

# Combined Management Report for the Financial Year 2024

## About This Report

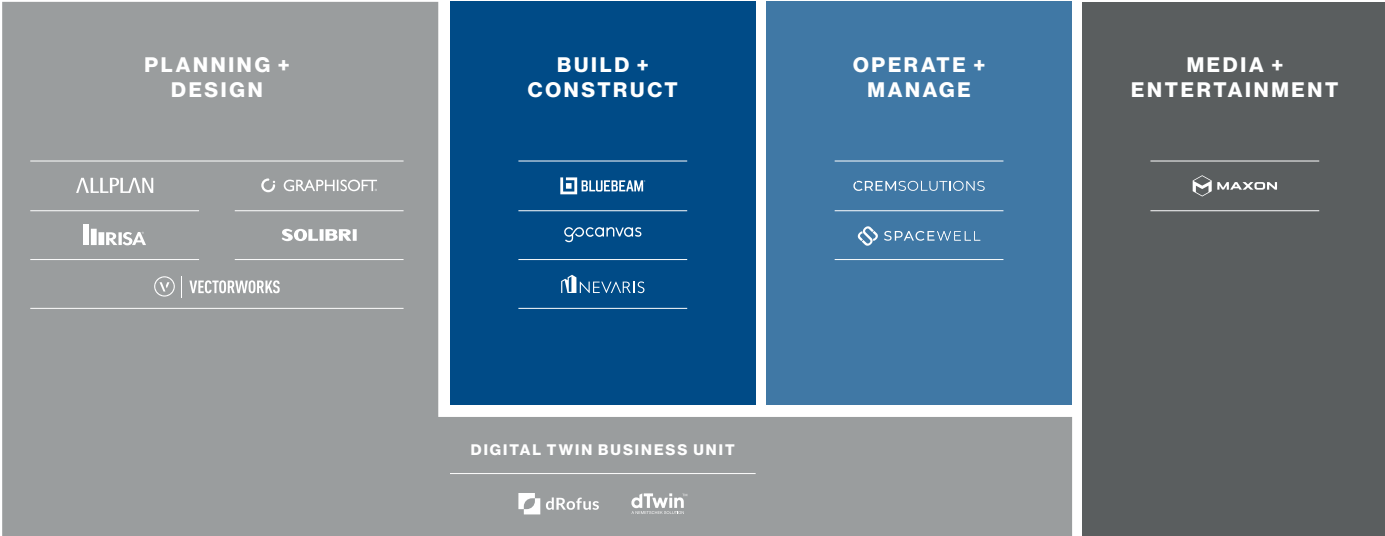
The management report of Nemetschek SE and the Group management report for the 2024 fiscal year have been combined. The Declaration of Conformity pursuant to section 161 of the German Stock Corporation Act (AktG) is published on the Nemetschek SE website at [ir.nemetschek.com/declarationofconformity](https://ir.nemetschek.com/declarationofconformity). Furthermore, the Corporate Governance Declaration and the Declaration of Conformity can also be found in the annual

report 2024 in the section << [To Our Shareholders](#) >>. The consolidated financial statements as at December 31, 2024, that have been prepared by Nemetschek comply with International Financial Reporting Standards (IFRS) as applicable in the European Union (EU) as at December 31, 2024, and, additionally, with the requirements of the German Commercial Code in connection with German Accounting Standards.

## 1 Group Fundamentals

### 1.1 Group Business Model

#### Organization and Structure



Nemetschek SE, together with its subsidiaries (brands), forms the globally active Nemetschek Group. Founded in 1963 by Prof. Georg Nemetschek, the company can now look back on more than 60 years of history. Today, the Nemetschek Group is a global provider of digital software solutions for all phases and disciplines of the building and infrastructure project life cycle (i.e., the AEC/O industry – architecture, engineering, construction, and operation) as well as for all stages during the creation of digital 2D and 3D content in the media sector.

As a strategic holding company, Nemetschek SE is headquartered in Munich, Germany, and carries out its operating activities through four segments with a total of 12 brands (previous year: 13 brands). On the one hand, the structure combines central steering at Group level and, on the other, business freedom at brand level. As such, it is possible for individual brands to focus on client needs and acquiring new customers, thus generating added value for customers. This combined segment and brand

approach makes it easier to quickly identify market changes and efficiently implement customer requirements. In order to simultaneously ensure a high degree of business efficiency, Nemetschek SE handles central functions such as Corporate Finance & Tax, Controlling & Risk Management, Investor Relations & Corporate Communication, People/Human Resources, Strategy (incl. Mergers & Acquisitions, Start-up & Venture Investments and AI), IT, Information Security, Global Procurement, Transformation Office, Internal Audit, and Corporate Legal & Compliance. These departments also perform important governance tasks, thus enabling the brands to concentrate first and foremost on harnessing new potential customers and their operational activities.

#### Business Activities

Proximity to markets and customers are key success factors for Nemetschek. With its software solutions, the company supports **digitalization** along the entire construction life cycle – from the planning and construction phases to the operation, renovation,

and demolition phases. This comprehensive approach concentrates investments and expertise in the client-oriented segments and thus offers end-to-end client support for the entire building life cycle.

The Nemetschek Group is clearly committed to OPEN BIM, which increases interoperability, collaboration, efficiency, and communication with different disciplines across the entire construction life cycle. At the same time, the Nemetschek Group is focusing on future topics that will shape and change the construction industry over the next few years. Such topics mainly include artificial intelligence, digital twins, machine learning, sustainability, and the usage of IoT devices and sensors. These topics are therefore also focal points of the Nemetschek Group's innovation and development activities.

In addition, the company provides digital solutions for 3D visualization, modeling, and animation that are used particularly in the media and entertainment sector and that cover the entire content production workflow.

## Segments

The Nemetschek Group organizes its twelve brands in the client-oriented segments Design, Build, Manage, and Media. Each of these four segments is led by an Executive Board or segment manager. The holding company and the segments are closely interlinked in order to ensure highly effective steering and close coordination, including among the individual companies.

Furthermore, there are benefits for the brands as well as the Group overall from the stronger harmonization and globalization of general and administrative functions, access to additional resources and tools, and intensified knowledge exchange. For instance, the brands can focus their capacity and resources more on the operational implementation of the corporate targets and strategy, including in particular greater client loyalty and the exploitation of additional growth opportunities.

To leverage synergies within the Nemetschek Group, the Executive Board and segment managers support the coordination and implementation of strategic projects between the brands in their respective segment as well as cross-segment cooperation between individual brands. As a result, the subsidiaries benefit from synergies and transfer of knowledge for their segment and for the wider Group in relation to internationalization, the exchange of best practices, and sales, marketing, and development activities. To this end, the harmonization of internal structures and processes, which had already begun, was further spearheaded in the 2024 fiscal year. Central administrative functions such as People/HR, Controlling & Risk Management, Finance, and IT have already been harmonized further, letting the brands focus even more strongly on their client-adjacent topics.

The company's legal structure is outlined in the notes to the consolidated financial statements in [<< Note 32 List of Companies in the Nemetschek Group >>](#).

## Changes within the Segment Structure

The process of merging individual brands was also continued in 2024 in order to provide customers with harmonized solutions. As part of this work, the group brands Scia and Frilo were integrated into the Allplan brand.

The Nemetschek Group has also acquired GoCanvas Holdings, Inc., headquartered in Reston, Virginia, USA. GoCanvas is a leading provider of SaaS solutions to facilitate collaboration between specialists on the construction site. With GoCanvas, traditionally paper-based processes can be digitalized, inspections made easier, construction site safety increased, and compliance with regulations ensured. Following completion of the acquisition with effect from July 1, 2024, GoCanvas was assigned to the Build segment and has since been fully consolidated within this segment.

Furthermore, the Digital Twin business unit together with the dRofus brand and the dTwin solution was transferred from the Manage segment to the Design segment in 2024 as planned and consolidated there. As of December 31, 2024, the four segments of the Nemetschek Group comprise a total of 12 brands (previous year: 13 brands).

## Design Segment

The Design segment's major client groups include, above all, architects; designers; engineers from all disciplines, including structural engineers; specialist planners, and landscape designers as well as developers and general contractors. The individual brands within the Design segment target a broad range of different, specialized fields within architecture, design, and engineering. Customers can use the solutions offered to carry out their tasks across all phases, from planning and design right up to factory and construction planning. The Design segment's portfolio particularly features OPEN BIM solutions for computer-aided design (CAD) and computer-aided engineering (CAE), which are used in the 3D planning and visualization of buildings and infrastructure projects. These are complemented by BIM-based solutions for quality assurance and control to avoid errors and conflicts during the planning and construction phase.

The segment's recent financial years were characterized by integration and harmonization activities. The merger of individual brands and the expansion of cross-brand collaboration has resulted in the successful creation of extended and harmonized client offerings in particular, increasing the benefits for customers even further. In the year 2024, these harmonization activities were continued and the subsidiaries Scia and Frilo were integrated into the Allplan brand.

The market for the Design segment is traditionally more mature than the markets for the Build segment due to the earlier use and adoption of digital solutions. According to the industry analysts at Cambashi, who focus on planning, visualization and construction software, the market (TAM – Total Addressable Market) for design and planning software is expected to grow from an estimated EUR 8.8 billion in 2024 to around EUR 12.5 billion in 2028, corresponding to a compound annual growth rate of around 9%.

### **Build Segment**

The Build segment's customers include construction companies, developers, and suppliers as well as general contractors, planning offices, architects, and civil engineers, among others. Here, the Nemetschek Group offers complete 5D BIM solutions from the bidding and award phase to invoicing, budgeting, scheduling, and costing. These solutions also include, among other things, commercial enterprise resource planning (ERP) solutions from the Nevaris brand for construction-related accounting. On top of that, it has PDF-based and, in parts, cloud-based workflow solutions from the Bluebeam brand for digital work processes, collaboration, and documentation.

In addition, the newly acquired GoCanvas Holdings, Inc., has been assigned to the Build segment since July 1, 2024.

GoCanvas provides flexible cloud and mobile solutions that help customers on the construction site efficiently collect real-time data, collaborate across construction sites, create digital checklists, make data-driven business decisions, and replace paper-based processes with digital workflows, ultimately increasing efficiency and safety on the construction site. Founded in 2008, the company employed around 300 people worldwide in 2023, with locations in the USA, Canada, Australia, and South Africa, and generated annual recurring revenues (ARR) of around USD 67 million in the financial year 2023.

The acquisition of GoCanvas, with its complementary technology, customer base and geographic presence, complements Nemetschek's expertise in covering the entire life cycle in the AEC/O industry. The acquisition of GoCanvas opens up significant growth opportunities and technological synergies by further improving both companies' market and customer access. GoCanvas' strong presence in the US strengthens the Nemetschek Group's position in the US, while the Group in turn offers GoCanvas a base for expansion in Europe and the Asia-Pacific region. As a pure SaaS solution provider, GoCanvas will also further accelerate the transition to a subscription- and SaaS-centric business model for the Nemetschek Group.

The Build segment offers great potential for growth, which is due to the low level of digitalization in the construction industry, i.e., the degree to which modern, digital solutions are used. In their study, market experts and analysts at Cambashi estimate that the market size (TAM) for software in the construction industry will increase from EUR 5.7 billion in 2024 to EUR 9.1 billion by 2028, representing a compound annual growth rate of 12%.

### **Manage Segment**

The Manage segment rounds off the Nemetschek Group's range of solutions for all disciplines across the entire building and infrastructure project life cycle, focusing on building management and professional property management. The segment's main customers include property managers, facility managers, and global real estate companies as well as banks and insurance companies, among others.

The segment's two brands – Spacewell and Crem Solutions – offer software solutions across all commercial processes in property management as well as modular and integrated solutions for property, facility, and workplace management (integrated workplace management system, IWMS). The portfolio also includes a smart building platform that uses intelligent sensors and big data analysis to help improve productivity and efficiency in the operation and management of buildings. These are complemented by artificial-intelligence-based energy management solutions for optimizing the use of energy in buildings and reducing carbon emissions.

For software solutions in the field of building management, Verdantix, a market analyst specializing in real estate and the built environment, has forecasted a market growth (TAM) from EUR 8.6 billion in 2024 to EUR 12 billion by 2028, which corresponds to an annual growth rate of around 8%. Within this market, the fastest growing subsegments are energy management (+11%) and space management, both of which closely align with Spacewell's core offerings.

### **Media Segment**

In the media segment, the Nemetschek Group offers professional solutions for all phases of a digital creative project through its Maxon brand. The product portfolio includes 3D modeling, painting, animation, sculpting, and rendering solutions. These solutions are used worldwide to create 3D motion graphics, architectural or product visualizations, graphics for computer games, medical illustrations, industrial designs and visual effects, to name just a few examples.

In addition to architects and designers, other customers in the Media segment include film and TV studios, advertising agencies, the video game industry, product and graphic designers, as well as creative freelancers from the international media and entertainment industry.

The Media segment, which addresses the global market for 3D animations, is a further growth area for the Nemetschek Group. The market experts and analysts at Cambashi estimate the market size (TAM) for software in the media industry in 2024 at EUR 5.3 billion. By 2028, this market is expected to grow to EUR 7.8 billion, which corresponds to a compound annual growth rate of almost 10%.

The key figures of the four segments are explained in [<< 3.3 Earnings, Financial Position and Net Assets of the Nemetschek Group >>](#).

## Locations

Nemetschek SE is headquartered in Munich, Germany. The Nemetschek Group's 12 brands develop and market their solutions globally from a total of 80 (previous year: 81) locations.

### NEMETSCHKEK LOCATIONS GLOBALLY



## 1.2 Growth Drivers, Goals and Strategy

### Growth Drivers

The macroeconomic consequences of high interest rates, ongoing global crises and geopolitical conflicts continue to have a negative impact on the short-term growth prospects of the global construction industry. Nevertheless, the long-term structural growth drivers of the global construction sector remain intact and offer the potential for a further sustained growth phase in the future. These structural growth drivers include the growing world population, increasing global urbanization, regulations, and demographic change. These topics lead to a sustained high demand for new residential and infrastructure projects as well as for the renovation of existing buildings and infrastructure such as bridges and tunnels. As a provider of software solutions for the construction industry, the Nemetschek Group, with its three segments that address the **AEC/O industry**, also benefits from various other long-term and structural growth drivers, such as the low level of digitalization in the construction industry compared to most other industries. Furthermore, there is an increasing need

for industry-specific software solutions that manage processes more efficiently and sustainably and thus increase the quality while reducing costs and time. The effects of the latest crises and challenges in the construction industry have only made this need more apparent.

- » In addition to these fundamental growth drivers, government regulations that require or mandate the use of BIM software for publicly funded construction and infrastructure projects continue to pave the way for the Nemetschek Group's global growth. In Europe, the United Kingdom and Scandinavian countries are pioneers in implementing BIM regulations and using BIM-capable software solutions. In the USA and other countries such as Singapore, Hong Kong and Japan, there are already BIM regulations for public building and infrastructure projects.
- » In addition, the structural labor shortage in the construction industry remains a long-term global problem, making the adoption of digital solutions for greater efficiency necessary.