47.4%

The cash flow from investing activities amounted to EUR -41.4 million (previous year: EUR -79.3 million). Whereas the prior year figure included the purchase of Bluebeam Software amounting to EUR 75.1 million less the liquid funds purchased, the material items in 2015 were the payments for the acquisition of Solibri Oy amounting to EUR 31.1 million less liquid funds purchased. Otherwise, capital expenditure for fixed assets came to EUR 7.6 million (previous year: EUR 3.5 million). These investments included capital expenditure on expansion in response to the growth as well as replacement expenditure.

The cash flow from financing activities was about EUR 0.1 million (previous year: EUR 42.7 million). This reflects mainly the taking-up of a loan of EUR 32.0 million to finance Solibri. Other amounts included are the dividend distribution of EUR 15.4 million (previous year: EUR 12.5 million), redemption payments of loans in the amount of EUR 12.0 million, distributions to companies with minority shares in the amount of EUR 2.0 million and purchase price payments in connection with the acquisition of non-controlling interests.

Cash and cash equivalents were EUR 84.0 million at the year-end (previous year: EUR 57.0 million).

### CASH FLOW ANALYSIS IN EUR MILLION



## MANAGEMENT OF LIQUIDITY RISKS

Liquidity risks arise from the possibility that customers may not be able to settle their obligations to the Nemetschek Group under normal trading conditions. To manage this risk, the company periodically assesses the credit rating of its customers.

The credit rating of Nemetschek allows sufficient liquid funds to be procured. Furthermore, lines of credit not yet taken up of EUR 8.5 million are also available. Nemetschek monitors its risk of a shortage of funds using monthly liquidity planning. This considers the maturity of both its financial assets (accounts receivable, fixed-term deposits etc.) and projected cash flows from operating activities. The objective is to maintain a balance between continuous coverage of financial funding requirements and the guarantee of maintaining flexibility.

## INVESTMENT ANALYSIS

In order to secure a leading market position in the AEC market and to constantly secure and expand new fields of application, investments are made for capacity expansion, as well as for replacement and rationalization measures. These investments are financed from cash flow from operations.

The Nemetschek Group invested EUR 7.6 million in tangible and intangible assets (previous year: EUR 3.5 million). The Design segment invested about EUR 4.1 million (previous year: EUR 2.6 million) in fixed assets, the Build segment EUR 3.1 million (previous year: EUR 0.3 million) and Media & Entertainment EUR 0.4 million (previous year: EUR 0.6 million). In the segment Manage, capital expenditure was some EUR 0.05 million, as in the previous year. Amortization of internally generated assets ran to EUR 1.2 million in 2015 (previous year: EUR 1.3 million).

## 2.6 NET ASSETS

On the assets side, current assets rose by 28.0% from EUR 98.4 million to EUR 125.9 million. The reason for the increase (47.4%) was mainly a rise in liquid funds by EUR 27.0 million.

Non-current assets rose markedly, by EUR 60.3 million, to stand at EUR 253.6 million. The sum of intangible assets and goodwill increased from EUR 180.1 million to EUR 235.7 million, mainly in connection with the acquisition of Solibri. The rise in tangible assets from EUR 10.8 million to EUR 13.8 million results from the higher expansion and replacement expenditure in the fiscal year 2015. The interests held in associated entities increased on account of the earnings due to Nemetschek from the DocuWare Group to EUR 1.9 million (previous year: EUR 0.9 million).

On the shareholders' equity and liabilities side of the balance sheet, current debt increased by 23.6% to EUR 104.1 million (previous year: EUR 84.3 million). The debt mainly comprises trade payables alongside provisions and accrued liabilities that fall due in less than one year, and are covered by current operating cash flow. The item current loans of EUR 18.6 million includes the repayment amount of the long-term bank loan due in the coming 12 months.

Trade payables climbed in line with business by 13.9% to EUR 6.6 million (previous year: EUR 5.8 million). The rise in provisions to EUR 25.6 million (previous year: EUR 21.1 million) as well as the revenue accruals to EUR 42.0 million (previous year: EUR 32.4 million) are attributable to the growth in the fiscal year 2015.

Non-current liabilities also increased due to the acquisition of Solibri to EUR 108.5 million (previous year: EUR 70.9 million). This includes the non-current portion of the bank loan in the amount of EUR 61.6 million. Deferred tax liabilities rose to EUR 24.3 million (previous year: EUR 15.4 million), mainly in connection with the intangible assets capitalized following the purchase price allocation. Other non-current financial liabilities include the subsequent purchase price obligation from the acquisition of Solibri amounting to EUR 12.8 million.

The shareholders' equity ratio at the end of the year was 44.0% (previous year: 46.8%), the current borrowing ratio was 27.4% (previous year: 28.9%) and the non-current borrowing ratio was 28.6% (previous year: 24.3%).

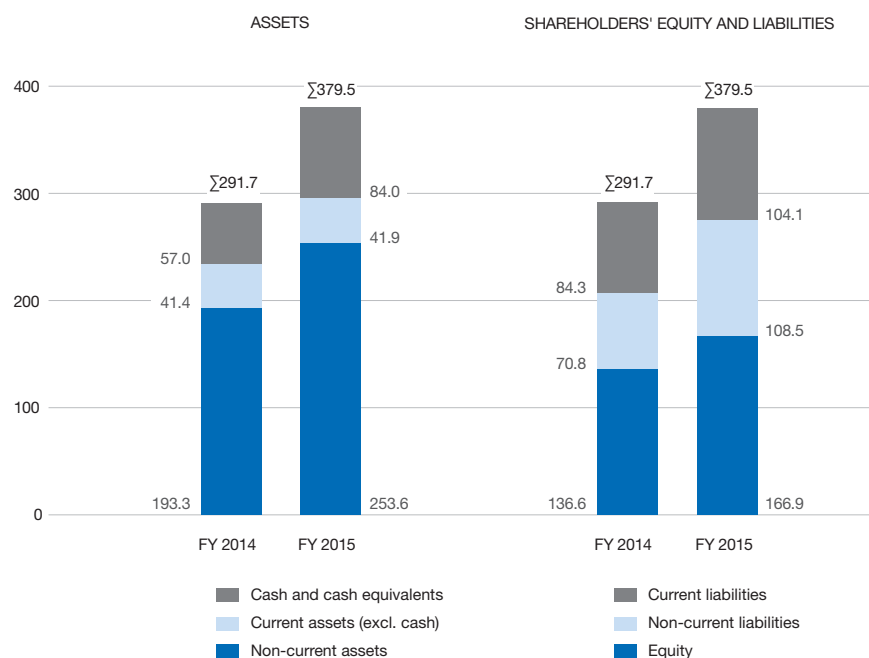
The effect of exchange rate fluctuations in the reporting year 2015 on the consolidated financial statements, i.e. changes in the translation of those financial statements which are disclosed in foreign currency, were favorable with an additional EUR 10.1 million recorded under equity.

As at December 31, 2015, the balance sheet total had risen to EUR 379.5 million (previous year: EUR 291.7 million).

#### BALANCE SHEET ITEMS

In EUR million	FY 2015	FY 2014	Δ in %
Cash and cash equivalents	84.0	57.0	+47.4%
Goodwill	134.9	111.3	+21.3%
Equity	166.9	136.6	+22.2%
<b>Balance sheet total</b>	<b>379.5</b>	<b>291.7</b>	<b>+30.1%</b>
Equity ratio in %	44.0	46.8	

#### SUMMARY OF THE BALANCE SHEET IN EUR MILLION



## 2.7 COMPARISON OF ACTUAL AND FORECAST BUSINESS DEVELOPMENT

The Nemetschek Group first published its forecast for the fiscal year 2015 in March together with the consolidated financial statements for 2014. At the time, the Nemetschek Group anticipated an increase in revenues in a corridor of EUR 262 to 269 million for the fiscal year 2015, representing an increase over the previous year of 20% to 23%. The expectation for EBITDA was for it to rise to a target corridor of EUR 62 to 65 million.

### Nemetschek increases forecast for revenues and EBITDA

After the dynamic development in the first nine months, and in particular in the third quarter, the Nemetschek Group revised its forecast for revenues and EBITDA in October 2015 upwards. The reason for the development was, besides the two-digit organic growth, the acquisition in the previous year of Bluebeam Software. The new forecast revenues were in a corridor of EUR 278 to 282 million. This represents a planned revenue growth over the previous year (EUR 218.5 million) of 27% to 29%. EBITDA was now expected in a corridor of EUR 65 to 67 million.

The figures, which had been revised upwards in October, were then exceeded by very strong business which was booked towards the end of the year. Revenues rose to EUR 285.3 million, hence above the adjusted forecast corridor of EUR 278 to 282 million. EBITDA at EUR 69.5 million also surpassed the forecast corridor of EUR 65 to 67 million.

### OVERVIEW OF THE FORECAST TO ACTUAL FIGURES 2015

In EUR million	Financial year 2014	Forecast 03/2015	Forecast adjustment 10/2015*	Actual financial year 2015
Revenues	218.5	262 – 269	278 – 282	285.3
EBITDA	56.8	62 – 65	65 – 67	69.5

\* Forecast was adjusted upwards in the light of the very strong business development in the first three quarters.

## 2.8 OVERALL PRESENTATION

The figures presented here again demonstrate the economic strength of the Nemetschek Group. We look back on the most successful year in the history of the company, in which we met with further success in respect of the decisive matters of internationalization, innovation and the integration of technological trends in our own portfolio. We grew organically at a double-digit percentage rate as well as through the acquisition of Bluebeam Software in 2014. The greatest growth impetus came from abroad and the sale of software licenses.

We have not only achieved record figures in terms of sales and earnings, but also extended our worldwide profile, improved our market position further, and again demonstrated our competence as a world-leading supplier of Open BIM solutions. In parallel, we have created the basis for further growth with our future-oriented investments.

There was a further acquisition at the end of the year in the form of the Solibri Group, which is located in Helsinki. As worldwide leaders and globally positioned suppliers of software for quality assurance and control of BIM, Solibri is a perfect addition and will occupy a central position in the solutions portfolio of the Nemetschek Group. Hence the Nemetschek Group is consistent in its further pursuit of the open BIM approach and is improving its global positioning as Open BIM market leader.



## 3 OPPORTUNITY AND RISK REPORT

### OPPORTUNITY AND RISK MANAGEMENT

The corporate activity of the Nemetschek Group involves both opportunities and risks which are, above all, characterized by the diversity of the business of the Nemetschek Group. A risk management and control system is implemented for early detection, assessment and the correct management of business opportunities and risks. The Nemetschek Group aims to continually extend its national and international market position. To this end, all opportunities that arise should be exploited as best as possible and market changes responded to proactively. The management of opportunities is governed by the aim of sustainable and profitable growth and a long-term increase in corporate value. The occurrence of any risks is connected with this process. These must be recognized early and their severity assessed, and they need to be communicated and handled professionally, thereby ensuring the future success of the Nemetschek Group.

The risk and opportunity management is an integral part of all decisions and business processes in the group and thus supports the sustainable securing of future corporate success. The aim is to analyze the risk profile of potential factors, detect changes in risk conditions and counteract negative developments in advance. An additional objective is to recognize and benefit from possible opportunities.

Potential opportunities are identified and exploited

Responsibility for detecting risks at an early stage and dealing with them generally rests with the executive board. In performing its duties in this area, the board is assisted by the general managers of the subsidiaries, the defined risk owners, and the risk managers of the subsidiaries and of Nemetschek AG. The responsibilities of the risk managers include the summary, appraisal and reporting of risks and related counter-measures. The so-called risk owners are responsible for continually identifying, assessing and managing risks in their respective strategic and operational areas. The internal auditor is also a key element of the risk management system and, in the course of his or her activities continually monitors the proper functioning and effectiveness of the processes.

To improve comparability, risks are assessed across the whole group based on uniform quantitative and qualitative criteria. As part of a risk inventory, the current risk status of the Nemetschek Group is updated and documented.

### ACCOUNTING-RELATED RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL SYSTEM

The risk management and internal control systems generally also cover the accounting processes as well as all risks and checks with regard to accounting. This relates to all parts of the risk management system and internal control system that could have a significant impact on the consolidated financial statements. The aim of risk management with regard to the accounting processes is to identify and assess risks that could prevent the consolidated financial statements from complying with the applicable regulations. Any impact of identified risks on the consolidated financial statements must be assessed and evaluated. The aim of the internal control system is to establish sufficient security through the set-up of controls so that the consolidated financial statements comply with the relevant regulations, despite any identified risks.

Both the risk management system and the internal control system provide Nemetschek AG and all subsidiaries relevant for the consolidated financial statements with all processes relevant for preparation of the financial statements. The controls relevant for accounting primarily concern the risk of a significant misstatement in the consolidated financial statements.

An evaluation of the significance of misstatements is based on the probability of occurrence and the effects on revenue, EBITDA and the balance sheet total. The capital market and the influence on the share price also play an important role.

Significant elements of risk controlling and management in accounting are the assignment of responsibilities and controls during the preparation of the financial statements, group-wide requirements in the form of guidelines on accounting and the preparation of the financial statements, and appropriate rules for accessing the IT systems. The principle of dual control and functional separation are also important control principles in the accounting process.

An evaluation of the effectiveness of internal controls with regard to accounting was an integral part of the checks carried out in 2015 by the internal audit department. Four times a year, the supervisory board is informed about the significant identified risks in the Nemetschek Group and the efficiency of the risk management system and accounting-relevant internal control system.

## OPPORTUNITIES AND RISKS

The Nemetschek Group is faced with strategic risks of a medium to long-term nature. These are related to changes in environmental and market factors, competitive conditions, technological progress and management processes such as, for example, development and marketing, or organizational or leadership processes. On the other hand, there are also operating risks that tend to be of a more short-term nature, and that can arise from changes in the market environment, inadequate or erroneous internal processes, systems or external factors as well as human error. As a result, the efficiency of the organization and the recoverable value of assets might be impaired.

The Nemetschek Group's factors for success are based on its decades of experience in the development and marketing of software solutions in the AEC environment (Architecture, Engineering, Construction) and in the media & entertainment industry, its well-qualified, innovative and highly motivated employees at all levels, as well as stringent and efficient business processes. Opportunities for further development of the business base and for expansion of the portfolio are systematically identified and exploited where possible.

## RISK EVALUATION

Rating with regard to estimated probability and expected scale of effect

In order to undertake appropriate risk management measures, in particular potential going concern risks, the risks identified are assessed with regard to their estimated probability of occurrence and, on occurrence, the expected scale of their effect on the earnings, net assets and financial situation, the share price and reputation of the Nemetschek Group, and then they are subsequently classified as "low", "medium" or "high".

### RISK POTENTIAL PROBABILITY OF OCCURRENCE

Level	Probability of occurrence
Very low	≤ 10%
Low	>10% ≤ 25%
Medium	> 25% ≤ 50%
High	> 50% ≤ 75%
Very high	> 75% ≤100%

### RISK POTENTIAL SEVERITY OF THE LOSS OR DAMAGE

Level	Potential severity
Very low	EUR 0.0 ≤ 0.25 million
Low	>EUR 0.25 ≤ 0.75 million
Medium	>EUR 0.75 ≤ 2.0 million
High	>EUR 2.0 ≤ 4.5 million
Very high	>EUR 4.5 million

## MARKET RISKS

### ECONOMIC RISKS (POLITICAL AND REGULATORY RISKS, SOCIAL CONFLICTS, INSTABILITIES, NATURAL DISASTERS)

Customer demand for software, services and solutions from the Nemetschek Group depends on their order situation and funding. These could be influenced by the current situation and future expectations of the underlying conditions for the sector and the economy generally.

The Nemetschek Group is active in various markets the economies of which might enter a recession or undergo a crisis due to cuts in state spending, new financial laws to limit spending and debt, high unemployment, or due to natural disasters or conflicts. There is generally the possibility that, as part of a rapid change in the economic situation or state regulation in individual countries or in economic communities, conditions may arise that threaten the substance of our existing business models or market opportunities. Such changes may in turn also negatively affect the sales, the financial and earnings situation and the existing assets of the company.

Nemetschek tracks the development of the important economies and their construction industries using generally available early warning indicators and an analysis of its own marketing situation. Thanks to its international sales orientation, the company is able to spread its risks. In particular, the Nemetschek Group continually observes those markets where it is most strongly present, i.e. Europe, North and Latin America, and Asia.

Economic or political changes can affect the business activities of the Nemetschek Group. The conflict between Russia and the Ukraine has burdened the development of the world economy since 2014 and causes uncertainty. The conflict in Syria intensified over the course of the year and is putting the stability of the economic regions worldwide in peril. Closely linked with this is the refugee crisis and its effects on the economic situation in the European Union. In addition, in some countries of the European Union there are nationalist tendencies, for instance in Hungary and Poland, while there is discussion of the United Kingdom of leaving the EU (Brexit). The slowdown in economic growth in the BRIC countries might have adverse effects on other economic regions. All these factors might lead to considerable uncertainty in the markets which are significant for Nemetschek. It cannot be excluded that the economic conditions in key markets might have lasting adverse effects on business activities, financial position and results of operations or on means of payment. However, the further advancement of internationalization of the Nemetschek Group offers greater spread of risks and growth potential.

### INDUSTRY SECTOR RISKS

The main opportunities and risks, which could lead to a significant change to the Nemetschek Group's economic situation, lie in the market and industry environments.

The AEC market is characterized by high-speed innovation. The significance of information technology and digitalization is growing constantly. Therefore, in the markets addressed by us there is still a great and increasing growth potential. The Nemetschek Group has a leading competitive position and is able to react quickly and flexibly due to its decentralized structure and to realize additional revenue potential. Conversely, a fall in demand might negatively impact the earnings situation at short notice due to a delay in reducing costs.

However, revenue from Nemetschek Group solutions is distributed geographically across many countries. Moreover, no individual customers account for a major share of revenues and, thus, there is no cluster risk. Consequently, the risks described have not yet had any significant impact on Nemetschek's earnings situation. As a leading company in the AEC industry, and thanks to its size and expertise, Nemetschek has a good chance of continuing to expand its market share and to benefit from technological trends such as Building Information Modeling (BIM), 5D, collaboration, cloud computing and mobile solutions as well as generally the progressive digitalization and networking.

The success of the Nemetschek Group mainly hinges on the economic development in the construction and real estate industries. The order situation and financial strength of the construction industry and its players influence the industry's investments in software, and, in turn, the development of the group's business.

Significance of information technology and digitalization is growing constantly

The fundamental willingness of private and institutional builders to invest also plays an important role in future development. The general conditions of the economies in which Nemetschek is active might therefore permanently impair the purchasing power of our target groups.

In addition, pessimism about further economic development could provoke a decline in investment.

The Nemetschek Group tracks such trends by regularly analyzing the significant early key indicators. Additionally, there is a particular focus on growth opportunities in the emerging countries which Nemetschek would also like to exploit steadily, as well as on the demand for innovative solutions.

**A broad client base and a wide product portfolio spread risk**

Risks are additionally diversified at Nemetschek through involvement in markets in different countries, which are generally also characterized by different economic and competition risks. In addition, risk is spread by maintaining a broad client base and a wide product portfolio while the large portion of revenue from maintenance work leading to recurrent revenue also serves to mitigate risk. Bad debt risk, i.e. the risk of contractual parties defaulting, is managed by means of credit approvals, limits, monitoring procedures and regular debt reminder routines.

**RISKS FROM THE COMPETITIVE ENVIRONMENT**

The competitive situation, too, has a substantial impact on the opportunities and risk profile. The Nemetschek Group is active in an intensely competitive and technologically fast-moving market. Apart from Nemetschek, there are not many large vendors active in the global AEC market. Future risks may arise in this context as a result of the pace of technological change, competitors' innovations or the appearance of new players in the market.

Nemetschek, however, considers these risks to be manageable. The company invests substantially in research and development in order to further develop the solutions portfolio and to bring out innovations. About 24% of total group revenue is invested annually in research and development and, thus, to secure the leading market position. The Nemetschek Group sees itself as a supplier of competence which is prepared to go to considerable lengths to accommodate the needs of its customers. With its segments Design, Build, Manage and Media & Entertainment the Nemetschek Group covers the entire life cycle of buildings. In addition, the Media & Entertainment segment, which is substantially independent of any one sector, has made good progress over the last few years. Nemetschek is therefore exposed to lower risks than other market participants.

Nonetheless, there remains a risk that competitors may offer software solutions with less functionality but at substantially lower prices in order to win over existing customers from the Nemetschek Group. In order to counter this risk, the subsidiaries work continually on fulfilling customer wishes, offering innovative solutions and on comprehensive service and support.

With regard to the current market situation we assess the economic risks of instability to be "low". We consider the severity of impact in the event of the risks occurring also to be "low". The occurrence of risks from the competitive environment is assessed as "medium", whereas the severity of impact should they occur is assessed as "low". For all risks described here we currently see nothing which would impact on the financial, economic and earnings situation.

<b>Risk category</b>	<b>Probability of occurrence</b>	<b>Severity</b>
Economic risks	low	low
Industry sector risks	very low	very low
Risks from the competitive environment	medium	low

## OPERATING RISKS

### CORPORATE STRATEGY

Risks can also result from corporate decisions which change the opportunity and risk profiles in the short, medium or long term.

Furthermore, the demand of customers for products, solutions and services is subject to constant change. The measures taken for product development, expansion of business fields or marketing might not meet with success. The risk also exists that the corporate decisions taken and the allocation of resources for the permanent securing of the company are inadequate and the substance of the company might be jeopardized.

In order to control these risks there is a close cooperation between development and marketing of products and solutions and the requirements of the markets and of our target groups. The competitive situation is regularly analyzed with regard to technology, market participants and business models. Furthermore, the brand companies cultivate close dialogue on various sector forums dealing with the development of the AEC and the Media & Entertainment segments with allies, analysts and key customers.

### SALES RISKS

The varying sales models of the group are based on the approach of technically reliable sales partners, re-sellers and highly qualified employees with expertise. These contribute to the optimal processing of the customer segments and to ensuring high customer satisfaction; they guarantee the sustainability of earnings. The brand companies administer the various markets as part of differing sales and business models. As a result of the partially high complexity of the solutions, marketing them is very demanding. Knowledge of the technologies and products is subject to constant change due to fast technical progress.

Any loss of sales partners or of sales personnel may adversely affect the revenue and earnings of the Nemetschek Group. The brand companies counter this risk through careful selection and training of their distribution partners and sales personnel with control in the form of incentive and performance systems. The sales employees are paid performance-related premiums or commission in addition to their fixed remuneration.

Sales risks would also exist if the subsidiaries decided to establish their own selling team or own sales location in regions where a sales partner was previously operative. Disputes could arise here with the current sales partners as well as customer dissatisfaction due to the change.

### MARKETING RISKS

The Nemetschek Group generally generates revenues from software license sales and income from maintenance contracts from clients in the global AEC and Media & Entertainment segments. In addition to these two forms, there is a trend towards software as a service (SaaS) and rental models (i.e. subscription). Already some of our software, for example Nevaris, is offered as SaaS, or else in the case of Bluebeam as a rental model, although the volumes involved are still very low. Large software houses have already converted their models from the classical desktop use to SaaS and subscription or they are in the process of doing so. This changeover is being accelerated in the USA in particular. There is a risk of the market moving faster in this direction than assumed by Nemetschek, which could lead to adverse effects on the financial situation, net assets and earnings.

### PRODUCT RISKS

The market for software solutions is characterized by high speed technological progress and so continual change. There is a basic risk that the innovative advantage achieved by the Nemetschek Group might be lost through innovations from competitors as well as through failure to acknowledge and adapt, at all or in time, to changing customer requirements and technological innovation. Thus, the future business success depends above all on our ability to offer innovative products which are tailored to the needs of the customers. Nemetschek counters this risk by generally offering annual release cycles for its software products. This is also an opportunity to win additional market shares, thanks to the extensive product range tailored to local customer requirements. Nemetschek has, additionally, the

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ability to react to changes quickly through its twelve independent and autonomous brand companies. Only through a constant optimization of our product range are we able to hold our edge compared to the competitors. As a result of its close proximity to customers and its innovative solutions the Nemetschek Group has good chances of future profitable growth.

Potential risks are attached to the process of developing software products in that they might fail to sufficiently fulfill customers' needs or internal quality standards.

The technology of third-parties is partly included in the software products of the brand companies. Where this is lost or there is a lack of quality in technology, this can lead to delays in own software supply, as well as to increased expenses for the procurement of replacement technology or for quality improvement. The brand companies account for this risk through careful selection of suppliers and an appropriate quality assurance.

#### PROJECT RISKS

To a limited extent Nemetschek generates revenues as part of project contracts with customers in various countries. This kind of business has a different profile to the classical software license business since in order to render its services Nemetschek must have some recourse to external personnel with key expertise. In some cases, Nemetschek is reliant on the support of the customer for project realization and on exact customer documentation for provision of the service (systems specification).

It is possible that, if the performances rendered were inadequate, compensation for damages would be claimed from the brand companies. For example, as a consequence of divergent country-specific legal requirements, Nemetschek might not fully meet contractual conditions. To avoid such risks Nemetschek has issued guidelines on the awarding of contracts which require a legal and commercial examination of such projects.

#### TECHNOLOGY RISKS

The risk exists that technologies used might no longer be "state of the art". This could relate to both existing and future products. The product portfolio strategy currently pursued with Open BIM and 5D solutions, the provision of rental models and cloud services, and catering for mobile end devices should help the company to develop new markets and to secure its market position.

Should the expected market demand for Open BIM and 5D solutions be weaker, or should completely different web technologies prevail, a situation could arise in which income fails to cover the investments made.

Nemetschek bears this risk by continually evaluating technology and by regularly updating market estimates, as well as focusing the product portfolio strategy on current market conditions. Overall, Nemetschek is convinced that new business opportunities will arise from the trend to Open BIM and 5D.

Risks arise if technologies such as rental models or the cloud are demanded sooner than expected and the matching solutions do not yet have the level of maturity expected by the customer. Nemetschek meets this risk through rapid alignment and by intensifying its development activities.

## PROCESS RISKS

The core processes of software development, marketing and organization in the Nemetschek Group are subject to continuous checks and improvements by management. The performance and goal orientation of these processes is put to the test and optimized during strategic and operational planning. Nevertheless, fundamental risks might still exist that, due to inadequate availability of resources or changes in underlying conditions, the required and planned process results might not meet customer requirements in terms of timing and content, and therefore might lead to loss of capital.

Further risk potential exists in the restructuring of the product lines. Thus, the migration of a product which has been on the market for a long time to a new solution can bring with it the risk of losing customers even if the migration takes place within the group. In such cases the Nemetschek Group makes sure that the communication between the brands is strengthened and a comprehensive marketing shows the advantages of migration.

## EMPLOYEES

Recruiting and permanently retaining highly qualified employees is a key factor for the entire software sector and therefore also for the Nemetschek Group. If managers or other qualified employees were to leave the Nemetschek Group and suitable replacements could not be found, this would adversely affect business development. This issue is particularly sensitive if it also means losing knowledge and specific company data. To prevent this risk, the Nemetschek Group offers attractive working conditions and continually improves knowledge management processes. The debate on the skills shortage presents a challenge to the Nemetschek Group. In order to win young employees, the Nemetschek Group works very closely together with universities, awards scholarships and grants doctorate jobs.

Retaining highly qualified employees is a key factor for success

## ACQUISITION AND INTEGRATION RISKS

Company acquisitions are an essential component of a corporate strategy aimed at long-term profitable growth. The Nemetschek Group will, therefore, also strengthen and expand its own market position in the future through acquisitions. In order to make the most of these opportunities, the internal staff from the Business Development unit of the Nemetschek Group survey the markets continually in search of suitable candidates while also working with M&A consultants in order to identify possible acquisitions. Furthermore, the brands contribute their knowledge and market observations to a professional M&A process. Acquisitions are carefully and systematically checked before contracts are signed. A standardized process has been established for M&A with an emphasis on due diligence and post-merger integration.

In looking for appropriate companies to acquire, Nemetschek finds itself competing with other corporations. The structure of the Nemetschek Group with independent brands assists in winning in the tender process. Experience shows that company founders prefer belonging to a strong international group, but still wish to preserve their identity and independence. This is a key advantage for the Nemetschek Group in competing with other potential purchasers and it offers good chances of acquiring attractive companies. Simultaneously, there is also the entrepreneurial risk that the company acquired fails to develop economically as expected. After acquisition, companies are rapidly integrated into the reporting, controlling and risk management systems of the Nemetschek Group.

Goodwill is subject to an annual impairment test. There was no need to record impairment in the fiscal year 2015. However, future impairment cannot be excluded.

In view of the present market situation, we classify the probability of sales, product or project risks materializing as “medium” and the severity of any loss as “very low” or “low” for the project risks. In the case of marketing risks, we classify the probability and severity as “low”. We consider the probability of technology and process risks materializing to be “low” and the severity of loss as “very low”. For process risks we assess the probability of occurrence as “low” and their severity as “very low”. For all risks described here we currently see nothing which would impact on the financial, economic and earnings situation.

<b>Risk category</b>	<b>Probability of occurrence</b>	<b>Severity</b>
Corporate strategy	very low	very low
Sales risks	medium	very low
Marketing risks	low	low
Product risks	medium	very low
Project risks	medium	low
Technology risks	low	very low
Process risks	low	very low
Employees	very low	very low
Acquisition and integration risks	very low	very low

## LEGAL, TAX AND COMPLIANCE RISKS

### TAX RISKS

With its branches worldwide the Nemetschek Group is subject to local tax laws and regulations. Changes to these regulations could lead to a high tax expense and to corresponding cash outflows. Furthermore, changes would have an impact on the deferred tax assets and liabilities. However, changes in tax regulations might otherwise have a positive effect on the company’s earnings. The Nemetschek Group has no influence on changes to the fiscal environment.

### COMPLIANCE AND GOVERNANCE RISKS

The regulatory environment of Nemetschek AG, listed in the German TecDAX, is complex and has a high concentration of regulations. Any potential infringement of the existing regulations can have a negative effect on the net assets, financial situation and results of operations, the share price or the reputation of the company.

Customers of the Nemetschek Group are, to a limited extent, also governments or public sector companies and the business activities in the engineering area are partially influenced by contracts with large volumes. Any occurrence of corruption or simply accusations of corruption might impede participation in public tenders and have negative effects on further economic activity, net assets, the financial situation and results of operations, the share price and reputation. In light of this Nemetschek has, together with the implementation of the Code of Conduct for all employees, instituted an anti-corruption program. Compliance and corporate responsibility have always been important components of the corporate culture at the Nemetschek Group. In order to communicate the issue efficiently, sustainably and across the Group we use a modern training tool. The learning objective of this is that our employees recognize and correctly react to potentially critical situations.



## LEGAL RISKS

In the software sector, developments are increasingly protected by patents. The patent activities mainly relate to the American market, but protection of software by patents is also steadily increasing in other markets. An infringement of patents might have a negative effect on the net assets, financial situation and results of operations, the share price or the reputation of the company.

The Nemetschek Group works in distribution not only with its own sales forces but also with external dealers and several cooperation partners. In the case of the external sales forces, the risk is naturally given that the distribution agreements might be subject to external influences with the consequent potential of loss of new business and the erosion of the existing customer base. The risk exists that sales partners may not renew their contracts with us at all, or not at conditions acceptable to us, or that existing sales agreements are canceled causing subsequent legal disputes with a negative effect on our business, our financial situation and earnings position or cash flow.

With regard to the current market situation we assess the probability of legal risks materializing as “medium”. We assess the severity of any impact as “low”. For all other risks described here we currently see nothing which would impact on the net assets, financial or earnings situation.

<b>Risk category</b>	<b>Probability of occurrence</b>	<b>Severity</b>
Tax risks	very low	very low
Compliance and governance risks	very low	very low
Legal risks	medium	low

## FINANCIAL RISKS

Where there are high financial liabilities there is basically a liquidity risk should the earnings situation of the Group deteriorate. Currently the Nemetschek Group has bank liabilities of about EUR 80 million. However, Nemetschek generates pronounced positive cash flows such as to allow investment in organic growth as well as acquisitions. The availability of decentralized funds is ensured by Nemetschek AG using a centralized cash pooling system. The objective of the Nemetschek Group with regard to financial risk management is to mitigate the risks presented below by the methods described. Nemetschek generally pursues a conservative, risk-averse strategy.

## CURRENCY RISKS

The increasingly international activity of the Nemetschek Group generally harbors foreign exchange risks. The Nemetschek Group is exposed to fluctuations in exchange rates especially in its operating business in the United States, Japan, Hungary, the United Kingdom and Switzerland. The company’s strategy is to eliminate or reduce these risks by entering into hedging transactions. The currency risks of the group occur due to the fact that the group operates and has production sites and sales establishments in different countries worldwide. All hedging measures are centrally agreed and coordinated with Group Treasury. Exchange rate fluctuations only have a limited effect at ultimate group level because the operating subsidiaries outside of the Euro region record revenue as well as cost of materials, personnel expenses and other expenses predominantly in their local currencies. Nonetheless, a strengthening of a currency in one of the countries may lead to effects especially on sales and pricing, which might finally influence the turnover and earnings situation of individual brands.

The brand companies enter into different types of forward exchange contracts, if required, in order to manage their foreign exchange risk resulting from cash flows from anticipated business activities and financing arrangements (in foreign currencies).

## DEFAULT RISK AND RISK MANAGEMENT

Risk of default, namely the risk of contractual parties defaulting, is managed by means of credit approvals, limits, monitoring procedures and regular debt reminder routines.

The company does not expect any of its business partners which have been deemed highly creditworthy to fail to meet their obligations. The Nemetschek Group has no significant concentration of credit risks with any single customer or specific customer group. From today's perspective, the maximum credit risk can be calculated from the amounts shown in the balance sheet.

The Nemetschek Group only does business with creditworthy third parties. All customers that wish to perform material trade with the company on credit terms are subject to credit verification procedures if materiality criteria are exceeded. In addition, receivables balances are monitored on an ongoing basis with the result that the company's exposure to default risks is not significant. If risks of default are identified, appropriate accounting precautions will be taken.

Within the group there is no material concentration of default risks from today's perspective. With respect to the other financial assets of the group, which comprise cash and cash equivalents, the group's maximum exposure to credit risk, arising from default of the counter-party, is equal to the carrying amount of these instruments.

## INTEREST RISK

As a result of the current financing structure of the Nemetschek Group there is no material interest risk in the opinion of management.

In view of the present market situation we consider the probability of occurrence of currency risks to be "high", but the severity on materialization to be "low". We see risks of default and control of the probability of occurrence as "high". We assess the severity as "very low". For all other risks described here we currently see nothing which would impact on the net assets, financial or earnings situation.

<b>Risk category</b>	<b>Probability of occurrence</b>	<b>Severity</b>
Currency risks	high	low
Default risk and risk management	high	very low
Interest risk	very low	very low

## SUMMARY ASSESSMENT OF THE GROUP'S OPPORTUNITY AND RISK SITUATION

In summary, the management of Nemetschek is convinced that none of the main risks identified above, neither individually nor as a whole, threaten the going concern, and that the Group will continue to successfully master challenges and opportunities. Compared to the previous year there were no material changes in the overall risk position or the specific risks described. Management is convinced that the risks are limited and manageable. The financial basis of the company is solid. The equity ratio of 44.0% is good and the liquidity situation comfortable. We have so far seen opportunities in particular in a stronger market penetration of our solutions portfolio and the addressing of further vertical markets in the value added chain of the AEC industry. Nemetschek's chances of expanding its market position as the leading supplier of integrated software solutions for the whole life cycle of buildings result from stronger internationalization, as well as in the systematic exploitation of the potential within existing markets, supported by the consistent implementation of new technologies. The Nemetschek Group will use the opportunities for further development of the company without losing sight of the associated risks and the need to counter potential risks.

## 4 OTHER DISCLOSURES

### **4.1 REPORT ON ENTERPRISE CONTROLLING AND DECLARATION ON CORPORATE MANAGEMENT**

With regard to information on corporate management and corporate governance we refer to section 1.2 of the management report.

#### DECLARATION OF CONFORMITY IN ACCORDANCE WITH § 161 AKTG

The declaration of conformity in accordance with §161 AktG (Stock Corporation Act) is published within the section Corporate Governance of the annual report of Nemetschek AG (as well as on the website [www.nemetschek.com](http://www.nemetschek.com)).

#### WORKING PRACTICES OF THE SUPERVISORY BOARD

For information on the working practices of the supervisory board, we refer to the supervisory board report.

### **SPECIFICATION ON THE PROMOTION OF THE PARTICIPATION OF WOMEN IN MANAGEMENT POSITIONS, ON THE EXECUTIVE BOARD AND ON THE SUPERVISORY BOARD**

On May 1, 2015, the Act for equal status in the participation of women and men in management positions in private industry and in the public sector came into force; this law specifies that a target figure must be set by September 30, 2015, for the proportion of women on the supervisory board, on the executive board and at management levels below that of the executive board.

The Supervisory Board has set the targets as follows: The proportion of women on the supervisory board is currently 0%. The supervisory board aims to achieve by December 31, 2016 a proportion of women in the supervisory board of at least 0%.

The proportion of women in the executive board is currently 0%. By December 31, 2016, the supervisory board aims to have achieved a proportion of women in the executive board of at least 0%.

What is most important for the company in the composition of the supervisory and executive boards is the experience, capabilities and knowledge of individuals.

The Executive Board has set the targets as follows: There is one management level below the executive board at Nemetschek AG. The disclosures made below therefore relate to only one level of management. There are currently five senior employees with the title Director at the management level below the executive board of Nemetschek AG. They are, individually, the Directors Finance, Controlling, Investor Relations & Corporate Communications, Corporate Audit & Compliance and Business Development. These positions are held by four men and one woman, hence the proportion of women in the first management level is at present 20%. The executive board aims to achieve a target figure of at least 20% women in the first management level by December 31, 2016. This management level consists presently of less than ten persons. Therefore, any individual change of officer has a strong effect in percentage terms. What is important for the company in the composition of the first management level are the experience, capabilities and knowledge of individuals.

### **EXPLANATORY REPORT OF THE EXECUTIVE BOARD ON THE DISCLOSURES UNDER § 289 (4) HGB AND § 315 (4) HGB**

#### (1) COMPOSITION OF THE SUBSCRIBED CAPITAL

The nominal capital of Nemetschek AG as of December 31, 2015 amounted to EUR 38,500,000.00 and is divided into 38,500,000 bearer shares.

#### (2) RESTRICTIONS RELATING TO THE VOTING RIGHTS OR TRANSFERABILITY OF SHARES

There are no restrictions relating to the voting rights or transferability of shares.

### (3) INVESTMENTS IN CAPITAL EXCEEDING 10% OF VOTING RIGHTS

Direct and indirect investments in subscribed capital (shareholder structure) which exceed 10% of the voting rights are presented in the notes to the financial statements or in the notes to the consolidated financial statements of Nemetschek AG.

### (4) SHARES WITH SPECIAL RIGHTS GRANTING CONTROL

There are no shares with special rights granting control.

### (5) TYPE OF VOTING RIGHT CONTROLS WHEN EMPLOYEES HOLD INTERESTS IN CAPITAL AND DO NOT EXERCISE THEIR CONTROL RIGHTS DIRECTLY:

There are no voting right controls on employees with shareholdings.

### (6) LEGAL PROVISIONS AND STATUTES ON THE APPOINTMENT AND DISMISSAL OF MEMBERS OF THE EXECUTIVE BOARD AND ON AMENDMENTS TO THE STATUTES

The appointment and dismissal of executive board members is governed by §§ 84 and 85 of the German Stock Corporation Act in connection with § 7 of the statutes of Nemetschek AG. These stipulate that executive board members shall be appointed by the supervisory board for a maximum of five years. Re-appointment or prolongation of the term of office is allowed, for a term of up to five years each time.

The amendment to the statutes is subject to § 179 of the Stock Corporation Act in connection with §§ 18 and 13 of the statutes of Nemetschek AG. These stipulate that in order to amend the statutes the annual general meeting must pass a resolution by a simple majority of the voting rights represented – provided that the law does not require a greater majority. According to § 13 of the statutes of Nemetschek AG the supervisory board is authorized to resolve changes that only affect the wording of the statutes.

### (7) AUTHORIZATION OF THE EXECUTIVE BOARD TO ISSUE OR REDEEM SHARES

According to § 71 (1) No. 8 AktG the company requires a special authorization by the annual general meeting to acquire and trade its treasury shares, to the extent not expressly permitted in law. An authorization resolution was presented to the annual general meeting on May 20, 2015, and resolved accordingly by the shareholders.

In accordance with the resolution on agenda item 7 of the annual general meeting of May 20, 2015, the authorization is valid as follows:

7.1 The company is authorized to purchase up to 3,850,000 treasury shares by May 20, 2020 once or several times, which is almost 10% of the nominal capital, in full or in part, complying with the following conditions. At no time may the shares acquired on the basis of this authorization, together with other shares of the company that the company has already purchased and still holds, or which are attributable to it in accordance with §§ 71a et seq. AktG (Stock Corporation Act), constitute more than 10% of its share capital. The authorization may not be used for the purpose of trading treasury shares.

This authorization replaces the authorization adopted by the annual general meeting of Nemetschek AG on May 20, 2014 as agenda item 6, concerning the acquisition of treasury shares, which is hereby canceled to the extent it was not exercised.

7.2 The shares are purchased, as opted by the executive board, via the stock exchange or by way of public offer, addressed to all the company's shareholders.

a) If the shares are purchased on the stock exchange, the purchase price of a Nemetschek share (excluding incidental acquisition costs) may not exceed or fall below the average closing price in the last five days of trading prior to the obligation to purchase them on the electronic exchange (Xetra - or a separately functioning comparable system instead of the Xetra system) by more than 10%.

b) If a public purchase offer is made, the offer price for a Nemetschek share (excluding incidental acquisition costs) may not exceed or fall below the average closing price on the Xetra exchange over the five days of trading prior to publication of the purchase offer by more than 10%. If the total number of shares tendered exceeds the volume of the purchase offer, shares shall be subscribed on the basis of the relative quotas. Preferential subscription to small numbers of shares may be allowed, up to a maximum of 100 shares in the company offered for sale per shareholder of the company.

7.3 The executive board is empowered to use the treasury shares purchased pursuant to this authorization for any legally permitted purpose, in particular also for the following purposes:

a) With authorization by the supervisory board the shares may be offered to third parties as consideration for the acquisition of entities, investments in entities or parts of entities.

b) The shares may be redeemed with the approval of the supervisory board, without any further resolution of the annual general meeting being required for the redemption to take effect. Redemption leads to a reduction in capital. The executive board may alternatively decide that the share capital shall remain unchanged on redemption and be increased instead by the inclusion of the proportion of other shares within share capital in accordance with § 8 (3) AktG. The executive board is authorized in this case to adjust the number of shares in the statutes.

7.4 The subscription right of the shareholders to these treasury shares is excluded to the extent that these are used in accordance with the above-mentioned authorization under item 7.3 para. a) of the agenda.”

7.5 This resolution is subject to the condition precedent of the filing of the execution of the capital increase pursuant to TOP 6 in the commercial register of the company.”

The condition precedent mentioned under item 7.5 in the resolution was fulfilled on 9 June, 2015, and the resolution of the general meeting of May 20, 2015, on TOP 7 therefore took effect.

#### (8) SIGNIFICANT AGREEMENTS THAT ARE SUBJECT TO A CHANGE IN CONTROL AS A RESULT OF A TAKEOVER BID

The company has not entered into any significant agreements that are subject to a change in control as a result of a takeover bid.

#### (9) COMPENSATION AGREEMENTS OF THE COMPANY WITH THE MEMBERS OF THE EXECUTIVE BOARD OR EMPLOYEES IN THE EVENT OF A TAKEOVER BID

The company has not entered into any compensation agreements with the members of the executive board or employees in the event of a takeover bid.



*"With our strong commitment to R&D and innovation, we promote the further development of BIM technology and make our structural engineering software open, transparent and flexible."*

Hilde Sevens, SCIA

**Segment:**  
Design

**Company size:**  
87 employees

**Locations:**  
Herk-de-Stad, Arnhem, Brno, Columbia, Gurmels, Prag, Roubaix, São Paulo, Žilina,

**Solutions:**  
SCIA Engineer  
SCIA Design Forms

**Awards and References:**  
AECOM, ARCADIS bv, EGIS, Intertechne, HGA Architects and Engineers, Ramboll, Tractebel Engineering

## Inspiring to Move Limits

Established in 1974, SCIA has become one of the world's leading developers of structural design and analysis software that supports the Open BIM process. SCIA Engineer is an integrated, multi-material structural analysis and design software for all kinds of projects. Its wide range of functionality makes it usable for all kinds of projects: Design office buildings, industrial plants and bridges, all within the same easy-to-use environment. SCIA is part of the Nemetschek Group – a leading global software provider for the Architecture, Engineering and Construction market (AEC).

[www.scia.net](http://www.scia.net)



Market hall Rotterdam, The Netherlands  
Engineering Office: Royal Haskoning DHV  
Image: Ossi van Duivenbode

## REMUNERATION REPORT

### SUPERVISORY BOARD

In addition to a fixed component, the remuneration paid to members of the supervisory board contains a variable profit-based component. The variable compensation component is based on the consolidated earnings (diluted earnings per share). It is the view of the supervisory board and the executive board that this important ratio constitutes a reliable benchmark for increasing the intrinsic value of the shares and, thus, the company's performance.

Remuneration of the supervisory board breaks down as follows:

#### REMUNERATION OF THE SUPERVISORY BOARD

2015	Thousands of €	Fixed components	Variable components	2015
Kurt Dobitsch		30.0	141.5	171.5
Prof. Georg Nemetschek		22.5	141.5	164.0
Rüdiger Herzog		15.0	141.5	156.5
<b>Total</b>		<b>67.5</b>	<b>424.5</b>	<b>492.0</b>

2014	Thousands of €	Fixed components	Variable components	2014
Kurt Dobitsch		30.0	118.5	148.5
Prof. Georg Nemetschek		22.5	118.5	141.0
Rüdiger Herzog		15.0	118.5	133.5
<b>Total</b>		<b>67.5</b>	<b>355.5</b>	<b>423.0</b>

### EXECUTIVE BOARD

Remuneration of the members of the executive board consists of fixed compensation and the usual additional components, such as health and care insurance as well as a company car, and a variable, performance-based compensation. The variable compensation has a current and non-current component.

The current performance-based (variable) compensation mainly depends on corporate objectives achieved (revenue and earnings per share) which are agreed between the supervisory board and executive board at the beginning of each fiscal year.

The non-current performance-based (variable) executive board compensation – also known as Long-Term-Incentive-Plan (LTIP) – depends on the achievement of fixed corporate objectives with regard to the development of revenue and operative results (EBITA). The period to be observed is always three fiscal years. Participation of the executive board in the LTIP requires an appropriate nomination by the supervisory board at the annual balance sheet meeting of the supervisory board. The three executive board members Patrik Heider, Sean Flaherty and Viktor Várkonyi were nominated for the LTIP 2014 – 2016 and for 2015 – 2017. In the fiscal year 2015 no non-current variable component was disbursed, but was vested.

In the following tables the remuneration, payments and benefits are individually presented for each member of the executive board of Nemetschek AG in accordance with the recommendations of clause 4.2.5 (3) of the German Corporate Governance Code:



**EXECUTIVE BOARD REMUNERATION – VALUE OF THE AMOUNTS GRANTED**

	<b>Patrik Heider</b>				<b>Sean Flaherty</b>			
	Spokesman of the Executive Board since March 1, 2014							
	2014 Initial Value	2015 Initial Value	2015 Mini- mum	2015 Maxi- mum	2014 Initial Value	2015 Initial Value	2015 Mini- mum	2015 Maxi- mum
Thousands of €								
Fixed compensation	167	200	200	200	96	96	96	96
Fringe benefits	15	20	20	20	0	0	0	0
<b>Total</b>	<b>182</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>
One-year variable compensation	318	360	0	360	0	0	0	0
Multi-year variable compensation								
LTIP 2014 – 2016	92	161	0	249	92	161	0	249
LTIP 2015–2017	–	183	0	389	–	183	0	389
<b>Total</b>	<b>592</b>	<b>924</b>	<b>220</b>	<b>1.218</b>	<b>188</b>	<b>440</b>	<b>96</b>	<b>734</b>

	<b>Viktor Várkonyi</b>				<b>Dr. Tobias Wagner</b>			
					From August 29, 2013 until March 31, 2014			
	2014 Initial Value	2015 Initial Value	2015 Mini- mum	2015 Maxi- mum	2014 Initial Value	2015 Initial Value	2015 Mini- mum	2015 Maxi- mum
Thousands of €								
Fixed compensation	96	96	96	96	67	–	–	–
Fringe benefits	0	0	0	0	2	–	–	–
<b>Total</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>69</b>	<b>–</b>	<b>–</b>	<b>–</b>
One-year variable compensation	0	0	0	0	60	–	–	–
Multi-year variable compensation								
LTIP 2014 – 2016	92	161	0	249	–	–	–	–
LTIP 2015–2017	–	183	0	389	–	–	–	–
<b>Total</b>	<b>188</b>	<b>440</b>	<b>96</b>	<b>734</b>	<b>129</b>	<b>–</b>	<b>–</b>	<b>–</b>

**EXECUTIVE BOARD REMUNERATION – CASH FLOW VIEW**

		<b>Patrik Heider</b>		<b>Sean Flaherty</b>	
		Spokesman of the Executive Board since March 1, 2014			
Thousands of €		<b>2015 Initial Value</b>	2014 Initial Value	<b>2015 Initial Value</b>	2014 Initial Value
Fixed compensation		200	167	96	96
Fringe benefits		20	15	0	0
<b>Total</b>		<b>220</b>	<b>182</b>	<b>96</b>	<b>96</b>
One-year variable compensation		360	318	0	0
Multi-year variable compensation	LTIP 2014–2016	0	0	0	0
	LTIP 2015–2017	0	0	0	0
<b>Total</b>		<b>580</b>	<b>500</b>	<b>96</b>	<b>96</b>

		<b>Viktor Várkonyi</b>		<b>Dr. Tobias Wagner</b>	
				From August 29, 2013 until March 31, 2014	
Thousands of €		<b>2015 Initial Value</b>	2014 Initial Value	<b>2015 Initial Value</b>	2014 Initial Value
Fixed compensation		96	96	0	67
Fringe benefits		0	0	0	2
<b>Total</b>		<b>96</b>	<b>96</b>	<b>0</b>	<b>69</b>
One-year variable compensation		0	0	0	60
Multi-year variable compensation	LTIP 2014–2016	0	0	–	–
	LTIP 2015–2017	0	0	–	–
<b>Total</b>		<b>96</b>	<b>96</b>	<b>0</b>	<b>129</b>

Total remuneration of the executive board of Nemetschek AG for the fiscal year 2015 amounted to EUR 1,804k (previous year: EUR 1,097k).

Besides the remuneration paid by Nemetschek AG, Viktor Várkonyi received EUR 198k gross as a fixed salary from Graphisoft SE (previous year: EUR 198k) and EUR 96k (previous year: EUR 92k) gross as profit-related short-term remuneration. Sean Flaherty received EUR 203k (previous year: EUR 185k) gross from Vectorworks, Inc. as a fixed salary and EUR 156k (previous year: EUR 270k) gross as a profit-related short-term remuneration. Total remuneration from subsidiaries for Mr. Várkonyi and Mr. Flaherty amounted to EUR 653k (previous year: EUR 745k).

## 5 SUBSEQUENT EVENTS REPORT

On March 26, 2015, the company announced its intention to change Nemetschek AG into a European Company (Societas Europaea – SE). With the conversion in legal form Nemetschek will express the global orientation of the Group and promote an international and open corporate culture. The general meeting that took place on May 20, 2015, gave its consent to this item on the agenda. The transformation may be expected in the near future after the signing of the SE agreement in January 2016. There were no other events of significance after the end of the fiscal year 2015. There were no material changes to the framework conditions described after the end of the fiscal year.

## 6 FORECAST REPORT 2016

### 6.1 FRAMEWORK

#### ECONOMIC CONDITIONS\*

According to the annual report 2015/2016 of the German Council of Economics the worldwide economy can expect a further overall increase in production of 2.6% in the year 2016, whereby the drivers of this development are once again the United States of America and Great Britain. The German Council of Economics estimates in its report that the gross domestic product (GDP) of the United States of America will rise by a further 2.4% in the year 2016. The Euro region is in a fragile situation and therefore strong growth is not expected. For the Euro region a real GDP growth of 1.5% is forecast for the year 2016. Growth in the emerging countries will also continue to decline in 2016. Despite this, an abrupt growth slump is not expected. In the year 2016 experts expect a climb in GDP of 4.1%. Japan will continue to be strongly driven by the monetary and fiscal policy. A self-sustained recovery is, however, not recognizable. For the years 2016 to 2020 the analysts expect an average GDP growth of +0.9%.

\* Source: Annual report 2015/16; German Council of Economic Experts on its appraisal of overall economic development; <http://www.sachverstaendigenrat-wirtschaft.de/index.html>

## CONSTRUCTION INDUSTRY\*\*

The economic situation of the construction industry is a decisive influencing factor for the economic framework conditions for the Nemetschek Group, since most of the customers are directly or indirectly part of the construction industry. Most European countries will, in the opinion of EuroConstruct, be able to increase the volume of construction in the year 2016, including Germany by 2.0%, Great Britain by 3.7%, the Netherlands by 4.1%, France and Norway each by 3.9% and Spain by 4.4%. Overall the entire European construction industry is in growth mode. A growth rate of 3.0% is expected for all European countries.

In the construction industry in the USA development for the year 2016 is also forecast to be positive. The industry service FMI forecasts that the US building construction industry will also continue to grow strongly in 2016. Building costs are expected to grow solidly in almost all relevant market areas. These also include higher infrastructure investments which should accelerate growth in the USA.

On the whole, Japan continues to be a very interesting environment for the construction industry and, thus, for our internationally present brands. The volumes planned are promising and are predictable for medium-term planning. Thus, the rebuilding of the earthquake regions, projects in advance of the Olympic Games in 2020, as well as housing suitable for the elderly, shall be achieved in the medium term. Solely with projects related to the Olympics, short-term and medium-term infrastructure projects will be tendered for with a volume of approximately Yen 2.8 billion, equaling EUR 23 million, as estimated by the Development Bank of Japan (DBJ).

The trend towards ecological buildings with higher ecological standards is highly interesting for the Nemetschek Group, as well as for the whole construction industry. IT expenses will also climb significantly according to forecasts in the building industry. According to estimates these are expected to increase by 17% on average by 2025, which is a clear indicator that the building trade has recognized the necessity of software in its industry. Additionally, increased expectations of innovations play an increasing role from an efficiency and cost perspective.

Overall, market experts are expecting a favorable development in the construction industry in the year 2016. For the Nemetschek Group this means that the markets relevant to it are continuing to experience positive growth impulses.

## 6.2 BUSINESS STRATEGY

As the market and technology leader in the AEC industry we strive for sustained profitable growth, in that we provide all those involved along the building process with innovative solutions in order to improve quality and efficiency. Furthermore, it is our goal to position ourselves even more strongly globally. For this we need effective sales and marketing activities, not least in order to also make the Nemetschek Group better known internationally.

### GROWTH - ORGANIC AND NON-ORGANIC

Based on the predominantly positive impulses of the construction industry and the assumption that the technological growth drivers in the AEC market, such as Building Information Modeling (BIM), 5D, collaboration, cloud computing and mobile solutions, as well as the ongoing digitalization and networking of all those involved in the building, will provide for further growth in all sectors, the Nemetschek Group is again expecting successful business development and further growth in all segments for the year 2016. Growth is supported by our financial strength, our strong competitive position, the decentralized set-up and close customer relations. In addition to organic growth we also want to expand the solutions portfolio and the market presence through specific acquisitions. Thanks to high cash flows and the solid balance sheet the Nemetschek Group has access to the necessary financial funds to finance the planned future growth, whether organically or through acquisitions, cooperations and partnerships.

\*\* Sources: EuroConstruct Summary Report, November 2015  
Construction Industry (Structural/Building Construction) USA, Germany Trade & Invest, September 2015  
Economic Trends Japan: Year end 2015/16; Germany Trade & Invest

## FOCUS ON INNOVATIONS AND CUSTOMER NEEDS

Our objective is to offer innovative and customer-oriented solutions to the AEC industry. Here we aim to set standards in the AEC industry with our solutions. Our customers are up against big challenges which are seen in a rising complexity of buildings, shorter planning and building times, and more frequently required interdisciplinary and cross-border co-operation and growing cost pressure. With our solutions we help to increase the efficiency and quality of the working processes, as well as to noticeably improve the keeping of cost targets and deadlines for building and infrastructure projects. Digitalization offers us huge opportunities here. With BIM information can be linked whereby a synchronized database is generated to which all project participants have access. A deep understanding of the problems of our customers as well as a portfolio of solutions is, for us, a central requirement for long-term success.

We secure our technology leadership through a constantly high investment in research and development. This is in the area of Open BIM, 5D, collaboration coupled with the focus on a seamless interlinking and data transfer throughout the AEC industry. The objective of the Nemetschek Group is therefore to gradually expand its portfolio of solutions and to constantly improve those products and solutions already present in the market. The share of expenditure for research and development compared to revenues amounted to around 24% in previous years. For 2016 this investment in research and development shall also remain at this level in order to secure the innovation ability of the company in the long term.

## INTERNATIONALIZATION AND GLOBAL SALES

As a globally active group we strive to generate a preferably even distribution of revenues outside of the individual markets. The Nemetschek Group is currently positioned in all three strategically significant business areas: Europe, America and Asia. Long-term we see, particularly in America, promising business perspectives. In the future we want to use the potential in all three regions more and to generate further revenue growth.

The Nemetschek Group will continually extend its geographical presence to gain and support customers and drive forward the expansion of its worldwide selling and marketing activities. The solutions portfolio which covers the complete life cycle in the AEC industry, as well as the long-term experience of the Nemetschek Group, is held in high esteem worldwide. This foundation shall be expanded further.

## FINANCING, INVESTMENTS AND LIQUIDITY

Investments are a basic requirement in order to maintain and expand our technology and market leadership. Financial strength ensures that the Nemetschek Group constantly grows from its own strength and can react more quickly to the requirements of the markets. With an extremely solid balance sheet the Nemetschek Group views itself as being well positioned for the planned growth in 2016. As in previous years a high operating cash flow will strengthen liquidity and offer enough scope for planned investments in development, sales and marketing. Furthermore, we can finance acquisitions, as has been the case until now, from the cash flow of the existing liquid funds and through the taking up of external capital.

Significant cost items within the Nemetschek Group are personnel expenses and other operating expenses. In 2016 the Nemetschek Group will also recruit additional experts globally and is, thus, planning a further moderate increase in personnel expenses. Other operating expenses include primarily selling expenses and are expected to also rise slightly in 2016 as a result of the unchanged international expansion.

## DIVIDEND POLICY

The Nemetschek Group follows a long-term and sustainable dividend policy and will allow its shareholders to share appropriately in the company's development now and in the future. The company will also propose a dividend payment for the fiscal year 2016 to the annual general meeting on May 20, 2016.

## OVERALL EVALUATION OF THE EXPECTED DEVELOPMENT

The overall economic environment, as well as the economic development and the sector situation, are of substantial importance in the forecast of future business development. The Nemetschek Group will carefully follow the course of these framework conditions in order to react early to changes. As a result of the sound long-term growth trends of our markets the executive board looks optimistically to the future and expects a positive development for the current financial year 2016.

Its excellent competitive position, strong market positioning, deep specialist knowledge and many years of experience along the life cycle in the AEC and Media & Entertainment markets are a sound basis for further profitable growth of the Nemetschek Group. The Nemetschek Group consequently follows its strategic agenda. The main focus is on profitable growth in all four segments which goes hand in hand with investments in new customers, innovative solutions and further internationalization. With the sale of licenses, the Nemetschek Group is constantly expanding its customer base and strengthening its position with existing customers. Furthermore, it secures recurring revenues from service contracts. Depending on customer requirements Nemetschek also supplies solutions which can be used as software as a service (SaaS).

In addition to organic growth the Nemetschek Group expects non-organic growth effects in the Build segment through the successful acquisition of Solibri Oy. With its solutions for the quality assurance and control from BIM, Solibri addresses one of the most important trends in the industry.

In the future the Nemetschek Group will also include external growth options. The Nemetschek Group constantly checks the possibilities of mergers, investments and co-operations. Thanks to relatively high cash flows, the Nemetschek Group has access to a high level of equity strength and has good access to external financing possibilities in order to finance the planned future growth organically and through mergers and investments. The Nemetschek Group is highly attractive as a strategic purchaser for potential companies. In addition to the solid financial structure, the holding structure with various brands is viewed very positively and the decisive criterion in the bidding process in favor of the Nemetschek Group.

From today's point of view and without accounting for exchange influences, the **Nemetschek Group** is planning revenues for the **fiscal year 2016** within a range of EUR 319 million to EUR 325 million (+12% to +14%). An EBITDA of between EUR 77 and EUR 80 million is expected. Nemetschek expects pure organic growth (without Solibri Oy which was acquired on December 31, 2015) within a corridor of between 11% and 13%.

On a segment basis the Nemetschek Group views itself as well positioned in the **Design** segment, based on the strong market positioning of its brands with BIM oriented solutions for the 3D planning and visualization of buildings. For the fiscal year 2016 lower double-digit revenue growth is expected, which will be supported by innovations, continued development of the solution portfolio and further internationalization with a strengthened sales approach.

The **Build** segment will promote the further development of the NEVARIS product family, the comprehensive BIM 5D solution, in order to guarantee an efficient and consistent model-based way of working in planning and execution. The focus is on the punctual (4D) and cost-reliable (5D) processing of building measures just as much as on the marketing of the solution. Bluebeam, which was acquired in the fiscal year 2014, already contributed over-proportionally to the growth of the segment in the year 2015. Then, in addition to this, Solibri was acquired at the end of the year 2015 and there are future non-organic growth effects. In total we expect a growth in revenue of over 20%.

In the **Manage** segment in 2016 the focus will continue to be on addressing the residential market and stronger sales activities to win more customers. In the fiscal year 2016 the Nemetschek Group expects growth rates in the lower double-digit region.

In the **Media & Entertainment** segment investment will be increased in the solutions portfolio in order to enthruse new customers and to expand the customer base with tested solutions, and to grow even stronger internationally. In this segment, growth rates are expected in the medium to high-level single digit area.

The fluctuations of many exchange rates are important for the Nemetschek Group, in particular the euro to the US dollar, the Swiss franc, the Japanese yen and the Hungarian forint can influence the revenue and results forecast.

#### NOTE ON FORECASTS

This management report contains statements and information about transactions and processes that are in the future. These forward-looking statements are identified from formulations such as “expect”, “intend”, “plan”, “evaluate” or similar terms. Such forward-looking statements are based on our expectations today and certain assumptions. They therefore involve a number of risks and uncertainties. Numerous factors, many of which are outside the Nemetschek Group’s sphere of influence, affect the Nemetschek Group’s business activity, success, business strategy, and its results. This can lead to the actual results, success, and performance of the Nemetschek Group materially deviating from the information on results, success, or performance explicitly or implicitly mentioned in these forward-looking statements.

Munich, March 11, 2016



Patrik Heider



Sean Flaherty



Viktor Várkonyi



**VECTORWORKS®**

*“As a global leader in delivering unparalleled solutions that enable designers to transform the world, Vectorworks empowers today’s visionaries to create memorable experiences and to build things that matter. Whether exploring the possibilities of BIM, or ideating and creating in 2D or 3D, Vectorworks is the ultimate design package for realizing remarkable works.”*

Sean Flaherty, Vectorworks

**Segment:**  
Design

**Company size:**  
173 employees

**Locations:**  
Columbia, Atlanta, Las Vegas

**Solutions:**  
Vectorworks Designer, Vectorworks Architect  
Vectorworks Landmark, Vectorworks Spotlight  
Vectorworks Fundamentals, ESP Vision, Renderworks

**Awards and References**  
“Construction Computing Awards”, “One to Watch Honor”, Architosh’s “BEST of SHOW” winner at the AIA Convention 2015, “American Package Design Award 2016” from Graphic Design USA for Vectorworks 2016

## Explore the Possibilities of BIM and Beyond

Leading global design software developer Vectorworks, Inc. empowers more than half a million designers in the *architecture, landscape and entertainment industries* to transform the world. Each day, Vectorworks’ cutting-edge design products are put to work in more than 85 countries in 11 languages. Since 1985, they have been committed to helping designers capture inspiration, nurture innovation, communicate effectively and bring their visions to life. Vectorworks features the best CAD and BIM software for Mac and Windows that puts BIM at the heart of the design process, enabling the flexibility needed for efficient iteration throughout the design life-cycle. Their latest software release included more than 100 impactful updates, 70 of which were inspired by customer feedback.

[www.vectorworks.net](http://www.vectorworks.net)





*Mixed Use Complex, Paris, France  
Architects: Hamonic + Masson  
Image: Takuji Shimmura*

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**CONSOLIDATED FINANCIAL  
STATEMENTS**  
(IFRS)

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# **Consolidated Financial Statements**

(IFRS)

*As a result of rounding it is possible that individual figures in these consolidated financial statements do not add up to the totals shown and that the percentages shown do not reflect the absolute values to which they relate.*

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to December 31, 2015 and 2014

## STATEMENT OF COMPREHENSIVE INCOME

Thousands of €	2015	2014	[Notes]
<b>Revenues</b>	<b>285,269</b>	<b>218,451</b>	[1]
Own work capitalized	38	9	
Other operating income	5,884	4,991	[2]
<b>Operating Income</b>	<b>291,191</b>	<b>223,451</b>	
Cost of materials/cost of purchased services	-9,749	-8,620	[3]
Personnel expenses	-127,084	-94,537	[4]
Depreciation of property, plant and equipment and amortization of intangible assets	-16,781	-10,288	[5]
<i>thereof amortization of intangible assets due to purchase price allocation</i>	-10,131	-4,765	[5]
Other operating expenses	-84,872	-63,501	[6]
<b>Operating expenses</b>	<b>-238,486</b>	<b>-176,946</b>	
<b>Operating results (EBIT)</b>	<b>52,705</b>	<b>46,505</b>	
Interest income	178	152	[8]
Interest expenses	-705	-224	[8]
Share of results of associated companies	970	-42	[7]
Other financial income	1,035	169	[9]
<b>Earnings before taxes (EBT)</b>	<b>54,183</b>	<b>46,560</b>	
Income taxes	-16,401	-13,102	[10]
<b>Net income for the year</b>	<b>37,782</b>	<b>33,458</b>	
<b>Other comprehensive income:</b>			
Difference from currency translation	10,482	59	
<b>Subtotal of items of other comprehensive income that will be reclassified to income in future periods</b>	<b>10,482</b>	<b>59</b>	
Gains/losses on revaluation of defined benefit pension plans	-54	-318	
Tax effect	16	89	
<b>Subtotal of items of other comprehensive income that will not be reclassified to income in future periods</b>	<b>-38</b>	<b>-229</b>	
<b>Subtotal other comprehensive income for the year</b>	<b>10,444</b>	<b>-170</b>	
<b>Total comprehensive income for the year</b>	<b>48,226</b>	<b>33,288</b>	
<b>Net profit or loss for the period attributable to:</b>			
Equity holders of the parent	35,896	31,486	
Non-controlling interests	1,886	1,972	
<b>Net income for the year</b>	<b>37,782</b>	<b>33,458</b>	
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the parent	45,997	31,486	
Non-controlling interests	2,230	1,803	
<b>Total comprehensive income for the year</b>	<b>48,227</b>	<b>33,288</b>	
Earnings per share (undiluted) in euros	0.93	0.82*	[11]
Earnings per share (diluted) in euros	0.93	0.82*	
Average number of shares outstanding (undiluted, units)	38,500,000	38,500,000*	
Average number of shares outstanding (diluted, units)	38,500,000	38,500,000*	

The accompanying notes to this statement of comprehensive income form an integral part of these consolidated financial statements.

\* For better comparability, figures has been presented after the stock split of 1 to 4.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of December 31, 2015 and 2014

## STATEMENT OF FINANCIAL POSITION

<b>ASSETS</b>	Thousands of €	<b>December 31, 2015</b>	December 31, 2014	[Notes]
<b>Current assets</b>				
Cash and cash equivalents		83,966	56,968	[24]
Trade receivables, net		29,611	28,869	[13]
Inventories		530	725	[14]
Tax refunded claims for income taxes		2,467	2,509	[14]
Other current financial assets		78	10	[14]
Other current assets		9,297	9,301	[14]
<b>Current assets, total</b>		<b>125,949</b>	<b>98,382</b>	
<b>Non-current assets</b>				
Property, plant and equipment		13,792	10,800	[12]
Intangible assets		100,761	68,770	[12]
Goodwill		134,949	111,285	[12]
Investments in associates and non-current available-for-sale assets		1,863	892	
Deferred tax assets		1,372	727	[10]
Non-current financial assets		51	59	[14]
Other non-current assets		793	772	[14]
<b>Non-current assets, total</b>		<b>253,581</b>	<b>193,305</b>	
<b>Total assets</b>		<b>379,530</b>	<b>291,687</b>	

The accompanying notes to this statement of financial position form an integral part of these consolidated financial statements.

<b>EQUITY AND LIABILITIES</b>	Thousands of €	<b>December 31, 2015</b>	December 31, 2014	[Notes]
<b>Current liabilities</b>				
Short-term borrowings and current portion of long-term loans		18,577	12,000	[18]
Trade payables		6,590	5,784	[18]
Provisions and accrued liabilities		25,619	21,107	[17]
Deferred revenue		41,996	32,386	[19]
Income tax liabilities		3,707	4,712	[18]
Other current financial obligations		571	1,633	[20]
Other current liabilities		7,086	6,640	[18]
<b>Current liabilities, total</b>		<b>104,146</b>	<b>84,262</b>	
Long-term borrowings without current portion		62,059	48,000	[18]
Deferred tax liabilities		24,315	15,438	[10]
Pensions and related obligations		1,744	1,667	[17]
Non-current financial obligations		13,732	1,336	[21]
Other non-current liabilities		6,617	4,408	[22]
<b>Non-current liabilities, total</b>		<b>108,467</b>	<b>70,849</b>	
<b>Equity</b>				
Subscribed capital		38,500	9,625	[15]
Capital reserve		12,485	41,360	[16]
Retained earnings		116,345	96,621	[16]
Other comprehensive income		-2,498	-12,625	[16]
<b>Equity (Group shares)</b>		<b>164,832</b>	<b>134,981</b>	
Non-controlling interests		2,085	1,595	
<b>Equity, total</b>		<b>166,917</b>	<b>136,576</b>	
<b>Total equity and liabilities</b>		<b>379,530</b>	<b>291,687</b>	

The accompanying notes to this statement of financial position form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from January 1 to December 31, 2015 and 2014

## STATEMENT OF CASH FLOWS

Thousands of €	2015	2014	[Notes]
Profit (before tax)	54,183	46,560	
Depreciation and amortization of fixed assets	16,781	10,288	
Change in pension provision	23	146	
Other non-cash transactions	70	-381	
Portion of the result of non-controlling interests	-970	42	
Elimination of deconsolidation profit	-498	0	
Result from disposal of fixed assets	420	371	
<b>Cash flow for the period</b>	<b>70,009</b>	<b>57,026</b>	<b>[24]</b>
Interest income	-178	-152	
Interest expenses	705	224	
Change in other provisions	3,408	3,135	
Change in trade receivables	12	-4,291	
Change in other assets	2,348	4,257	
Change in trade payables	276	217	
Change in other liabilities	1,911	-5,555	
Interest received	164	127	
Income taxes received	1,150	1,026	
Income taxes paid	-14,683	-11,836	
<b>Cash flow from operating activities</b>	<b>65,122</b>	<b>44,178</b>	<b>[24]</b>
Capital expenditure	-7,629	-3,548	
Cash received from disposal of shares	1,166	0	
Cash received from disposal of fixed assets	205	185	
Cash paid for acquisition of subsidiaries, net of cash acquired	-35,145	-75,984	
<b>Cash flow from investing activities</b>	<b>-41,403</b>	<b>-79,347</b>	<b>[24]</b>
Dividend payments	-15,400	-12,513	
Cash paid to non-controlling interests	-2,044	-2,374	
Cash received from bank loans	32,000	60,000	
Interest paid	-629	-1,131	
Repayment of borrowings	-12,000	-830	
Payments for acquisition of non-controlling interests	-1,877	-468	
<b>Cash flow from financing activities</b>	<b>50</b>	<b>42,684</b>	<b>[24]</b>
<b>Changes in cash and cash equivalents</b>	<b>23,769</b>	<b>7,515</b>	
<b>Effect of exchange rate differences on cash and cash equivalents</b>	<b>3,229</b>	<b>900</b>	
<b>Cash and cash equivalents at the beginning of the period</b>	<b>56,968</b>	<b>48,553</b>	
<b>Cash and cash equivalents at the end of the period</b>	<b>83,966</b>	<b>56,968</b>	<b>[24]</b>

The accompanying notes to this cash flow statement form an integral part of these consolidated financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to December 31, 2015 and 2014

## STATEMENT OF CHANGES IN EQUITY

Thousands of €	Equity attributable to the parent company's shareholders				Total	Non-controlling interests	Total equity
	Subscribed capital	Capital reserve	Retained earnings	currency conversion			
<b>As of January 1, 2014</b>	<b>9,625</b>	<b>41,360</b>	<b>78,367</b>	<b>-12,785</b>	<b>116,567</b>	<b>1,598</b>	<b>118,165</b>
Difference from currency translation				160	160	-101	59
Remeasurement gains/losses from pensions and related obligations			-160		-160	-69	-229
Net income for the year			31,486		31,486	1,972	33,458
<b>Total comprehensive income for the year</b>			<b>31,326</b>	<b>160</b>	<b>31,486</b>	<b>1,802</b>	<b>33,288</b>
Share purchase from non-controlling interests					0	10	10
Dividend payments to non-controlling interests			-559		-559	-1,815	-2,374
Dividend payment			-12,513		-12,513	0	-12,513
<b>As of December 31, 2014</b>	<b>9,625</b>	<b>41,360</b>	<b>96,621</b>	<b>-12,625</b>	<b>134,981</b>	<b>1,595</b>	<b>136,576</b>
<b>As of January 1, 2015</b>	<b>9,625</b>	<b>41,360</b>	<b>96,621</b>	<b>-12,625</b>	<b>134,981</b>	<b>1,595</b>	<b>136,576</b>
Difference from currency translation				10,127	10,127	356	10,482
Remeasurement gains/losses from pensions and related obligations			-27		-27	-12	-39
Net income for the year			35,896		35,896	1,886	37,782
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>35,869</b>	<b>10,127</b>	<b>45,996</b>	<b>2,230</b>	<b>48,226</b>
Increase of share capital through corporate funds	28,875	-28,875			0		0
Transactions with non-controlling interests			-543		-543	102	-441
Dividend payments to non-controlling interests			-202		-202	-1,842	-2,044
Dividend payment			-15,400		-15,400		-15,400
<b>As of December 31, 2015</b>	<b>38,500</b>	<b>12,485</b>	<b>116,345</b>	<b>-2,498</b>	<b>164,832</b>	<b>2,085</b>	<b>166,917</b>

The accompanying notes to this statement of changes in equity form an integral part of these consolidated financial statements.

# CREM SOLUTIONS

*“iX-Haus is modularly structured and completely scalable, and meaningfully integrates partner solutions. These features, combined with our open communication culture, make it possible to individually adapt our solutions to suit your specific requirements, needs and business processes and enable sustainable success for you.”*

Christian Westphal, Crem Solutions

**Segment:**  
Manage

**Company size:**  
38 employees

**Location:**  
Ratingen

**Solutions:**  
iX-Haus  
iX-Hausplus  
iX-Hausplus IHS

**Awards and References:**

Adler Real Estate Service GmbH, Grundstücksverwaltung W. Johannes Wentzel Dr. Nfl. GmbH, HEICO Property Partners GmbH, Heinrich Bossert Immobilien KG, H1H Property Management GmbH, PPMG Potsdamer Platz Management GmbH, PropertyFirst GmbH

## The Software Solution for the Real Estate Sector

Crem Solutions is a leading German provider of software solutions for commercial and technical real estate management. As a one hundred percent owned subsidiary of the Nemetschek Group, the company develops high-performance software for companies in the real estate management business. iX-Haus, the core product, offers flexible and efficient instruments for the administration of real estate and covers the entire spectrum of modern commercial real estate management.

[www.crem-solutions.de](http://www.crem-solutions.de)

Potsdamer Platz, Berlin, Germany  
Administration: PPMG Potsdamer Platz  
Management GmbH  
Image: Vincent Mosch



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# **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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# Notes to the Consolidated Financial Statements for the fiscal year 2015

## THE COMPANY

Founded in 1963 as the engineering office of Professor Georg Nemetschek, Nemetschek Aktiengesellschaft (AG) is today a leading global technology group with software solutions along the life cycle of architecture and structures in the AEC sector (Architecture, Engineering, Construction) as well as in the Media & Entertainment industry. The 12 brands, under the umbrella of Nemetschek AG, provide end-to-end solutions for architects, structural designers, civil and specialist engineers – ranging all the way to construction software for cost and schedule planning, tenders, awarding of contracts, invoicing and execution of building work. It also offers solutions for technical facility management and commercial property management as well as visualization software for architecture, film, animation and advertising.

The Nemetschek Group's wide range of graphic, analytical and commercial solutions plays an important role in all phases and, thus, in the whole life cycle of architecture and structure – from the planning and visualization of a building to the actual construction process through to the management of property.

The central topic in the planning and construction process of buildings is the so-called Building Information Modeling (BIM) and the trend to 5D. With the Building Information Modeling (BIM) all relevant building data is digitally recorded and cross-linked. A virtual, three-dimensional building model arises. Time and cost are already added as the fourth and fifth dimensions in the simulation. BIM 5D enables optimum cooperation of all those involved in the project over the whole life cycle of a property. Thus, particularly in realizing complex large projects, cost and efficiency advantages are possible and risks detected before these escalate to become problems. In the five-dimensional future, building is first visual and then real.

The Nemetschek Group has always been concerned with providing the best possible solutions in order to master the challenges in the building process. As the pioneer of BIM, the Nemetschek Group has already followed this holistic philosophy for over 30 years. Nemetschek adopts an open approach (Open BIM). The open standard enables each Open BIM piece of software from the Nemetschek Group to communicate with every other piece of software, even with software from competitors, via open data and communications interfaces. Thus, the seamless transition of all information relevant to the building is practically enabled throughout all levels of the origination and the operation of buildings.

The Nemetschek Group's interconnected BIM software solutions for all five dimensions simplify the cooperation between all those involved in the building process. The project work is then faster, cheaper and more efficient. Errors are reduced. Thus, the Nemetschek Group is paving the foundation for an integrated, open 5D planning and realization process in the AEC sector.

With its headquarters in Munich, Germany and more than 50 locations worldwide, the Nemetschek Group today, with its 12 brands, offers a wide range of software solutions for a heterogeneous market. The software solutions, some of which are closely interlinked, facilitate interdisciplinary collaboration among those involved in the building process and, thus, make the process itself more efficient. Globally more than 2.1 million customers from 142 countries work with software solutions from Nemetschek.

As the ultimate group company, Nemetschek AG was founded on September 10, 1997 by conversion of Nemetschek GmbH and has been listed on the German Stock Exchange in Frankfurt am Main since March 10, 1999. Today Nemetschek is listed on the TecDAX. The 2015 Annual Report can be obtained there, or can be called up from the internet at [www.nemetschek.com](http://www.nemetschek.com).

## INFORMATION ON THE “GERMAN CORPORATE GOVERNANCE CODE”

The declaration of conformity was submitted on March 20, 2015. The relevant current version is available to the shareholders on Nemetschek AG's website ([www.nemetschek.com](http://www.nemetschek.com)).

## GENERAL INFORMATION

Nemetschek prepares and publishes the consolidated financial statements in euros. Information is shown in the consolidated financial statements in EUR k (€ k) unless otherwise specified.

The consolidated financial statements of Nemetschek AG, including prior year comparatives, have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) and related Interpretations issued by the International Accounting Standards Board (“IASB”) which are required to be applied, to the extent the IFRS and Interpretations are adopted by the European Union, and the supplementary requirements of the German Commercial Code under § 315a HGB.

The fiscal year of the Nemetschek Group and the Nemetschek AG ends respectively on December 31 of each year.

The consolidated statement of financial position and consolidated statement of comprehensive income have been prepared in accordance with IAS 1 “Presentation of Financial Statements”. The statement of comprehensive income has been prepared using the nature of expense method as well as in accordance with the one statement approach. The consolidated financial statements are prepared on the basis of historical cost, to the extent that nothing else is disclosed under the section “Accounting policies”. The statement of financial position has been classified applying the current/non-current distinction.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

Accounting policies adopted in the fiscal year 2015 are consistent with those policies adopted in the previous year.

## COMPANIES CONSOLIDATED AND BASIS OF CONSOLIDATION

### SUBSIDIARIES

The consolidated financial statements comprise Nemetschek AG, Munich and all of the domestic and foreign subsidiaries. Subsidiaries are consolidated in full from the date of acquisition, i.e. the date on which control is transferred to the group. Full consolidation ends when the parent ceases to have control.

Nemetschek has control over an investment entity to the extent it has power over the investment entity. That is Nemetschek has existing rights that give Nemetschek the ability to direct the relevant activities. These are activities that significantly affect the investee’s returns. Furthermore, Nemetschek is exposed to variable returns from its involvement with the investee or has the rights to these and has the ability to use its power over the investee to affect its returns from its involvement with the investee. Where Nemetschek holds less than the majority of the voting rights other facts and circumstances (including contractual agreements which give Nemetschek power over the investment entity) can lead to the company controlling the investment entity. With regard to the control of investment entities Nemetschek performs a revaluation where facts and circumstances indicate that there are changes in factors that evidence control. In the fiscal year 2015 control resulted for all fully consolidated investment entities from the holding of the majority of voting rights.

Non-controlling interests represent the portion of net income / loss and net assets not attributable to the group. Non-controlling interests are disclosed separately in the consolidated statement of comprehensive income and in the consolidated statement of financial position. In the consolidated statement of financial position these interests are disclosed in equity, separately from the equity attributable to owners of the parent company. Measurement of non-controlling interests is at the proportional fair value of assets and liabilities purchased (partial goodwill method). After initial measurement, profits and losses are allocated in proportion to the investment without limitation, as a result of which a negative balance can arise for non-controlling interests.

The following table shows information on Maxon GmbH with material non-controlling interests before group internal eliminations:

**NON-CONTROLLING INTERESTS**

Name, registered office of the entity	MAXON GmbH, Friedrichsdorf	
	Thousands of €	2014
<b>Percentage of non-controlling interests</b>	<b>30%</b>	<b>30%</b>
Non-current assets	2,439	2,284
Current assets	11,442	10,092
Non-current liabilities	-1,673	-1,549
Current liabilities	-5,259	-4,849
<b>Net Assets</b>	<b>6,949</b>	<b>5,978</b>
<b>Carrying amount of the non-controlling interests</b>	<b>2,085</b>	<b>1,793</b>
Revenues	21,512	19,099
Net income	5,795	5,683
Other comprehensive income	338	80
<b>Total comprehensive income</b>	<b>6,133</b>	<b>5,763</b>
<b>Non-controlling interests associated profit</b>	<b>1,739</b>	<b>1,705</b>
<b>Non-controlling interests associated other comprehensive income</b>	<b>101</b>	<b>24</b>
Cash flow from operating activities	6,640	6,563
Cash flow from investing activities	-393	-618
Cash flow from financing activities	-5,164	-5,112
<i>(thereof: Dividends paid to non-controlling interests)</i>	<i>-5,164</i>	<i>-5,112</i>
Currency changes on cash and cash equivalents	476	404
<b>Net increase in cash and cash equivalents</b>	<b>1,559</b>	<b>1,237</b>

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-company balances, income and expenses and unrealized gains and losses from inter-company transactions are eliminated in full.

As part of the capital consolidation business combinations are accounted for using the acquisition method. Under this method the cost of the business combination is allocated to the identifiable assets acquired and the identifiable liabilities and contingent liabilities assumed, in accordance with their fair values at the acquisition date. Any excess of the cost of the business combination over the interest of the group in the fair value of the identifiable assets, liabilities and contingent liabilities acquired is reported as goodwill. Acquisition-related costs are disclosed as expenses when they are incurred. The entities purchased during the year are included in the consolidated financial statements from the time of acquisition, those entities sold during the year are included until the time of loss of control in the consolidated financial statements. Transactions with non-controlling interests which do not incur a loss of control are recorded to comprehensive income as equity transactions. Where a business relationship existing between Nemetschek and the entity purchased before the business combination is offset as part of the business combination and a profit or a loss arises, this is accounted for through income. In the event of loss of control, any remaining shares are re-measured at fair value at this point in time, impacting income.



## SHARES IN ASSOCIATES

Investments in associates are generally accounted for using the equity method. Nemetschek AG defines associates (generally investments of between 20% and 50% of capital) as entities subject to significant influence that are neither subsidiaries nor joint ventures. Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized. The income statement reflects the group's share of the results of operations of the associate.

Unless stated otherwise, the financial statements of the associates are prepared as of the same balance sheet date as the parent. Where necessary, adjustments are made to comply with the group's uniform accounting policies.

The following table summarizes financial information for the shares of the group in non-material associates, based on the amounts reported in the consolidated financial statements:

**ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD**

Name, registered office of the entity	Thousands of €	Shareholding in %	Equity Dec. 31, 2015	pro rata
DocuWare GmbH, Germering		22.41	5,828	1,306
Sablono GmbH, Berlin		29.00	297	86

**DOCUWARE GROUP**

	Thousands of €	Dec. 31, 2015	Dec. 31, 2014
Other current assets		25,074	14,359
Other non-current assets		4,228	4,130
Other current liabilities		23,204	16,645
Other non-current liabilities		271	170
Revenues		34,550	27,752
Net income from continuing operations		4,297	1,741
Net income from non-continuing operations		0	0
<b>Net income for the year</b>		<b>4,297</b>	<b>1,741</b>
Difference from currency translation		-267	-124
<b>Other comprehensive income</b>		<b>4,030</b>	<b>1,617</b>
Dividends received from associated company		0	0

Sablono GmbH, Berlin, being an associate, is accounted for using the equity method. The percentage shareholding amounts to 29.0% (previous year: 20.6%). The carrying value of these shares amounts to EUR 573k (previous year: EUR 727k) as of December 31, 2015. The share of the result in 2015 from the business divisions continued amounted to EUR -154k (previous year: EUR - 42k).

## ASSETS AVAILABLE FOR SALE LONG-TERM

Name, registered office of the entity	Thousands of €	Shareholding in %	Equity Dec. 31, 2015	Net income/loss for the year 2015
Sidoun International GmbH, Freiburg i. Breisgau*		16.27	784	56
NEMETSCHKEK EOOD, Sofia, Bulgaria		20.00	2,958	468
rivera GmbH, Karlsruhe via NEVARIS Bausoftware GmbH		20.00	39**	14**

\* Fiscal year ends as of June 30, 2015

\*\* Figures are shown as of December 31, 2014

The assumption that significant influence is exercised on the financial assets in which voting rights of 20% or more are held does not hold true for either NEMTSCHKEK EOOD, Sofia, Bulgaria, or rivera GmbH, Karlsruhe, as influence is neither exercised on management nor in the form of a governing body. Also, neither material business relationships are maintained, nor is influence exercised beyond the mere capital investment. The financial assets constitute mere capital investments. The carrying value of the assets available for sale long-term amounts, as in the prior year, to EUR 17k.

#### AFFILIATED COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

The following companies listed are fully consolidated at the balance sheet date in the consolidated financial statements of Nemetschek AG:

##### AFFILIATED ENTITIES

Name, registered office of the entity	Shareholding in %
Nemetschek Aktiengesellschaft, Munich	
<b>Direct equity investments</b>	
<b>Design segment</b>	
Frilo Software GmbH, Stuttgart (formerly: Nemetschek Frilo GmbH)*	100.00
Vectorworks, Inc., Columbia, Maryland, USA (formerly: NEMETSCHKEK Vectorworks Inc.)	100.00
Data Design System AS, Klepp Stasjon, Norway	100.00
NEMETSCHKEK OOO, Moscow, Russia - in liquidation	100.00
SCIA Group International nv, Herk-de-Stad, Belgium	100.00
Graphisoft SE European Company Limited by Shares, Budapest, Hungary	100.00
Allplan GmbH, Munich (formerly: Nemetschek Allplan Systems GmbH)*	100.00
<b>Build segment</b>	
NEVARIS Bausoftware GmbH, Achim (formerly: Nemetschek Bausoftware GmbH)	98.50
NEVARIS Bausoftware GmbH, Mondsee, Austria (formerly: AUER – Die Bausoftware GmbH)	49.90
Nemetschek US, Inc., Delaware, USA	100.00
Solibri Oy, Helsinki, Finland	100.00
<b>Manage segment</b>	
Crem Solutions GmbH & Co. KG, Ratingen (formerly: Nemetschek CREM Solutions GmbH & Co. KG)	100.00
Crem Solutions Verwaltungs GmbH, Munich (formerly: Nemetschek CREM Verwaltungs GmbH)	100.00
<b>Media &amp; Entertainment segment</b>	
MAXON Computer GmbH, Friedrichsdorf	70.00
<b>Other</b>	
Nemetschek Austria Beteiligungen GmbH, Mondsee, Austria	100.00
<b>Indirect equity investments</b>	
<b>Design segment</b>	
via Allplan GmbH, Munich (formerly: Nemetschek Allplan Systems GmbH):	
Allplan Deutschland GmbH, Munich (formerly: Nemetschek Allplan Deutschland GmbH)*	100.00
Allplan Schweiz AG, Wallisellen, Switzerland (formerly: Nemetschek Allplan Schweiz AG)	93.33
Allplan France S.A.R.L., Paris, France (formerly: Nemetschek Allplan France S.A.R.L.)	100.00
Allplan Österreich Ges.m.b.H., Wals, Austria (formerly: Nemetschek Allplan Österreich Ges.m.b.H.)	100.00
Allplan Systems España S.A., Madrid, Spain (formerly: Nemetschek España S.A.)	100.00
Allplan Česko s.r.o., Prag, Czech Republik (formerly: Nemetschek Allplan Česko s.r.o.)	100.00
Allplan Slovensko s.r.o., Bratislava, Slovakia Republik (formerly: Nemetschek Allplan Slovensko s.r.o.)	100.00
Allplan Italia S.r.l., Trient, Italy (formerly: Nemetschek Italia S.r.l.)	100.00
DACODA GmbH, Rottenburg	100.00
via Vectorworks, Inc., Columbia, Maryland, USA (formerly: NEMETSCHKEK Vectorworks, Inc.):	
Nemetschek Vectorworks Training LLC, Columbia, Maryland, USA	100.00

**TABLE CONTINUED**

via Nemetschek Austria Beteiligungen GmbH:	
Precast Software Engineering GmbH, Wals, Austria (formerly: Nemetschek Engineering GmbH)	100.00
via Precast Software Engineering GmbH, Wals, Austria (formerly: Nemetschek Engineering GmbH):	
Precast Software Engineering Pte. Ltd., Singapore (formerly: Nemetschek Engineering PTE LTD)	100.00
via Precast Software Engineering Pte. Ltd., Singapore (formerly: Nemetschek Engineering PTE LTD):	
Precast Software Engineering Co. Ltd., Shanghai, China (formerly: Nemetschek Software Engineering Co., Ltd.)	100.00
via SCIA Group International nv, Herk-de-Stad, Belgium:	
SCIA nv, Herk-de-Stad, Belgium (formerly: Nemetschek SCIA nv)	100.00
SCIA Nederland BV, Arnhem, Netherlands (formerly: Nemetschek SCIA B.V.)	100.00
SCIA France Sarl, Roubaix, France (formerly: Nemetschek SCIA sarl)	100.00
Online Projects BVBA, Herk-de-Stad, Belgium - in liquidation	70.00
SCIA do Brasil Ltda, São Paulo, Brasil (formerly: NEMETSCHKEK DO BRASIL SOFTWARE LTDA)	99.90
SCIA CZ s.r.o., Brno, Czech Republic (formerly: Nemetschek SCIA s.r.o.)	100.00
via SCIA CZ s.r.o., Brno, Czech Republic:	
SCIA SK s.r.o., Zilina, Slovakia Republic (formerly: Nemetschek SCIA s.r.o.)	100.00
via Graphisoft SE European Company Limited by Shares, Budapest, Hungary:	
Graphisoft Deutschland GmbH, Munich	100.00
Graphisoft North America, Inc., Waltham, Massachusetts, USA	100.00
Graphisoft Japan KK, Tokyo, Japan	100.00
Graphisoft UK Ltd., Uxbridge, Great Britain	100.00
Graphisoft Hong Kong Ltd., Hong Kong, China	100.00
Graphisoft Mexico S.A. de C.V., Mexico D.F., Mexico	100.00
GRAPHISOFT BRASIL SERVICOS DE TECNOLOGIA DA INFORMACAO LTDA, São Paulo, Brasil **	100.00
via Graphisoft UK Ltd., Uxbridge, Great Britain:	
Bite Design Ltd., London, Great Britain	100.00
via Data Design System AS, Klepp Stasjon, Norway:	
DDS Building Innovation AS, Klepp Stasjon, Norway	100.00
Data Design System UK Ltd., Wiltshire, Great Britain	100.00
Data Design System GmbH, Ascheberg	100.00
<b>Build segment</b>	
via Nemetschek US, Inc., Delaware, USA:	
Bluebeam Software, Inc., Pasadena, USA	100.00
via Bluebeam Software, Inc., Pasadena, USA:	
Bluebeam AB, Krisa, Sweden	100.00
via Nemetschek Austria Beteiligungen GmbH:	
NEVARIS Bausoftware GmbH, Mondsee, Austria (formerly: AUER – Die Bausoftware GmbH)	50.10
via NEVARIS Bausoftware GmbH, Mondsee, Austria (formerly: AUER – Die Bausoftware GmbH):	
NEVARIS BIM Software GmbH, Berlin (formerly: hartmann technologies Gesellschaft mbH)	86.50
via Solibri Oy, Helsinki, Finland:	
Solibri UK LTD., Newbury, Great Britain	100.00
Solibri LLC, Scottsdale, USA	100.00
<b>Media &amp; Entertainment segment</b>	
via MAXON Computer GmbH, Friedrichsdorf:	
MAXON Computer Inc., Thousand Oaks, California, USA	90.00
MAXON Computer Canada Inc., Varennes, Canada**	100.00
MAXON Computer Ltd., Bedford, Great Britain	100.00

\* In fiscal year 2015, the entities exercised the exemptions of Sec. 264 (3) HGB as follows:

- Option not to prepare notes to the financial statements so that the annual financial statements comprise a balance sheet and income statement
- Option not to prepare a management report
- Option not to publish the annual financial statements

\*\* These companies were founded in 2015.

## ACCOUNTING AND VALUATION PRINCIPLES

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The costs for replacing a part of an item of property, plant and equipment are included in its carrying amount at the time the costs are incurred, provided they meet the recognition criteria. Costs of ongoing repairs and maintenance are expensed immediately.

Depreciation is calculated on a straight-line basis over the following estimated useful lives of the assets:

**TABLE OF USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT**

	Useful life in years
IT equipment	3
Motor vehicles	5
Factory equipment	3–10
Leasehold improvements	5–10

Property, plant and equipment are derecognized upon disposal or when no further economic benefits are expected from their continued use or sale. Gains or losses arising on derecognition of the asset are calculated as the difference between the net recoverable value and the carrying amount of the asset and are included in profit and loss in the period in which the asset is derecognized. The historic cost and accumulated depreciation of the asset are eliminated from the balance sheet.

The residual values of the assets, useful lives and depreciation methods are reviewed at the end of each fiscal year at the latest and adjusted if necessary.

### BORROWING COSTS

Borrowing costs are recognized as an expense when incurred. There is no capitalization of borrowing costs since the production of qualified assets is not financed externally.

### BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the purchase method. Goodwill is initially measured at cost, which is the excess of the cost of the business combination over the group's interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities and the agreed conditional consideration. Subsequent changes to the fair value of a conditional consideration which represents an asset or a liability are recorded either through profit and loss or as a change in other comprehensive income after tax in accordance with IAS 39.

Where put options are agreed on purchase of minorities, the group applies the so-called "anticipated acquisition method". Any resulting measurement changes in the purchase price liability are included in goodwill and do not impact income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash generating units of the group which are expected to benefit from the synergy effects of the business combination, irrespective of whether other assets or liabilities of the company acquired are assigned to those units.

Goodwill is tested for impairment at least once a year or whenever facts or changes in circumstances indicate that the carrying value may be impaired.

Each unit or group of units to which the goodwill has been allocated represents the lowest level in the group at which goodwill can be monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized.

Impairment losses relating to goodwill may not be reversed in future reporting periods.

Where goodwill forms part of a cash-generating unit, and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of under those circumstances is measured based on the relative values of the operation disposed of and the remaining part of the cash-generating unit.

## INTANGIBLE ASSETS

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each fiscal year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Intangible assets with an indefinite useful life and intangible assets not yet ready for use are tested for impairment at least once a year either individually or at the cash-generating unit level. Such intangible assets are not amortized systematically. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. Except for goodwill, as of December 31, 2015, there were no intangible assets with an indefinite life.

Intangible assets not acquired in a business combination are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization. At each balance sheet date, a review is conducted to check whether the reasons for impairment still exist. The maximum amount for reversals of impairment losses is represented by acquisition costs less accumulated scheduled amortization.

Intangible assets not resulting from a purchase price allocation are amortized using the straight-line method over their normal useful lives of between three to eight years.

The intangible assets from the purchase price allocation are amortized as follows:

#### USEFUL LIFE OF INTANGIBLE ASSETS FROM THE PURCHASE PRICE ALLOCATION

	Useful life in years
Brand name	10 - 15
Trademarks	10
Software	3 - 12
Customer Relationship	10 - 17
Non-compete agreements	2

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net realizable value and the carrying amount of the asset and are recorded to profit or loss when the asset is derecognized.

#### RESEARCH AND DEVELOPMENT EXPENSES

Research costs are expensed in the period in which they are incurred. Development expenditure on an individual project is recognized as an intangible asset when the group can demonstrate all of the following:

- III the intention to manufacture, use or sell the intangible asset,
- III the ability to manufacture, use or sell the intangible asset,
- III how the asset will generate future economic benefits,
- III the availability of resources to complete the asset,
- III its ability to reliably measure the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure, the cost model is applied. This requires that the asset be carried at production costs less any accumulated amortization. Amortization is charged upon completion of the development phase as soon as the asset can be used. It is amortized over the period in which future benefits are expected (estimated 3–8 years). During the development phase the assets are tested for impairment once a year.

#### DEVELOPMENT SUBSIDIES

Development subsidies for basic research are granted on the basis of hours worked. These are recognized as other operating income in the consolidated financial statements. Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all related conditions will be complied with. Special-purpose development subsidies are treated as deductions from acquisition costs.

#### INVENTORIES

Inventories mainly comprise merchandise, which is carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Estimated costs of completion are accounted for where appropriate. Inventory risks relating to reduced salability are accounted for using appropriate mark-downs.

#### PREPAID EXPENSES

Prepaid expenses are expenses paid before the balance sheet date that relate to a certain period after that date.

## CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the statement of financial position comprise cash in hand, bank balances and short-term deposits with a maturity of three months or less. Cash and cash equivalents are measured at cost. Cash not available from rental guarantee deposits are disclosed as other assets.

## COMPOSITION OF CASH AND CASH EQUIVALENTS IN THE CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalents in the consolidated cash flow statement also include cash equivalents with original maturities of three months or less.

## IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date the group assesses whether there are indications that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. The recoverable amount is determined for each individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and written down to its recoverable amount.

To the extent that no observable market value can be used as a basis, in order to determine value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market expectations with regard to the interest effect and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by measurement multiples or other available fair value indicators.

For assets, excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the group makes an estimate of recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in previous years. The reversal of an impairment loss is recognized in profit or loss.

The following criteria are also applied in assessing impairment of specific assets:

### GOODWILL

The group determines at each balance sheet date whether there is any indication that goodwill is impaired. Goodwill is tested for impairment at least once a year. Impairment tests are also conducted if events or circumstances indicate that the carrying amount may be impaired.

The impairment loss is determined by calculating the recoverable amount of the cash-generating unit to which goodwill has been allocated. If the recoverable amount of the cash-generating unit is lower than its carrying amount, an impairment loss is recorded. Any impairment loss recognized on goodwill may not be reversed in a subsequent period. The group performs its impairment test of goodwill at least once a year, by December 31 at the latest.

## INTANGIBLE ASSETS

Intangible assets with indefinite useful lives and intangible assets not yet ready for use are tested for impairment at least once a year, by December 31 at the latest. Impairment testing is performed, depending on the individual case, at asset level or at the cash generating unit level. Testing is also carried out if circumstances indicate that a value may be impaired.

## ASSOCIATED COMPANIES

After application of the equity method, the group determines whether it is necessary to recognize an additional impairment loss of the group's investment in its associates. The group determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the amount of impairment is calculated as the difference between the fair value of the investment in the associate and the cost of the investment.

## FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS

### INITIAL RECOGNITION

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The group determines the classification of its financial assets at initial recognition. Nemetschek does not use the category financial instruments held to maturity.

Financial assets are recognized initially at fair value. In the case of financial investments, which are not classified at fair value through profit or loss, the directly attributable transaction costs are additionally accounted for which are attributable to the purchase of the asset.

Purchases or sales of financial assets that require delivery of assets within a period established by regulation or convention in the marketplace (regular way purchases) are recognized on the trade date, i.e. the date that the group commits to purchase or sell the asset.

The group's financial assets include cash and short-term deposits, trade receivables, receivables from loans granted and other receivables and derivative financial instruments.

### SUBSEQUENT MEASUREMENT

The subsequent measurement of financial assets depends on their classification as follows:

#### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near future. This category includes derivative financial instruments entered into by the group that do not meet the hedge accounting criteria as defined by IAS 39. Derivatives, including separately recognized embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value whereby gains or losses are recognized in income. The group has not designated any financial assets as at fair value through profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value. These embedded derivatives are measured at fair value with gains or losses arising from changes in fair value recognized in the income statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise have resulted from the contract.



## LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortized cost using the effective interest rate method. Gains and losses are recognized in consolidated profit and losses when the loans and receivables are derecognized or impaired, as well as through the amortization process. In addition to cash and cash equivalents, the group currently carries financial assets consisting almost exclusively of loans and receivables.

## AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value. Unrealized gains or losses are recognized directly in equity. If the fair value cannot be determined reliably Nemetschek measures financial instruments available for sale at cost. This is the case for equity instruments where there is no quoted price on an active market and material parameters for determining the fair value with the help of valuation models cannot be determined with adequate certainty. If such an investment is derecognized, the cumulative gain or loss recorded in equity is recognized in profit and loss. If such an investment is impaired the cumulative loss previously recorded in equity is recognized in profit and loss.

## FAIR VALUE

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, that is substantially the same, or discounted cash flow analysis and other valuation models.

## AMORTIZED COST

Loans and receivables are measured at amortized cost. This is calculated using the effective interest method net of any impairment losses taking into account any discount or premium on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

## IMPAIRMENT OF FINANCIAL ASSETS

At each balance sheet date, the group assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

## AMOUNTS DUE FROM CUSTOMERS

For amounts due from customers carried at amortized cost, the group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through an allowance account and the amount of the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the group. If, in a subsequent reporting period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a receivable that has been written-off is later deemed recoverable, due to an event that occurred after it was written off, the relevant amount is recognized directly in profit or loss. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

#### ASSETS CARRIED AT AMORTIZED COST

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (with the exception of future credit defaults) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate determined upon initial recognition). The carrying amount of the asset is reduced through an allowance account. The impairment loss is recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. The new carrying amount of the asset may not exceed the amortized cost at the time the impairment loss is reversed. The impairment loss is reversed through profit or loss.

#### AVAILABLE-FOR-SALE FINANCIAL INVESTMENTS

If an available-for-sale asset is impaired, an amount is transferred from equity to profit or loss representing the difference between its cost (net of any principal repayment and amortization) and current fair value (less any impairment loss on that asset previously recognized in profit or loss). Reversals in respect of equity instruments classified as available for sale are not recognized in profit or loss. Reversals of impairment losses on debt instruments classified as available-for-sale are accounted for through profit or loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in profit or loss.

## DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when one of the following three conditions is met:

- III The contractual rights to receive cash flows from the financial asset have expired.
- III The group retains the right to receive cash flows from the financial asset, but has assumed a contractual obligation to pay them in full without material delay to a third party under a pass-through arrangement that meets the criteria of IAS 39.19 (pass-through-arrangement).
- III The group has transferred its contractual rights to receive cash flows from the financial asset and either
  - (a) has transferred substantially all the risks and rewards of the asset, or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the group has transferred its contractual rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset which are connected with ownership of this asset, nor transferred control of the asset, the asset is recognized to the extent of the group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

## FINANCIAL LIABILITIES

### INITIAL RECOGNITION

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, as loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and, in the case of loans, less directly attributable transaction costs.

The group's financial liabilities include trade and other payables, bank overdraft facilities, loans and borrowings, and derivative financial instruments.

### SUBSEQUENT MEASUREMENT

The measurement of financial liabilities depends on their classification as follows:

#### FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and other financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near future. This category includes derivative financial instruments entered into by the group that do not meet the hedge accounting criteria as defined by IAS 39. Gains or losses on financial liabilities held for trading are recognized in profit or loss. The group has not designated any financial liabilities as at fair value through profit or loss.

#### LOANS

After initial recognition, interest-bearing loans are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization process.

#### DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognized when the obligation under the liability is discharged, canceled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

#### DERIVATIVE FINANCIAL INSTRUMENTS

The group uses derivative financial instruments such as forward exchange contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Where the group holds a derivative as an economic hedge for a period beyond twelve months after the balance sheet date, the derivative is classified as non-current, or separated into current and non-current portions, consistent with the classification of the underlying item.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to profit or loss.

The fair value of forward exchange contracts is determined by referring to the current currency rates for forward exchange contracts. The fair value of interest rate swap contracts is determined by discounting expected future cash flows over the remaining term of the contract.

#### DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

The group uses foreign currency denominated loans and forward currency contracts to manage some of its transaction exposures. These currency forward contracts are not designated as cash flow, fair value or net investment hedges and are entered into for periods consistent with currency transaction exposures, generally 1 to 24 months. Such derivatives do not qualify for hedge accounting. At the balance sheet date there were no open forward exchange contracts.

#### OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

## LIABILITIES

Trade payables and other liabilities are recognized at amortized cost.

## DEFERRED REVENUE

Deferred revenue is income received before the balance sheet date that relates to a certain period after that date.

## PROVISIONS

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions and accrued expenses which do not already lead to an outflow of resources in the subsequent year are measured at their discounted settlement amount at the balance sheet date where the interest effect is material. Where the group expects some or all of a provision to be reimbursed (for example under an insurance contract) the reimbursement is recognized as a separate asset provided the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

## CONTINGENT LIABILITIES

Obligations are not recognized in the consolidated financial statements until their utilization is more than 50% likely. Contingent liabilities are disclosed in the notes to the consolidated financial statements when the probability of their utilization is between 5% and 50%.

## PENSIONS AND SIMILAR OBLIGATIONS

The company provides a company pension plan for certain employees. The provisions are measured every year by reputable independent appraisers. Provisions for pensions and similar obligations are determined using the projected unit credit method (IAS 19). The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement, and measures each unit separately to build up the final obligation. The pension obligation less plan assets is recorded as the provision in the balance sheet. Actuarial gains and losses are recorded without an effect on results in other comprehensive income. Effects relevant to interest are disclosed accordingly in interest result. Additionally, the group introduced a part-time pre-retirement contract during 2010 under the block model, as well as long-term incentive plans which are also accounted for under IAS 19.

## RESERVES

Reserves are set up in accordance with statutory requirements and the articles of association.

## SHARES WITHOUT CONTROLLING INTEREST

The share of fair values of the identifiable assets and liabilities attributable to shares without controlling interest is allocated at the time the subsidiary is acquired. The losses allocable to shares without controlling interest in a consolidated subsidiary may exceed the interest in the equity of the subsidiary related to these shares.

## LEASING

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

## THE GROUP AS LESSEE

Finance leases, which transfer to the group substantially all the risks and rewards incidental to ownership of the leased asset, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. A liability item of the same value is recorded as a lease liability. The lease liability is reduced and carried forward in subsequent years according to the effective interest method.

Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term. Operating leases comprise office buildings, motor vehicles and other technical equipment.

## TAXES

### CURRENT INCOME TAX

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The calculation is based on the tax rates and tax laws applicable as of the balance sheet date.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

### DEFERRED TAX

Deferred tax is recognized using the liability method on all temporary differences as of the balance sheet date between the carrying amounts of assets and liabilities in the balance sheet and their tax bases. Deferred tax liabilities are recognized for all taxable temporary differences.

The following are exceptions to this:

(a) Where the deferred income tax liability arises from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, it may not be recognized.

(b) The deferred tax liability in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures may not be recognized, if the entity controls the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforwards of unused tax credits and unused tax losses can be utilized.

The following are exceptions to this:

(a) Deferred tax assets relating to the deductible temporary difference arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, may not be recognized.

(b) Deferred tax assets in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures may only be recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and sufficient taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow at least part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability settled, based on tax rates (and tax laws) that have been enacted at the balance sheet date. Future changes in tax rates are taken into account at the balance sheet date to the extent that their material effectiveness conditions have been fulfilled in the course of the legislative process.

Deferred tax relating to items recognized directly in equity is similarly recognized in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax relates to the same taxable entity and the same taxation authority.

#### VALUE ADDED TAX

Revenue, expenses and assets are generally recognized net of VAT.

The following are exceptions to this:

- (a) Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of the asset or as part of the expense item as applicable.
- (b) Trade receivables and trade payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or liabilities in the balance sheet.

#### REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company from the transaction and the revenue can be reliably measured. Revenue is recognized net of VAT and discounts when delivery has taken place and transfer of risks and rewards has been completed. Revenue from the provision of services is recognized by reference to the percentage of completion when it can be measured reliably. The percentage of completion is determined based on surveys of work performed and is generally based on the hours worked in proportion to the budgeted total number of hours.

#### BASIC INFORMATION ON REVENUE RECOGNITION

The Nemetschek Group generally distinguishes between the recognition of revenue from the sale of goods and merchandise, revenue from the provision of services and revenue from royalties.

Revenue from the sale of goods and merchandise must be recognized (time) when all the following conditions have been satisfied (IAS 18.14):

- III The significant risks and rewards incidental to ownership of the goods and merchandise sold have been transferred (transfer of title).
- III The entity does not retain control over the goods and merchandise sold.
- III The amount of revenue can be measured reliably.
- III The cash flow from the economic benefit of the sale is reasonably certain (receipt of receivable).
- III The costs incurred in respect of the sale can be measured reliably.

Revenue from the provision of services must be recognized when (IAS 18.20):

- III the amount of revenue can be measured reliably,
- III it is sufficiently probable that the economic benefit associated with the transaction will flow to the entity (receipt of receivable),
- III the stage of completion of the transaction at the balance sheet date can be measured reliably, and
- III the costs incurred for the transaction and the costs to fully complete the transaction can be measured reliably.

Customized construction contracts are concluded as contracts for work or services or fixed price contracts. In such cases, revenue and income are calculated using the percentage of completion method provided that the prerequisites set out in IAS 11.23 are met. This involves recognizing the individual revenue components in accordance with the percentage of completion, measured by reference to the percentage of contract costs incurred to date as a percentage of estimated total contract costs.

This has the following implications for the Nemetschek Group:

## 1 SOFTWARE AND LICENSES

### 1.1 Standard Software

The aforementioned criteria for the sale of goods and merchandise are generally applied, i.e. revenue is recognized when the software is sold.

The transfer of licenses in return for fixed compensation (non-recurring licenses), which give the licensee unrestricted use, is a sales transaction from an economic perspective and can be fully recognized as income.

License fees and royalties resulting from the use of company assets (software) are recorded in accordance with the economic substance of the agreement. Revenue is recorded on a straight-line basis over the term of the license agreement unless otherwise agreed.

### 1.2 Sales transactions via sales representatives/agents

From an economic perspective, revenue is generally recorded when ownership and the incidental risks and rewards are transferred. However, if the seller is acting as an agent / representative, revenue is not recognized until the software / hardware has been sold to the final customer.

## 2 MAINTENANCE/SOFTWARE SERVICE CONTRACTS

In general, the aforementioned criteria for the sale of services are applied, i.e. revenue from maintenance contracts or services is recognized straight-line over the period during which the service is rendered.

## 3 CONSULTING

### 3.1 Contract for services

The aforementioned criteria for the sale of services generally apply. Revenue is recognized using the percentage of completion method.

### 3.2 Service contract

For pure service contracts, revenue is recognized in the period in which the service is rendered (consulting agreements).

## 4 HARDWARE

The aforementioned criteria for the sale of goods and merchandise generally apply, i.e. revenue is recognized when the hardware is sold (when the goods are delivered).

## 5 TRAINING

In general, the aforementioned criteria for the sale of services are applied, i.e. revenue is recognized when the service is rendered.



## INTEREST INCOME

Revenue is recognized as interest accrues (using the effective interest method, i.e. the rate that exactly discounts estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset).

## DIVIDENDS

Dividends are recognized when the group's right to receive the payment is established.

## SEGMENT REPORTING

The resource allocation and the measurement of profitability of the business segments are performed by the executive board as the main decision-maker. The allocation of segments and regions as well as the selection of key figures is in agreement with the internal controlling and reporting system ("management approach"). The same accounting provisions are applicable as described for the group in the notes to the financial statements.

The operating business segments are organized and managed separately according to the nature of the products and services provided. Each segment represents a strategic business unit whose product range and markets differ from those of the other segments.

For the purpose of managing the company, management has split the group into business segments and has four reportable segments worldwide: Design, Build, Manage and Media & Entertainment. The business segments Design, Build, Manage and Media & Entertainment form the basis for the segment reporting.

Transfer prices between operating segments are fixed on an arm's length basis in a manner similar to transactions with third parties.

## POST BALANCE SHEET EVENTS

Events after the balance sheet that provide additional information about the group's position at the balance sheet date have been taken into account in the financial statements as required. Non-adjusting events after the balance sheet date are stated in the notes to the consolidated financial statements if they are material.

## ACCOUNTING STANDARDS APPLIED FOR THE FIRST TIME IN THE FISCAL YEAR 2015

Compared to the consolidated financial statements for the year ending December 31, 2014, the following standards and interpretations have changed or were applied for the first time as a result of being adopted by EU law or because they had become mandatory for the first time:

### IMPROVEMENTS TO IFRS 2011–2013

The improvements to IFRS 2011–2013 relate to a common standard which was published in December 2013, the content of which consisted of amendments in various IFRSs, which are applicable to financial years commencing on or after January 1, 2015.

The adjustments have no material effects on the consolidated financial statements of Nemetschek AG.

### IFRIC 21 LEVIES

The interpretation determines that an entity which is operative in a specific market has to recognize a liability for a levy imposed by the government body responsible for this market if the operative activity causing the relevant levy occurs. The first-time application of IFRIC 21 had no effect on the consolidated financial statements of Nemetschek AG.

## FUTURE CHANGES IN ACCOUNTING POLICIES

### PROSPECTS FOR FUTURE IFRS AMENDMENTS

The following IFRS were issued at the balance sheet date by the IASB but are not mandatorily applicable until later reporting periods or have not yet been adopted into EU law. The Nemetschek Group has decided not to exercise the option of early application of standards and interpretations which are not mandatorily applicable until later reporting periods.

### IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

The new standard IFRS 15 replaces the rules that had previously defined revenue. Under IFRS 15 entities must use a five-step method to determine at what time (or in which period) and to what amount they should record revenue. The model sets out that revenue is accounted for at the time (or over the period) of the transfer of the control of the goods or services from the entity to its customers in an amount that reflects the consideration to which the entity expects to be entitled. Dependent on the fulfilment of certain criteria, revenue is recorded as follows:

III over a period such that the provision of services by the entity is reflected

or

III at a time at which the control over the goods or services is transferred to the customer.

Entities accounting in accordance with IFRS must use the new standard for the first time for fiscal years beginning on or after January 1, 2018 (EU adoption assumed). Earlier application is permitted.

In the fiscal year 2015 the Group undertook a preliminary evaluation of IFRS 15, which might change in the light of further detailed analysis. This includes the clarifications published by the IASB in July 2015 in an Exposure Draft. As part of the preliminary analysis the following areas of revenue recognition were observed:

#### (a) Sale of software licenses

Contracts with customers under which the sale of software licenses represents the only performance obligation are not expected to be affected by any change in sales recognition. The Group expects revenue to be recognized at the point in time at which control over the asset is transferred to the customer. This is generally the case on supply of the software license.

#### (b) Performance obligations as part of software service contracts

The implications for software service contracts are still being analyzed in detail. In particular, the identification of the individual performance components of the software service contracts is important here.

### AMENDMENT TO IAS 19 – EMPLOYMENT BENEFITS

The amendment to IAS 19 was published in November 2013 and is to be applied for the first time in the fiscal year beginning on or after February 1, 2015. The amendment deals with accounting for contributions from employees or third parties to the pension plan as a reduction in the service cost to the extent that this reflects the service provided in the reporting period. The amendment shall be applied retrospectively. Earlier application is permitted. The company does not expect any material effects on the consolidated financial statements from the first-time application.

### IMPROVEMENTS TO IFRS 2010–2012

The improvements to IFRS 2010–2012 relate to a common standard which was published in December 2013 the content of which consisted of amendments to various IFRS which are applicable to financial years commencing on or after February 1, 2015:

III IFRS 2: Clarification of the definition of exercise conditions with special definition of provisions of services conditions;

- III IFRS 3: Clarification of classification and measurement of a conditional consideration as part of business combinations. The classification of the obligation to pay a conditional consideration as a debt or as equity depends entirely on the conditions in IAS 32.11. The measurement of a conditional consideration shall be at fair value with the changes being charged to income;
- III IFRS 8: Disclosures on the aggregation of business segments and reconciliation from the totals of the segment assets and liabilities to totals of the company's assets and liabilities;
- III IFRS 13: Explanation to the change in IFRS 9 with regard to the evaluation of short-term receivables and payables as a result of the publication of IFRS 13;
- III IAS 16: Changes in the treatment of the cumulative depreciation on applying the revaluation methods;
- III IAS 24: Clarification that entities which provide significant planning, management and supervisory services to an entity (external management in key positions) are deemed related parties to the receiving entity as defined in IAS 24, and adoption of a simplification rule for disclosures of the remuneration paid by the external entity to its employees for these management duties;
- III IAS 38: Changes in the treatment of the cumulative depreciation on applying the revaluation methods.

The company does not expect any material effects on the consolidated financial statements from the first-time application.

#### CHANGE TO IFRS 11: JOINT ARRANGEMENTS – ACCOUNTING FOR THE PURCHASE OF SHARES

The amended IFRS 11 requires that the purchaser of a share in a joint operation in which the activity constitutes a business has to apply the appropriate principles for accounting for business combinations in accordance with IFRS 3. The amendment also clarifies that a share held in a joint operation held until now is not remeasured if a further share is acquired in the same joint operation maintaining the joint control. These amendments shall not be applied if the parties (including the reporting entity) which share joint control are jointly controlled by the same ultimate controlling company. The amendments relate to both the first-time purchase of shares in a joint operation as well as to the acquisition of further shares in the same joint operation. These regulations are applicable for financial years beginning on or after January 1, 2016. They may be applied earlier. The company does not expect any material effects on the consolidated financial statements from the first-time application.

#### AMENDMENT TO IAS 16 AND IAS 38: CLARIFICATION OF PERMITTED DEPRECIATION METHODS

The amendments clarify the principle included in IAS 16 and IAS 38 that the revenues reflect the operation of the business (to which the asset belongs) and not the consumption of the future economic benefits of an asset. Consequently, a revenue-based method cannot be used for the depreciation of fixed assets, but rather – and only in very limited cases – for the depreciation of intangible assets. The changes are applicable for financial years beginning on or after January 1, 2016. Earlier application is permitted. The company does not expect any material effects on the consolidated financial statements from the first-time application.

#### IFRS 16 LEASING

The IASB published the new standard on accounting for leases in January 2016. This requires that the lessee recognizes the right of use of the leasing asset and a corresponding leasing liability for most leasing arrangements. There are, on the other hand, slight changes for lessors compared to the classification of and accounting for leases under IAS 17. IFRS 16 requires extended note disclosures from both the lessee and the lessor. IFRS 16 shall initially apply to financial years which begin on or after January 1, 2019. Earlier application is permitted under the condition that IFRS 15 is already being applied or will be applied at the same time as and together with IFRS 16. The group intends to apply the new standard as from the date it becomes effective. Roughly estimated, application of the new standard will lead to an extension of the balance sheet. The exact scope of the effects, however, has to be determined.

## IFRS 9 FINANCIAL INSTRUMENTS

In July 2014 IASB issued the final version of IFRS 9 Financial Instruments which replaces IAS 39 as well as all prior versions of IFRS 9. IFRS 9 unites the three project phases of accounting for financial instruments – “Classification and Measurement”, “Impairment” and “Hedge Accounting”. IFRS 9 initially applies to financial years which begin on or after January 1, 2018. Earlier application is permitted. With the exception of hedge accounting the standard shall be applied retrospectively, but disclosure of comparative information is not required. The rules for hedge accounting shall generally be applied prospectively except for a few exceptions. As things stand, Nemetschek AG does not expect any material effects on its consolidated financial statements.

## AMENDMENT TO IFRS 10 AND IAS 28: THE SALE OR CONTRIBUTION OF ASSETS BETWEEN AN INVESTOR AND ITS ASSOCIATE OR JOINT VENTURE

The changes relate to the inconsistencies between the requirements of IFRS 10 and IAS 28 in connection with the loss of control over a subsidiary which is sold to or brought into an associate or joint venture. The changes clarify that the gain or loss from the sale or contribution of assets in such cases shall be fully recognized to the extent that the assets represent a business operation as defined in IFRS 3. All gains and losses from the sale or contribution of assets which do not represent a business operation shall only be recognized to the extent of the share of the non-affiliated other investors in the associated entity or joint venture. The changes are applicable prospectively for financial years beginning on or after January 1, 2016. Earlier application is permitted. The company does not expect any material effects on the consolidated financial statements from the first-time application.

## CHANGES TO IAS 12: RECOGNITION OF DEFERRED TAX ASSETS FOR UNREALISED LOSSES

These changes are intended to produce clarity on accounting for deferred tax assets from unrealized losses which arise from the fair value measurement of assets since the treatment have not hitherto been uniform in practice. The change shall apply to financial years which begin on or after January 1, 2016. Earlier application is permitted. The company does not expect any material effects on the consolidated financial statements from the first-time application.

## AMENDMENT TO IAS 27: EQUITY METHOD IN SINGLE ENTITY FINANCIAL STATEMENTS

The change permits entities to apply the equity method of accounting to investments in subsidiaries, joint ventures and associates in single entity financial statements. Entities that already apply IFRS accounting and decide to convert to the equity method in their single entity financial statements must apply this change retrospectively. Initial users of IFRS who decide to apply the equity method in their single entity financial statements must apply this method from the time of conversion to IFRS. The interpretation shall apply to financial years which begin on or after January 1, 2016. The company does not expect any material effects on the consolidated financial statements from the first-time application.

## AMENDMENTS TO IFRS 10, IFRS 12 AND IFRS 28 FOR INVESTMENT COMPANIES: APPLICATION OF THE EXEMPTION FROM THE DUTY TO PREPARE CONSOLIDATED FINANCIAL STATEMENTS

The amendments should clarify questions which have arisen in the application of the exemption rule for investment companies under IFRS 10. The amendments of IFRS 10 state specifically that the exemption from preparing consolidated financial statements applies to parent companies which are the subsidiary of an investment company to the extent that this investment company measures all of its subsidiaries at fair value. Furthermore, the amendments in IFRS 10 clarify that only subsidiaries of investment companies, which are themselves not investment companies and provide services for the purpose of supporting the investment company, are consolidated. All other subsidiaries of an investment company shall be measured at fair value. The amendments to IAS 28 specify that an investor may maintain the measurement at fair value of its shares in the subsidiary, which is applied by its associates or joint ventures classified as investment companies, if it uses the equity method. The changes are applicable for financial years beginning on or after January 1, 2016. Earlier application is permitted. The company does not expect any material effects on the consolidated financial statements from the first-time application.

## AMENDMENT TO IAS 1: PUBLICATION INITIATIVE

The changes to IAS 1 Presentation of financial statements represent clarification rather than a material amendment to the existing requirements of IAS 1. The amendments specify the following:

- III The materiality requirements in IAS 1.
- III Certain items in the statement of comprehensive income, statement of other comprehensive income and in the statement of financial position can be itemized.
- III Entities can choose freely in which order they show disclosures in the notes to the financial statements.

The share of other comprehensive income of associated entities and joint ventures accounted for under the equity method shall be disclosed as one item, sub-divided by whether this item can be reclassified or not in the statement of comprehensive income in subsequent periods. Furthermore, the amendments clarify which requirements apply to the presentation of additional sub-totals in the statement of financial position, statements of comprehensive income and in the statements of other comprehensive income. These amendments are applicable for financial years beginning on or after January 1, 2016. Earlier application is permitted. The company does not expect any material effects on the consolidated financial statements from the first-time application.

## IMPROVEMENTS TO IFRS (2012 – 2014)

The improvements from this project are applicable for the first time for financial years beginning on or after January 1, 2016. The improvements include in detail:

### III IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

The disposal of assets (or disposal groups) is generally by way of sale or distribution to owners. The amendment clarifies that the change from one of these disposal methods to another is not to be seen as a new disposal plan but as the continuation of the original plan. There is no interruption in the application of the requirements of IFRS 5. This amendment shall be applied prospectively.

### III IFRS 7 Financial Instruments: Disclosures

#### (i) Servicing contracts

The amendments clarify that a servicing contract, which includes a fee, can represent a continuing involvement in a financial asset. An entity shall assess. Using the principles of IFRS 7 on continuing involvement, an entity shall assess the type of fee and agreement in order to evaluate whether the disclosures are required. The assessment of which servicing contracts represent a continuing involvement has to be applied retrospectively. The required disclosures do not, however, have to be made for reporting periods which commence before the financial year in which the entity applies the amendment for the first time.

#### (ii) Application of amendments to IFRS 7 for condensed interim financial statements

The amendment clarifies that the disclosure requirements for offsetting are not applicable to condensed interim financial statements unless such disclosures represent material current developments compared to the information published in the last annual report. The amendment shall be applied retrospectively. The company does not expect any material effects on the consolidated financial statements from the first-time application.

## **SIGNIFICANT DISCRETIONARY DECISIONS, ESTIMATES AND ASSUMPTIONS WHEN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS**

In the process of preparing the consolidated financial statements, management has made discretionary decisions, estimates and assumptions that have an effect on the income, expenses, assets and liabilities recognized as at the balance sheet date as well as on the disclosure of contingent liabilities. The uncertainty relating to these assumptions and estimates could lead to results that may require material adjustment to the carrying amounts of the assets and liabilities concerned in the future. The most important assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are analyzed below:

### **IMPAIRMENT OF NON-FINANCIAL ASSETS**

The group assesses at each reporting date whether there are any indications that a non-financial asset may be impaired. Goodwill and other intangible assets with indefinite useful lives as well as intangible assets not yet available for use are tested for impairment at least once a year or whenever there is evidence that they might be impaired. The determination of the recoverable amount of an asset or cash-generating unit, in connection with which the asset generates independent cash inflows, is associated with estimates by company management. These estimates are influenced by certain factors such as, for example, expected economic development or successful integration of acquired companies. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Nemetschek determines these amounts basically using discounted cash flow measurement. The discounted cash flows are based on a three-year forecast. The forecasts account for experiences of the past and current operative results and are based on market assumptions as well as management's best estimate of future developments. Cash flows outside of the forecast period are extrapolated applying individual growth rates. Important assumptions upon which the recoverable amount is based include estimated growth rates and weighted average capital cost rates. The estimates and the method on which this is based can have a substantial influence on the relevant values and, ultimately, on the amount of a potential impairment loss on the asset to be tested. The estimates of growth rates account for inflation and market growth expectations. Other non-financial assets are tested for impairment when there is evidence that their carrying amount might exceed their recoverable amount. Estimating a value in use requires management to make an estimate of the expected future cash flows from the assets or cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **DETERMINATION OF FAIR VALUES AS PART OF THE PURCHASE PRICE ALLOCATION**

As part of the purchase price allocation the purchased assets and liabilities adopted are firstly identified. The fair value of the material intangible assets is determined using the relief from royalty method and the residual value method. The relief from royalty method accounts for the discounted payments of usage fees which are expected to be saved since the patents or brand names are owned by the company itself. The residual value method accounts for the expected net cash flows generated by customer relationships, with the exception of all cash flows which are connected to supporting assets. If, within one year of the time of acquisition, new information on facts and circumstances becomes known which existed at the time of acquisition and would have led to adjustments to the fair values recognized as part of the purchase price allocation, the accounting value of the business acquisition is adjusted.

### **DEFERRED TAX ASSETS**

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available in the future so that the loss carry forwards can actually be utilized. A significant degree of judgement must be exercised by management to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

## TRADE RECEIVABLES

The provision for doubtful trade receivables uses estimates and judgements of individual receivables which are based on the creditworthiness of the relevant customer, current economic development and analysis of the aging structure of receivables.

## PENSIONS

The cost of defined benefit plans is determined using actuarial valuations. The actuarial calculation is based on assumptions concerning discount rates, expected future increases in salaries and pensions and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The assumptions are reviewed at each balance sheet date.

## DEVELOPMENT COSTS

Development costs are capitalized in accordance with the accounting policies presented in these notes. In the fiscal year 2015 none of the development projects fulfilled the capitalization criteria of IAS 38 and consequently nothing was capitalized.

## CURRENCY TRANSLATION

The group's consolidated financial statements are prepared in EUR, which is the group's presentation currency. Each entity in the group determines its own functional currency. That is the currency of the primary economic environment in which the company operates. Items included in the financial statements of each entity are measured using the functional currency. Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency exchange spot rate as at the balance sheet date. Foreign exchange differences are recorded to profit or loss.

Non-monetary items that are measured at historical acquisition or production cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates applicable at the date when the fair value is determined.

Currency translation differences on foreign currency borrowings represent the exception to this where these are accounted for as hedges to a net investment in a foreign operation. These are taken directly to equity until the disposal of the net investment, at which time they are recognized in profit and loss. Deferred taxes attributable to exchange differences on those foreign currency borrowings are also taken directly to equity. The assets and liabilities of the foreign company are translated into EUR at the balance sheet date rate (including any hidden reserves realized as part of a purchase price allocation, as well as goodwill). Income and expenses are translated at the average exchange rate. Any resulting exchange differences are recognized separately in equity.

Exchange rate differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the period are recognized as an other operating expense or as an other operating income in the period during which they arose.

The following exchange rates are used for translation of currencies in countries outside of the European Currency Union:

#### EXCHANGE RATES

Currency	Average exchange rate in 2015	Exchange rate as of December 31, 2015	Average exchange rate in 2014	Exchange rate as of December 31, 2014
EUR / USD	1.11	1.09	1.33	1.21
EUR / CHF	1.07	1.08	1.21	1.20
EUR / CZK	27.28	27.02	27.54	27.74
EUR / RUB	68.07	80.67	50.95	72.34
EUR / JPY	134.31	131.07	140.31	145.23
EUR / HUF	310.00	315.98	308.71	315.54
EUR / GBP	0.73	0.73	0.81	0.78
EUR / BRL	3.70	4.31	3.12	3.22
EUR / MXN	17.62	18.91	17.66	17.87
EUR / NOK	8.95	9.60	8.35	9.04
EUR / SGD	1.53	1.54	1.68	1.61
EUR / CNY	6.97	7.06	8.19	7.54
EUR / CAD	1.42	1.51	–	–
EUR / SEK	9.35	9.19	–	–

#### COMPANY PURCHASES AND DISPOSALS IN THE FINANCIAL YEAR 2015

The group of companies consolidated is the same as at December 31, 2014, except for the following changes:

#### COMPANY ACQUISITIONS

##### SOLIBRI OY, HELSINKI, FINLAND

Under the purchase agreement of December 18, 2015, Nemetschek AG purchased 100% of the shares in Solibri Oy, Helsinki, Finland. For this acquisition of shares there were payments amounting to EUR 32,000k as at December 31, 2015. In addition to this fixed purchase price component a further variable purchase price payment was agreed. The variable purchase price payment is determined based on the revenues invoiced and on EBITDA in the fiscal year 2017. In accordance with the current budgets for the fiscal year 2017 the company is expecting subsequent purchase price payments of EUR 13,000k (discounted: EUR 12,838k). The estimation is based on the targeted amount of invoiced revenue in 2017 amounting to EUR 15,200k. Solibri is allocated to the Build segment due to the strong customer link to construction companies.

As part of the preliminary purchase price allocation, mainly intangible assets of EUR 36,258k have been recorded for technology, customer relationships and brand names, as well as for deferred tax liabilities amounting to EUR 7,335k. The allocation to the individual intangible assets is shown under Note 12. Goodwill of EUR 15,662k includes intangible assets that are not separable such as, for example, technical knowledge of the employees and expected synergy effects.



Solibri is a worldwide leading and global software producer of solutions for the quality assurance and control of Building Information Modeling (BIM), the digital working method for the planning, execution and operation of structures. With the “Solibri Model Checker” BIM models, in particular, are checked for integrity, quality and country-specific norms during the entire planning and building process. The review of entire projects in accordance with logical analysis rules, which detect defects, is globally unique. Solibri promotes – as do all brands of the Nemetschek Group – open standards (Open BIM), so that information relevant to the building can be transferred through all steps of the building process via open interfaces. In the fiscal year 2015 Solibri generated revenue of EUR 4.7 million and an EBITA of EUR 1.1 million. As a result of the time of acquisition on December 31, 2015, no profit or loss was adopted in the consolidated financial statements for the fiscal year 2015.

#### SOLIBRI GROUP

Thousands of €	<b>2015</b>
<b>Goodwill</b>	<b>15,662</b>
Other intangible assets	36,266
Property, plant and equipment	121
Deferred tax assets	201
Other non-current assets	21
Trade accounts receivable	797
Other current assets	180
Cash and cash equivalents	909
<b>Total assets acquired</b>	<b>54,157</b>
Deferred tax liabilities	7,337
Other current provisions	402
Trade accounts payable	340
Other current liabilities	781
Other non-current financial liabilities	0
Other non-current liabilities	459
<b>Total liabilities assumed</b>	<b>9,319</b>
<b>Net assets acquired</b>	<b>44,838</b>
<b>Purchase price</b>	<b>44,838</b>



Al Khor Stadium, Khor, Qatar  
Visualization: HHVision Architekturvisualisierung,  
Cologne, Germany

# MAXON

*"MAXON is intensively involved in defining and asserting open exchange and calculation formats, and thus achieves maximum flexibility in terms of workflow integration in professional work environments."*

Harald Egel, MAXON

**Segment:**

Media & Entertainment

**Company size:**

107 employees

**Locations:**

Friedrichsdorf, Bedford, Boulogne-Billancourt, Montreal, Newbury Park, Shinagawa-ku Tokyo, Singapore

**Solutions:**

Cinema 4D  
BodyPaint 3D

**Awards and References:**

In the motion picture industry, time and again, MAXON's Cinema 4D and BodyPaint 3D products are major contributors to the production of internationally successful blockbusters such as "The Martian", "The Hunger Games: Mockingjay", "Avengers: Age of Ultron", "Prometheus", "Iron Man" and "Oblivion".

## Perfect Illusion

MAXON Computer is a globally leading developer of professional solutions for 3D modeling, painting, animation and rendering. The software packages Cinema 4D and BodyPaint 3D have won multiple awards and are used worldwide in numerous productions in the areas of film, television, advertising and games as well as in the visualization of architecture, medicine, product design and infographics. MAXON solutions are what users choose first for the creation of perfect illusions. MAXON Computer, headquartered in Friedrichsdorf near Frankfurt am Main, Germany, was founded in 1986 and has been part of the Nemetschek Group since 2000.

[www.maxon.net](http://www.maxon.net)

#### BITE DESIGN LTD., LONDON, UK

The Graphisoft subsidiary in the UK purchased 100% of the shares in Bite Design Ltd., London, UK as at July 1, 2015. The purchase price amounted to EUR 1,196k. This includes variable purchase price payments of EUR 443k. The subsequent purchase price payment is in connection with the support of software service customers and the processing of support cases received. Bite Design Ltd. is a service provider for Graphisoft customers in the areas of "Hotline" and "Professional Services". The acquisition has been made mainly in order to maintain the service function for the Graphisoft customers in future. The sellers decided to sell their business operations in the medium term due to their age. As a result of the close business relationship of Bite Design Ltd. to Graphisoft UK already in existence at the time of acquisition, no silent reserves could be identified as part of the purchase price allocation. Directly after the purchase the operating business activities were integrated in Graphisoft UK. The corporate legal shell of Bite Design Ltd. will be merged with Graphisoft UK if the legal requirements are met. Goodwill of EUR 908k arose from the consolidation. The goodwill includes intangible assets that are not separable such as, for example, technical knowledge of the employees and expected synergy effects.

If the company purchased had been included in the consolidated financial statements since January 1, 2015, the effect on group revenues as at December 31, 2015, would have been EUR 379k, and on EBITDA EUR 52k.

#### **BITE DESIGN LTD.**

Thousands of €	<b>2015</b>
<b>Goodwill</b>	<b>908</b>
Property, plant and equipment	3
Trade accounts receivable	47
Cash and cash equivalents	333
<b>Total assets acquired</b>	<b>1,291</b>
Other current provisions	43
Trade accounts payable	8
Other current liabilities	43
<b>Total liabilities assumed</b>	<b>94</b>
<b>Net assets acquired</b>	<b>1,196</b>
<b>Purchase price</b>	<b>1,196</b>

#### BLUEBEAM AB, STOCKHOLM, SWEDEN

Under the purchase agreement dated July 10, 2015, Bluebeam Software, Inc., USA purchased its distributor in Sweden. The sales price for 100% of the shares amounted to EUR 534k. The integration of the distributor boosted growth of the Bluebeam Group further in Europe. Goodwill of EUR 216k arose as part of the purchase price allocation. No other silent reserves were identified. The goodwill includes intangible assets that are not separable such as, for example, technical knowledge of the employees and expected synergy effects.

If the company purchased had been included in the consolidated financial statements since January 1, 2015, the effect on group revenues as at December 31, 2015, would have been EUR 728k, and on EBITDA EUR 33k. Since the acquisition the company has been able to generate revenues of EUR 161k as well as an EBIT of EUR -148k (after consolidation effects).

**BLUEBEAM AB**

Thousands of €	<b>2015</b>
<b>Goodwill</b>	<b>216</b>
Other non-current assets	15
Trade accounts receivable	98
Other current assets	54
Cash and cash equivalents	433
<b>Total assets acquired</b>	<b>816</b>
Other current provisions	20
Trade accounts payable	158
Other current liabilities	104
<b>Total liabilities assumed</b>	<b>282</b>
<b>Net assets acquired</b>	<b>534</b>
<b>Purchase price</b>	<b>534</b>

Furthermore, two “asset deals” were performed in the fiscal year 2015 which fulfil the conditions for a business combination according to IFRS 3:

- III On January 15, 2015, Graphisoft SE took over the sales of its Italian distributor and integrated it into Graphisoft SE. Graphisoft SE is thus extending its own distribution channels in Europe. The purchase price amounted to EUR 1,789k. As part of the purchase price allocation a customer base amounting to EUR 1,667k was recognized. Furthermore, liabilities were adopted largely from a bonus program for customers at an amount of EUR 628k. Goodwill of EUR 750k arose from initial consolidation. Goodwill includes intangible assets that are not separable such as, for example, technical knowledge of the employees and expected synergy effects. The business area purchased was integrated into Graphisoft SE.
- III On October 20, 2015, Vectorworks, Inc. purchased the technology “ESP Vision” for EUR 1,718k. Initially, an initial payment of EUR 1,091k was made. Depending on achievement of the revenue targets agreed for the product, subsequent purchase price payments of EUR 627k could arise over the next two years. With “ESP Vision” it is possible to present light simulations which are much more professional and which can be used, for example, in large stage shows or building projects. The technology will in future be integrated in the software of Vectorworks, Inc. With the acquisition of this technology, Vectorworks is in a position to increase the functional scope of its own software and increase the benefit to the user. Technology amounting to EUR 655k, a customer base amounting to EUR 209k and goodwill amounting to EUR 854k were determined as part of the purchase price allocation. The goodwill includes intangible assets that are not separable such as, for example, expected synergy effects.

## COMPANY SALES

Under the purchase agreement dated December 14, 2015, the shares in GLASER -isb cad- Programmsysteme GmbH were sold for EUR 2,000k. The company was deconsolidated on December 31, 2015. A deconsolidation profit of EUR 498k arose from the disposal of assets and liabilities.

As at December 31, 2015, current assets amounting to EUR 1,967k (of which EUR 834k liquid funds) and non-current assets of EUR 742k (of which EUR 697k goodwill) were disposed of.

Total liabilities of EUR 772k and non-controlling interests of EUR 435k were disposed of on the liabilities side of the balance sheet.

## COMPANY ACQUISITIONS IN THE FISCAL YEAR 2014

### COMPANY ACQUISITIONS

#### BLUEBEAM SOFTWARE, INC., PASADENA, USA

On October 31, 2014, Nemetschek AG purchased 100% of the shares in Bluebeam Software, Inc., Pasadena, USA. On purchase of the shares, payments (preliminary purchase price) were made on December 31, 2014 amounting to EUR 81,655k. Up until October 30, 2015, there was a purchase price subsequent payment of EUR 882k to Bluebeam Software Inc. due to a tax reimbursement from previous years. In accordance with the contractual conditions, the purchase price and the goodwill increased correspondingly.

Bluebeam is a leading provider of PDF-based workflow-solutions for digital working processes and collaboration in the AEC industry. With the “Bluebeam Revu” platform technology, digital and paperless working processes are enabled and the collaboration of all those involved in building is substantially improved which, ultimately, leads to increased efficiency in the building process. Based on its major customer group and product portfolio the company has been allocated to the “Build” segment.

As part of the preliminary purchase price allocation mainly intangible assets of EUR 43,015k have been recorded for customer relationships, technology and brand name, as well as for deferred tax liabilities amounting to EUR 17,133k. The allocation to the individual intangible assets is shown under Note 12. The opening balance sheet deferred income would have been EUR 752k lower at that time. Goodwill of EUR 48,843k includes intangible assets that are not separable such as, for example, technical knowledge of the employees and expected synergy effects. The table below shows the adjustments made as part of the final purchase price allocation.

With two selling shareholders who are, at the same time, the key persons in management of Bluebeam Software, Inc., 20% of the purchase price (EUR 3,172k) was provided as conditional consideration for their shares. As a result of the direct link of the conditional consideration to the employment relationship in the company, the conditional consideration qualified as personnel expenses and not as part of the purchase price. The amount of the conditional consideration is determined based on the revenue and EBITA margin targets for the fiscal years 2014 to 2016 and is due for payment in 2017. As at December 31, 2015, EUR 2,204k (previous year: EUR 1,016k) was disclosed for this under other non-current obligations.

Since the time of initial consolidation on October 31, 2014, Bluebeam Software, Inc. contributed to the consolidated financial statements of Nemetschek AG as at December 31, 2014 with revenues of EUR 4,854k and an EBITDA of EUR 1,080k. If the company purchased had been included in the consolidated financial statements from January 1, 2014, the effect on group revenues as at December 31, 2014, would have been EUR 25,824k, and on EBITDA EUR 5,082k. The expenses for the consideration in the fiscal year 2014 described above have not been included in EBITDA since the time of the first-time consolidation and also not in the disclosure of the pro forma EBITDA. The following table shows the values of the assets and liabilities recorded at the time of the acquisition:

**BLUEBEAM SOFTWARE, INC.**

Thousands of €	Preliminary PPA as of October 31, 2014	Changes in 2015	Final PPA as of October 31, 2014
<b>Goodwill</b>	<b>48,497</b>	<b>346</b>	<b>48,843</b>
Other intangible assets	43,519	140	43,659
Property, plant and equipment	5,303	0	5,303
Trade accounts receivable	1,686	0	1,686
Other current assets	3,577	0	3,577
Cash and cash equivalents	6,551	0	6,551
<b>Total assets acquired</b>	<b>109,133</b>	<b>486</b>	<b>109,619</b>
Deferred tax liabilities	12,090	355	12,445
Other current provisions	2,682	0	2,682
Trade accounts payable	262	0	262
Other current liabilities	9,351	-752	8,599
Other con-current financial liabilities	3,093	0	3,093
<b>Total liabilities assumed</b>	<b>27,478</b>	<b>-397</b>	<b>27,081</b>
<b>Net assets acquired</b>	<b>81,655</b>	<b>882</b>	<b>82,537</b>
<b>Purchase price</b>	<b>81,655</b>	<b>882</b>	<b>82,537</b>

## NEVARIS BIM SOFTWARE GMBH

(FORMERLY: HARTMANN TECHNOLOGIES GESELLSCHAFT MBH), BERLIN

Under acquisition contracts dated July 1, 2014, and July 21, 2014, NEVARIS Bausoftware GmbH, Mondsee (formerly: Auer – Die Bausoftware GmbH) purchased 86.5% of the shares in NEVARIS BIM Software GmbH, Berlin. The purchase price for the shares amounted to EUR 678k. An additional purchase price obligation was agreed in the acquisition contract which is related to the future revenue growth as well as to EBIT threshold amounts. As part of the initial consolidation this obligation was accounted for at EUR 1,504k. Since the time of initial consolidation on July 1, 2014, the company has contributed to the consolidated financial statements of Nemetschek AG as at December 31, 2014, with revenues of EUR 223k and an EBITDA of EUR -369k. If the company purchased had been included in the consolidated financial statements since January 1, 2014, the effect on group revenues as at December 31, 2014, would have been EUR 692k, and on EBITDA EUR -368k. The purchase price allocation did not lead to a realization of silent reserves.

The company develops and sells software solutions for the building model oriented work in the construction industry. With the construction technology solution NEVARIS Nemetschek today already covers the process from budgeting and tendering, awarding and settlement (AVA) through to performance of construction and controlling. Through the investment the portfolio of services has been expanded by detailed cost and quantity determination. The ice BIM solutions developed by hartmann can, for example, derive the important volume calculation for basic structural and finishing work directly from the 3D model. Through the integration with NEVARIS a consistent and transparent process is ensured through all building phases. Based on its product portfolio and major customer group the company has been allocated to the “Build” segment. The following table shows the values of the assets and liabilities recorded at the time of the acquisition:

**NEVARIS BIM SOFTWARE GMBH (FORMERLY: HARTMANN TECHNOLOGIES GESELLSCHAFT MBH)**

	Thousands of €	<b>2014</b>
<b>Goodwill</b>		<b>2,118</b>
Other intangible assets		1,231
Property, plant and equipment		43
Deferred tax assets		340
Trade accounts receivable		103
Other current assets		10
<b>Total assets acquired</b>		<b>3,845</b>
Deferred tax liabilities		370
Other current provisions		71
Trade accounts payable		17
Other current non-financial liabilities		1,195
<b>Total liabilities assumed</b>		<b>1,653</b>
<b>Net assets acquired</b>		<b>2,192</b>
Non-controlling interests		- 10
<b>Purchase price</b>		<b>2,182</b>

**NEW FORMATIONS****NEMETSCHEK US, INC., DELAWARE, USA**

In October 2014 the newly formed Nemetschek US, Inc., Delaware, USA was taken up in the group financial statements for the first time.

**PRECAST SOFTWARE ENGINEERING CO. LTD., SHANGHAI, CHINA  
(FORMERLY: NEMETSCHEK SOFTWARE ENGINEERING (SHANGHAI) CO. LTD.)**

In April 2014 the newly founded Nemetschek Software Engineering (Shanghai) Co. Ltd., Shanghai, China was included in the consolidated financial statements for the first time.

**INVESTMENTS**

In July 2014 Nemetschek Allplan Systems GmbH invested 20.6% in Sablono GmbH, Berlin. The shares were acquired at a purchase price of EUR 770k.



## NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### REVENUES

[1]  
Revenues

Thousands of €	2015	2014
Software and licenses	150,393	105,034
Recurring Revenues	122,444	101,085
Services (consulting and training)	12,210	12,128
Hardware	222	204
	<b>285,269</b>	<b>218,451</b>

Revenues for the fiscal year 2015 include EUR 69k (previous year: EUR 237k) relating to the application of the percentage of completion method. These revenues are matched by expenses amounting to EUR 24k (previous year: EUR 90k). For the fiscal year 2015 profit from projects based on application of the percentage of completion method amount to EUR 45k (previous year: EUR 147k). Contract costs include the costs that are directly and indirectly attributable to the contract, as well as costs specifically chargeable to the customer under the terms of the contract. The progress of the project is determined based on the costs incurred to date compared to planned costs. The stage of completion of the project is determined by the current project controlling. Revenue recognition is based on this. A security deposit appropriate for the market is accounted for. At the closing date customer contracts with an asset balance amounted to EUR 69k (previous year: EUR 268k) as well as customer contracts with a liability balance of EUR 134k previous year: EUR 0k).

The breakdown of revenues by segment, as well as the regional allocation, can be seen under segment reporting (Note 26).

### OTHER OPERATING INCOME

[2]  
Other operating  
income

Thousands of €	2015	2014
Foreign exchange rate gains	2,956	3,412
Offsetting other services	594	505
Development subsidies	585	616
Income from disposal of fixed assets	460	185
Income from compensation claims	220	0
Other	1,069	273
	<b>5,884</b>	<b>4,991</b>

[3]  
Cost of materials and  
purchased services

**COST OF MATERIALS**

Thousands of €	2015	2014
Cost of purchased materials	8,190	7,543
Cost of purchased services	1,559	1,077
	<b>9,749</b>	<b>8,620</b>

Cost of merchandise mainly includes purchased software licenses.

[4]  
Personnel expenses

**PERSONNEL EXPENSES**

Thousands of €	2015	2014
Wages and salaries	105,930	78,146
Social security, other pension costs and welfare	21,154	16,391
	<b>127,084</b>	<b>94,537</b>

The headcount developed as follows:

**HEADCOUNT**

Number of employees	2015	2014
Sales/marketing/hotline	732	621
Development	722	606
Administration	211	157
<b>Average headcount for the year</b>	<b>1,664</b>	<b>1,384</b>
<b>Headcount as of December 31</b>	<b>1,754</b>	<b>1,559</b>

[5]  
Amortization and  
depreciation

**AMORTIZATION AND DEPRECIATION**

Thousands of €	2015	2014
Amortization of intangible assets excluding intangible assets, which were disclosed as part of purchase price allocation	2,650	3,104
Depreciation of property, plant and equipment	4,000	2,419
<b>Depreciation / amortization of tangible, intangible and long-term available-for-sale assets</b>	<b>6,650</b>	<b>5,523</b>
Amortization due to purchase price allocated intangible assets	10,131	4,765
<b>Total amortization and depreciation</b>	<b>16,781</b>	<b>10,288</b>

**OTHER OPERATING EXPENSES**

[6]  
Other operating  
expenses

Thousands of €	2015	2014
Marketing expenses	16,585	8,644
Commissions	12,409	11,697
Expenses for third-party services	11,508	10,529
Rents	9,921	7,896
Legal and consulting expenses	8,326	6,263
Travel expenses and hospitality	6,562	4,943
EDP equipment	4,251	2,497
Vehicle expenses	2,752	2,484
Currency translation expenses	2,287	1,311
Retraining expenses and recruiting expenses	1,745	1,255
Communication expenses	1,592	1,471
Other	6,934	4,511
	<b>84,872</b>	<b>63,501</b>

The item "other" consists of various individual items, all of which are less than EUR 1,000k.

The income/expenses from associates amounting to EUR 970k (previous year: EUR –42k) includes income from DocuWare GmbH amounting to EUR 1,125k, for Sablono GmbH losses of EUR 155k were recorded in 2015.

[7]  
Shares in  
associates results

**INTEREST INCOME/EXPENSES**

[8]  
Interest income/  
expenses

Thousands of €	2015	2014
Other interest and similar income	178	152
Interest and similar expenses	–705	–224
	<b>–527</b>	<b>–72</b>

Other financial income for the fiscal year includes the adjustment from the subsequent purchase price payment related to the purchase of shares in NEVARIS BIM Software GmbH (formerly: hartmann technologies Gesellschaft mbH). The changes arising from the subsequent measurement of the additional purchase price obligation compared to the first-time inclusion on July 1, 2014 are recorded in other financial result. Based on the adjustments to the budgets for the fiscal year 2016, which is the year relevant for the determination of the additional purchase price payment for the company, the subsequent purchase price obligation as of the closing date was EUR 1,035k lower.

[9]  
Other financial income

The major components of the income tax expense are as follows:

[10]  
Income taxes

**INCOME TAXES**

Thousands of €	2015	2014
Current tax expenses	–18,748	–13,492
Deferred tax income	2,347	390
<b>Total income taxes</b>	<b>–16,401</b>	<b>–13,102</b>

The tax income for the fiscal year 2015 includes tax income from prior years amounting to EUR 89k (previous year: tax income EUR 692k). Furthermore, in the fiscal year 2015 EUR 16k (previous year: EUR 89k) deferred taxes from the revaluation of pension obligations were recorded in equity without impacting profit or loss. The deferred tax income of EUR 2,347k (previous year: EUR 390k) is in connection with the provision and release of temporary differences.

The income tax rates of the individual entities range from 10.0% and 42.84% (previous year: from 10.0% and 39.83%). The income tax rate of Nemetschek AG is calculated as follows:

**INCOME TAX RATE**

in %	2015		2014		2013	
Earnings before taxes	100.0		100.0		100.0	
Trade tax (weighted)	16.7	16.7	16.7	16.7	16.8	16.8
	<b>83.3</b>		<b>83.3</b>		<b>83.2</b>	
Corporate income tax	15.0	15.0	15.0	15.0	15.0	15.0
Solidarity surcharge	0.8	0.8	0.8	0.8	0.8	0.8
	<b>67.5</b>	<b>32.5</b>	<b>67.5</b>	<b>32.5</b>	<b>67.4</b>	<b>32.6</b>

Deferred taxes are measured on the basis of the nominal tax rate of Nemetschek Aktiengesellschaft or the tax rate applying to the respective subsidiary.

The tax rate for the fiscal year 2015 applied by Nemetschek AG is 32.5% (fiscal year 2014: 32.5%).

Deferred tax assets and deferred tax liabilities are offset for each tax-paying entity if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the income tax of the same taxable entity and the same taxation authority.

Deferred income taxes at the balance sheet date comprise the following:

**DEFERRED TAXES**

	Consolidated balance sheet	
	Thousands of €	
	<b>2015</b>	2014
<b>Assets</b>		
Intangible assets	8	15
Property, plant and equipment	840	600
Receivables	30	34
Pensions and related obligations	331	372
Provisions	904	365
Liabilities	4,161	1,852
Tax loss carryforward	1,903	4,405
Other	91	1,130
Offsetting	-6,896	-8,047
	<b>1,372</b>	<b>727</b>
<b>Liabilities</b>		
Intangible assets	27,652	22,044
Property, plant and equipment	596	321
Receivables	99	45
Provisions	25	689
Liabilities	2,451	0
Other	388	386
Offsetting	-6,896	-8,047
	<b>24,315</b>	<b>15,438</b>

A reconciliation between the reported income tax expense and the expected income tax expense (measured using the tax rate for 2015) for the fiscal years ended December 31, 2015 and 2014 is as follows:

**INCOME TAX RECONCILIATION**

Thousands of €	2015	2014
<b>Earnings before taxes</b>	<b>54,183</b>	<b>46,560</b>
Theoretical tax rate 32.5% (p.y. 32.5%)	17,599	15,121
Differences to German and foreign tax rates	-1,791	-1,483
<b>Tax effects on:</b>		
At equity consolidation of associated companies	-311	0
Change in the recoverability of deferred tax assets and tax credits	806	974
Change of deferred taxes on permanent differences	-272	-1,045
Effect of taxes, previous years	-89	-692
Non-deductible expenses	1,228	1,393
Effect of functional currency	1,561	0
Tax-free income	-2,785	-1,421
Tax rate changes and adaptation	-135	10
Other	590	245
Effective tax expense	16,401	13,102
<b>Effective tax rate</b>	<b>30.3%</b>	<b>28.1%</b>

The deferred tax assets on losses carried forward are determined as follows:

**DEFERRED TAX ON LOSSES CARRIED FORWARD**

Thousands of €	2015	2014
Losses according to entities	59,028	61,649
Deferred tax assets, gross	9,825	11,073
Allowances on tax losses carried forward	-7,922	-6,668
<b>Deferred tax assets on unused tax losses, net</b>	<b>1,903</b>	<b>4,405</b>

The items contain deferred taxes on unused tax losses which are likely to be realized in the future. The deferred tax assets on tax losses carried forward were recognized on the basis of the income and expense budgets of Nemetschek AG subsidiaries for the fiscal years 2016–2018. The companies' detailed budgeting relates to a one-year period. The deferred tax assets on losses brought forward in the sub-consolidation Graphisoft are now equivalent to, in terms of their amounts, the deferred tax liabilities recognized in connection with the purchase price allocation as of the closing date of December 31, 2015.

The temporary differences in connection with the shares in subsidiaries amounting to EUR 2,334k, for which no deferred tax liabilities have been provided, would lead to a tax charge of EUR 587k in future.

There were no income tax consequences attached to the payment of dividends in 2015 by Nemetschek Aktiengesellschaft to its shareholders.

## EARNINGS PER SHARE

[11]  
Earnings per share

Basic undiluted earnings per share do not take into account any options and are calculated by dividing the net income for the period attributable to shares by the average number of shares during the period.

At the balance sheet date, as in the previous year, there were no matters requiring a dilution of the earnings per share result.

### EARNINGS PER SHARE

	2015	2014
Net income attributable to the parent (in thousands of EUR)	35,896	31,486
Weighted average number of ordinary shares outstanding as of December 31	38,500,000	38,500,000*
Weighted average number of ordinary shares to be included in the calculation of diluted earnings per share as of December 31	38,500,000	38,500,000*
<b>Earnings per share in EUR, undiluted</b>	<b>0.93</b>	<b>0.82*</b>
<b>Earnings per share in EUR, diluted</b>	<b>0.93</b>	<b>0.82*</b>

\* For better comparability, figures from previous years has been presented after the share split.





# NEVARIS

*"NEVARIS offers a complete, holistic 5D solution that encompasses the range from building information modeling, traditional tenders/awarding of contracts/invoicing, calculation and scheduling all the way to cost accounting and cost determination."*

Michael Homscheid and Wolfgang Götz, NEVARIS

**Segment:**  
Build

**Company size:**  
113 employees

**Locations:**  
Achim, Wals-Siezenheim

**Solutions:**  
NEVARIS iceBIM  
NEVARIS Build  
NEVARIS Finance

**Awards and References:**  
red dot Award, German Design Award,  
Montforthaus (Feldkirch, Austria),  
Brandenburg State Parliament (Potsdam, Germany)

## Holistically Integrated Solution

Since October 1, 2015, Nemetschek Bausoftware and Nemetschek Auer, which were previously individual brands, have been acting under the company name NEVARIS Bausoftware GmbH. NEVARIS offers a complete, holistic 5D solution that encompasses the range from building information modeling, traditional tenders/awarding of contracts/invoicing and calculation all the way to financial accounting and cost accounting. The jointly developed commercial/technical software for the construction industry stands for modern, transparent work processes that take ergonomics into consideration. NEVARIS makes it possible to create an intelligent 3D building model that is based on consistent data.

[www.nevaris.com](http://www.nevaris.com)

Montforthaus, Feldkirch, Austria  
Architects: HASCHER JEHLLE Architektur,  
Berlin, Germany  
Image: David Matthiessen

## NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

[12] A statement of fixed assets is presented on the last page of these notes to the consolidated financial statements.  
Fixed assets The carrying values of internally generated software amount to EUR 3,754k (previous year: EUR 4,946k).

Pursuant to IAS 38, development costs must be capitalized unless they are incurred for basic research or are not related to projects, provided that the prerequisites of IAS 38.57 are fulfilled (see also accounting policies). The group was involved in non-project related product development in the fiscal year 2015. This included direct personnel costs plus directly allocable overheads. The development costs of projects that have not satisfied the criteria of IAS 38.57 are recorded as an expense amounting to EUR 67,901k (previous year: EUR 55,309k).

The development of the fair values of intangible assets from the purchase price allocations of major acquisitions were as follows:

### INTANGIBLE ASSETS FROM THE PURCHASE PRICE ALLOCATION OF SOLIBRI GROUP

Thousands of €	Fair value at time of acquisition Dec. 31, 2015	Useful life in years	Amortization 2015	Net book value as of Dec. 31, 2015
Brand name	1,888	10	0	1,888
Software	20,599	10	0	20,599
Customer relationship	13,316	13	0	13,316
Non-compete agreements	455	2	0	455
<b>Intangible assets</b>	<b>36,258</b>		<b>0</b>	<b>36,258</b>

### INTANGIBLE ASSETS FROM THE PURCHASE PRICE ALLOCATION OF BLUEBEAM\*

Thousands of €	Fair value at time of acquisition Oct. 31, 2014	Useful life in years	Amortization 2015	Net book value as of Dec. 31, 2015	Net book value as of Dec. 31, 2014
Brand name	3,130	12	266	3,292	3,102
Software	13,940	10	1,343	14,477	13,539
Customer relationship reseller	9,380	17	1,247	9,303	9,482
Customer relationship other	17,209	15	3,228	15,921	17,846
<b>Intangible assets</b>	<b>43,659</b>		<b>6,085</b>	<b>42,993</b>	<b>43,968</b>

### INTANGIBLE ASSETS FROM THE PURCHASE PRICE ALLOCATION OF DDS GROUP\*

Thousands of €	Fair value at time of acquisition Nov. 30, 2013	Useful life in years	Amortization 2015	Net book value as of Dec. 31, 2015	Net book value as of Dec. 31, 2014
Software	5,325	12	596	3,461	4,266
Customer relationship	1,899	15	299	1,137	1,464
<b>Intangible assets</b>	<b>7,224</b>		<b>895</b>	<b>4,598</b>	<b>5,730</b>

### INTANGIBLE ASSETS FROM THE PURCHASE PRICE ALLOCATION OF GRAPHISOFT GROUP\*

Thousands of €	Fair value at time of acquisition Dec. 31, 2006	Useful life in years	Amortization 2015	Net book value as of Dec. 31, 2015	Net book value as of Dec. 31, 2014
Brand name	5,300	15	287	1,687	1,971
Trademarks	2,800	10	227	223	446
Software	27,100	7	0	0	0
Customer relationship	27,300	12	2,148	6,390	8,330
<b>Intangible assets</b>	<b>62,500</b>		<b>2,662</b>	<b>8,300</b>	<b>10,747</b>

\* Based on the translation of intangible assets held in foreign currency from the purchase price allocation of Bluebeam, DDS Group and Graphisoft Group, adjustments arise on reconciliation of the previous year to the current closing date from the foreign currency translations which are not shown in the tables. The effects from the foreign currency translation can be seen from the statement of fixed assets.

**INTANGIBLE ASSETS FROM THE PURCHASE PRICE ALLOCATION OF SCIA GROUP**

Thousands of €	Fair value at time of acquisition Feb. 28, 2006	Useful life in years	Amortization 2015	Net book value as of Dec. 31, 2015	Net book value as of Dec. 31, 2014
Software	1,000	3	0	0	0
Customer relationship	2,700	10	270	45	315
<b>Intangible assets</b>	<b>3,700</b>		<b>270</b>	<b>45</b>	<b>315</b>

**GOODWILL**

Goodwill developed as follows:

**GOODWILL DEVELOPMENT**

Thousands of €	2015	2014
Amount carried forward as of January 1	111,285	60,112
Additions	18,661	52,744
Disposals	-697	0
Currency differences	5,700	-1,571
<b>Balance as of December 31</b>	<b>134,949</b>	<b>111,285</b>

The goodwill acquired from business combinations was allocated to the cash-generating unit for impairment testing. The cash-generating unit represents either the relevant group company or the relevant group entity as the case may be.

Carrying amounts of the goodwill were allocated to the respective cash-generating units as follows:

**GOODWILL ALLOCATION**

Thousands of €	2015	2014
Bluebeam Software Inc., Pasadena, USA	56,407	50,027
Graphisoft SE European Company Limited by Shares, Budapest, Hungary	21,938	20,339
Solibri Oy, Helsinki, Finland	15,662	0
NEVARIS Group	14,145	14,145
Data Design System AS, Klepp Stasjon, Norway	9,817	10,542
Vectorworks Inc., Columbia, Maryland, USA	6,163	4,752
MAXON Computer GmbH, Friedrichsdorf	3,007	3,007
SCIA Group NV, Herk-de-Stad, Belgium	2,785	2,785
CREM Solutions GmbH & Co. KG, Ratingen (formerly: Nemetschek CREM Solutions GmbH & Co. KG, Ratingen)	2,028	2,028
Frilo Software GmbH, Stuttgart (formerly: Nemetschek Frilo GmbH, Stuttgart)	1,293	1,293
Allplan GmbH, Munich (formerly: Nemetschek Allplan Systems GmbH, Munich)	1,703	1,669
GLASER -isb cad- Programmsysteme GmbH, Wennigsen	0	697
<b>Total goodwill</b>	<b>134,949</b>	<b>111,285</b>

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In the fiscal year 2015 the whole business area NEVARIS was formed consisting of the companies

- III NEVARIS Bausoftware GmbH, Achim (formerly Nemetschek Bausoftware GmbH),
- III NEVARIS Bausoftware GmbH, Mondsee, Austria (formerly AUER – Die Bausoftware GmbH),
- III NEVARIS BIM Software GmbH, Berlin (formerly hartmann technologies Gesellschaft mbH).

The business area NEVARIS thus unites the management of the commercial and technical solutions for building firms, the responsibility for which was, previously managed by the individual companies, and within which the NEVARIS BIM Software is integrated. The goodwill of the three individual companies was thus appropriately combined and is reviewed for impairment from the fiscal year 2015 at the NEVARIS Group level. An impairment test performed at the time of the changeover resulted in there being no impairment requirement. The previous year's values of the above-mentioned goodwill amounts were aligned accordingly for the NEVARIS Group.

On transfer of the shareholdings of DACODA GmbH to Allplan GmbH, the goodwill disclosed in the previous year within "Other" goodwill was combined with the goodwill of DACODA at the level of the Allplan GmbH sub-group. The previous year's amounts were aligned accordingly.

#### FUNDAMENTAL ASSUMPTIONS FOR SIGNIFICANT CASH-GENERATING UNITS

The fundamental assumptions for the significant cash-generating units are explained below, on the basis of which management has prepared its cash flow projections to test the goodwill for impairment. Nemetschek determines the recoverable amount of the relevant unit to which the goodwill is allocated based on the value in use. The value in use is calculated using a discount rate from the present value of the future cash flows from the use of this unit.

#### PLANNED REVENUE / GROSS PROFIT MARGIN

The determination of the future cash flows and their underlying parameters such as revenue growth and EBITDA margin is performed on the basis of the knowledge gained in the past, the current economic results and the budgets approved in the current fiscal year for a period of three years. The budgeting for the fiscal year 2016 is prepared applying certain uniform group assumptions "from the bottom to the top" (bottom-up method). The cash flows for the two further budget years follow similar premises however, they are not at the same level of detail as the first budget year. Estimates for periods beyond the budgeting horizon are made using the perpetuity method. The growth rates applied here do not account for capacity expanding investments for which cash flows have not yet been made, they are derived from available market studies by market research institutes and do not exceed the long-term average historical growth rates of the relevant cash generating units. In the fiscal year 2015 a growth rate of up to 1.0% (prior year: 1.5%) was assumed.

## DISCOUNT RATES

The discount rate required for discounting future cash flows is calculated from the weighted average cost of capital WACC of the related cash generating unit after tax. The relevant pre-tax WACC in accordance with IAS 36 is derived from the future cash flows after tax and the after-tax WACC applying typical tax rates for each cash generating unit. Then, the risk-free interest rate according to the Svensson method with accounting for risk premiums, and the beta as well as the gearing are derived from a group of comparable entities. The discount rate estimated thus reflects the current market returns as well as the special risks of the respective cash generating unit. The discount rate underlying the cash flow forecasts ranges from between 10.22% and 14.20% before tax (previous year: from between 10.30% and 13.80%).

## ASSUMPTIONS PERTAINING TO MARKET SHARE

These assumptions are important to the extent that they help management – as with the definition of assumptions for growth rates – to assess how the position of the cash-generating unit might change compared to its competitors during the budget period. Management expects the market share held by the group to increase during the budget period.

## INCREASE IN PERSONNEL EXPENSES

Employee remuneration includes cost developments typical for the sector.

## SENSITIVITY OF ASSUMPTIONS MADE

As a result of the annual goodwill impairment test there was no impairment necessary for any cash generating unit since the recoverable amount was higher than the carrying amount in all cases. In each case the recoverable amount is more than 10% higher than the carrying amount. Management believes that at present none of the reasonably possible changes of the key assumptions made to determine value in use of the cash-generating units could increase the carrying amount of cash-generating units materially beyond their recoverable amount.

The carrying amounts of the goodwill allocable to Bluebeam Software, Inc., Pasadena, USA; Graphisoft SE European Company Limited by Shares, Budapest, Hungary; Solibri Oy, Helsinki, Finland; Data Design System AS, Klepp Stasjon, Norway; the NEVARIS Group and Vectorworks, Inc., Columbia, Maryland, USA are material compared to the total carrying amount of goodwill. The total goodwill of the Nemetschek Group amounts to EUR 134,949k as at December 31, 2015. 92% of this goodwill is allocable to the cash generating units illustrated in the following table:

**MATERIAL GOODWILL**

2015	Carrying value of the goodwill allocable to the CGU in thousand €	Share in total goodwill %	Discount rate (before taxes) in %	Discount rate (after taxes) in %	Growth rate in %	Description of the basic assumptions for corporate plan	Presentation of approach for determination of values for the basic assumptions
Bluebeam Software, Inc., Pasadena, USA	56,407	42%	13.10	8.46	1.00	<ul style="list-style-type: none"> <li>• Sales prices and sales volumes</li> <li>• Personnel costs</li> <li>• Market development</li> </ul>	Intra-group estimation of the relevant sales departments including distribution partners and accounting for investments in personnel structures. General economic framework conditions as well as sector-related market studies are also included.
Graphisoft SE European Company Limited by Shares, Budapest, Hungary	21,938	16%	13.38	12.18	1.00	<ul style="list-style-type: none"> <li>• Sales prices and sales volumes</li> <li>• Personnel costs</li> <li>• Market development</li> <li>• Exchange rate development HUF/USD</li> </ul>	Intra-group estimation of the relevant sales departments including distribution partners and accounting for investments in personnel structures. General economic framework conditions, forecasts of exchange rate developments as well as sector-related market studies are also included.
Solibri Oy, Helsinki, Finland	15,662	12%	10.22	8.46	1.00	<ul style="list-style-type: none"> <li>• Sales prices and sales volumes</li> <li>• Personnel costs</li> <li>• Market development</li> </ul>	Intra-group estimation of the relevant sales departments including distribution partners and accounting for investments in personnel structures. General economic framework conditions as well as sector-related market studies are also included.
Nevaris Group	14,145	10%	11.65	8.46	1.00	<ul style="list-style-type: none"> <li>• Sales prices and sales volumes</li> <li>• Personnel costs</li> <li>• Market development</li> </ul>	Intra-group estimation of the relevant sales departments including distribution partners and accounting for investments in personnel structures. General economic framework conditions as well as sector-related market studies are also included.
Data Design System AS, Klepp Stasjon, Norway	9,817	7%	11.15	8.46	0.00	<ul style="list-style-type: none"> <li>• Sales prices and sales volumes</li> <li>• Personnel costs</li> <li>• Market development</li> </ul>	Intra-group estimation of the relevant sales departments including distribution partners and accounting for investments in personnel structures. General economic framework conditions as well as sector-related market studies are also included.
Vectorworks, Inc., Columbia, Maryland, USA	6,163	5%	13.28	8.46	0.00	<ul style="list-style-type: none"> <li>• Sales prices and sales volumes</li> <li>• Personnel costs</li> <li>• Market development</li> <li>• Exchange rate development USD/EUR and USD/YEN</li> </ul>	Intra-group estimation of the relevant sales departments including distribution partners and accounting for investments in personnel structures. General economic framework conditions, forecasts of exchange rate developments as well as sector-related market studies are also included.

**MATERIAL GOODWILL**

2014	Carrying value of the goodwill allocable to the CGU in thousand €	Share in total goodwill %	Discount rate (before taxes) in %	Discount rate (after taxes) in %	Growth rate in %	Description of the basic assumptions for corporate plan	Presentation of approach for determination of values for the basic assumptions
Bluebeam Software, Inc., Pasadena, USA	50,027	45%	12.52	8.06	1.50	<ul style="list-style-type: none"> <li>Sales prices and sales volumes</li> <li>Personnel costs</li> <li>Market development</li> </ul>	Intra-group estimation of the relevant sales departments including distribution partners and accounting for investments in personnel structures. General economic framework conditions as well as sector-related market studies are also included.
Graphisoft SE European Company Limited by Shares, Budapest, Hungary	20,339	18%	13.39	11.81	1.00	<ul style="list-style-type: none"> <li>Sales prices and sales volumes</li> <li>Personnel costs</li> <li>Market development</li> <li>Exchange rate development HUF/USD</li> </ul>	Intra-group estimation of the relevant sales departments including distribution partners and accounting for investments in personnel structures. General economic framework conditions, forecasts of exchange rate developments, as well as sector-related market studies are also included.
Nevaris Group	14,145	13%	11.75	8.06	0.00	<ul style="list-style-type: none"> <li>Sales prices and sales volumes</li> <li>Personnel costs</li> <li>Market development</li> </ul>	Intra-group estimation of the relevant sales departments including distribution partners and accounting for investments in personnel structures. General economic framework conditions as well as sector-related market studies are also included.
Data Design System AS, Klepp Stasjon, Norway	10,542	9%	10.75	8.06	1.00	<ul style="list-style-type: none"> <li>Sales prices and sales volumes</li> <li>Personnel costs</li> <li>Market development</li> </ul>	Intra-group estimation of the relevant sales departments including distribution partners and accounting for investments in personnel structures. General economic framework conditions as well as sector-related market studies are also included.
Vectorworks, Inc., Columbia, Maryland, USA	4,752	4%	12.09	8.06	1.50	<ul style="list-style-type: none"> <li>Sales prices and sales volumes</li> <li>Personnel costs</li> <li>Market development</li> <li>Exchange rate development USD/EUR and USD/YEN</li> </ul>	Intra-group estimation of the relevant sales departments including distribution partners and accounting for investments in personnel structures. General economic framework conditions, forecasts of exchange rate developments, as well as sector-related market studies are also included.

[13]  
Trade receivables

**TRADE RECEIVABLES**

	Thousands of €	2015	2014
Trade receivables (before bad debt allowances)		32,345	31,926
Specific bad debt allowance		-2,734	-3,057
<b>Trade receivables</b>		<b>29,611</b>	<b>28,869</b>

Provision was made for the bad debt risk by setting up appropriate specific bad debt allowances. Trade receivables are non-interest bearing and are generally due within 30 to 90 day terms customary for the industry. Pursuant to the group guidelines, receivables that are > 360 days are 100% specifically provided for. The carrying amount of trade receivables corresponds to their fair values.

Bad debt allowances developed as follows:

**DEVELOPMENT OF BAD DEBT ALLOWANCE**

	Thousands of €	January 1	Utilization	Release	Charges	December 31
Bad debt allowances 2015		-3,057	788	530	-995	-2,734
Bad debt allowances 2014		-3,626	915	683	-1,029	-3,057

The ageing structure of trade receivables is as follows:

**AGEING STRUCTURE OF TRADE RECEIVABLES**

	Thousands of €	Not past due	Past due (by <30 days)	Past due (by 30-60 days)	Past due (by 60-90 days)	Past due (by 90-180 days)	Past due (by 180-360 days)	Past due (by >360 days)	December 31, 2015
Gross Trade receivables 2015		18,950	5,736	1,698	966	1,498	1,037	2,460	32,345
Reduced specific allowance for bad debts		-68	-67	-32	-26	-106	-241	-2,194	-2,734
Net Trade receivables 2015		18,882	5,669	1,666	940	1,392	796	266	29,611
	Thousands of €	Not past due	Past due (by <30 days)	Past due (by 30-60 days)	Past due (by 60-90 days)	Past due (by 90-180 days)	Past due (by 180-360 days)	Past due (by >360 days)	December 31, 2014
Gross Trade receivables 2014		17,929	6,160	2,205	676	1,690	663	2,602	31,926
Reduced specific allowance for bad debts		-17	-62	-78	-18	-182	-97	-2,602	-3,057
Net Trade receivables 2014		17,912	6,098	2,127	658	1,508	566	0	28,869

[14]  
Inventories, tax refund claims, other assets, other financial assets

**ASSETS**

	Thousands of €	2015	2014
Inventories		530	725
Tax refunded claims		2,467	2,509
Other current financial assets		78	10
Other current assets		9,297	9,301
Non-current financial assets		51	59
Other non-current assets		793	773
		<b>13,216</b>	<b>13,377</b>



Inventories mainly consist of hardware EUR 522k (previous year: EUR 712k) and finished goods of EUR 8k (previous year: EUR 12k). As in the previous year no allowances were recorded as an expense.

Tax refund claims for income taxes will lead to cash inflows in the next six months. Current financial assets mainly consist of prepaid expenses of EUR 6,862k (previous year: EUR 6,114k), which will be reclassified to expenses in the next twelve months.

Other non-current assets mainly include rental guarantee deposits.

## SHAREHOLDERS' EQUITY

The development of subscribed capital, the capital reserve, the revenue reserve, foreign currency translation reserve and the retained earnings/accumulated losses of the group, and minority interests are presented in the statement of changes in group equity.

Nemetschek Aktiengesellschaft's share capital as of December 31, 2015, was unchanged at EUR 38,500,000.00 and was divided into 38,500,000 no-par value bearer shares. Each share is attributed with EUR 1.00 of share capital. The capital is fully paid up. On resolution by the shareholders' meeting on May 20, 2015, the subscribed capital amounting to EUR 9,625,000.00 was increased by EUR 28,875,000.00 to EUR 38,500,000.00 through the conversion of a partial amount of 28,875,000.00 from the capital reserve disclosed in the balance sheet as at December 31, 2014 to the new value (capital increase from company funds). The capital increase was performed by issuing 28,875,000 new no-par value bearer shares. For each share held each existing shareholder received three further shares such that the shareholders' proportion of subscribed capital remained the same despite the capital increase.

The **capital reserve** mainly comprises the share premium from the IPO. In the fiscal year 2015 EUR 28,875,000.00 was converted from company funds into share capital.

The **foreign currency translation reserve** within the shareholders' equity item records exchange differences arising from the translation of the financial statements of foreign subsidiaries.

## DIVIDENDS

In the fiscal year 2015 a dividend of EUR 15,400,000.00 was distributed to the shareholders. This represents EUR 1.60 per share based on the number of shares before the share split.

## PROVISIONS AND ACCRUED LIABILITIES

Provisions and accrued liabilities contain the following items and are mainly due within one year:

### PROVISIONS AND ACCRUED LIABILITIES

Thousands of €	2015	2014
Personnel provisions	12,852	11,861
Outstanding invoices	5,714	4,545
Vacation accrued by employees	3,674	2,705
Legal and consulting fees	646	531
Guarantees and liability risks	148	137
Other accrued liabilities	2,585	1,328
	<b>25,619</b>	<b>21,107</b>

Provisions for personnel mainly comprise employee remuneration and commissions. In the fiscal year 2015, EUR 5,891k (previous year: EUR 4,558k) of these provisions were utilized, EUR 1,851k (previous year: EUR 1,006k) released and EUR 8,393k (previous year: EUR 9,121k) added. From changes in the scope of consolidation, disposals resulted from EUR –185k (previous year: EUR 0k) further were subject to currency changes of EUR 525k (previous year: EUR 335k) increasing the personnel provisions. The increase in provisions for personnel is primarily from higher

[15]

Subscribed capital

[16]

Capital reserve/  
foreign currency  
translation/dividends

[17]

Provisions,  
accrued liabilities,  
pensions and  
related obligations

provisions for commissions as a result of the positive business development in the fiscal year 2015. Outstanding invoices mainly relate to subsequent commission calculations for distribution partners due to achievement of targets. The guarantee and liability provisions were set up based on an individual assessment per company. In the fiscal year 2015, EUR 0k (previous year: EUR 0k) of these were utilized, EUR 54k (previous year: EUR 82k) released and EUR 65k (previous year: EUR 77k) added. Other provisions and accrued liabilities contain other individual items under EUR 100k.

As a company with international operations working in various business fields, the Nemetschek Group is exposed to a whole range of legal risks. This is especially true of risks for warranties and other legal disputes. The outcome of currently pending or rather of future litigation cannot be predicted with certainty and thus expenses may be incurred from decisions that are not fully covered by insurance and that may have significant effects on the business and its results. Management is of the opinion that litigation currently pending is not likely to result in decisions that will significantly and negatively influence the financial position and performance of the group.

#### OTHER OBLIGATIONS IN ACCORDANCE WITH IAS 19

Other obligations in accordance with IAS 19 include a part-time early retirement agreement. The provisions resulting from this amount to EUR 82k. Furthermore, these include provisions amounting to EUR 151k for the termination of the employment relationship which had to be accounted for based on the legal provisions.

#### PENSION PROVISIONS

##### DOMESTIC

The obligation resulting from pension plans to a subsidiary's general managers is determined using the projected unit credit method. On first-time application of IAS 19 (2011) from January 1, 2013 actuarial gains and losses are recorded without impacting profit / loss. In the year ended December 31, 2015, there were no curtailments to the plan. The plans were continued beyond this period. The pension plans provide a benefit after reaching the age of 65 amounting to 60% of the last net salary, up to a maximum amount of EUR 3,834.69 (DM 7,500.00) per month. All claims are vested. The term of the pension obligation is 23 years. Plan assets from these benefit plans have been invested in life insurances. Plan assets include any reinsurance plans entered into which are assigned to the pension beneficiary entitled to these.

##### FOREIGN COUNTRIES

As part of the acquisition of the DDS Group, defined obligation pension plans were taken over for its Norwegian subsidiaries. The defined benefit plans include a total of 29 active beneficiaries and one pensioner. The amount of the individual pension benefit is measured based on the wage or salary level as well as on the length of service. Actuarial gains and losses have been recorded neutrally since the time of acquisition.

The duration of the pension obligations varies from 2 to 19 years. The weighted average running time of the defined benefit obligation (DBO) of the defined benefit plans of DDS amounts to 6 years.

The table below shows the development of the pension obligations and of plan assets:

#### PROVISIONS FOR PENSIONS

Thousands of €	January 1	Changes	December 31
Defined Benefit Obligation 2015	3,051	69	3,120
Plan asset 2015	1,532	77	1,609
<b>Status of coverage (= Pension provisions) 2015</b>	<b>1,519</b>	<b>-8</b>	<b>1,511</b>
Defined Benefit Obligation 2014	2,481	570	3,051
Plan asset 2014	1,457	75	1,532
<b>Status of coverage (= Pension provisions) 2014</b>	<b>1,024</b>	<b>495</b>	<b>1,519</b>

Thousands of €	2015	2014
<b>Change in defined benefit obligations (DBO):</b>		
<b>DBO at beginning of fiscal year</b>	<b>3,051</b>	<b>2,481</b>
Service cost	124	115
Interest cost	72	89
Actuarial gains/(losses)	-3	498
Acquisitions/(divestitures)	0	0
Settlements	-44	-42
Effect from currency translation	-80	-90
<b>DBO at end of fiscal year</b>	<b>3,120</b>	<b>3,051</b>
<b>Change in plan assets:</b>		
<b>Fair value of plan assets at beginning of fiscal year</b>	<b>1,532</b>	<b>1,457</b>
Expected return on plan assets	28	46
Actuarial gains/(losses)	-23	-11
Acquisitions/(divestitures)	0	0
Employer contributions	178	159
Benefit payments	-44	-42
Effect from currency translation	-62	-77
<b>Fair value of plan assets at end of fiscal year</b>	<b>1,609</b>	<b>1,532</b>

## SENSITIVITY

Changes in actuarial assumptions	Thousands of €	2015	2014
Present value of pension obligation for the reporting date		3,120	3,051
Discount rate	increase by 0,5 percent points	2,850	2,780
	decrease by 0,5 percent points	3,429	3,357
Pension cost	increase by 0,5 percent points	3,278	3,270
	decrease by 0,5 percent points	3,003	2,943
Salary	increase by 0,5 percent points	3,149	3,084
	decrease by 0,5 percent points	3,092	3,018

The “mortality tables 2005 G” from Dr. Klaus Heubeck, as well as discounted interest rates derived from observable market data at the balance sheet date, were applied to the domestic pension commitments in the same way as last year. The local actuarial measurement parameters were applied abroad. The principal actuarial assumptions used to determine pension obligations were as follows as of December 31:

## DISCOUNT RATE

in %	2015		2014	
	Domestic	Foreign Countries	Domestic	Foreign Countries
Discount rate	2.30	2.50	2.45	2.30
Future pension increases	1.00	0	1.00	0
Compensation increase	0	2.50	0	2.75

The group expects pension expenses of EUR 121k for the fiscal year 2016 as well as capital income of EUR 21k. The contributions to plan assets amount to EUR 182k.

In the next ten fiscal years the following payments are expected from the pension plans:

## FUTURE PENSION PAYMENTS

Thousands of €	Domestic	Foreign Countries	Total
(for fiscal year)			
2016	1	39	40
2017	3	48	51
2018	5	48	53
2019	7	59	66
2020	10	59	68
2021 – 2025	106	339	445
<b>Total</b>	<b>131</b>	<b>592</b>	<b>723</b>

The **liabilities**, classified by due date comprise the following:

[18]  
Liabilities

#### LIABILITIES

2015	Thousands of €	Total amount	Less than 1 year	1 to 5 years	More than 5 years
Loans		80,636	18,577	62,059	0
Trade payables		6,590	6,590	0	0
Income tax liabilities		3,707	3,707	0	0
Other current liabilities		7,086	7,086	0	0
<i>thereof taxes</i>		3,724	3,724	0	0
<i>thereof relating to social security</i>		1,178	1,178	0	0
<b>December 31, 2015</b>		<b>98,019</b>	<b>35,960</b>	<b>62,059</b>	<b>0</b>
<hr/>					
2014	Thousands of €	Total amount	Less than 1 year	1 to 5 years	More than 5 years
Loans		60,000	12,000	48,000	0
Trade payables		5,748	5,748	0	0
Income tax liabilities		4,712	4,712	0	0
Other liabilities		6,640	6,640	0	0
<i>thereof taxes</i>		3,453	3,453	0	0
<i>thereof relating to social security</i>		1,043	1,043	0	0
<b>December 31, 2014</b>		<b>77,100</b>	<b>29,100</b>	<b>48,000</b>	<b>0</b>

Trade payables are subject to the customary retention of title relating to the supply of movable fixed assets and inventories. Debts from trade are non-interest bearing and are normally settled on 60-day terms. Carrying amounts correspond to fair value.

Other liabilities primarily comprise liabilities to the tax authorities on account of obligations to pay wage tax and VAT, as well as to pay social security contributions to the social security authorities. Other liabilities are non-interest bearing and have an average term of 60 days. Carrying amounts correspond to fair value.

#### LIABILITIES TO BANKS

The current and non-current loan liabilities include liabilities to banks amounting to EUR 80,000k in connection with the company acquisitions undertaken. The most important conditions of this financing can be seen from the following table:

#### LIABILITIES TO BANKS

Thousands of EUR	Total loan amount	Term of loan until	Repayment	Effective interest rate	Due < 1 year	Due > 1 year
	60,000	Dec. 31, 2019	quarter-year rates of EUR 3m starting from March 31, 2015	1.03%	12,000	48,000
	32,000	Dec. 31, 2020	quarter-year rates of EUR 3m starting from March 31, 2016	0.94%	6,400	25,600

The interest relating to the bank loan is due quarterly. The interest payments will amount to EUR 733k in the fiscal year 2016. Interest payments of EUR 1,121k are due for the years 2016 to 2020.

[19] DEFERRED REVENUE

Deferred revenue

Deferred revenue amounts to EUR 41,996k (previous year: EUR 32,386k). The total amount will lead to revenue predominantly in the first half of 2016.

[20] OTHER CURRENT FINANCIAL OBLIGATIONS

Other current financial obligations

Other current financial obligations include subsequent purchase price obligations from the acquisitions undertaken in 2015 amounting to EUR 482k. The purchase price obligation included in the previous year amounting to EUR 1,543k from the put-option in Dacoda GmbH was paid out in March 2015 to Dacoda GmbH as part of the purchase of 49% of the shares.

[21] OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities

The other non-current financial liabilities comprise exclusively subsequent purchase price obligations in connection with the company acquisitions. Of these EUR 12,838k results from the purchase of Solibri Oy on December 31, 2015.

[22] OTHER NON-CURRENT LIABILITIES

Other non-current liabilities

The other non-current liabilities comprise mainly on-current accrued rent amounting to EUR 3,116k as well as liabilities from non-current profit-related remuneration amounting to EUR 3,492k.

[23] FINANCIAL COMMITMENTS

Financial commitments/  
contingent liabilities/  
contingent assets

Thousands of €	Total	Less than 1 year	1 to 5 years	More than 5 years
Rental agreements	43,813	20,482	21,826	1,505
Leases	6,525	3,333	3,078	114
<b>Total financial commitments as of December 31, 2015</b>	<b>50,338</b>	<b>23,815</b>	<b>24,904</b>	<b>1,619</b>
Rental agreements	25,075	7,551	15,301	2,223
Leases	3,401	1,190	2,060	151
<b>Total financial commitments as of December 31, 2014</b>	<b>28,476</b>	<b>8,741</b>	<b>17,361</b>	<b>2,374</b>

The rental agreements relate almost exclusively to office space with limited terms. The leases are subject to the customary escalation clauses and renewal options. The lease obligations mainly consist of leases for vehicles, office and telecommunications equipment.

Furthermore, there are guarantee obligations amounting to EUR 983k in total. These are mainly rental guarantees.

CONTINGENT LIABILITIES

At the balance sheet date there are no contingent liabilities.

CONTINGENT ASSETS

As of December 31, 2015, there is a contingent asset amounting to EUR 1.9 million from a legal dispute against a former member of the board of Nemetschek AG. The settlement is expected to be concluded by the end of March 2016 and in accordance with § 93 (4) S. 3 AktG (Stock Corporation Law) requires the approval of the shareholders' meeting.

## NOTES TO THE CASH FLOW STATEMENT AND COMPOSITION OF THE CASH AND CASH EQUIVALENTS

[24]  
Notes to the cash  
flow statement

The **statement of cash flows** is split into cash flows from operating, investing and financing activities. Whereas the cash flow from operating activities is derived using the indirect method, the cash flows from investing and financing activities are based on direct cash inflows and outflows.

Cash flow from **operating activities** amounts to EUR 65,122k (previous year: EUR 44,178k).

The cash flow from **investing activities** amounts to EUR –41,403k (prior year: EUR –79,347k). In the current fiscal year this primarily includes the payments for the purchase of Solibri Oy, Helsinki, Finland as well as investments in intangible assets, office and business equipment amounting to EUR 7,629k. Receipts of EUR 1,166k (purchase price payment of EUR 2,000k less cash outflows) resulted from the sale of shares in GLASER -isb cad-.

The cash flow from **financing activities** amounting to EUR 50k (previous year: EUR 42,684k) mainly results from the take-up of a bank loan for financing the Solibri acquisition (EUR 32,000k). The payment of dividends to the shareholders of Nemetschek AG amounting to EUR –15,400k (previous year: EUR –12,513k) is one of the most significant cash outflows as are the repayment of loans amounting to EUR 12,000k and profit shares of non-controlling interests amounting to EUR –2,044k (previous year: EUR –2,374k). Further cash outflows were recorded from interest payments amounting to EUR –629k (previous year: EUR –1,131k) and from the purchase of shares without a controlling interest amounting to EUR –1,877k (previous year: EUR –486k).

The **group's cash and cash equivalents** comprise current cash and cash equivalents and are analysed as follows:

### CASH AND CASH EQUIVALENTS

Thousands of €	2015	2014
Bank balances	81,200	54,108
Fixed term deposits (contract period up to 3 months)	2,766	2,860
<b>Cash and cash equivalents</b>	<b>83,966</b>	<b>56,968</b>

Bank balances earn interest at the floating rates for on-call deposits. Fixed-term deposits are made for terms of between one day and three months depending on the immediate cash requirements of the group. These could be subject to slight fluctuations in value. Fixed term deposits bear interest at the respectively applicable rates. Carrying amounts generally correspond with fair value.

## FINANCIAL INSTRUMENTS

The financial assets and liabilities are presented in the following table according to their measurement categories and classes:

### FINANCIAL INSTRUMENTS

2015	Thousands of €	Carrying value per balance sheet Dec. 31, 2015	Measurement in accordance with IAS 39			Fair value Dec. 31, 2015
			Amortized cost	Fair value impacting profit/loss	Fair value not impacting profit/loss	
Trade receivables (excluding finance leases)		29,611	29,611			29,611
<i>Loans and receivables</i>			29,611			29,611
Other financial assets		191	141	50		191
<i>Loans and receivables</i>			141	50		191
Cash and cash equivalents		83,966	83,966			83,966
<b>Total financial assets</b>		<b>113,768</b>				
thereof in accordance with measurement categories of IAS 39:						
<i>Loans and receivables</i>			113,718			113,768
Financial liabilities (excluding finance leases)						
<i>Financial liabilities measured at amortized cost</i>						
Trade payables		6,590	6,590			6,590
Other financial liabilities		94,939	80,725	14,214		94,939
<i>Financial liabilities measured at amortized cost</i>		80,725	80,725			
<i>Conditional purchase price obligation</i>		14,214		14,214		14,214
<b>Total financial liabilities</b>		<b>101,529</b>				
thereof in accordance with valuation categories of IAS 39:						
<i>Financial liabilities measured at amortized cost</i>		87,315	87,315			87,315
<i>Conditional purchase price obligation</i>		14,214		14,214		14,214



**FINANCIAL INSTRUMENTS**

2014	Thousands of €	Carrying value per balance sheet Dec. 31, 2014	Measurement in accordance with IAS 39			Fair value Dec. 31, 2014
			Amortized cost	Fair value impacting profit/loss	Fair value not impacting profit/loss	
Trade receivables (excluding finance leases)		28,869	28,869			28,869
<i>Loans and receivables</i>			28,869			28,869
Other financial assets		207	207			207
<i>Loans and receivables</i>			207			207
Cash and cash equivalents		56,968	56,968			56,968
<b>Total financial assets</b>		<b>86,044</b>				
thereof in accordance with measurement categories of IAS 39:						
<i>Loans and receivables</i>			86,044			86,044
Financial liabilities (excluding finance leases)						
<i>Financial liabilities measured at amortized cost</i>						
Trade payables		5,784	5,784			5,784
Other financial liabilities		62,969	61,633	1,336		62,969
<i>Financial liabilities measured at amortized cost</i>		61,633	61,633			
<i>Conditional purchase price obligation</i>		1,336		1,336		1,336
<b>Total financial liabilities</b>		<b>68,753</b>				
thereof in accordance with valuation categories of IAS 39:						
<i>Financial liabilities measured at amortized cost</i>		67,417	67,417			67,417
<i>Conditional purchase price obligation</i>		1,336		1,336		1,336

For the trade receivables, other current receivables as well as cash and cash equivalents carrying values are equal to fair values.

For trade payables the carrying value is equal to fair value. The fair value of the interest swap is calculated using recognized financial mathematical models based on market data available at the date of valuation.

Financial liabilities (there are no financial assets), measured at fair value can be classified in the following three-tier measurement hierarchy:

#### MEASUREMENT HIERARCHY

2015	Thousands of €	Year-end Dec. 31, 2015	Level 1	Level 2	Level 3
<b>Financial liabilities at fair value</b>					
<b>Fair value impacting profit/loss</b>					
Contingent consideration		14,214			14,214
Derivatives without balance sheet hedging relationship (financial liabilities held for trading)		50	50		
Derivatives with balance sheet hedging relationship (hedge accounting)					
<b>Fair value not impacting profit/loss</b>					
Derivatives with balance sheet hedging relationship (hedge accounting)					
<b>Total</b>		<b>14,264</b>	<b>50</b>	<b>0</b>	<b>14,214</b>

The measurement hierarchy reflects the significance of the factors included in the determination of fair values. At Level 1 financial instruments are recorded the fair value of which is calculated based on quoted market prices on active markets. Fair values at Level 2 are determined based on observable market data. At Level 3 financial instruments are recorded the fair value of which is calculated using non-observable market data. In the reporting year 2015, subsequent purchase price payments of EUR 14,214k were measured at fair value. In the fiscal year 2015, the conditional purchase price obligations increased in total by EUR 13,913k. Of the increase EUR 12,838k is primarily from the acquisition of Solibri Oy on December 31, 2015. In the other direction a conditional purchase price obligation of EUR 1,035k from previous years was released to income in the fiscal year 2015. The measurement of the subsequent purchase price obligations was performed using the parameters stipulated by contract. Primarily these include future revenue and EBITA developments of the companies. The measurement model accounts for the present value of the expected payment discounted at a risk-adjusted discount rate.

The expected payment is determined accounting for potential scenarios for the forecast revenues and the forecast EBITA margin and the probability of each of these scenarios.

#### MEASUREMENT HIERARCHY

2014	Thousands of €	Year-end Dec. 31, 2014	Level 1	Level 2	Level 3
<b>Financial liabilities at fair value</b>					
<b>Fair value impacting profit/loss</b>					
Contingent consideration		1,336			1,336
Derivatives with balance sheet hedging relationship (hedge accounting)					
<b>Fair value not impacting profit/loss</b>					
Derivatives with balance sheet hedging relationship (hedge accounting)					
<b>Total</b>		<b>1,336</b>			<b>1,336</b>

## DERIVATIVE FINANCIAL INSTRUMENTS

Depending on their maturity, the derivatives used as hedging instruments with positive (or negative) fair values are either classified as other current assets (or other current financial liabilities) or as other non-current financial assets (or other non-current financial liabilities). Derivative financial instruments not used as hedging instruments are classified as financial assets held for trading and measured at fair value; changes in fair value are included in the result for the period. Hedging transactions existed as of December 31, 2015, with a nominal value of EUR 6,614k. A positive market value of EUR 50k arose from these as of December 31, 2015, and this was taken to income.

## FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation. Depending on the situation fair values are obtained from quoted market prices, discounted cash flow analyses or option pricing models as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument:

## FINANCIAL ASSETS AND FINANCIAL LIABILITIES

There are no significant differences in the group between the fair value and the carrying amount of financial instruments. The carrying amount of cash and cash equivalents and other current financial assets and current financial liabilities approximates closely to fair value due to the relatively short-term maturity of these financial instruments. The fair value of non-current liabilities to banks and other non-current financial liabilities is determined by the discounting of expected cash flows. The fair value approximated the carrying value of the aforementioned obligations due to the use of market interest rates.

Where no quoted market prices are available, the fair value of publicly traded financial instruments is estimated based on quoted market prices for the same or similar investments. For all other instruments for which there are no market prices, a reasonable estimate of fair value has been calculated based on the expected cash flow or the underlying net asset base for each investment. All carrying amounts approximate the fair value of the corresponding items.

## FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The objective of the group with regard to financial risk management is to mitigate the risks presented below by the methods described. The group generally pursues a conservative, risk-averse strategy.

The main financial liabilities used by the group – except for derivative financial instruments – include bank loans and overdraft facilities, trade payables and other liabilities. The main purpose of these financial liabilities is to raise finance for the group's operations. The group has various financial assets such as, for example, trade receivables and cash and short-term deposits, which arise directly from its business activities.

## CREDIT RISK RELATED TO FINANCIAL INSTRUMENTS AND CASH DEPOSITS AT BANKS

The credit risk from balances with banks and financial institutions of group companies is managed in accordance with the group's policy and in agreement with group headquarters. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential default of a business partner. The main risks arising from the group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The company's management reviews and agrees policies for managing each of these risks, which are summarized below. The group generally pursues a conservative, risk-averse strategy.

## FOREIGN EXCHANGE RISK AND RISK MANAGEMENT

In the course of ordinary operations, the Nemetschek Group is exposed to exchange rate fluctuations in particular. The group's policy is to eliminate or contain these risks by entering into hedging transactions. The currency risks of the group occur due to the fact that the group operates and has production sites and sales establishments in different countries worldwide. All hedging measures are centrally agreed and coordinated with Group Treasury.

Due to its international business operations, the Nemetschek Group is exposed to exchange rate fluctuations on the international money and capital markets. Group-wide foreign currency policy is governed by instructions which are guided by the minimum requirements for bank trading issued by the German Federal Financial Supervisory Agency (BaFin). Only first-class national banks whose credit rating is checked regularly by rating agencies may act as partners for hedging transactions.

As required, the group companies enter into various types of foreign exchange contracts to manage its foreign exchange risk resulting from cash flows from (anticipated) business activities and financing arrangements denominated in foreign currencies.

The exchange rate fluctuation only has a limited effect at top group level because the operating subsidiaries outside the Euro area record revenue as well as cost of materials, personnel expenses and other expenses in their local currency.

## SENSITIVITY ANALYSIS OF SELECTED FOREIGN CURRENCIES

The table below shows the sensitivity of group revenue and group EBIT to a reasonably possible fluctuation in the US Dollar and the Hungarian Forint exchange rates. All other variables remain constant.

### SENSITIVITY OF USD / EUR

Thousands of €	Change of exchange rate USD	Sensitivity effect on Revenues	Sensitivity effect on EBIT
<b>Fiscal year 2015</b>			
(average USD/EUR exchange rate = 1.11)	+ 5%	-4,801	-1,019
	- 5%	5,306	1,126
<b>Fiscal year 2014</b>			
(average USD/EUR exchange rate = 1.33)	+ 5%	-2,416	-837
	- 5%	2,671	925

### SENSITIVITY OF HUF / EUR

Thousands of €	Change of exchange rate HUF	Sensitivity effect on Revenues	Sensitivity effect on EBIT
<b>Fiscal year 2015</b>			
(average HUF/EUR exchange rate = 310,00)	+ 5%	-1,010	-74
	- 5%	1,116	82
<b>Fiscal year 2014</b>			
(average HUF/EUR exchange rate = 308.71)	+ 5%	-927	-77
	- 5%	1,025	85

Foreign currency financial assets mainly exist in a subsidiary in Hungary. The following table shows the foreign currency receivables existing at December 31, 2015, and changes in the year-end closing rate:

#### TRADE RECEIVABLES

2015	Thousands of EUR	Change of exchange rate	Sensitivity effect on EBIT
HUF/EUR		+ 5%	- 123
<b>total in kEUR: 2,588</b>		- 5%	136
HUF/USD		+ 5%	- 10
<b>total in kEUR: 218</b>		- 5%	11
HUF/JPY		+ 5%	0
<b>total in kEUR: 0</b>		- 5%	0
<hr/>			
2014	Thousands of EUR	Change of exchange rate	Sensitivity effect on EBIT
HUF/EUR		+ 5%	- 410
<b>total in kEUR: 8,610</b>		- 5%	453
HUF/USD		+ 5%	- 64
<b>total in kEUR: 1,353</b>		- 5%	71
HUF/JPY		+ 5%	- 45
<b>total in kEUR: 941</b>		- 5%	50

#### LIQUIDITY RISKS AND MANAGEMENT

The group needs sufficient liquidity to meet its financial obligations. Liquidity risks arise from the possibility that customers may not be able to settle their obligations to the Nemetschek Group under normal trading conditions. The credit rating of the group allows sufficient liquid funds to be procured. At the closing date of December 31, 2015, the group holds liquid funds amounting to EUR 83,966k (previous year: EUR 59,968k). This amount comprises credit bank balances amounting to EUR 81,200k (previous year: EUR 54,108k) as well as fixed term deposits with a term of up to 3 months of EUR 2,766k (previous year: EUR 2,860k). In addition, the group had unused credit lines totaling EUR 8,500k as of December 31, 2015.

To manage this risk, the company periodically assesses the credit rating of its customers. The group monitors its risk of a shortage of funds using monthly liquidity planning.

This considers the maturity of both its financial assets (accounts receivable, fixed-term deposits etc.) and projected cash flows from operating activities. The group's objective is to maintain a balance between providing continuity of funding and ensuring flexibility.

#### DEFAULT RISK AND RISK MANAGEMENT

Default risks, i.e. the risk of contractual parties not meeting their payment obligations, are managed by means of credit approvals, the setting of upper limits and monitoring procedures. Where appropriate, the company obtains additional collateral in the form of rights to securities.

The company does not expect that any of its business partners, deemed highly creditworthy, will fail to meet their obligations. The Nemetschek Group has no significant concentration of credit risks with any single customer or specific customer group. The maximum credit risk can be calculated from the amounts shown in the balance sheet. The terms of payment fall within the 30 to 90 days customary for the industry.

## CAPITAL MANAGEMENT

The primary objective of the group's capital management is to ensure that it maintains a strong credit rating and healthy equity ratios in order to support its business operations and maximize shareholder value.

The group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders or return capital payments to shareholders. No changes were made in the objectives, policies or processes as of December 31, 2015, and as of December 31, 2014. The group meets externally imposed minimum capital requirements.

The group monitors its capital based on the indicators of gearing and equity ratios.

## GEARING RATIO

The gearing ratio represents the relationship between net debt and EBITDA. Net debt is essentially defined as current and non-current loans plus interest bearing liabilities (less pension provisions) less any cash and cash equivalents. Group net debt as of December 31, 2015, amounted to EUR 13.1 million. The gearing ratio thus amounted to 0.21. Thus, external and internal key indicators have been met.

## EQUITY RATIO

The equity ratio is the ratio of equity to total equity and liabilities. The Nemetschek Group's equity ratio amounts to 44.0% (previous year: 46.8%). Thus, external and internal key indicators have been met.

## CREDIT RISK AND RISK MANAGEMENT

The group only trades with recognized, creditworthy third parties. It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the group does not offer credit terms without prior approval. There is no significant concentration of default risks within the group.

With respect to the other financial assets of the group, which comprise cash and cash equivalents, the group's maximum credit risk arising from default of the counter-party is equal to the carrying amount of these instruments.

## INTEREST RISK AND RISK MANAGEMENT

As a result of the current group financing structure there are no material interest risks.

### [26] Segment reporting

The company divides its activities into the segments Design, Build, Manage and Media & Entertainment. The Design segment contains the architecture and engineering division and is mainly characterized by the development and marketing of CAD, statics engineering and tender software. The Build segment involves the creation and marketing of commercial software for construction companies. The Manage segment covers facility management, which involves extensive administration and management of property development projects. Furthermore, the group's Media & Entertainment business segment is involved in the field of multimedia software, visualization and animation.

The following tables present segment revenue and results and certain assets and liability information according to the group's business segments.

## STATEMENT OF COMPREHENSIVE INCOME DISCLOSURES

**SEGMENT REPORTING**

<b>2015</b>	Thousands of €	<b>Total</b>	Elimination	Design	Build	Manage	Media & Entertainment
Revenue, external		285,269	0	198,778	60,074	6,323	20,094
Intersegment revenue		0	-1,990	1	564	7	1,418
<b>Total revenue</b>		<b>285,269</b>	<b>-1,990</b>	<b>198,779</b>	<b>60,638</b>	<b>6,330</b>	<b>21,512</b>
<b>EBITDA</b>		<b>69,486</b>		<b>49,452</b>	<b>10,444</b>	<b>1,348</b>	<b>8,242</b>
Amortization/depreciation		-16,781		-7,452	-8,954	-45	-330
<b>Segment operating result (EBIT)</b>		<b>52,705</b>		<b>42,000</b>	<b>1,490</b>	<b>1,303</b>	<b>7,912</b>
Interest income		178					
Interest expenses		-705					
Share of results of associated companies		970					
Other financial result		1,035					
Income tax		-16,401					
<b>Profit for the period</b>		<b>37,782</b>					
<b>2014</b>	Thousands of €	<b>Total</b>	Elimination	Design	Build	Manage	Media & Entertainment
Revenue, external		218,451	0	175,104	20,090	5,298	17,959
Intersegment revenue		0	-1,570	1	422	7	1,140
<b>Total revenue</b>		<b>218,451</b>	<b>-1,570</b>	<b>175,105</b>	<b>20,512</b>	<b>5,305</b>	<b>19,099</b>
<b>EBITDA</b>		<b>56,793</b>		<b>43,809</b>	<b>4,128</b>	<b>1,089</b>	<b>7,767</b>
Amortization/depreciation		-10,288		-7,837	-2,154	-52	-244
<b>Segment operating result (EBIT)</b>		<b>46,505</b>		<b>35,972</b>	<b>1,974</b>	<b>1,037</b>	<b>7,523</b>
Interest income		152					
Interest expenses		-224					
Share of results of associated companies		-42					
Other financial income/expenses		169					
Income tax		-13,102					
<b>Profit for the period</b>		<b>33,458</b>					

The item of depreciation/amortization of the Design segment includes amortization of the purchase price allocation amounting to EUR 4,046k (previous year: EUR 3,920k) and of the Build segment amounting to EUR 6,085k (previous year: EUR 845k).

The secondary segment reporting format for financial reporting relating to the balance sheet that is used for the group's internal organizational and management purposes does not show a geographical breakdown between Germany and other countries. It is therefore not presented in greater detail.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and the segment result include transfers between business segments. These transfers are eliminated in consolidation.

Segment reporting by geographical region is as follows:

#### SEGMENT REPORTING – GEGRAPHICAL REGION

Thousands of €	Revenues 2015	Fixed assets 2015	Additions to fixed assets 2015	Revenues 2014	Fixed assets 2014	Additions to fixed assets 2014
Germany	95,782	24,611	1,766	86,957	23,201	2,113
Abroad	189,487	224,891	5,898	131,494	167,654	2,086
<b>Total</b>	<b>285,269</b>	<b>249,502</b>	<b>7,664</b>	<b>218,451</b>	<b>190,855</b>	<b>4,199</b>

The group's geographical secondary segment assets are based on the location of the group's assets. Correspondingly, the German segment held total assets of EUR 64,597k (previous year: EUR 58,420k) while the non-German segment counted total assets of EUR 314,933k (previous year: EUR 233,267k).

Sales to external customers disclosed in the geographical segments are allocated to the various territories on the basis of the customer's location.

#### BALANCE SHEET DISCLOSURE

2015	Thousands of €	Total	Design	Build	Manage	Media & Entertainment
Trade receivables		29,611	20,178	6,963	1,057	1,413
Inventories		530	469	7	0	54
Other assets		7,734	6,398	1,175	12	149
Fixed assets		249,502	66,843	176,725	2,111	3,823
<i>thereof additions to fixed assets</i>		7,664	4,145	3,077	49	393
<i>thereof additions due to business combinations</i>		57,697	4,881	52,816	0	0
<b>Segment assets</b>		<b>287,378</b>	<b>93,888</b>	<b>184,870</b>	<b>3,180</b>	<b>5,439</b>
Cash and cash equivalents		83,966				
Investments in associates and long-term available-for-sale assets		1,863				
Non-allocated assets*		6,324				
<b>Total assets</b>		<b>379,531</b>				
Liabilities		34,595	11,918	21,736	335	606
Provisions and accrued liabilities		25,619	17,417	6,383	426	1,393
Pensions and related obligations		1,744	414	0	0	1,330
Deferred revenue		41,996	31,502	7,326	41	3,127
<b>Segment liabilities</b>		<b>103,954</b>	<b>61,251</b>	<b>35,445</b>	<b>802</b>	<b>6,456</b>
Non-allocated liabilities**		108,659				
<b>Total liabilities</b>		<b>212,613</b>				

\* Not allocated: Income tax assets (EUR 2,467k), Other current assets (EUR 2,485k) and Deferred tax assets (EUR 1,372k).

\*\* Not allocated: Loans (EUR 80,636k), Deferred tax liabilities (EUR 24,315k), Income tax provisions (3,337k) and Income tax liabilities (EUR 370k).



2014	Thousands of €	Total	Design	Build	Manage	Media & Entertainment
Trade receivables		28,869	22,039	4,458	600	1,772
Inventories		725	660	6	0	59
Other assets		6,955	6,114	706	32	103
Fixed assets		190,855	66,151	118,823	2,110	3,770
<i>thereof additions to fixed assets</i>		4,199	3,189	342	49	618
<i>thereof additions due to business combinations</i>		100,534	0	100,534	0	0
<b>Segment assets</b>		<b>227,404</b>	<b>94,964</b>	<b>123,993</b>	<b>2,742</b>	<b>5,704</b>
Cash and cash equivalents		56,968				
Investments in associates and long-term available-for-sale assets		892				
Non-allocated assets*		6,423				
<b>Total assets</b>		<b>291,687</b>				
Liabilities		19,802	11,964	6,986	217	635
Provisions and accrued liabilities		21,107	15,900	3,898	299	1,010
Pensions and related obligations		1,667	456	0	0	1,211
Deferred revenue		32,386	26,200	3,373	52	2,761
<b>Segment liabilities</b>		<b>74,961</b>	<b>54,520</b>	<b>14,257</b>	<b>568</b>	<b>5,617</b>
Non-allocated liabilities**		80,149				
<b>Total liabilities</b>		<b>155,110</b>				

\* Not allocated: Income tax assets (EUR 2,509k), Other current assets (EUR 3,187k) and Deferred tax assets (EUR 727k).

\*\* Not allocated: Loans (EUR 60,000k), Deferred tax liabilities (EUR 15,437k), Income tax provisions (4,357k) and Income tax liabilities (EUR 355k).

There were no significant events subsequent to the balance sheet date.

The Group enters into transactions with its associates and related parties. These transactions are part of ordinary activities and are treated at arm's length. Related parties are defined as parties who can at least be significantly influenced by the company or over whom the company can at least exercise significant influence. In addition to the management and supervisory boards, these also include family members and partners of the relevant people.

Transactions of the group companies include the following:

- (1) Rental of space as well as repairs from Concentra GmbH & Co. KG, Munich, amounting to a total of EUR 2,349k (previous year: EUR 1,619k).
- (2) Use of services from Singhammer IT Consulting GmbH & Co. KG, Munich, amounting to a total of EUR 644k (previous year: EUR 296k).
- (3) Use of services from DocuWare GmbH, Germering, amounting to a total of EUR 520k (previous year: EUR 397k).

There were trade payables of EUR 76k due to Concentra GmbH & Co. KG, Munich as of the balance sheet date.

There are no further material open items in the balance sheet which originate from significant transactions with associated entities and related parties.

[\[27\]](#)  
[Subsequent Events](#)

[\[28\]](#)  
[Related parties disclosures](#)

DISCLOSURES ON TRANSACTIONS PURSUANT TO § 15A WPHG  
[WERTPAPIERHANDELSGESETZ: GERMAN SECURITIES TRADING ACT]

The management and supervisory boards informed us that there were no purchases or sales of shares in the company pursuant to § 15a WpHG (so-called directors' dealings) by themselves or by related parties in the fiscal year.

DISCLOSURE REQUIREMENTS UNDER § 21(1) WPHG

The direct and indirect voting rights of the following persons/institutions in Nemetschek Aktiengesellschaft as of December 31, 2015, were as follows:

Prof. Georg Nemetschek, Munich: 53.57% (previous year: 53.57%)  
 Nemetschek Vermögensverwaltungs GmbH & Co. KG, Grünwald: 53.57% (previous year: 53.57%)  
 Nemetschek Verwaltungs GmbH, Grünwald: 53.57% (previous year: 53.57%)  
 Allianz SE, Munich: 5.08% (previous year: 6.60%)  
 Capital Research and Management Company, Los Angeles, USA: 2.97% (initial reporting of June 4, 2015: 3.12%)  
 Union Investment Privatfonds GmbH, Frankfurt am Main: 2.93% (initial reporting of May 6, 2015: 3.05%)

The disclosures are based on the information reported to Nemetschek Aktiengesellschaft under §§ 21 ff. WpHG. The actual number of shareholder voting rights can deviate from the number disclosed due to interim, non-reportable or unreported trading.

SUPERVISORY BOARD

The members of the supervisory board of Nemetschek Aktiengesellschaft receive annual remuneration which contains both fixed and variable components. Remuneration of the supervisory board breaks down as follows:

**REMUNERATION OF THE SUPERVISORY BOARD**

<b>2015</b>	Thousands of €	Fixed components	Variable components	<b>2015</b>
Kurt Dobitsch		30.0	141.5	171.5
Prof. Georg Nemetschek		22.5	141.5	164.0
Rüdiger Herzog		15.0	141.5	156.5
<b>Total</b>		<b>67.5</b>	<b>424.5</b>	<b>492.0</b>

<b>2014</b>	Thousands of €	Fixed components	Variable components	<b>2014</b>
Kurt Dobitsch		30.0	118.5	148.5
Prof. Georg Nemetschek		22.5	118.5	141.0
Rüdiger Herzog		15.0	118.5	133.5
<b>Total</b>		<b>67.5</b>	<b>355.5</b>	<b>423.0</b>

EXECUTIVE BOARD

The remuneration of the members of the executive board consists of fixed compensation and the usual additional components, such as health and care insurance as well as a company car, and a variable, performance-based compensation. The variable compensation has a current and non-current component.

The current performance-based (variable) compensation mainly depends on corporate objectives achieved (revenue and earnings per share) which are agreed between the supervisory board and executive board at the beginning of each fiscal year.

The non-current performance-based (variable) executive board compensation – also known as Long-Term-Incentive-Plan (LTIP) – depends on the achievement of fixed corporate objectives with regard to the development of revenue and operative results (EBITA). The period observed is always three fiscal years. Participation of the executive board in the LTIP requires an appropriate nomination by the supervisory board at the annual balance sheet meeting of the supervisory board. The three executive board members Patrik Heider, Viktor Várkonyi and Sean Flaherty were nominated in 2014–2016 as well as in 2015–2017 for the LTIP. In the fiscal year 2015 no non-current variable component was paid but earned. In the following tables the remuneration, payments and benefits are individually presented for each member of the executive board of Nemetschek AG in accordance with the recommendations of clause 4.2.5 (3) of the German Corporate Governance Code:

#### EXECUTIVE BOARD REMUNERATION – VALUE OF THE AMOUNTS GRANTED

	Patrik Heider				Sean Flaherty			
	Spokesman of the Executive Board since March 1, 2014							
	2014 Initial Value	2015 Initial Value	2015 Mini- mum	2015 Maxi- mum	2014 Initial Value	2015 Initial Value	2015 Mini- mum	2015 Maxi- mum
Thousands of €								
Fixed compensation	167	200	200	200	96	96	96	96
Fringe benefits	15	20	20	20	0	0	0	0
<b>Total</b>	<b>182</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>
One-year variable compensation	318	360	0	360	0	0	0	0
Multi-year variable compensation								
LTIP 2014 – 2016	92	161	0	249	92	161	0	249
LTIP 2015–2017	–	183	0	389	–	183	0	389
<b>Total</b>	<b>592</b>	<b>924</b>	<b>220</b>	<b>1.218</b>	<b>188</b>	<b>440</b>	<b>96</b>	<b>734</b>

	Viktor Várkonyi				Dr. Tobias Wagner			
					From August 29, 2013 until March 31, 2014			
	2014 Initial Value	2015 Initial Value	2015 Mini- mum	2015 Maxi- mum	2014 Initial Value	2015 Initial Value	2015 Mini- mum	2015 Maxi- mum
Thousands of €								
Fixed compensation	96	96	96	96	67	–	–	–
Fringe benefits	0	0	0	0	2	–	–	–
<b>Total</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>69</b>	<b>–</b>	<b>–</b>	<b>–</b>
One-year variable compensation	0	0	0	0	60	–	–	–
Multi-year variable compensation								
LTIP 2014 – 2016	92	161	0	249	–	–	–	–
LTIP 2015–2017	–	183	0	389	–	–	–	–
<b>Total</b>	<b>188</b>	<b>440</b>	<b>96</b>	<b>734</b>	<b>129</b>	<b>–</b>	<b>–</b>	<b>–</b>

**EXECUTIVE BOARD REMUNERATION – CASH FLOW VIEW**

Thousands of €	Patrik Heider		Sean Flaherty	
	Spokesman of the Executive Board since March 1, 2014			
	2015 Initial Value	2014 Initial Value	2015 Initial Value	2014 Initial Value
Fixed compensation	200	167	96	96
Fringe benefits	20	15	0	0
<b>Total</b>	<b>220</b>	<b>182</b>	<b>96</b>	<b>96</b>
One-year variable compensation	360	318	0	0
Multi-year variable compensation				
LTIP 2014–2016	0	0	0	0
LTIP 2015–2017	0	0	0	0
<b>Total</b>	<b>580</b>	<b>500</b>	<b>96</b>	<b>96</b>

Thousands of €	Viktor Várkonyi		Dr. Tobias Wagner	
			From August 29, 2013 until March 31, 2014	
	2015 Initial Value	2014 Initial Value	2015 Initial Value	2014 Initial Value
Fixed compensation	96	96	0	67
Fringe benefits	0	0	0	2
<b>Total</b>	<b>96</b>	<b>96</b>	<b>0</b>	<b>69</b>
One-year variable compensation	0	0	0	60
Multi-year variable compensation				
LTIP 2014–2016	0	0	–	–
LTIP 2015–2017	0	0	–	–
<b>Total</b>	<b>96</b>	<b>96</b>	<b>0</b>	<b>129</b>

Total remuneration granted to the executive board by Nemetschek AG for the fiscal year 2015 amounted to EUR 1,804k (previous year: EUR 1,097k).

In addition to the remuneration paid by Nemetschek AG, Viktor Várkonyi, who is also CEO of Graphisoft SE, received fixed remuneration of EUR 198k (previous year: EUR 198k) gross and performance-related current remuneration of EUR 96k (previous year: EUR 92k) gross. Sean Flaherty received a fixed amount from Vectorworks, Inc. of EUR 203k gross (previous year: EUR 185k) and performance-related current remuneration of EUR 156k gross (previous year: EUR 270k). Total remuneration from subsidiaries for Mr. Várkonyi and Mr. Flaherty amounted to EUR 653k (previous year: EUR 745k).

The following fees for the auditors of the consolidated financial statements were recorded as expenses in the fiscal year 2015:

[\[29\]](#)  
Auditors' fees

#### AUDITORS' FEES

Thousands of €	2015	2014
Financial statements audit services	279	252
Tax advisory services	93	226
Other services	0	11
<b>Total</b>	<b>372</b>	<b>488</b>

The managing board approved the financial statements on March 11, 2016 to be passed on to the supervisory board.

[\[30\]](#)  
Date of approval





## DATA DESIGN SYSTEM

***“DDS takes pride in meeting the expectations and trust our clients put in us. We achieve this by continuously delivering high-quality products and services, supporting and driving forward their everyday business.”***

Bjørn K. Stangeland, Data Design System

**Segment:**  
Design

**Company size:**  
87 employees

**Locations:**  
Stavanger, Ascheberg, Leonding, Utrecht

**Solutions:**  
DDS-CAD MEP  
DDS-CAD Architecture & Construction  
DDS-CAD Viewer

### Intelligent MEP Design

Data Design System (DDS) has developed innovative BIM solutions serving the building and construction industry since 1984. With more than 14.000 users worldwide, DDS is one of Europe's leading BIM software providers. The company has two main product lines. DDS-CAD MEP (Mechanical, Electrical, Plumbing) is a BIM authoring tool for MEP engineering with integrated calculations and interdisciplinary coordination. The other product line is DDS-CAD Architect & Construction, which is highly specialized to handle typical Scandinavian style residential units. Data Design System's solutions support open standards, and are also compliant with and certified for building-SMART standards. Data Design System AS has its headquarters in Stavanger, Norway and has a strong commitment to innovation, Open BIM and value for money. High standards of development and customer care are maintained by substantial investments in R&D and product support each year.

[www.dds-cad.com](http://www.dds-cad.com)

Experience Center –  
Voortman Steel Machinery,  
Rijssen, The Netherlands  
Designer: 2 Steps Ahead

[31]  
Disclosures of the  
members of the  
supervisory board and  
executive board of  
the company

## **SUPERVISORY BOARD**

### **Mr Kurt Dobitsch**

(independent businessman)

Chairman

Member of the following supervisory boards:

||| United Internet AG, Montabaur (Chairman)

Companies related to the group:

- United Internet Ventures AG, Montabaur
- United Internet Service SE, Montabaur, until 16.03.2015
- 1&1 Internet AG, Montabaur, until 11.06.2015 (merger with 1&1 Internet SE)
- 1&1 Internet SE, Montabaur (formerly: 1&1 Internet Holding SE)
- 1&1 Telecommunication AG, Montabaur,  
until 30.04.2015 (merger with 1&1 Telecommunication Holding SE)
- 1&1 Telecommunication SE, Montabaur (formerly: 1&1 Telecommunication Holding SE)
- GMX & WEB.DE Mail & Media SE, Montabaur,  
until 16.03.2015 (merger with 1&1 Mail & Media Applications SE)
- 1&1 Mail & Media Application SE Montabaur (formerly: United Internet Mail & Media SE)

||| Nemetschek AG, Munich (Chairman)

Companies related to the group:

- Graphisoft SE, Budapest, Hungary
- Vectorworks, Inc., Columbia, USA

||| Bechtle AG, Gaildorf

||| Singhammer IT Consulting AG, Munich

### **Prof. Georg Nemetschek**

(degree in engineering, independent businessman)

Deputy Chairman

### **Mr Rüdiger Herzog**

(lawyer)

Member of the following supervisory boards:

||| DF Deutsche Finance Holding AG (Chairman)

||| Kaufhaus Ahrens AG (Chairman)



**EXECUTIVE BOARD****Mr Patrik Heider**

(Business Degree FH)

Spokesperson for the executive board and CFOO

Membership in supervisory boards:

- ||| Bluebeam Software, Inc., USA
- ||| SCIA Group International nv, Belgium
- ||| Solibri Oy, Finland
- ||| Data Design System AS, Norway

**Mr Sean Flaherty**

(Bachelor in Computer Science)

Member of the executive board

CEO Vectorworks, Inc.

Member of the following supervisory boards:

- ||| Vectorworks, Inc., USA
- ||| Bluebeam Software, Inc., USA

**Mr Viktor Várkonyi**

(Master in Computer Science, MBA)

Member of the executive board

CEO Graphisoft SE

Member of the following supervisory boards:

- ||| Graphisoft SE, Hungary
- ||| Data Design System AS, Norway
- ||| Solibri Oy, Finland

Munich, March 11, 2016

Nemetschek Aktiengesellschaft

Patrik Heider

Sean Flaherty

Viktor Várkonyi

## STATEMENT OF FIXED ASSETS OF THE GROUP

as of December 31, 2015 and as of December 31, 2014

2015	Thousands of €	Development of historic costs				As of Dec. 31, 2015	
		As of Jan. 1, 2015	Currency translation	Additions from business combinations	Additions		Disposal
<b>I. Intangible assets</b>							
Software, industrial and similar rights		121,860	5,586	38,950	975	2,292	165,079
Internally generated software		7,489	0	0	0	0	7,489
Goodwill		111,285	5,700	18,627	34	697	134,949
		<b>240,634</b>	<b>11,286</b>	<b>57,577</b>	<b>1,009</b>	<b>2,989</b>	<b>307,517</b>
<b>II. Property, plant and equipment</b>							
Other equipment, furniture and fixtures		26,749	1,336	120	6,655	2,380	32,480
		<b>26,749</b>	<b>1,336</b>	<b>120</b>	<b>6,655</b>	<b>2,380</b>	<b>32,480</b>
<b>Total fixed assets of the group</b>		<b>267,383</b>	<b>12,622</b>	<b>57,697</b>	<b>7,664</b>	<b>5,369</b>	<b>339,997</b>

2014	Thousands of €	Development of historic costs				As of Dec. 31, 2014	
		As of Jan. 1, 2014	Currency translation	Additions from business combinations	Additions		Disposal
<b>I. Intangible assets</b>							
Software, industrial and similar rights		80,297	555	41,057	1,016	1,065	121,860
Internally generated software		6,396	0	1,392	0	299	7,489
Goodwill		60,112	-1,572	52,093	652	0	111,285
		<b>146,805</b>	<b>-1,017</b>	<b>94,542</b>	<b>1,668</b>	<b>1,364</b>	<b>240,633</b>
<b>II. Property, plant and equipment</b>							
Other equipment, furniture and fixtures		18,348	873	5,991	2,531	994	26,749
		<b>18,348</b>	<b>873</b>	<b>5,991</b>	<b>2,531</b>	<b>994</b>	<b>26,749</b>
<b>Total fixed assets of the group</b>		<b>165,153</b>	<b>-144</b>	<b>100,533</b>	<b>4,199</b>	<b>2,358</b>	<b>267,382</b>

Development of accumulated depreciation/amortization						Carrying amount		
As of Jan. 1, 2015	Translation differences	Additions from business combinations	Additions	Equity method	Disposal	As of Dec. 31, 2015	As of Dec. 31, 2015	As of Dec. 31, 2014
58,035	636	4	11,589	0	2,192	68,072	97,007	63,825
2,543	0	0	1,192	0	0	3,735	3,754	4,946
0	0	0	0	0	0	0	134,949	111,285
<b>60,578</b>	<b>636</b>	<b>4</b>	<b>12,781</b>	<b>0</b>	<b>2,192</b>	<b>71,807</b>	<b>235,710</b>	<b>180,056</b>
15,949	557	0	4,000	0	1,818	18,688	13,792	10,800
<b>15,949</b>	<b>557</b>	<b>0</b>	<b>4,000</b>	<b>0</b>	<b>1,818</b>	<b>18,688</b>	<b>13,792</b>	<b>10,800</b>
<b>76,527</b>	<b>1,193</b>	<b>4</b>	<b>16,781</b>	<b>0</b>	<b>4,010</b>	<b>90,495</b>	<b>249,502</b>	<b>190,856</b>

Development of accumulated depreciation/amortization						Carrying amount		
As of Jan. 1, 2014	Translation differences	Additions from business combinations	Additions	Equity method	Disposal	As of Dec. 31, 2014	As of Dec. 31, 2014	As of Dec. 31, 2013
54,339	-2,184	13	6,602	0	735	58,035	63,824	25,957
1,405	0	170	1,267	0	299	2,543	4,946	4,991
0	0	0	0	0	0	0	111,285	60,112
<b>55,744</b>	<b>-2,184</b>	<b>183</b>	<b>7,869</b>	<b>0</b>	<b>1,034</b>	<b>60,578</b>	<b>180,055</b>	<b>91,060</b>
13,016	325	956	2,419	0	767	15,949	10,800	5,332
<b>13,016</b>	<b>325</b>	<b>956</b>	<b>2,419</b>	<b>0</b>	<b>767</b>	<b>15,949</b>	<b>10,800</b>	<b>5,332</b>
<b>68,760</b>	<b>-1,859</b>	<b>1,139</b>	<b>10,288</b>	<b>0</b>	<b>1,801</b>	<b>76,527</b>	<b>190,855</b>	<b>190,855</b>

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## DECLARATION OF THE LEGAL REPRESENTATIVES

"I hereby confirm that, to the best of my knowledge, in accordance with the applicable financial reporting framework, the consolidated financial statements give a true and fair view of the net assets, financial position and results of the group, and the group management report gives a true and fair view of business performance including the results of operations and the situation of the group, and describes the main opportunities and risks of the anticipated development of the group."

Munich, March 11, 2016



Patrik Heider



Sean Flaherty



Viktor Várkonyi

## AUDITOR'S REPORT

We have issued the following auditors' report on the consolidated financial statements and group management report:

"We have audited the consolidated financial statements of Nemetschek Aktiengesellschaft, Munich, comprising the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flow and notes to the consolidated financial statements, together with the group management report, for the fiscal year January 1 to December 31, 2015. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to sec. 315a (1) HGB ("Handelsgesetzbuch": German Commercial Code) are the responsibility of the legal representatives of the company. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB [Handelsgesetzbuch; "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in consolidation, the determination of the companies to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as the evaluation of the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a par. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development."

Munich, March 11, 2016

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

Bostedt  
Wirtschaftsprüfer  
[German Public Auditor]

Bretschneider  
Wirtschaftsprüferin  
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# PRECAST | SOFTWARE engineering

*“As a result of a decades-long focus on precast concrete element design, our software solutions have a level of design integration which is unparalleled on the market. Interoperability is a further focus. Today, wherever interfaces and various file formats dominate, we want to accelerate the concept of Open BIM by means of open data exchange with other modeling tools.”*

Werner Maresch, Precast Software Engineering

**Segments:**  
Design, Build

**Company size:**  
29 employees

**Locations:**  
Salzburg, Shanghai, Singapore

**Solutions:**  
Planbar  
TIM

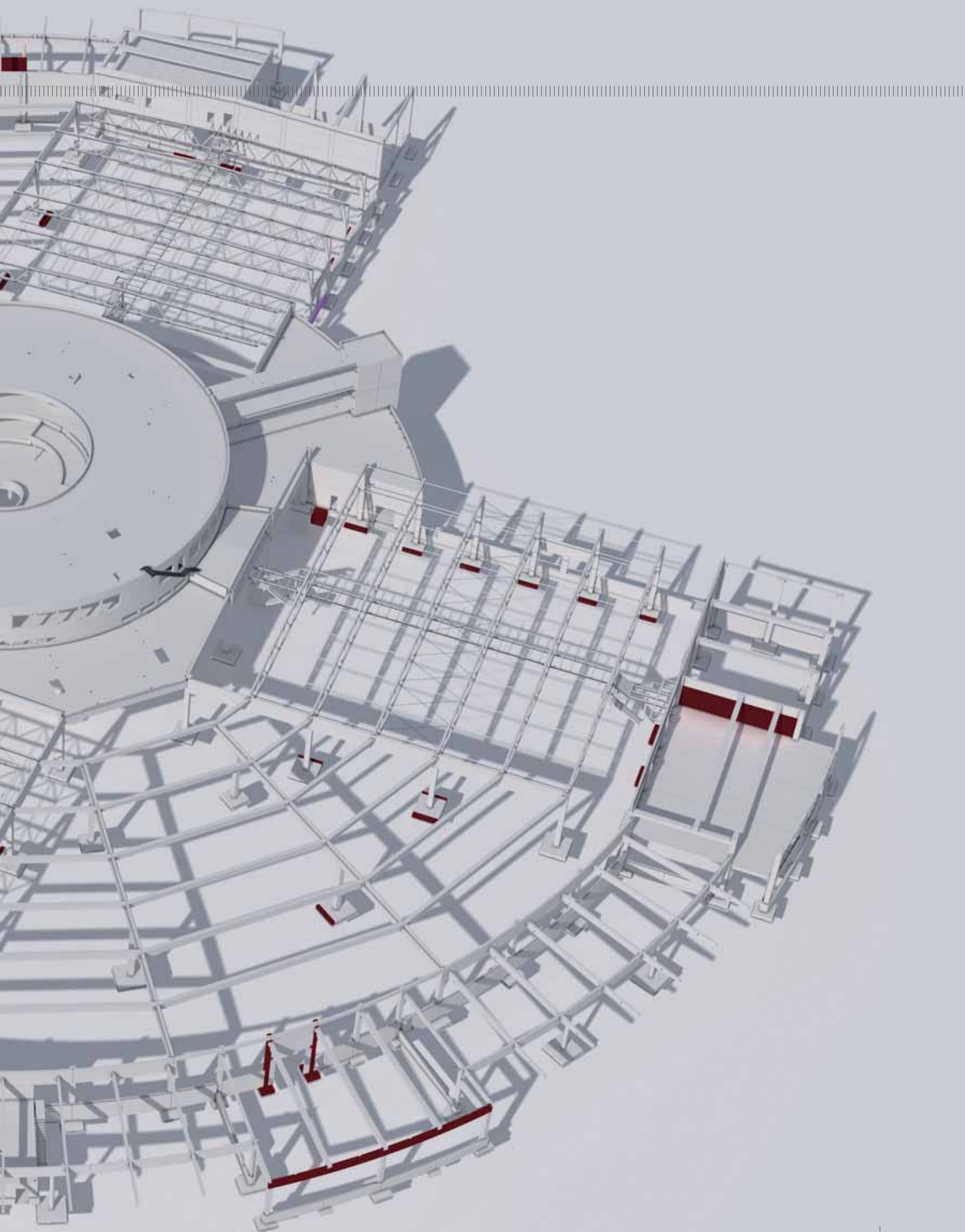
**Awards and References:**  
China Mingsheng Zhuyou Ltd, Concrete Rudolph, fdU, Lehner, LSR Group, Oberndorfer, Prukša

## Software and Service for the Precast Concrete Element Industry

Precast Software Engineering, with Planbar and TIM, is a leading provider of software solutions to the precast concrete element industry. Highly automated precast element plants require design solutions that meet the requirements of the precast concrete element market in terms of quality, productivity, cost-efficiency and time pressure. User achieve optimum results using the combination of Planbar, with comprehensive functions ranging from series production to complex architectural elements, and TIM, the Technical Information Manager, which serves as an information tool to network projects and their structure and status. Precast Software Engineering, headquartered in Salzburg, was founded in 2005 and is a 100% part of the Nemetschek Group.

[www.precast-software.com](http://www.precast-software.com)

Eberspächer Werk 2020, Wilsdruff, Germany  
Designer: Statix<sup>3</sup>, Neu-Ulm



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# **FINANCIAL STATEMENT**

(GERMAN COMMERCIAL CODE)



214	Balance Sheet
216	Profit and Loss Account

# Financial Statement

## OF NEMETSCHKE AKTIENGESELLSCHAFT

### (GERMAN COMMERCIAL CODE)

## BALANCE SHEET

as of December 31, 2015, and as of December 31, 2014

ASSETS	in €	Dec. 31, 2015	Dec. 31, 2014
<b>A. FIXED ASSETS</b>			
<b>I. Intangible Assets</b>			
Purchased franchises, industrial rights and similar rights and assets and licenses in such rights and assets		19,525.89	7,881.75
<b>II. Property, plant and equipment</b>			
1. Leasehold improvements		13,712.70	5,470.84
2. Fixtures, fittings and equipment		51,182.41	27,937.00
		<b>64,895.11</b>	<b>33,407.84</b>
<b>III. Financial assets</b>			
1. Shares in affiliated companies		237,300,265.46	207,178,347.16
2. Loans due from affiliated companies		36,761,755.81	36,643,786.81
3. Investments		2,025,303.93	2,025,303.93
		<b>276,087,325.20</b>	<b>245,847,437.90</b>
<b>TOTAL FIXED ASSETS</b>		<b>276,171,746.20</b>	<b>245,888,727.49</b>
<b>B. CURRENT ASSETS</b>			
<b>I. Accounts receivable and other assets</b>			
1. Accounts receivable from trading		20,385.61	3,286.78
2. Accounts due from affiliated companies		14,231,228.49	1,198,530.13
– thereof Accounts receivable from trading EUR 322,382.18 (previous year: EUR 85,514.93)			
3. Other assets		1,283,288.45	940,859.33
		<b>15,534,902.55</b>	<b>2,142,676.24</b>
<b>II. Cash and cash equivalents</b>		<b>14,719,120.07</b>	<b>3,217,720.91</b>
<b>TOTAL CURRENT ASSETS</b>		<b>30,254,022.62</b>	<b>5,360,397.15</b>
<b>C. DEFERRED AND PREPAID EXPENSES</b>		<b>96,672.10</b>	<b>106,561.62</b>
<b>D. DEFERRED TAX ASSET</b>		<b>66,678.62</b>	<b>142,131.56</b>
		<b>306,589,119.54</b>	<b>251,497,817.82</b>

<b>EQUITY &amp; LIABILITIES</b>	in €	<b>Dec. 31, 2015</b>	Dec. 31, 2014
<b>A. EQUITY</b>			
<b>I. Subscribed capital</b>		<b>38,500,000.00</b>	<b>9,625,000.00</b>
<b>II. Capital reserve</b>		<b>20,529,856.90</b>	<b>49,404,856.90</b>
<b>III. Revenue reserve</b>		<b>28,585,721.39</b>	<b>28,585,721.39</b>
<b>IV. Retained earnings</b>		<b>102,701,483.10</b>	<b>85,092,477.55</b>
<b>TOTAL EQUITY</b>		<b>190,317,061.39</b>	<b>172,708,055.84</b>
<b>B. PROVISIONS AND ACCRUED LIABILITIES</b>			
1. Accrued tax liabilities		1,404,558.70	2,586,516.66
2. Other provisions and accrued liabilities		3,202,313.95	1,961,660.94
<b>TOTAL PROVISIONS AND ACCRUED LIABILITIES</b>		<b>4,606,872.65</b>	<b>4,548,177.60</b>
<b>C. LIABILITIES</b>			
1. Liabilities due to banks		80,000,000.00	60,000,000.00
2. Trade accounts payable		496,271.35	228,567.20
3. Accounts due to affiliated companies		29,264,397.92	12,093,583.70
4. Other liabilities			
– thereof taxes: EUR 981,488.27 (previous year: EUR 924,928.16)			
– thereof social security EUR 3,867.43 (previous year: EUR 2,320.78)		1,003,372.81	937,908.89
<b>TOTAL LIABILITIES</b>		<b>110,764,042.08</b>	<b>73,260,059.79</b>
<b>D. DEFERRED TAX LIABILITY</b>		<b>901,143.42</b>	<b>981,524.59</b>
		<b>306,589,119.54</b>	<b>251,497,817.82</b>

# PROFIT AND LOSS ACCOUNT OF NEMETSCHKE AKTIENGESELLSCHAFT (GERMAN COMMERCIAL CODE)

for the period from January 1 to December 31, 2015 and 2014

in €	<b>Jan. 1 – Dec. 31, 2015</b>	Jan. 1 – Dec. 31, 2014
1. Revenues	595,417.64	1,168,783.46
2. Other operating income	774,117.97	2,689,072.48
<b>Operating Income</b>	<b>1,369,535.61</b>	<b>3,857,855.94</b>
3. Personnel expenses		
a) Wages and salaries	-3,574,877.36	-2,235,712.37
b) Social security, pension and other benefit costs – thereof for pension: EUR 4.480,24 (previous year: EUR 2,907.41)	-315,394.86	-214,967.42
4. Depreciation and amortization of intangible assets, property, plants and equipment	-36,602.15	-225,204.79
5. Other operating expenses	-5,558,760.08	-4,754,540.31
<b>Operating expenses</b>	<b>-9,485,634.45</b>	<b>-7,430,424.89</b>
<b>Operating results</b>	<b>-8,116,098.84</b>	<b>-3,572,568.95</b>
6. Income from investments – thereof from affiliated companies: EUR 27,740,679.84 (previous year: EUR 26,300,919.84)	27,740,679.84	26,300,919.84
7. Income from profit and loss transfer agreements	16,541,626.44	14,548,574.28
8. Other interest and similar income – thereof from affiliates companies: EUR 1,170,500.57 (previous year: EUR 392,152.66)	1,198,416.58	399,284.74
9. Interest and similar expenses – thereof from affiliated companies: EUR 185.63 (previous year: EUR 35,691.49)	-618,720.89	-157,393.09
<b>10. Profit from ordinary operations</b>	<b>36,745,903.13</b>	<b>37,518,816.82</b>
11. Taxes on income – thereof expenses of recognized from the change in deferred taxes: EUR 4,928.23 (previous year: EUR 433,902.90)	-3,736,897.58	-2,972,962.22
<b>12. Net income</b>	<b>33,009,005.55</b>	<b>34,545,854.60</b>
13. Profit carried forward from previous year	69,692,477.55	50,546,622.95
<b>14. Retained earnings</b>	<b>102,701,483.10</b>	<b>85,092,477.55</b>



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## **ADDITIONAL INFORMATION**



# Financial calendar 2016

<p>March 31, 2016</p> <p>Publication Annual Report 2015</p>	<p>April 29, 2016</p> <p>Publication Quarterly Statement 1st Quarter 2016</p>	<p>May 20, 2016</p> <p>Annual General Meeting, Munich</p>
<p>July 29, 2016</p> <p>Publication Quarterly Statement 2nd Quarter 2016</p>	<p>October 28, 2016</p> <p>Publication Quarterly Statement 3rd Quarter 2016</p>	<p>November 21–23, 2016</p> <p>German Equity Forum, Frankfurt am Main</p>





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Visualization of the planned Santiago Bernabéu Stadium, Madrid, Spain;

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Barco's "One Campus", Kortrijk, Belgium; Engineering Office: Establis

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Market hall Rotterdam, the Netherlands; Engineering Office: Royal Haskoning DHV; Image: Ossi van Duivenbode

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Mixed Use Complex, Paris, France; Architects: Hamonic + Masson; Image: Takuji Shimmura

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Experience Center - Voortman Steel Machinery, Rijssen, The Netherlands; Designer: 2 Steps Ahead

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Eberspächer Werk 2020, Wilsdruff, Germany; Designer: Statix<sup>3</sup>

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