

required to participate in data protection training at regular intervals of at least every two to three years and to provide documented evidence of this training. An e-learning course set up specifically to deal with the issue of data protection is offered across the Group in both German and English. Corporate Legal & Compliance designed an update training course on this subject in the 2023 fiscal year, which will be offered to all subsidiaries to meet their local training obligations from 2024.

Information Security

Information security is a particularly fast growing division of the Nemetschek Group. This growth has been driven by both the significant rise in cyber attacks – including on the Nemetschek Group – and the increasing security-related requirements our clients have of our products coupled with increasing statutory and regulatory requirements on our company and our software solutions.

Group Information Security manages Group-wide information security activities with the aim of ensuring appropriate organizational and technical measures are in place at all times at both at Group and individual brand level. The Corporate Information Security Officer (CISO) is responsible for the department and reports directly to the Executive Board member and CFO of the Nemetschek Group. Information security is organized via a Group-wide information security management system (ISMS) used in the respective brand companies. The ISMS is based on the internationally recognized information security standard ISO 27001 and governs responsibilities in the Group and the brand companies and the cooperation between all functions relevant to information security. In addition to other initiatives resolved by the Executive Board in 2023, preparations were also made for ISO 27001 certification of the ISMS, which is due to be completed in the 2024 fiscal year.

Company-specific requirements are governed in the Group-wide information security policy, which is signed by the Executive Board and updated at least once a year. These include the Group Information Security Guideline and the Group Information Security Policies. These comprise guidelines for the organization of information security, for the integration of management, and for the necessary technical and organizational measures that serve the implementation and monitoring of information security. The scope of this information security policy, which is binding for all Group units, covers the protection of all IT systems, the data stored in them, and the security of our products, employees, and offices.

The information security measures in place at the Nemetschek Group aim to prevent security incidents, detect them in their root stages, and ensure a prompt and appropriate response if they do occur. The most important measures are also continually monitored and reviewed at regular intervals by independent bodies as well as by Internal Audit and Information Security.

A standardized Group-wide information security architecture comprising various state-of-the-art information security systems was developed and established in the brand companies and their IT systems in 2023. Centralized monitoring of these components, assessment of all identified security events and the reaction to them is provided via the newly created Security Operation Center (SOC), which also includes a 24/7 detection function for attacks on employees or IT systems. All attacks detected or reported that are not fully automatically repelled by the security architecture are recorded by the SOC employees and transferred to the defined security incident response process.

Additional focal points of information security are included in regular training for all employees, through online courses, e-mail phishing simulations, ad hoc communication, and the inclusion of information security measures in daily workflows. The mandatory Group-wide e-learning training on information security is also updated on an annual basis.

The Nemetschek Group also has Group-wide cyber security insurance to provide additional protection against information security risks. This will be renewed for the 2024 fiscal year following an audit of the information security architecture by the insurance provider in 2023.

2.4 EU Taxonomy

As of fiscal year 2021, companies required to prepare non-financial consolidated financial statements in accordance with Section 315b HGB must comply with the requirements of the EU taxonomy, more specifically Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy Regulation).

The EU taxonomy provides a uniform classification system for the environmental sustainability of economic activities. The purpose of this system is to make companies' sustainability activities easier to compare and to implement the European Green Deal, which aims to achieve climate neutrality in the EU in line with the Paris Climate Agreement by 2050.

Article 9 of the Taxonomy Regulation sets out the following six environmental objectives to which environmentally sustainable economic activities can contribute:

ENVIRONMENTAL OBJECTIVES OF THE EU

1. Climate change mitigation (CCM)	4. The transition to a circular economy (CE)
2. Climate change adaptation (CCA)	5. Pollution prevention and control (PPC)
3. The sustainable use and protection of water and marine resources (WTR)	6. The protection and restoration of biodiversity and ecosystems (BIO)

The EU taxonomy differentiates between taxonomy-eligible and taxonomy-aligned economic activities. The first step is to assess whether an economic activity is included in Annex I and II to Commission Delegated Regulation (EU) 2023/2485 or Annex I to IV to Commission Delegated Regulation (EU) 2023/2486, and is therefore taxonomy-eligible. Later steps involve examining whether this taxonomy-eligible economic activity meets the defined criteria for making a substantial contribution to one of the six environmental objectives listed above, does not do significant harm to any of the remaining five environmental objectives, and also complies with a minimum safeguard. Only if it meets the aforementioned criteria is an economic activity deemed taxonomy-eligible, and is therefore “environmentally sustainable” within the meaning of the EU taxonomy.

Since 2021, the EU taxonomy has required companies with a reporting obligation to disclose the proportion of revenue, capital expenditure (CapEx) and operating expenditure (OpEx) relating to environmental objectives 1 (climate change mitigation) and 2 (climate change adaptation) that is deemed taxonomy-eligible. Disclosure of the taxonomy-aligned proportions relating to environmental objectives 1 and 2 has been mandatory since 2022.

In June 2023, the European Commission adopted the delegated act on environmental objectives 3 to 6, amendments to the disclosure requirements and adjustments to environmental objectives 1 and 2 concerning an expansion to include additional economic activities and adjustments to the assessment criteria for existing activities. The delegated act on environmental objectives 3 to 6 (the Environmental Delegated Act) sets out the technical screening criteria for economic activities making a substantial contribution to one or more of the environmental objectives 3 to 6. The adjustments to environmental objectives 1 and 2 (the Climate Delegated Act) include an expansion to add further economic activities and adjustments to the existing technical screening criteria for existing activities. There were also amendments to the disclosure obligations (the Disclosure Delegated Act), such as regarding the structure of the templates to be used.

Pursuant to the Taxonomy Regulation, Nemetschek SE is required to report for the 2023 fiscal year the taxonomy-eligibility of the newly introduced economic activities under environmental objectives 3 to 6, the taxonomy-eligibility of the new economic activities under environmental objectives 1 and 2, and the taxonomy-alignment of existing economic activities under environmental objectives 1 and 2, taking in to account the amendments to the assessment criteria and disclosure obligations.

Process for Identifying Taxonomy-Eligible and Taxonomy-Aligned Activities at the Nemetschek Group

A working group of experts and managers from Finance, Controlling & Risk Management, Investor Relations, and the sustainability team was put together to identify taxonomy-eligible and taxonomy-aligned activities at the company. This working group analyzed and assessed the amendments to the rules under the Taxonomy Regulation and their effect on the Nemetschek Group portfolio again in the 2023 fiscal year.

In previous years, determining the taxonomy-eligibility of revenue had started by identifying the revenue streams based on segment, brand and product. These revenue streams were next allocated to the relevant economic activities based on Annex I and II to the Climate Delegated Act, and then validated – first at Nemetschek SE level, and subsequently with the Controlling departments of the operating units. This was followed by an analysis of the taxonomy-eligibility of the capital expenditure and operating expenditure.

This analysis was subjected to a comprehensive review in 2023 in terms of its validity for the economic activities of the Nemetschek Group, and due to the changes in the regulatory environment described above, was expanded and updated as set out below:

- » **Step 1:** Review of revenue streams determined in the preceding years by segment, brand and product.
- » **Step 2:** Assessment of relevant economic activities based on Annex I and II to the Climate Delegated Act and Annex I and II to the Complementary Delegated Act.*
- » **Step 3:** Analysis of relevant economic activities based on the adjustments and supplements to the Delegated Act amending the Climate Delegated Act.
- » **Step 4:** Assessment of relevant economic activities based on Annex I to IV to the Environmental Delegated Act.
- » **Step 5:** Validation of the economic activities and revenue streams at the level of Nemetschek SE and the operating units regarding taxonomy-eligible revenue.
- » **Step 6:** Subsequent analysis of the taxonomy-eligibility of the capital expenditure (CapEx) and operating expenditure (OpEx). The analysis follows the approach described for revenue validation (steps 1 to 5).

* Commission Delegated Regulation (EU) 2022/1214 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities. The relevance of the affected economic activities for the Nemetschek Group was assessed based on template 1 “Nuclear and fossil gas related activities” as set out in the regulation. The template is included at the end of the section.

To avoid double counting, the revenue, capital expenditure and operating expenditure were always allocated to one relevant economic activity only.

In reviewing the economic activities with due consideration for the expansion in 2023 of the Taxonomy Regulation rules, either very few or no activities were identified or verifiable as taxonomy-eligible for the Nemetschek Group among the revenue, capital expenditure and operating expenditure. A review of taxonomy alignment was not performed.

The following figures were determined based on the process described and in relation to the base values in connection with the International Financial Reporting Standards (IFRS) used in preparing the consolidated financial statements. The basis of consolidation of the consolidated financial statements applies, i.e., all subsidiaries and associates were included when determining the key figures.

In-Depth Analysis of Revenue

Revenue pursuant to the EU taxonomy comprises the revenue recognized in the consolidated statement of comprehensive income (IFRS). To determine the proportion of taxonomy-eligible and taxonomy-aligned revenue, the relevant revenue (numerator) is set in relation to the revenue recognized in the consolidated statement of comprehensive income (denominator). Revenue in accordance with the EU taxonomy amounted to EUR 851.6 million for the 2023 fiscal year; see [« Consolidated Financial Statements \(IFRS\) – Consolidated Statement of Comprehensive Income »](#).

The analysis explained above comprising all environmental objectives identified the following taxonomy-eligible activities, which could in principle result in taxonomy-eligible and taxonomy-aligned revenue.

With respect to environmental objective 1 (climate change mitigation), the following economic activities were identified: 8.2 (Data-driven solutions for GHG emissions reductions) and 9.3 (Professional services related to energy performance of buildings). The in-depth analysis found that these activities had very little or no effect at all on the economic activity of the Nemetschek Group. The verified activities are currently limited to parts of the business activities of the Spanish company DEXMA, which was acquired at the end of 2020 financial year and integrated into the Group brand Spacewell. The revenue from the verified taxonomy-eligible activities was therefore in the low to mid-single digit million euro range, as in the previous year, and thus significantly

below one percent of the total revenue generated in the Nemetschek Group in 2023 of EUR 851.6 million. Accordingly, no revenue can be verified that currently makes a substantial contribution to the climate objectives. Following an in-depth analysis for the 2023 fiscal year, the economic activities listed in the new environmental objectives 3 to 6 were classified as taxonomy-non-eligible, as they are not currently clearly assignable to the Nemetschek Group's business activity and the assessment of client behavior regarding the use of the software solutions of the Nemetschek Group is associated with uncertainties.

In-Depth Analysis of Capital Expenditure (CapEx)

Capital expenditure pursuant to the EU taxonomy comprises additions to property, plant and equipment, additions to intangible assets, in particular capitalized development costs, and additions to right-of-use assets pursuant to IFRS 16.

Capital expenditure in 2023 comprised additions to property, plant and equipment of EUR 6.3 million (previous year: EUR 14.0 million) ([« Note 15 Property, plant and equipment »](#) in the notes to the consolidated financial statements), additions to intangible assets in the amount of EUR 6.0 million (previous year: EUR 33.1 million) ([« Note 16 Intangible assets and goodwill »](#) in the notes to the consolidated financial statements), and additions to right-of-use assets in the amount of EUR 11.4 million (previous year: EUR 27.4 million) ([« Note 17 Leases »](#)) in the notes to the consolidated financial statements). Overall, this expenditure amounted to EUR 23.7 million in 2023 (previous year: EUR 74.5 million). To determine the taxonomy-eligible or taxonomy-aligned proportion, the capital expenditure assessed as taxonomy-eligible or taxonomy-aligned (numerator) is set in relation to the determined total capital expenditure (denominator).

The Nemetschek Group's verified capital expenditure (CapEx) is of secondary importance overall due to the Group's business model. Based on the analysis conducted, only a small amount of taxonomy-eligible capital expenditure was identified (less than EUR 0.5 million), which includes leasehold improvements and parts of company vehicles. Due to the minor importance of the verified expenditure, an assessment based on the technical screening criteria was not performed and the determined CapEx was reported as taxonomy-non-eligible and therefore taxonomy-non-aligned.

In-Depth Analysis of Operating Expenditure (OpEx)

Operating expenditure (OpEx) pursuant to the EU taxonomy comprises direct, non-capitalized costs relating to research and development, building renovations, short-term leases, maintenance, and repair.

These include:

- » Research and development expenses recognized as an expense in the consolidated income statement in the reporting period. In accordance with the consolidated financial statements (IAS 38.126), these include all non-capitalized expenses directly attributable to research or development activities.
- » Maintenance and repair costs were determined based on the maintenance and repair costs allocated to internal cost centers. The corresponding cost items can be found in the divisional costs in the income statement.

Operating expenditure in accordance with the EU taxonomy amounted to EUR 203.7 million in 2023. Based on the analysis performed, taxonomy-eligible operating expenditure of less than one percent of total operating expenditure was identified pursuant to the EU taxonomy, as in the previous year. These include R&D expenses for DEXMA, which was acquired at the end of 2020

fiscal year. Due to the minor importance of this verified operating expenditure, an assessment based on the technical screening criteria was not performed and the determined OpEx was reported as taxonomy-non-eligible and therefore taxonomy-non-aligned.

The majority of the economic activities of the Nemetschek Group that could contribute to environmentally sustainable development within the construction industry are not currently covered by the delegated acts adopted in the EU Taxonomy Regulation or cannot be verified accordingly. However, the company's IT solutions contribute to making the life cycle of a building more efficient and resource-friendly, from the planning stage, through construction and management, right down to demolition. Examples of how the company's products and solutions can nevertheless contribute to positive environmental and social development are provided in the [« Sustainability Report 2023 »](#).

In light of possible additions to the economic activities currently specified in the delegated act, it cannot be ruled out that the business activities of the Nemetschek Group will be covered by the EU taxonomy in future, and that the company will also be able to disclose environmentally sustainable business activities pursuant to the EU Taxonomy Regulation. There may also be changes in future due to portfolio activities.

SUMMARY PRESENTATION OF THE TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES

	Revenue		CapEx		OpEx	
	In EUR million	in %	In EUR million	in %	In EUR million	in %
Nemetschek Group	851.6	100%	23.7	100%	203.7	100%
Of which taxonomy eligible business activities	0.0	0%	0.0	0%	0.0	0%

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2023

Financial year	2023			Substantial Contribution Criteria					
Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)
Text		in euro millions	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-
Of which Enabling		-	-	-	-	-	-	-	-
Of which Transitional		-	-						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	-	-	-	-	-	-	-
A. Turnover of Taxonomy eligible activities (A1 + A2)		-	-	-	-	-	-	-	-
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities		851.6	100%						
Total		851.6	100%						

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2023

Financial year	2023			Substantial Contribution Criteria					
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)
Text		in euro millions	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-
Of which Enabling		-	-	-	-	-	-	-	-
Of which Transitional		-	-	-					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	-	-	-	-	-	-	-
A. CapEx of Taxonomy eligible activities (A1 + A2)		-	-	-	-	-	-	-	-
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities		23.7	100%						
Total		23.7	100%						

DNSH criteria ('Does Not Significantly Harm')									
Climate Change Mitigation (11)	Climate Change Adaptation (12)	Climate Change Adaptation (12)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

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							-		
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DNSH criteria ('Does Not Significantly Harm')									
Climate Change Mitigation (11)	Climate Change Adaptation (12)	Climate Change Adaptation (12)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	E	
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PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2023

Financial year	2023		Substantial Contribution Criteria							
	Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)
	Text		in euro millions	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
	OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-
	Of which Enabling		-	-	-	-	-	-	-	-
	Of which Transitional		-	-						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
					EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
	OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	-	-	-	-	-	-	-
	A. OpEx of Taxonomy eligible activities (A1 + A2)		-	-	-	-	-	-	-	-
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
	OpEx of Taxonomy-non-eligible activities		203.7	100%						
	Total		203.7	100%						

TEMPLATE 1 - NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

DNSH criteria ('Does Not Significantly Harm')											
Climate Change Mitigation (11)	Climate Change Adaptation (12)	Climate Change Adaptation (12)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)		Category enabling activity (19)	Category transitional activity (20)	
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%		E	T	
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