

NEMETSCHKE GROUP

FINANCIAL STATEMENTS
(GERMAN COMMERCIAL CODE)
NEMETSCHKE AG 2015

12
One BRANDS
PHILOSOPHY
NETWORK
OF INDUSTRY
LEADERS

FINANCIAL STATEMENTS NEMETSCHEK AG

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Management Report of NEMETSCHEK AG for the financial year 2015

1 BASIC INFORMATION

1.1 BUSINESS MODEL OF THE GROUP

LEGAL STRUCTURE

Since Nemetschek Aktiengesellschaft (AG) is indirectly dependent on the developments of the individual investments the reporting in this management report also relates to the business development of the Nemetschek Group.

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

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.

| ARCHITECTURE ENGINEERING CONSTRUCTION (AEC) | | | | MEDIA & ENTERTAINMENT |
|---|----------------|----------|----------------|-----------------------|
| DESIGN | | BUILD | MANAGE | |
| ALLPLAN | GRAPHISOFT | NEVARIS | CREM SOLUTIONS | MAXON |
| VECTORWORKS | SCIA | bluebeam | | |
| DATA DESIGN SYSTEM | FRILO Software | SOLIBRI | | |
| PRECAST SOFTWARE engineering | | | | |

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.

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 Alfa, 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.

Friilo 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, Friilo 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.

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.

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 with its 12 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.

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.

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.

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

The company employs an annual average of 27 staff over the year (previous year: 19). All employees receive appropriate compensation as well as various special benefits, for example offers of company pensions, company car rules and subsidies for canteen meals. In most companies there is additionally a 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. In some cases, a differentiation is made such that managers and sales employees are primarily measured based on the overall success of the company, 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.

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 CineRender 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.

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 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.

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.

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

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.

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 sub-

missions, 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*

GLOBAL ECONOMY

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

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.

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.

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

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.

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.

** Source: Euroconstruct Summary Report, GTAI/Bauwirtschaft

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 REPORT ON THE EARNINGS, FINANCIAL, AND ASSET SITUATION

EARNINGS SITUATION

Revenues of Nemetschek AG amounting to EUR 0.6 million (previous year: EUR 1.2 million) result from income from trademark license fees of the umbrella brand “A Nemetschek Company”.

Other operating income of EUR 0.8 million (previous year: EUR 2.7 million) mainly includes the provision of services to subsidiaries. In the prior year there were EUR 2.0 million write ups to financial assets in other operating income. Operating expenses of EUR 9.5 million (previous year: EUR 7.4 million) include personnel expenses, consultancy fees and, other operating expenses that can be recharged to subsidiaries.

Income from investments amounting to EUR 27.7 million (previous year: EUR 26.3 million) relates to distributions by the subsidiary companies. Income from profit and loss transfer agreements amounting to EUR 16.5 million (previous year: EUR 14.5 million) result from profit transfers by Allplan GmbH, Allplan Deutschland GmbH and Frilo Software GmbH. Overall, net income amounted to EUR 33.0 million (previous year: EUR 34.5 million).

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

NET ASSETS

Within fixed assets the balance sheet of Nemetschek AG is characterized by the financial assets amounting to EUR 276.1 million (previous year: EUR 245.9 million). Of these EUR 237.3 million (previous year: EUR 207.2 million) relate to shares in affiliated companies. The rise is mainly due to the acquisition of interests in Solibri Oy, Helsinki, Finland as at December 31, 2015. The purchase price including incidental costs of acquisition amounted to EUR 31,031k.

Current assets include amounts due from affiliated companies for trading as well as profit/loss transfer agreements amounting to EUR 14.2 million (previous year: EUR 1.2 million). The rise was due to the termination of the profit and loss adoption agreement of Nemetschek AG with Allplan Deutschland GmbH at the end of the financial year 2014. Since January 1, 2015 there has been a new profit and loss adoption agreement of Allplan GmbH with Allplan Deutschland GmbH. In previous years the receivables from Allplan Deutschland GmbH on account of the profit and loss adoption agreement were offset against liabilities from the cash pooling to Allplan Deutschland GmbH; beginning in 2015 this offsetting is now longer practiced. The receivables from and liabilities to Allplan Deutschland GmbH are now presented separately.

Liquid funds climbed from EUR 3.2 million to EUR 14.7 million.

The equity and liabilities side of the balance sheet is characterized by bank liabilities arising from the financing of the acquisition of Solibri Oy, Helsinki, Finland, with a rise from EUR 60.0 million to EUR 80.0 million. Compared with the previous year, equity rose by EUR 17.6 million. The net income for the current fiscal year of EUR 33.0 million is matched by dividend payments of EUR 15.4 million. The equity ratio of Nemetschek AG amounts to 62.1% (previous year: 68.7%) at the closing date.

The amounts due to affiliated companies mainly result from cash pooling and other financing activities within the Nemetschek Group.

In the fiscal year 2015 there were profit and loss transfer agreements with the following subsidiaries: Allplan GmbH and der Frilo Software GmbH. The profit/loss transfer agreement of Allplan GmbH with Allplan Deutschland GmbH has existed since January 1, 2015.

FINANCIAL SITUATION

The investing activities of Nemetschek AG in the fiscal year 2015 were mainly affected by the acquisition of the Solibri Oy, Helsinki. Acquisition costs including incidental acquisition costs amounted to EUR 31,031k. In connection with the acquisition a loan of EUR 2,068k was made to Solibri Oy. The purpose of the loan was the acquisition of two distribution companies of Solibri Oy which had not been affiliated until now.

The financing activity of Nemetschek AG primarily consists of the taking up of a bank loan amounting to EUR 32.0 million, repayment of borrowings of EUR 12.0 million and the dividend payment amounting to EUR 15.4 million (previous year: EUR 12.5 million). A disbursement of EUR 1.6 million was made for the acquisition of 49% of the interests in Dacoda GmbH.

Within the financing activities cash inflows to the company primarily arose from financial funds from cash pooling transactions as well as distributions from selected subsidiaries.

The liquid funds amount to EUR 14.7 million (previous year: EUR 3.2 million) at the closing date.

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.

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 controlling 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

In order to undertake appropriate measures for risk management, 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 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.

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.

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.

| Risk category | Probability of occurrence | Severity |
|--|----------------------------------|-----------------|
| 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 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.

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.

| Risk category | Probability of occurrence | Severity |
|-----------------------------------|----------------------------------|-----------------|
| 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.

| Risk category | Probability of occurrence | Severity |
|---------------------------------|----------------------------------|-----------------|
| 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.

| Risk category | Probability of occurrence | Severity |
|----------------------------------|----------------------------------|-----------------|
| 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 the information on corporate management and corporate governance we refer to section 1.2 in 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).

WORKING PRACTICES OF THE SUPERVISORY BOARD

The supervisory board of Nemetschek AG performed its duties in the fiscal year 2015 with great care in accordance with the law, constitution, and rules of procedure. In managing the group, the supervisory board supported the executive board closely, advised it regularly and monitored it carefully as well as performing its duties with great care in the fiscal year 2015 in accordance with the law, constitution and rules of procedure.

The executive board informed the supervisory board regularly, on a timely basis, comprehensively, both orally and in writing, with regard to corporate planning and strategy, development of revenues, earnings and liquidity, planned investments the fulfilment of planning of the group, the segments and the individual companies including opportunities and risks. The current quarterly development and short and long-term prospects, as well as the long-term growth and earnings strategy, were regularly discussed and, within the scope of regular meetings over the course of the year, checked and scrutinized. The supervisory board was closely involved in decisions of fundamental importance for the company and informed itself in-depth as to the background and context of issues. 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. The cooperation between the supervisory and executive boards was always open and trusting and the dialogue constructive. Based on detailed information from the executive board and its own examinations the supervisory board was able to completely fulfil its supervisory and advisory function.

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

The topics focused on included the strategic alignment of the Nemetschek Group, the continued globalization, the expansion of the segments and the further development of the portfolio of solutions. Detailed reports were also requested and discussed on the relevant brand companies in the Nemetschek Group. Business performance which deviated from the corresponding annual targets was openly discussed in detail and jointly analyzed at the supervisory board meetings. Regulatory measures were initiated, where required. Furthermore, the board formed its own picture of the brand companies. The supervisory board regularly discussed the business development of the group and the individual brands, the net assets and financial position, as well as the implementation of the corporate strategy. The executive board provided transparent insight and explained decisions and development in an understandable and comprehensive way.

The acquisition strategy and specific projects were presented by the executive board and agreed closely with the supervisory board. In advance of the business acquisition of Solibri Oy, registered in Helsinki, Finland the target company was analyzed and valued extensively. Opportunities and risks were extensively debated and discussed with the committee.

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.

4.2 EXPLANATORY REPORT OF THE EXECUTIVE BOARD ON THE DISCLOSURES UNDER § 289 (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. Reappointment 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.

4.3 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:

SUPERVISORY BOARD REMUNERATION

| 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 |
| Total | | 67.5 | 424.5 | 492.0 |

| 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 |
| Total | | 67.5 | 355.5 | 423.0 |

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

| Thousands of € | 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 | |
| Fixed compensation | 167 | 200 | 200 | 200 | 96 | 96 | 96 | 96 | |
| Fringe benefits | 15 | 20 | 20 | 20 | 0 | 0 | 0 | 0 | |
| Total | 182 | 220 | 220 | 220 | 96 | 96 | 96 | 96 | |
| 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 |
| Total | | 592 | 924 | 220 | 1.218 | 188 | 440 | 96 | 734 |

| Thousands of € | 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 |
| Fixed compensation | 96 | 96 | 96 | 96 | 67 | – | – | – |
| Fringe benefits | 0 | 0 | 0 | 0 | 2 | – | – | – |
| Total | 96 | 96 | 96 | 96 | 69 | – | – | – |
| 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 | – | – | – |
| Total | | 188 | 440 | 96 | 734 | 129 | – | – |

EXECUTIVE BOARD REMUNERATION – CASH FLOW VIEW

| | | Patrik Heider | | Sean Flaherty | |
|----------------------------------|-------------------|---|-----------------------|-------------------------------|-----------------------|
| | | Spokesman of the Executive Board since March 1, 2014 | | | |
| Thousands of € | | 2015 Initial Value | 2014 Initial Value | 2015 Initial Value | 2014 Initial Value |
| Fixed compensation | | 200 | 167 | 96 | 96 |
| Fringe benefits | | 20 | 15 | 0 | 0 |
| Total | | 220 | 182 | 96 | 96 |
| 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 |
| Total | | 580 | 500 | 96 | 96 |

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

Total remuneration of the executive board of Nemetschek AG for the fiscal year 2015 amounted to EUR 1,804k (previous year: EUR 1,097k) with a fixed component of EUR 412k (previous year: EUR 443k) and a short-term variable component of EUR 1,392k (previous year: EUR 654k).

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%.

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).

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

** 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

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.

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.

The future development of Nemetschek AG is significantly influenced by the forecasts for the Nemetschek Group described above. Nemetschek AG accordingly expects a continued positive development in earnings with a net result for the fiscal year 2016 slightly above that of the previous fiscal year.

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

BALANCE SHEET NEMETSCHKE AKTIENGESELLSCHAFT

as of December 31, 2015 and December 31, 2014 (German Commercial Code)

| ASSETS | in € | Dec. 31, 2015 | Dec. 31, 2014 |
|--|------|-----------------------|-----------------------|
| A. FIXED ASSETS | | | |
| I. Intangible Assets | | | |
| Purchased franchises, industrial rights and similar rights and assets and licenses in such rights and assets | | 19,525.89 | 7,881.75 |
| II. Property, plant and equipment | | | |
| 1. Leasehold improvements | | 13,712.70 | 5,470.84 |
| 2. Fixtures, fittings and equipment | | 51,182.41 | 27,937.00 |
| | | 64,895.11 | 33,407.84 |
| III. Financial assets | | | |
| 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 |
| | | 276,087,325.20 | 245,847,437.90 |
| TOTAL FIXED ASSETS | | 276,171,746.20 | 245,888,727.49 |
| B. CURRENT ASSETS | | | |
| I. Accounts receivable and other assets | | | |
| 1. Accounts receivable from trading | | 20,385.61 | 3,286.78 |
| 2. Accounts due from affiliated companies – thereof Accounts receivable from trading EUR 322,382.18 (previous year: EUR 85,514.93) | | 14,231,228.49 | 1,198,530.13 |
| 3. Other assets | | 1,283,288.45 | 940,859.33 |
| | | 15,534,902.55 | 2,142,676.24 |
| II. Cash and cash equivalents | | 14,719,120.07 | 3,217,720.91 |
| TOTAL CURRENT ASSETS | | 30,254,022.62 | 5,360,397.15 |
| C. DEFERRED AND PREPAID EXPENSES | | 96,672.10 | 106,561.62 |
| D. DEFERRED TAX ASSET | | 66,678.62 | 142,131.56 |
| | | 306,589,119.54 | 251,497,817.82 |

| EQUITY & LIABILITIES | in € | Dec. 31, 2015 | Dec. 31, 2014 |
|--|------|-----------------------|-----------------------|
| A. EQUITY | | | |
| I. Subscribed capital | | 38,500,000.00 | 9,625,000.00 |
| II. Capital reserve | | 20,529,856.90 | 49,404,856.90 |
| III. Revenue reserve | | 28,585,721.39 | 28,585,721.39 |
| IV. Retained earnings | | 102,701,483.10 | 85,092,477.55 |
| TOTAL EQUITY | | 190,317,061.39 | 172,708,055.84 |
| B. PROVISIONS AND ACCRUED LIABILITIES | | | |
| 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 |
| TOTAL PROVISIONS AND ACCRUED LIABILITIES | | 4,606,872.65 | 4,548,177.60 |
| C. LIABILITIES | | | |
| 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 |
| TOTAL LIABILITIES | | 110,764,042.08 | 73,260,059.79 |
| D. DEFERRED TAX LIABILITY | | 901,143.42 | 981,524.59 |
| | | 306,589,119.54 | 251,497,817.82 |

PROFIT AND LOSS ACCOUNT NEMETSCHKE AKTIENGESELLSCHAFT

for the period from January 1 to December 31, 2015 and 2014 (German Commercial Code)

| in € | Jan. 1 – Dec. 31, 2015 | 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 |
| Operating Income | 1,369,535.61 | 3,857,855.94 |
| 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 |
| Operating expenses | -9,485,634.45 | -7,430,424.89 |
| Operating results | -8,116,098.84 | -3,572,568.95 |
| 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 |
| 10. Profit from ordinary operations | 36,745,903.13 | 37,518,816.82 |
| 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 |
| 12. Net income | 33,009,005.55 | 34,545,854.60 |
| 13. Profit carried forward from previous year | 69,692,477.55 | 50,546,622.95 |
| 14. Retained earnings | 102,701,483.10 | 85,092,477.55 |

Notes to the Financial Statements of Nemetschek AG

ACCOUNTING POLICIES

The annual financial statements of the Nemetschek AG, Munich for the year ended December 31, 2015 have been prepared in accordance with § 264 d of the German Commercial Code ("Handelsgesetzbuch") in connection with § 267 (3) of the German Commercial Code on the basis of the provisions of the German Commercial Code on accounting for large capital companies and the German Stock Corporation Act ("Aktiengesetz").

POLICIES

The accounting policies of the annual financial statements as at December 31, 2015 are based on the provisions of the German Commercial Code and the special regulations of the German Stock Corporation Act and have not changed compared to the prior year.

Intangible fixed assets are capitalized at the lower of acquisition cost and fair value. They are amortized over a period of 3 to 5 years.

Property, plant and equipment is stated at cost, taking account of scheduled depreciation or at the lower fair value. These are depreciated over normal useful lives (time-apportioned) on a straight-line basis as follows:

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

Additions to moveable assets are depreciated (time-apportioned) on a straight-line basis. Moveable fixed assets with acquisition costs of less than EUR 410.00 are depreciated in full in their year of addition.

Financial assets are generally measured at acquisition cost and loans at nominal value or lower fair value.

Non-current loans to affiliated entities with original due terms of more than one year are disclosed under the loans to affiliated companies. Similarly, at the same time non-current loans to third parties are disclosed under other loans.

Receivables and other assets are capitalized at their nominal amounts. Recognizable specific risks are covered by specific allowances; thus, in the year under review amounts due from NEMETSCHEK OOO (in liquidation) amounting to EUR 3k were provided for specifically. Non-interest bearing receivables or other assets are recorded at their present values.

Liquid funds are stated at their nominal values.

Prepaid and deferred items are disclosed as expenses prior to the balance sheet date insofar as they represent an expense item for a certain period after the qualifying date.

The **subscribed capital** is accounted for at its nominal value.

The **provisions** account for all recognizable risks and uncertain obligations. Provisions are stated at their necessary settlement amounts in accordance with reasonable business judgement. Non-current provisions are charged interest at an interest rate of 2.16% p.a.

The **liabilities** are stated at their settlement amounts.

Deferred taxes are recognized for temporary differences between the commercial code amounts for assets, liabilities and deferred expenses and their tax amounts, to the extent that these reduce in later fiscal periods. Existing tax losses carried forward are recognized if the loss is expected to be offset within the next five years. To the extent that there is an excess deferred tax asset overall, deferred tax is not recognized.

The total cost method is used in the **profit and loss account**.

CURRENCY TRANSLATION

To the extent the financial statements include assets and liabilities in foreign currencies, these are translated into Euro on the basis of the rate at the time of transaction. At the closing date the assets and liabilities in foreign currency are translated at the average spot exchange rate.

NOTES TO THE BALANCE SHEET

FIXED ASSETS

The development of fixed assets is shown in a fixed asset movement schedule from which the depreciation and amortization for the year can be seen and which is presented on the last page of these notes to the financial statements.

INVESTMENTS HELD BY NEMETSCHKEK AG

Nemetschek AG holds at least 20% directly or indirectly in the following companies. The disclosures on the companies represent the individual country financial statements at the time of the preparation of the annual financial statements of Nemetschek AG, translated into EUR thousand.

| Name, registered office of the entity | Shareholding in % | Equity 31.12.2015 | Net Income 2015 |
|---|-------------------|-------------------|-----------------|
| Nemetschek AG, Munich | | | |
| Direct equity investments | | | |
| Design segment | | | |
| Friilo Software GmbH, Stuttgart (formerly: Nemetschek Friilo GmbH)* | 100.00 | 196 | 2,397 |
| Vectorworks, Inc., Columbia, Maryland, United States (formerly: NEMETSCHKEK Vectorworks Inc.) | 100.00 | 17,816 | 7,924 |
| Data Design System AS, Klepp Stasjon, Norway | 100.00 | 249 | 95 |
| NEMETSCHKEK OOO, Moscow, Russia - in liquidation | 100.00 | 143 | 2 |
| SCIA Group International nv, Herk-de-Stad, Belgium | 100.00 | 3,026 | 1,090 |
| Graphisoft SE European Company Limited by Shares, Budapest, Hungary | 100.00 | 42,406 | 14,400 |
| Allplan GmbH, Munich (formerly: Nemetschek Allplan Systems GmbH)* | 100.00 | 7,662 | 6,915 |
| Build segment | | | |
| NEVARIS Bausoftware GmbH, Achim (formerly: Nemetschek Bausoftware GmbH) | 98.50 | 2,141 | 1,142 |
| NEVARIS Bausoftware GmbH, Mondsee, Austria (formerly: AUER – Die Bausoftware GmbH) | 49.90 | 4,367 | 1,152 |
| Nemetschek US, Inc., Delaware, United States | 100.00 | 42,593 | -3,270 |
| Solibri Oy, Helsinki, Finland | 100.00 | -195 | 0 |
| Manage segment | | | |
| CreM Solutions GmbH & Co. KG, Ratingen (formerly: Nemetschek CREM Solutions GmbH & Co. KG) | 100.00 | 2,246 | 1,253 |
| CreM Solutions Verwaltungs GmbH, Munich (formerly: Nemetschek CREM Verwaltungs GmbH) | 100.00 | 62 | 3 |
| Media & Entertainment segment | | | |
| MAXON Computer GmbH, Friedrichsdorf | 70.00 | 2,319 | 5,090 |
| Other | | | |
| Nemetschek Austria Beteiligungen GmbH, Mondsee, Austria | 100.00 | 6,511 | 2,162 |
| Indirect equity investments | | | |
| Design segment | | | |
| via Allplan GmbH, Munich (formerly: Nemetschek Allplan Systems GmbH): | | | |
| Allplan Deutschland GmbH, Munich (formerly: Nemetschek Allplan Deutschland GmbH)** | 100.00 | 2,500 | 8,661 |
| Allplan Schweiz AG, Wallisellen, Switzerland (formerly: Nemetschek Allplan Schweiz AG) | 93.33 | 1,801 | 1,108 |
| Allplan France S.A.R.L., Paris, France (formerly: Nemetschek Allplan France S.A.R.L.) | 100.00 | 1,729 | 1,105 |
| Allplan Österreich Ges.m.b.H., Wals, Austria (formerly: Nemetschek Allplan Österreich Ges.m.b.H) | 100.00 | 255 | 37 |
| Allplan Systems España S.A., Madrid, Spain (formerly: Nemetschek España S.A.) | 100.00 | -33 | -44 |
| Allplan Česko s.r.o, Prag, Czech Republik (formerly: Nemetschek Allplan Česko s.r.o.) | 100.00 | 140 | 46 |
| Allplan Slovensko s.r.o., Bratislava, Slovakia Republik (formerly: Nemetschek Allplan Slovensko s.r.o.) | 100.00 | 419 | 50 |
| Allplan Italia S.r.l., Trient, Italy (formerly: Nemetschek Italia S.r.l.) | 100.00 | 638 | 84 |
| DACODA GmbH, Rottenburg | 100.00 | 550 | 312 |
| via Vectorworks, Inc., Columbia, Maryland, United States (formerly: NEMETSCHKEK Vectorworks, Inc.): | | | |
| Nemetschek Vectorworks Training LLC, Columbia, Maryland, United States | 100.00 | 315 | 107 |
| via Nemetschek Austria Beteiligungen GmbH: | | | |
| Precast Software Engineering GmbH, Wals, Austria (formerly: Nemetschek Engineering GmbH) | 100.00 | 1,388 | 1,245 |
| via Precast Software Engineering GmbH, Wals, Austria (formerly: Nemetschek Engineering GmbH): | | | |
| Precast Software Engineering Pte. Ltd., Singapore (formerly: Nemetschek Engineering PTE LTD) | 100.00 | 26 | -118 |

| | | | |
|---|--------|--------|--------|
| 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 | 165 | 32 |
| via SCIA Group International nv, Herk-de-Stad, Belgium: | | | |
| SCIA nv, Herk-de-Stad, Belgium (formerly: Nemetschek SCIA nv) | 100.00 | 2,263 | 1,053 |
| SCIA Nederland BV, Arnhem, Netherlands (formerly: Nemetschek SCIA B.V.) | 100.00 | 745 | 308 |
| SCIA France Sarl, Roubaix, France (formerly: Nemetschek SCIA sarl) | 100.00 | 342 | 11 |
| Online Projects BVBA, Herk-de-Stad, Belgium - in liquidation | 70.00 | -81 | -4 |
| SCIA do Brasil Ltda, São Paulo, Brasil (formerly: NEMETSCHEK DO BRASIL SOFTWARE LTDA) | 99,90 | -1,115 | -528 |
| SCIA CZ s.r.o., Brno, Czech Republic (formerly: Nemetschek SCIA s.r.o.) | 100.00 | 678 | 398 |
| 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 | 135 | 58 |
| via Graphisoft SE European Company Limited by Shares, Budapest, Hungary: | | | |
| Graphisoft Deutschland GmbH, Munich | 100.00 | 2,960 | 2,781 |
| Graphisoft North America, Inc., Waltham, Massachusetts, United States | 100.00 | -2,162 | -779 |
| Graphisoft Japan KK, Tokyo, Japan | 100.00 | 165 | 433 |
| Graphisoft UK Ltd., Uxbridge, Great Britain | 100.00 | 3 | 592 |
| Graphisoft Hong Kong Ltd., Hong Kong, China | 100.00 | -4,381 | -1,162 |
| Graphisoft Mexico S.A. de C.V., Mexico D.F., Mexico | 100.00 | -170 | -137 |
| GRAPHISOFT BRASIL SERVICOS DE TECNOLOGIA DA INFORMACAO LTDA, São Paulo, Brasil *** | 100.00 | 131 | -37 |
| via Graphisoft UK Ltd., Uxbridge, Great Britain: | | | |
| Bite Design Ltd., London, Great Britain | 100.00 | 8 | 0 |
| via Data Design System AS, Klepp Stasjon, Norway: | | | |
| DDS Building Innovation AS, Klepp Stasjon, Norway | 100.00 | 1,341 | 1,280 |
| Data Design System UK Ltd., Wiltshire, Great Britain | 100.00 | -151 | 0 |
| Data Design System GmbH, Ascheberg | 100.00 | 2,239 | 769 |
| Build segment | | | |
| via Nemetschek US, Inc., Delaware, United States: | | | |
| Bluebeam Software, Inc., Pasadena, United States | 100.00 | 16,417 | 7,010 |
| via Bluebeam Software, Inc., Pasadena, United States: | | | |
| Bluebeam AB, Krisa, Sweden | 100.00 | 161 | -160 |
| via Nemetschek Austria Beteiligungen GmbH: | | | |
| NEVARIS Bausoftware GmbH, Mondsee, Austria (formerly: AUER – Die Bausoftware GmbH) | 50.10 | 4,367 | 1,152 |
| via NEVARIS Bausoftware GmbH, Mondsee, Austria (formerly: AUER – Die Bausoftware GmbH): | | | |
| NEVARIS BIM Software GmbH, Berlin (formerly: hartmann technologies Gesellschaft mbH) | 86.50 | -1,752 | -1,354 |
| via Solibri Oy, Helsinki, Finland: | | | |
| Solibri UK LTD., Newbury, Great Britain | 100.00 | 135 | 0 |
| Solibri LLC, Scottsdale, United States | 100.00 | 52 | 0 |
| Media & Entertainment segment | | | |
| via MAXON Computer GmbH, Friedrichsdorf: | | | |
| MAXON Computer Inc., Thousand Oaks, California, United States | 90.00 | 3,016 | 1,838 |
| MAXON Computer Canada Inc., Varennes, Canada*** | 100.00 | 2 | 0 |
| MAXON Computer Ltd., Bedford, Great Britain | 100.00 | 837 | 754 |

* The net income for the year recorded by Allplan GmbH and Frilo Software GmbH is shown prior to the profit and loss transfer agreement with Nemetschek AG in each case.

** The net income for the year recorded by Allplan Deutschland GmbH is shown prior to the profit and loss transfer agreement with Allplan GmbH. In the 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.

In the fiscal year 2015 a directly held investment in DACODA GmbH was transferred to Allplan GmbH (formerly: Nemetschek Allplan Systems GmbH) at carrying value. The SCIA do Brasil Ltda. Brazil (formerly: NEMETSCHKEK DO BRASIL SOFTWARE LTDA) was also transferred at carrying value. The transfer was made to the SCIA Group International nv. The investments are illustrated in the investments listing as indirect investments via Allplan GmbH or the SCIA Group International nv. Furthermore, Nemetschek AG holds minority shareholdings at the balance sheet date in DocuWare GmbH, Germering, amounting to 22% (shareholders' equity at 31.12.2015: EUR 5,350k; annual result 2015: EUR 2,226k) and in NEMETSCHKEK EOOD, Sofia, Bulgaria, amounting to 20% (equity as at 31.12.2015: EUR 2,958k; annual result 2015: EUR 468k). Via Allplan GmbH the company holds an indirect minority holding of 29% in Sablono GmbH, Berlin (shareholders' equity as at 31.12.2015: EUR 297k; annual result 2015: EUR -532k).

CHANGES IN INVESTMENTS HELD

As at December 31, 2015 there were changes in the investments held by the company compared to the prior year. Thus, firstly a share in Glaser isb cad Programmsysteme GmbH was sold in December 2015 and, secondly, 100% of Solibri Oy, Finland was acquired.

LOANS TO AFFILIATED ENTITIES

Nemetschek AG granted non-current interest-bearing loans amounting to EUR 36,762k (previous year: EUR 36,644k) to affiliated entities. These include the loan granted to Nemetschek US Inc. in 2014 amounting to EUR 34,694k 50% of which is due for repayment on October 31, 2021 and on October 31, 2024 respectively. Furthermore, the loans to affiliated companies include a loan to Solibri Oy, Helsinki, Finland acquired in the fiscal year 2015 amounting to EUR 2,068k for the purchase of shares in the subsidiaries SOLIBRI UK LTD., GB and Solibri LLC, USA which is to be repaid by December 30, 2018.

RECEIVABLES AND OTHER ASSETS

Receivables with a remaining term of more than one year included in other assets as of December 31, 2015 amounted to EUR 51k (previous year: EUR 59k). Furthermore, other assets mainly include tax receivables.

AMOUNTS DUE FROM AFFILIATED COMPANIES

Receivables from affiliated companies mainly arise from receivables from profit/loss transfer contracts. The termination of the profit/loss transfer agreement between Nemetschek AG and Allplan Deutschland GmbH and the conclusion of a new profit/loss transfer agreement between Allplan GmbH and Allplan Deutschland GmbH leads to the disclosure of comparably high amounts due from affiliated companies. In the prior year the claims from the profit/loss agreement were offset against the liabilities from cash-pooling.

SUBSCRIBED CAPITAL

The nominal capital of Nemetschek AG increased due to a capital increase from company funds by EUR 28,875k to EUR 38,500k (previous year: EUR 9,625k). It is 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.

CAPITAL RESERVE

Provisions decreased from EUR 28,875k to EUR 20,530k (previous year: EUR 49,405k) in accordance with the increase in nominal capital. The statutory reserves relate to other reserves in accordance with § 266 (3A) III No. 4 of the German Commercial Code.

RETAINED EARNINGS

Retained earnings developed as follows:

| | in € |
|--------------------------------|-----------------------|
| As of December 31, 2014 | 85,092,477.55 |
| – dividend | 15,400,000.00 |
| + net income 2015 | 33,009,005.55 |
| As of December 31, 2015 | 102,701,483.10 |

PROVISIONS

The tax provisions mainly include provisions for trade tax (EUR 178k) for the year under report. Apart from the additions for the current fiscal year, the provision includes provisions for the prior years (EUR 1,227k).

Other provisions include the following items:

| Thousands of € | As of Jan. 1, 2015 | Reclassification | Utilization | Resolution | Supply | As of Dec. 31, 2015 |
|-------------------------------------|-----------------------|------------------|--------------|------------|--------------|------------------------|
| Outstanding invoices | 1,062 | 0 | 863 | 30 | 919 | 1,088 |
| Commission/bonuses for employees | 521 | 0 | 244 | 2 | 1,440 | 1,715 |
| Partial retirement | 132 | 0 | 53 | 0 | 3 | 82 |
| Legal and consulting fees | 166 | 0 | 156 | 7 | 174 | 177 |
| Other | 81 | 0 | 57 | 7 | 123 | 140 |
| Total | 1,962 | 0 | 1,373 | 46 | 2,659 | 3,202 |

LIABILITIES

Liabilities categorized by remaining terms comprise the following:

| Thousands of € | Total | Less than 1 year | 1 to 5 years | More than 5 years |
|---|----------------|------------------|---------------|-------------------|
| Liabilities to banks | 80,000 | 18,400 | 61,600 | |
| Dec. 31, 2014 | 60,000 | 12,000 | 48,000 | 0 |
| Trade accounts payable | 496 | 496 | | |
| Dec. 31, 2014 | 229 | 229 | 0 | 0 |
| Accounts payable to affiliated companies | 29,264 | 29,264 | | |
| Dec. 31, 2014 | 12,094 | 12,094 | 0 | 0 |
| Tax liabilities | 981 | 981 | | |
| Dec. 31, 2014 | 925 | 925 | 0 | 0 |
| Other liabilities | 22 | 22 | | |
| Dec. 31, 2014 | 13 | 13 | 0 | 0 |
| Dec. 31, 2015 | 110,763 | 49,163 | 61,600 | 0 |
| Dec. 31, 2014 | 73,261 | 25,261 | 48,000 | 0 |

The liabilities to banks include the loan taken up for financing the acquisition of Bluebeam Software Inc. amounting to EUR 48,000k (previous year: EUR 60,000k). The loan has a term of until December 31, 2019 and is charged interest at 1.03%. Repayment amounts to EUR 3,000k once a quarter and started from March 31, 2015. In the fiscal year 2015 a further loan of EUR 32,000k was taken up to finance the acquisition of Solibri Oy. The loan has a term of until December 30, 2020 and is charged interest at 0.94%. Repayment starts from March 31, 2016 and amounts to EUR 1,600k per quarter.

Amounts due to affiliated companies primarily consist of liabilities from cash pooling amounting to EUR 28,315k.

During the fiscal year 2015 deferred tax liabilities were set up amounting to EUR 901k (previous year: EUR 982k). The reason for these was predominantly the differences between the commercial code and tax measurements of an investment in a partnership amounting to EUR 5,535k (previous year: EUR 5,946k), which are stated at a tax rate of 15.825%. Deferred tax assets exist due to difference in the measurement of provisions as at December 31, 2015 amounting to EUR 67k (previous year: EUR 142k).

NOTES TO THE PROFIT AND LOSS ACCOUNT

Revenues amounting to EUR 595k (previous year: EUR 1,169k) consist exclusively of brand license income. The decline compared to the prior year is due to a restructuring of the umbrella brand licenses which was successively introduced in the year 2015. Of these EUR 404k was realized in Germany.

In the fiscal year 2015 the other operating income amount to EUR 774k (previous year: EUR 2,689k). Other operating income mainly includes income from service contracts with affiliated companies amounting to EUR 520k (previous year: EUR 459k) as well as income from currency translation of EUR 177k (previous year: EUR 141k), out of period income from the reversal of provisions of EUR 46k (previous year: EUR 55k). The prior year included the write-up of financial assets of EUR 2,000k.

Other operating expenses include expenses relating to currency translation amounting to EUR 124k (previous year: EUR 70k).

OTHER DISCLOSURES

CONTINGENCIES

| | Thousands of € | Dec. 31, 2015 | Dec. 31, 2014 |
|-----------------|----------------|---------------|---------------|
| Bank guarantees | | 466 | 673 |

Contingencies primarily include surety guarantee for rental contracts as well as for guaranteeing a part-time early retirement agreement. Currently there are no indications for utilizing this, since Nemetschek AG has access to adequate liquid funds and, furthermore, no events can be foreseen which would lead to its utilization.

OTHER FINANCIAL COMMITMENTS

| Thousands of € | Total | Less than 1 year | 1 to 5 years | More than 5 years |
|--|--------------|------------------|--------------|-------------------|
| Rental agreements | 1,366 | 273 | 1,093 | 0 |
| Leases | 56 | 26 | 30 | 0 |
| Total financial commitments as of December 31, 2015 | 1,422 | 299 | 1,123 | 0 |
| Rental agreements | 258 | 258 | 0 | 0 |
| Leases | 65 | 21 | 44 | 0 |
| Total financial commitments as of December 31, 2014 | 323 | 279 | 44 | 0 |

In the fiscal year the put option was exercised with regard to DACODA GmbH. The Nemetschek AG purchased the minority interest of 49% and now holds 100% of the shares in Allplan GmbH.

Profit/loss transfer agreements exist between Nemetschek AG and the following companies:

III Frilo Software GmbH, Stuttgart (formerly Nemetschek Frilo GmbH, Stuttgart)

III Allplan GmbH, Munich (formerly Nemetschek Allplan Systems GmbH)

PERSONNEL

Nemetschek AG employed on average for the year 27 employees (previous year: 19), who work in administration. Of these, 4 employees (previous year: 4) are managers, 21 (previous year: 13) are white-collar workers and 2 (previous year: 2) are part-time employees.

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 the website of Nemetschek AG (www.nemetschek.com).

EXECUTIVE BOARD

Total remuneration granted to the executive board by Nemetschek AG for the fiscal year 2015 amounts to EUR 1,804k (previous year: EUR 1,097k). Total remuneration from subsidiaries for Mr Várkonyi and Mr Flaherty amounted to EUR 653k (previous year: EUR 745k). The detailed summary of and explanations to managing board remuneration can be seen in the management report of the company.

SUPERVISORY BOARD

Members of the supervisory board of Nemetschek AG are granted remuneration in total for the fiscal year 2015 of EUR 492k (previous year: EUR 423k) with a fixed component of EUR 67.5k (previous year: EUR 67.5k) and a short-term variable component of EUR 424.5k (previous year: EUR 355.5k). The detailed summary of and explanations to supervisory board remuneration can be seen in the management report of the company.

AUDITORS' FEES

With regard to the auditors' fees disclosure has not been made in the single entity financial statements of Nemetschek AG in accordance with § 285 No. 17 of the German Commercial Code. The information is shown in the consolidated financial statements of Nemetschek AG.

DISCLOSURE REQUIREMENTS UNDER § 21 (1) SECURITIES TRADING ACT
 (“WERTPAPIERHANDELSGESETZ” / “WPHG”)

The direct and indirect voting rights of the following persons/institutions in Nemetschek AG as of December 31, 2015 were as follows:

- III Prof. Georg Nemetschek, Munich: 53.57% (previous year: 53.57%)
- III Nemetschek Vermögensverwaltungs GmbH & Co. KG, Grünwald: 53.57% (previous year: 53.57%)
- III Nemetschek Verwaltungs GmbH, Grünwald: 53.57% (previous year: 53.57%)
- III Allianz SE, Munich: 5.08% (previous year: 6.60%)
- III Capital Research and Management Company, Los Angeles, USA: 2.97%
 (initial registration from 04.06.2015: 3.12%)
- III Union Investment Privatfonds GmbH, Frankfurt am Main 2.93%
 (initial registration dated 06.05.2015: 3.05%)

The disclosures are based on the information reported by Nemetschek AG in accordance with §§ 21ff. WpHG. The actual number of shareholder voting rights can deviate from the number disclosed due to interim, non-reportable or unreported trading.

Voting rights declarations by Nemetschek AG:

08.12.2015

Capital Group Companies, Inc., Los Angeles, USA informed us in accordance with § 21 (1) WpHG on 03.12.2015 that on 30.11.2015 its voting right share in Nemetschek AG, Munich, Germany fell below the threshold of 3% of the voting rights and, on this date, amounted to 2.97% (that is equivalent to 1,144,603 of the voting rights).

13.11.2015

Union Investment Privatfonds GmbH, Frankfurt am Main, Germany, informed us in accordance with § 21 (1) WpHG on 12.11.2015 that on 12.11.2015 its voting right share in Nemetschek AG, Munich, Germany fell below the threshold of 3% of the voting rights and, on this day, amounted to 2.93% (that is equivalent to 1,128,706 of the voting rights).

17.04.2015

Allianz SE reported on April 14, 2015 that its voting right share in Allianz Management AG and Allianz Global Investors in Nemetschek AG fell below the thresholds of 5% and 3% in Nemetschek AG. The report of Allianz SE dated October 10, 2013, in which a capital share of over 5% in Nemetschek AG was reported remains unaffected by this and continues to be valid.

08.01.2014

Mr. Alexander Nemetschek, Germany, informed us in accordance with § 21 (1) WpHG on 02.01.2014 that on 30.12.2013 his voting right share in Nemetschek AG, Munich, Germany fell below the threshold of 25%, 20%, 15%, 10%, 5% and 3% of the voting rights and, on this day, amounted to 0% (that is equivalent to 0 of the voting rights).

Dr. Ralf Nemetschek, Germany, informed us in accordance with § 21 (1) WpHG on 02.01.2014 that on 30.12.2013 his voting right share in Nemetschek AG, Munich, Germany fell below the threshold of 25%, 20%, 15%, 10%, 5% and 3% of the voting rights and, on this day, amounted to 0% (that is equivalent to 0 of the voting rights).

Mrs. Ingrid Nemetschek, Germany, informed us in accordance with § 21 (1) WpHG on 02.01.2014 that on 30.12.2013 his voting right share in Nemetschek AG, Munich, Germany fell below the threshold of 25%, 20%, 15%, 10%, 5% and 3% of the voting rights and, on this day, amounted to 0% (that is equivalent to 0 of the voting rights).

The Nemetschek Stiftung (Foundation), Munich, Germany, informed us in accordance with § 21 (1) WpHG on 02.01.2014 that on 30.12.2013 its voting right share in Nemetschek AG, Munich, Germany fell below the threshold of 10%, 5% and 3% of the voting rights and, on this day, amounted to 0% (that is equivalent to 0 of the voting rights).

Nemetschek Vermögensverwaltungs GmbH & Co. KG, Grünwald, Germany, informed us in accordance with § 21 (1) WpHG on 02.01.2014 that on 30.12.2013 its voting right share in Nemetschek AG, Munich, Germany exceeded the threshold of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights and, on this day, amounted to 53.57% (that is equivalent to 5,155,732 of the voting rights).

Of these, the company has 5.19% (that is equivalent to the 500,000 voting rights) in accordance with § 22 (2) WpHG by Prof. Georg Nemetschek (shareholder whose voting right share amounts to more than 3% in Nemetschek AG).

Nemetschek Verwaltungs GmbH, Grünwald, Germany, informed us in accordance with § 21 (1) WpHG on 02.01.2014 that on 30.12.2013 its voting right share in Nemetschek AG, Munich, Germany exceeded the threshold of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights and, on this day, amounted to 53.57% (that is equivalent to 5,155,732 of the voting rights). Of these, the company has 5.19% (that is equivalent to the 500,000 voting rights) in accordance with § 22 (2) WpHG by Prof. Georg Nemetschek (shareholder whose voting right share amounts to more than 3% in Nemetschek AG). A further 48.37% (that is equivalent to 4,655,732 voting rights) are attributable to the company in accordance with § 22 (1) No. 1 WpHG from Nemetschek Vermögensverwaltungs GmbH & Co. KG as its controlled company.

Professor Georg Nemetschek, Germany, informed us in accordance with § 21 (1) WpHG on 02.01.2014 that on 30.12.2013 his voting right share in Nemetschek AG, Munich, Germany exceeded the threshold of 30% and 50% of the voting rights and, on this day, amounted to 53.57% (that is equivalent to 5,155,732 of the voting rights).

Of this a further 48.37% (that is equivalent to 4,655,732 voting rights) are attributable to the company in accordance with § 22 (1) No. 1 WpHG from Nemetschek Vermögensverwaltungs GmbH & Co. KG as its controlled company.

48.37% (that is equivalent to 4,655,732 voting rights) are attributable to Mr. Prof. Georg Nemetschek also in accordance with § 22 (2) WpHG from Nemetschek Vermögensverwaltungs GmbH & Co. KG (shareholder, whose voting right share in the Nemetschek AG amounts to more than 3%.

10.10.2013

The Allianz SE, Munich, Germany informed us in accordance with § 21 (1) WpHG on 08.10.2013 that its voting right share in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany on 04.10.2013 exceeded the threshold of 5% and amounted to 5.08% (488,753 voting rights of 9,625,000 voting rights in total). The voting rights were attributed to Allianz SE in accordance with § 22 (1) sentence 1 No. 1 WpHG and § 22 (1) Sentence 1 No. 6 in connection with sentence 2 WpHG.

The voting rights attributable to Allianz SE in accordance with § 22 (1) sentence 1 No. 1 WpHG were allocated via the following enterprises controlled by it, the voting right share of each in Nemetschek AG amounted to 3% or more:

III Allianz Europe B.V.

III Allianz Holding France SAS

III Allianz France S.A.

III Allianz I.A.R.D. S.A.

At the same time these voting rights were attributed to Allianz SE in accordance with § 22 (1) No. 6 in connection with sentence 2 WpHG from a shareholder whose voting right share in Nemetschek AG amounted to 3% or more:

III Allianz I.A.R.D. S.A.

At the same time Allianz SE informed us in accordance with § 21 (1) WpHG in connection with § 24 WpHG:

1. The voting right share of Allianz Europe B.V., Amsterdam, Netherlands in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 5% on 04.10.2013 and amounted to 5.08% (488,753 voting rights of 9,625,000 voting rights). These voting rights were allocated to Allianz Europe B.V. in accordance with § 22 (1) sentence 1 No. 1 WpHG.

The voting rights attributable to Allianz Europe B.V. were allocated via the following enterprises controlled by it, the voting right share of each in Nemetschek AG amounted to 3% or more:

III Allianz Holding France SAS

III Allianz France S.A.

III Allianz I.A.R.D. S.A.

2. The voting right share of Allianz Holding France SAS, Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 5% on 04.10.2013 and amounted to 5.08% (488,753 voting rights of 9,625,000 voting rights). These voting rights were allocated to Allianz Holding France SAS in accordance with § 22 (1) sentence 1 No. 1 WpHG.

The voting rights attributable to Allianz Holding France SAS were allocated via the following enterprises controlled by it, the voting right share of each in Nemetschek AG amounted to 3% or more:

III Allianz France S.A.

III Allianz I.A.R.D. S.A.

3. The voting right share of Allianz France S.A., Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 5% on 04.10.2013 and amounted to 5.08% (488,753 voting rights of 9,625,000 voting rights in total). These voting rights were allocated to Allianz France S.A. in accordance with § 22 (1) sentence 1 No. 1 WpHG.

The voting rights attributable to Allianz France S.A. were allocated via the following enterprises controlled by it, the voting right share of each in Nemetschek AG amounted to 3% or more:

III Allianz I.A.R.D. S.A.

4. The voting right share of Allianz I.A.R.D. S.A., Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 5% on 04.10.2013 and amounted to 5.08% (488,753 voting rights of 9,625,000 voting rights in total).

5. The voting right share of Allianz Asset Management AG, Munich, Germany in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 5% on 04.10.2013 and amounted to 5.08% (488,753 voting rights of 9,625,000 voting rights in total). These voting rights were allocated in accordance with § 22 (1) sentence 1 No. 6 in connection with sentence 2 WpHG.

These voting rights were attributed in accordance with § 22 (1) sentence 1, No. 6 in connection with sentence 2 WpHG from a shareholder whose voting right share amounted to 3% or more:

III Allianz I.A.R.D. S.A.

6. The voting right share of Allianz Global Investors GmbH, Munich, Germany in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 5% on 04.10.2013 and amounted to 5.08% (488,753 voting rights of 9,625,000 voting rights in total). These voting rights were allocated in accordance with § 22 (1) sentence 1 No. 6 in connection with sentence 2 WpHG.

These voting rights were attributed in accordance with § 22 (1) sentence 1, No. 6 in connection with sentence 2 WpHG from a shareholder whose voting right share amounted to 3% or more:

III Allianz I.A.R.D. S.A.

7. The voting right share of Allianz Global Investors France S.A., Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 5% on 04.10.2013 and amounted to 5.08% (488,753 voting rights of 9,625,000 voting rights in total). These voting rights were allocated in accordance with § 22 (1) sentence 1 No. 6 WpHG.

These voting rights were allocated in accordance with § 22 (1) sentence 1, No. 6 WpHG from a shareholder whose voting right share amounted to 3% or more:

III Allianz I.A.R.D. S.A.

Furthermore, Allianz SE, Munich, Germany informed us in accordance with § 21 (1) WpHG on 08.10.2013 that its voting right share in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany on 01.10.2013 exceeded the threshold of 3% and amounted to 3.58% (344,504 voting rights of 9,625,000 voting rights in total).

The voting rights were attributed to Allianz SE in accordance with § 22 (1) sentence 1 No. 1 WpHG and § 22 (1) Sentence 1 No. 6 in connection with sentence 2 WpHG.

The voting rights attributable to Allianz SE in accordance with § 22 (1) sentence 1 No. 1 WpHG were allocated via the following enterprises controlled by it, the voting right share of each in Nemetschek AG amounted to 3% or more:

III Allianz Europe B.V.

III Allianz Holding France SAS

III Allianz France S.A.

III Allianz I.A.R.D. S.A.

At the same time these voting rights were attributed to Allianz SE in accordance with § 22 (1) No. 6 in connection with sentence 2 WpHG from a shareholder whose voting right share in Nemetschek AG amounted to 3% or more:

III Allianz I.A.R.D. S.A.

At the same time Allianz SE informed us in accordance with § 21 (1) WpHG in connection with § 24 WpHG:

1. The voting right share of Allianz Europe B.V., Amsterdam, Netherlands in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 3% on 01.10.2013 and amounted to 3.58% (344,504 voting rights of 9,625,000 voting rights). These voting rights were allocated to Allianz Europe B.V. in accordance with § 22 (1) sentence 1 No. 1 WpHG.

The voting rights attributable to Allianz Europe B.V. were allocated via the following enterprises controlled by it, the voting right share of each in Nemetschek AG amounted to 3% or more:

III Allianz Holding France SAS

III Allianz France S.A.

III Allianz I.A.R.D. S.A.

2. The voting right share of Allianz Holding France SAS, Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 3% on 01.10.2013 and amounted to 3.58% (344,504 voting rights of 9,625,000 voting rights). These voting rights were allocated to Allianz Holding France SAS in accordance with § 22 (1) sentence 1 No. 1 WpHG.

The voting rights attributable to Allianz Holding France SAS were allocated via the following enterprises controlled by it, the voting right share of each in Nemetschek AG amounted to 3% or more:

III Allianz France S.A.

III Allianz I.A.R.D. S.A.

3. The voting right share of Allianz France S.A., Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 3% on 01.10.2013 and amounted to 3.58% (344,504 voting rights of 9,625,000 voting rights in total). These voting rights were allocated to Allianz France S.A. in accordance with § 22 (1) sentence 1 No. 1 WpHG.

The voting rights attributable to Allianz France S.A. were allocated via the following enterprises controlled by it, the voting right share of each in Nemetschek AG amounted to 3% or more:

III Allianz I.A.R.D. S.A.

4. The voting right share of Allianz I.A.R.D. S.A., Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 3% on 01.10.2013 and amounted to 3.58% (344,504 voting rights of 9,625,000 voting rights in total).

5. The voting right share of Allianz Asset Management AG, Munich, Germany in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 3% on 01.10.2013 and amounted to 3.58% (344,504 voting rights of 9,625,000 voting rights in total). These voting rights were allocated in accordance with § 22 (1) sentence 1 No. 6 in connection with sentence 2 WpHG.

These voting rights were attributed in accordance with § 22 (1) sentence 1, No. 6 in connection with sentence 2 WpHG from a shareholder whose voting right share amounted to 3% or more:

III Allianz I.A.R.D. S.A.

6. The voting right share of Allianz Global Investors GmbH, Munich, Germany in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 3% on 04.10.2013 and amounted to 3.58% (344,504 voting rights of 9,625,000 voting rights in total). These voting rights were allocated in accordance with § 22 (1) sentence 1 No. 6 in connection with sentence 2 WpHG.

These voting rights were attributed in accordance with § 22 (1) sentence 1, No. 6 in connection with sentence 2 WpHG from a shareholder whose voting right share amounted to 3% or more:

III Allianz I.A.R.D. S.A.

7. The voting right share of Allianz Global Investors France S.A., Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 3% on 01.10.2013 and amounted to 3.58% (344,504 voting rights of 9,625,000 voting rights in total). These voting rights were allocated in accordance with § 22 (1) sentence 1 No. 6 WpHG.

These voting rights were allocated in accordance with § 22 (1) sentence 1, No. 6 WpHG from a shareholder whose voting right share amounted to 3% or more:

III Allianz I.A.R.D. S.A.

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 NEMETSCHKEK AKTIENGESELLSCHAFT

as of December 31, 2015 and as of December 31, 2014

| 2015 | in € | Development of historic costs | | | As of Dec. 31, 2015 |
|---|-----------------------|-------------------------------|---------------------|-----------------------|---------------------|
| | | As of Jan. 1, 2015 | Additions | Disposal | |
| I. Intangible assets | | | | | |
| 1. Purchased franchises, industrial rights and similar rights and assets and licenses in such rights and assets | 349,575.00 | 18,867.66 | 0 | 368,442.66 | |
| 2. Prepayments on intangible assets | 0 | 0 | 0 | 0 | |
| | 349,575.00 | 18,867.66 | 0 | 368,442.66 | |
| II. Property, plant and equipment | | | | | |
| 1. Leasehold improvements | 295,383.90 | 14,398.33 | 0 | 309,782.23 | |
| 2. Fixtures, fittings and equipment | 685,985.83 | 46,467.57 | 7,026.27 | 725,427.13 | |
| | 981,369.73 | 60,865.90 | 7,026.27 | 1,035,209.36 | |
| III. Financial assets | | | | | |
| 1. Shares in affiliated companies* | 213,491,979.02 | 32,609,441.91 | 2,487,523.61 | 243,613,897.32 | |
| 2. Loans due from affiliated companies | 36,643,786.81 | 2,067,969.00 | 1,950,000.00 | 36,761,755.81 | |
| 3. Other loans | 1,086,174.53 | 0 | 1,086,174.53 | 0 | |
| 4. Investments | 3,169,566.46 | 0 | 0 | 3,169,566.46 | |
| | 254,391,506.82 | 34,677,410.91 | 5,523,698.14 | 283,545,219.59 | |
| Total fixed assets | 255,722,451.55 | 34,757,144.47 | 5,530,724.41 | 284,948,871.61 | |

* The presentations corrections to the historical cost and accumulated depreciation are included. It will not have any changes to their residual value.

| Development of accumulated depreciation / amortization | | | | Carrying amount | |
|--|------------------|---------------------|---------------------|-----------------------|-----------------------|
| As of Jan. 1, 2015 | Additions | Disposal | As of Dec. 31, 2015 | As of Dec. 31, 2015 | As of Dec. 31, 2014 |
| 341,693.25 | 7,223.52 | 0 | 348,916.77 | 19,525.89 | 7,881.75 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 341,693.25 | 7,223.52 | 0 | 348,916.77 | 19,525.89 | 7,881.75 |
| 289,913.06 | 6,156.47 | 0 | 296,069.53 | 13,712.70 | 5,470.84 |
| 658,048.83 | 23,222.16 | 7,026.27 | 674,244.72 | 51,182.41 | 27,937.00 |
| 947,961.89 | 29,378.63 | 7,026.27 | 970,314.25 | 64,895.11 | 33,407.84 |
| 6,313,631.86 | 0 | 0 | 6,313,631.86 | 237,300,265.46 | 207,178,347.16 |
| 0 | 0 | 0 | 0 | 36,761,755.81 | 36,643,786.81 |
| 1,086,174.53 | 0 | 1,086,174.53 | 0 | 0 | 0 |
| 1,144,262.53 | 0 | 0 | 1,144,262.53 | 2,025,303.93 | 2,025,303.93 |
| 8,544,068.92 | 0 | 1,086,174.53 | 7,457,894.39 | 276,087,325.20 | 245,847,437.90 |
| 9,833,724.06 | 36,602.15 | 1,093,200.80 | 8,777,125.41 | 276,171,746.20 | 245,888,727.49 |

DECLARATION OF THE LEGAL REPRESENTATIVES

“I hereby confirm that, to the best of my knowledge, in accordance with the applicable financial reporting framework, the financial statement gives a true and fair view of the net assets, financial position and results of the company, and the 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 company.”

Munich, March 11, 2016



Patrik Hejder



Sean Flaherty



Viktor Várkonyi

AUDITOR'S REPORT

We have issued the following opinion on the financial statement and management report:

“We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Nemetschek AG, Munich, for the fiscal year January 1, 2015 to December 31, 2015. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statement, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB [“Handelsgesetzbuch”; “German Commercial Code”] and the 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 annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company 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 the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the management, as well as evaluation the overall presentation of the annual financial statements and 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 finding of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of net assets, financial position and results of operations in the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitable presents the opportunities and risks of further development.”

Munich, March 11, 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Bostedt
Wirtschaftsprüfer
[German Public Auditor]

Bretschneider
Wirtschaftsprüferin
[German Public Auditor]

Publication details

Copyright 2016
Nemetschek AG, Munich

Concept and Editorial Office
Nemetschek Group (Investor Relations)

Design and Realization
SPARKS ADVERTISING Werbeagentur GmbH, Munich

Print
Eberl Print, Immenstadt

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