

QUARTERLY STATEMENT AS OF MARCH 31 2023

**SHAPE
THE
WORLD**

The text 'SHAPE THE WORLD' is rendered in a large, bold, blue sans-serif font. The letters are filled with a blue gradient and contain cutouts of construction-related imagery. The 'S' shows a crane against a blue sky. The 'H' and 'A' also feature crane elements. The 'P' and 'E' show a crane against a blue sky. The 'T' and 'H' in the second row show a crane against a blue sky. The 'E' in the second row shows a crane against a blue sky. The 'W' in the third row shows a crane against a blue sky. The 'O' in the third row shows a steel structure against a blue sky. The 'R' in the third row shows a steel structure against a blue sky. The 'L' in the third row shows a crane against a blue sky. The 'D' in the third row shows a crane against a blue sky.

SHAPE THE WORLD IN ALL DIMENSIONS

Key Figures

NEMETSCHKE GROUP

| in EUR million | 3 months 2023 | 3 months 2022 | Change |
|---|---------------|---------------|---------------|
| Operative figures | | | |
| Revenues | 204.6 | 192.2 | 6.5% |
| - thereof software licenses | 47.6 | 63.7 | -25.2% |
| - thereof recurring revenues | 149.4 | 121.0 | 23.5% |
| - subscription + SaaS (as part of the recurring revenues) | 63.8 | 45.4 | 40.6% |
| EBITDA | 61.0 | 69.8 | -12.7% |
| as % of revenue | 29.8% | 36.3% | |
| EBIT | 46.6 | 56.3 | -17.2% |
| as % of revenue | 22.8% | 29.3% | |
| Net income (group shares) | 36.3 | 42.6 | -14.9% |
| per share in € | 0.31 | 0.37 | |
| Net income (group shares) before purchase price allocation | 41.7 | 47.9 | -13.0% |
| per share in € | 0.36 | 0.41 | |
| Cash flow figures | | | |
| Cash flow from operating activities | 74.9 | 72.0 | 4.1% |
| Cash flow from investing activities | -6.0 | -10.7 | |
| Cash flow from financing activities | -29.9 | -14.8 | |
| Free cash flow | 68.9 | 61.3 | 12.4% |
| Balance sheet figures | | | |
| Cash and cash equivalents* | 234.1 | 196.8 | 19.0% |
| Net liquidity/net debt* | 189.1 | 124.9 | |
| Balance sheet total* | 1,239.0 | 1,198.1 | 3.4% |
| Equity ratio in %* | 58.0% | 57.5% | |
| Headcount as of balance sheet date | 3,436 | 3,185 | 7.9% |
| Share figures | | | |
| Closing price (Xetra) in € | 63.28 | 87.80 | |
| Market Capitalization | 7,308.84 | 10,140.90 | |

* Presentation of previous year as of December 31, 2022.

Interim Group Management Report

Report on the earnings, financial and asset situation

Results of Operations

Successful start to the year in Q1 2023: Revenue growth of 6.5% with an EBITDA margin of 29.8%

Group revenues increased by 6.5% to EUR 204.6 million in the first three months of 2023 (same period of previous year: EUR 192.2 million) during the simultaneous transition to subscription and SaaS models. Adjusted for currency effects, i.e. on the basis of constant exchange rates, revenue growth would have amounted to 5.5%.

The transition to subscriptions and SaaS models and its accounting-related effects had the expected short-term dampening effect on the Group's earnings. EBITDA was correspondingly -12.7% below last year at EUR 61.0 million (same period of previous year: EUR 69.8 million). This meant EBITDA margin decreased from 36.3% in the first three months of 2022 to 29.8% as of March 31, 2023.

Revenue development

Revenues by business type – Subscription and SaaS remain growth drivers

All in all, the first three months of 2023 saw an encouraging revenue development. Simultaneously, the Group made further progress toward its strategic objective of increasing the share of recurring revenues – especially subscription and SaaS – in total revenues. In total, recurring revenues rose to EUR 149.4 million (same period of previous year: EUR 121.0 million), corresponding to a growth of 23.5% (currency-adjusted: 22.2%). Subscription and SaaS revenues alone increased significantly by a further 40.6% (currency-adjusted: 38.9%), from EUR 45.4 million in the same period of the previous year to EUR 63.8 million. The ARR increased by 23.5% in Q1 (adjusted for currency effects: 22.2%) to EUR 597.4 million, which was significantly stronger than the total revenue growth. Consequently the share of recurring revenues improved significantly from 62.9% in the first three months of 2022 to 73.0% this year. This development is in line with the strategic objective of expanding the proportion of recurring revenues.

Revenues from software licenses amounted to EUR 47.6 million in the first three months of the financial year, a decline of -25.2% compared to the same period of the previous year (EUR 63.7 million). Adjusted for currency effects, the decrease amounted to -25.7%. The share of total revenues attributable to revenues from software licenses declined to 23.3% (same period of previous year: 33.1%).

Revenues by region – Internationalization

The increasingly global alignment of the Group is an important factor in its diversification. In the first three months of 2023, domestic revenues increased by 4.9% to EUR 47.5 million (same period of previous year: EUR 45.3 million). In its foreign markets, the Nemetschek Group generated revenues of EUR 157.1 million (same period of previous year: EUR 146.9 million), corresponding to an increase of 7.0% compared to the previous year period. Foreign markets accounted for 76.8% of total revenues in the first three months of 2023 (same period of previous year: 76.4%). In particular, the Americas focus region contributed to the pleasing development in the Group, while the development in Europe was overshadowed by the challenging geopolitical situation.

Overview of segments

The **Design segment**, whose business activities are mainly focused on Europe, generated revenues of EUR 104.2 million in the first three months of 2023 (same period of previous year: EUR 92.8 million). This corresponds to a growth of 12.2% (currency-adjusted: 12.1%). The uncertain market environment, especially in Europe, and longer sales cycles among customers stabilized slightly in the first quarter. In addition to catch-up effects from Q4 2022 also pull-forward effects from the second quarter 2023 due to announced price increases contributed to this development.

EBITDA grew by 2.0%, from EUR 29.6 million in the first three months of 2022 to EUR 30.2 million in the first three months of 2023. This led to a margin of 29.0%, (same period of previous year: 31.9%).

In the **Build segment**, which primarily targets construction companies in the USA and the German-speaking countries, Bluebeam's transition to subscription and SaaS models continued to progress as planned. The majority of new customers are opting for the high-value Subscription and SaaS packages with more extensive cloud features. As a result of the transition, the revenue declined slightly by -1.5% in the first three months of 2023 (currency-adjusted: -3.9%) to EUR 62.0 million (same period of previous year: EUR 62.9 million).

EBITDA decreased because of the transition by -22.8% to EUR 21.8 million in the first three months of 2023 (same period of previous year: EUR 28.3 million). At 35.2%, the EBITDA margin in the first three months of 2023 was at expected below the previous year's level of 44.9%.

In the **Manage segment**, which focuses on European commercial construction, the market situation stabilized slightly, even though the volume of investments by facility managers remains below pre-crisis levels. Revenues totaled to EUR 13.4 million in the first three months of 2023. This represents a growth of 5.1% (currency-adjusted: 5.9%) compared with the first three months of 2022, when revenues amounted to EUR 12.8 million. Since January 1, 2023, the dRofus brand has been consolidated in the Manage segment, having been moved from the Build segment to the newly created Digital Twin business unit.

Segment EBITDA amounted to EUR –0.5 million in the first three months of 2023 (same period of previous year: EUR 0.7 million), with the result that the margin declined from 5.6% in the first three months of 2022 to –3.4% in the first three months of 2023.

In the **Media segment** revenues rose by 5.0% (currency-adjusted: 4.2%) to EUR 26.8 million (same period of previous year: EUR 25.5 million) in the first three months of 2023. The lower growth compared to the previous year's quarters is attributable to the particularly high comparison base from the previous year. Q1 2022 profited from an inorganic growth contribution as well as from a strong, positive one-time effect from the last time sale of perpetual licenses in China. Starting in Q2, the segment's growth is expected to return to a double-digit percentage range.

Segment EBITDA amounted to EUR 9.4 million in the first three months of 2023 (same period of previous year: EUR 11.2 million). Accordingly, the EBITDA margin declined from 44.0% in the first three months of 2022 to 35.2% in the first three months of 2023.

Earnings performance – Earnings per share at EUR 0.31

Operating expenses increased by 15.0% in the first three months of 2023 from EUR 139.0 million to EUR 159.8 million. The cost of materials included in this item increased to EUR 7.8 million (same period of previous year: EUR 6.9 million). Personnel expenses rose by 13.5% from EUR 78.2 million in the first three months of 2022 to EUR 88.8 million. Other expenses increased by 21.1% from EUR 40.3 million to EUR 48.9 million. Depreciation and amortization of fixed assets increased by 6.1% from EUR 13.5 million to EUR 14.4 million.

In the first three months of 2023 the net income (group shares) decreased by –14.9% to EUR 36.3 million (same period of previous year EUR 42.6 million) due to the transition to subscriptions and SaaS models. The corresponding earnings per share amounted to EUR 0.31 (same period of previous year: EUR 0.37). Adjusted for amortization from the purchase price allocation after tax, net income decreased by –13.0% to EUR 41.7 million (same period of previous year: EUR 47.9 million), resulting in earnings per share of EUR 0.36 (same period of previous year: EUR 0.41).

The Group's tax rate amounted to 20.2% in the first three months of 2023 (same period of previous year: 20.9%).

Financial position

Development of cash flow – Operating cash flow at EUR 74.9 million – Cash and cash equivalents at EUR 234.1 million

Cash flow from operating activities was mainly used for investments in fixed assets and start-ups, repayments of loans and repayments of lease liabilities.

The Nemetschek Group generated a **cash flow from operating activities** of EUR 74.9 million in the first three months of 2023 (same period of previous year: EUR 72.0 million).

Cash flow from investing activities amounted to EUR –6.0 million in the first three months of 2023 (same period of previous year: EUR –10.7 million) and includes payments for investments in start-ups in the amount of EUR 3.3 million (same period of previous year: EUR 0.3 million) and capital expenditures of EUR 2.6 million (same period of previous year: EUR 3.1 million).

The **cash flow from financing activities** amounted to EUR –29.9 million (same period of previous year: EUR –14.8 million) and primarily consisted of repayments of bank loans of EUR 27.1 million (same period of previous year EUR 49.1 million) and payments of lease liabilities in the amount of EUR 4.1 million (same period of previous year EUR 4.0 million). These payments were offset by cash inflows from bank loans in the amount of EUR 2.5 million (same period of previous year: EUR 39.0 million).

As at March 31, 2023, the Nemetschek Group held cash and cash equivalents of EUR 234.1 million (December 31, 2022: EUR 196.8 million).

Equity ratio at 58.0%

The balance sheet total increased from EUR 1,198.1 million to EUR 1,239.0 million compared to December 31, 2022. Equity amounted to EUR 718.1 million (December 31, 2022: EUR 689.2 million), resulting in an equity ratio of 58.0% compared to 57.5% as of December 31, 2022. The increase was driven by the net income for the year (EUR 36.8 million), compensated by the currency-related decrease of Group assets (EUR –7.7 million).

Significant events after the interim reporting period

There were no significant events after the end of the interim reporting period.

Employees

As of March 31, 2023, the Nemetschek Group employed a staff of 3,436 (March 31, 2022: 3,185), an increase of 7.9% on the prior-year quarter. In the following quarters, the Nemetschek Group intends to further increase the number of employees in order to ensure future growth.

Report on opportunities and risks

The Group management report for the year ended December 31, 2022, describes the opportunities and risks that could have a significant impact on the net assets, financial position, and results of operations of the Nemetschek Group. It also describes the features of the risk management system. During the first three months of 2023, the overall risk situation for the company did not change significantly compared with December 31, 2022.

Report on forecasts and other statements on expected development

Following the successful start to the year, the Executive Board is reaffirming its current targets for the financial year 2023. The Executive Board therefore continues to expect a revenue growth at constant exchange rates in the range of 4% to 6% for the Group in 2023. Growth in recurring revenues, represented by the key figure ARR (Annual Recurring Revenue), is expected to grow at a significantly over proportional rate of around 25%. The share of recurring revenues in total revenues is therefore expected to increase further to over 75% by the end of the current financial year. The EBITDA margin is targeted to be between 28% and 30%.

The outlook is based on the assumption that there will be no significant deterioration in the global macroeconomic as well as industry-specific conditions in 2023, in particular in the light of the recent growing global economic risk due to the war in Ukraine.

Consolidated statement of comprehensive income

for the period from January 1 to March 31, 2023 and 2022

STATEMENT OF COMPREHENSIVE INCOME

| Thousands of € | 3 months 2023 | 3 months 2022 |
|---|-----------------|-----------------|
| Revenues | 204,627 | 192,224 |
| Other income | 1,813 | 3,047 |
| Operating income | 206,440 | 195,271 |
| Cost of goods and services | -7,795 | -6,916 |
| Personnel expenses | -88,799 | -78,203 |
| Depreciation of property, plant and equipment and amortization of intangible assets | -14,354 | -13,532 |
| <i>thereof amortization of intangible assets due to purchase price allocation</i> | -7,171 | -7,083 |
| Other expenses | -48,867 | -40,336 |
| Operating expenses | -159,815 | -138,987 |
| Operating result (EBIT) | 46,626 | 56,284 |
| Interest income | 417 | 60 |
| Interest expenses | -622 | -634 |
| Other financial expenses/income | -312 | 296 |
| Net finance costs | -516 | -277 |
| Earnings before taxes (EBT) | 46,110 | 56,006 |
| Income taxes | -9,302 | -11,723 |
| Net income for the year | 36,808 | 44,283 |
| Other comprehensive income: | | |
| Difference from currency translation | -7,669 | 7,455 |
| Items of other comprehensive income that are reclassified subsequently to profit or loss | -7,669 | 7,455 |
| Gains/losses from the revaluation of defined benefit pension plans | 41 | 270 |
| Tax effect | -12 | -76 |
| Items of other comprehensive income that will not be reclassified to profit or loss | 29 | 193 |
| Subtotal other comprehensive income | -7,640 | 7,649 |
| Total comprehensive income for the year | 29,168 | 51,932 |
| Net profit or loss for the period attributable to: | | |
| Equity holders of the parent | 36,252 | 42,597 |
| Non-controlling interests | 555 | 1,686 |
| Net income for the year | 36,808 | 44,283 |
| Total comprehensive income for the year attributable to: | | |
| Equity holders of the parent | 29,173 | 49,852 |
| Non-controlling interests | -5 | 2,080 |
| Total comprehensive income for the year | 29,168 | 51,932 |
| Earnings per share (undiluted) in euros | 0.31 | 0.37 |
| Earnings per share (diluted) in euros | 0.31 | 0.37 |
| Average number of shares outstanding (undiluted) | 115,500,000 | 115,500,000 |
| Average number of shares outstanding (diluted) | 115,500,000 | 115,500,000 |

Consolidated statement of financial position

as of March 31, 2023 and December 31, 2022

STATEMENT OF FINANCIAL POSITION

| Assets | Thousands of € | March 31, 2023 | December 31, 2022 |
|----------------------------------|----------------|------------------|-------------------|
| Current assets | | | |
| Cash and cash equivalents | | 234,133 | 196,821 |
| Trade receivables | | 91,416 | 84,520 |
| Inventories | | 1,025 | 890 |
| Income tax receivables | | 12,612 | 11,289 |
| Other financial assets | | 2,275 | 2,492 |
| Other non-financial assets | | 35,786 | 31,120 |
| Current assets, total | | 377,248 | 327,132 |
| Non-current assets | | | |
| Property, plant and equipment | | 26,501 | 26,568 |
| Intangible assets | | 163,239 | 171,703 |
| Goodwill | | 549,514 | 557,047 |
| Right-of-use assets | | 71,095 | 69,795 |
| Investments in associates | | 4,010 | 4,010 |
| Deferred tax assets | | 24,213 | 21,465 |
| Other financial assets | | 21,610 | 18,377 |
| Other non-financial assets | | 1,596 | 2,031 |
| Non-current assets, total | | 861,778 | 870,996 |
| Total assets | | 1,239,026 | 1,198,128 |

| Equity and liabilities | Thousands of € | March 31, 2023 | December 31, 2022 |
|--|----------------|-----------------------|-------------------|
| Current liabilities | | | |
| Short-term borrowings and current portion of long-term loans | | 39,801 | 65,072 |
| Trade payables | | 12,343 | 15,712 |
| Provisions and accrued liabilities | | 50,589 | 70,251 |
| Deferred revenue | | 258,211 | 206,939 |
| Income tax liabilities | | 11,726 | 10,660 |
| Other financial liabilities | | 3,384 | 1,494 |
| Lease liabilities | | 15,242 | 14,854 |
| Other non-financial liabilities | | 27,875 | 18,858 |
| Current liabilities, total | | 419,172 | 403,841 |
| Non-current liabilities | | | |
| Long-term borrowings without current portion | | 5,212 | 6,873 |
| Deferred tax liabilities | | 18,035 | 19,802 |
| Pensions and related obligations | | 2,469 | 2,455 |
| Provisions | | 1,114 | 1,582 |
| Deferred revenue | | 2,613 | 2,631 |
| Income tax liabilities | | 5,853 | 6,035 |
| Other financial liabilities | | 417 | 390 |
| Lease liabilities | | 63,426 | 62,443 |
| Other non-financial liabilities | | 2,646 | 2,853 |
| Non-current liabilities, total | | 101,785 | 105,065 |
| Equity | | | |
| Subscribed capital | | 115,500 | 115,500 |
| Capital reserve | | 12,485 | 12,485 |
| Retained earnings | | 570,430 | 533,871 |
| Other reserves | | - 15,689 | - 8,586 |
| Equity (group shares) | | 682,726 | 653,270 |
| Non-controlling interests | | 35,343 | 35,953 |
| Equity, total | | 718,070 | 689,223 |
| Total equity and liabilities | | 1,239,026 | 1,198,128 |

Consolidated cash flow statement

for the period from January 1 to March 31, 2023 and 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

| Thousands of € | 3 months 2023 | 3 months 2022 |
|---|----------------|----------------|
| Profit (before tax) | 46,110 | 56,006 |
| Depreciation and amortization of fixed assets | 14,354 | 13,532 |
| Net finance costs | 516 | 277 |
| EBITDA | 60,980 | 69,816 |
| Other non-cash transactions | 443 | 369 |
| Cash flow for the period | 61,422 | 70,184 |
| Change in trade working capital | 42,595 | 31,372 |
| Change in other working capital | -15,126 | -23,105 |
| Financing effects and tax cash flow | -13,963 | -6,480 |
| Cash flow from operating activities | 74,928 | 71,971 |
| Capital expenditure | -2,634 | -3,074 |
| Changes in liabilities from acquisitions | -239 | -7,276 |
| Cash received from disposal of fixed assets | 172 | 2 |
| Cash paid for acquisition of other investments | -3,332 | -306 |
| Cash flow from investing activities | -6,032 | -10,654 |
| Dividend payments to non-controlling interests | -604 | -107 |
| Cash received from bank loans | 2,462 | 39,000 |
| Repayment of borrowings | -27,072 | -49,125 |
| Principal elements of lease payments | -4,054 | -4,000 |
| Interests paid | -617 | -571 |
| Cash flow from financing activities | -29,885 | -14,803 |
| Changes in cash and cash equivalents | 39,011 | 46,514 |
| Effect of exchange rate differences on cash and cash equivalents | -1,698 | 1,944 |
| Cash and cash equivalents at the beginning of the period | 196,821 | 157,095 |
| Cash and cash equivalents at the end of the period | 234,133 | 205,552 |

Consolidated statement of changes in equity

for the period from January 1 to March 31, 2023 and 2022

| Thousands of € | Equity attributable to the parent company's shareholders | | | | Total | Non-controlling interests | Total equity |
|--|--|-----------------|-------------------|---------------------|----------------|---------------------------|----------------|
| | Subscribed capital | Capital reserve | Retained earnings | Translation reserve | | | |
| As of January 1, 2022 | 115,500 | 12,485 | 415,410 | -17,533 | 525,862 | 33,830 | 559,693 |
| Other comprehensive income | - | - | 162 | 7,094 | 7,256 | 393 | 7,649 |
| Net income for the year | - | - | 42,597 | - | 42,597 | 1,686 | 44,283 |
| Total comprehensive income for the year | 0 | 0 | 42,758 | 7,094 | 49,852 | 2,080 | 51,932 |
| Dividend payments to non-controlling interests | - | - | - | - | 0 | -107 | -107 |
| As of March 31, 2022 | 115,500 | 12,485 | 458,168 | -10,439 | 575,714 | 35,803 | 611,517 |
| As of January 1, 2023 | 115,500 | 12,485 | 533,871 | -8,586 | 653,270 | 35,953 | 689,223 |
| Other comprehensive income | - | - | 24 | -7,103 | -7,080 | -561 | -7,640 |
| Net income for the year | - | - | 36,252 | - | 36,252 | 555 | 36,808 |
| Total comprehensive income for the year | 0 | 0 | 36,276 | -7,103 | 29,173 | -5 | 29,168 |
| Dividend payments to non-controlling interests | - | - | - | - | 0 | -604 | -604 |
| Share-based payments | - | - | 283 | - | 283 | 0 | 283 |
| As of March 31, 2023 | 115,500 | 12,485 | 570,430 | -15,689 | 682,726 | 35,343 | 718,070 |

NEMETSCHEK
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