

Supervisory board's report on the 2018 financial year of Nemetschek SE

The supervisory board of Nemetschek SE involved itself extensively with the situation and development of the Group during the 2018 financial year. Over the course of the financial year, the committee followed the executive board closely, advised it with regard to important issues and monitored it in addition to carrying out with the utmost care the tasks assigned to the supervisory board by law, the Articles of Incorporation and the Articles of Association.

CONSTRUCTIVE DELIBERATIONS BETWEEN SUPERVISORY BOARD AND EXECUTIVE BOARD

The collaboration between the supervisory board and the executive board was always constructive and marked by open and trustful discussions. The executive board instructed the supervisory board regularly, promptly and comprehensively, as well as orally and in writing, about all relevant topics pursuant to corporate development and corporate strategy. Inherent opportunities and risks, corporate planning and the development of revenues, earnings and liquidity were extensively debated. Moreover, the supervisory board obtained information on planned and current investments, the fulfillment of the planning of the Group, of the segments and of the individual brands as well as on risk management and compliance.

The supervisory board regularly and intensively discussed the developments in the respective reporting quarters, the short-term and medium-term prospects and the long-term growth and earnings strategy internally with the executive board. This also included information on deviations in business developments regarding planning. The supervisory board was very involved in all decisions of fundamental importance for the company. Outside the regularly scheduled sessions as well, the supervisory board and the executive board maintained close contact.

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. On the basis of the extensive information provided by the executive board as well as independent audits, the supervisory board was able to completely fulfill its monitoring and advisory role at all times.

MEETINGS AND TOPICS OF FOCUS

In the fiscal year 2018, four regular supervisory board meetings were held (March, July, October and December) at which the executive board informed the supervisory board of the economic situation and business development. The supervisory board was completely represented at all meetings. In addition to the meetings, there were further resolutions on current topics, for which the written circular procedure was used. Due to its composition of three or four members, the supervisory board has no need to form committees.

The deliberations focused in particular on the further internationalization of company business, potential acquisition targets, strategic projects at holding and brand levels and the further development of the Group's solution portfolio. Detailed reports concerning the brand companies were received by the supervisory board and discussed. Business performance which deviated from the corresponding annual targets was discussed in detail at the supervisory board meetings and analyzed. The executive board presented the strategy for acquisitions and actual projects and decided on them in close collaboration with the supervisory board.

In the meetings, there was debate in particular on the following topics:

- Annual financial statements and consolidated financial statements for the 2017 financial year
- Proposal on the appropriation of profits for the 2017 financial year
- Invitation and agenda items for the regular 2018 annual general meeting with proposed resolutions to the annual general meeting as well as the supervisory board's report for the 2017 financial year
- Sustainability reporting in the Group
- Development of the percentage of women and specification of new target figures

- Executive board and general managers' specification of targets reached in 2017 and release of payment of variable remuneration shares as well as the definition of target agreements for the 2018 financial year; nominations for participation in the "Long-Term Incentive Plan" (LTIP)
- Declaration of Conformity in accordance with the "German Corporate Governance Code"
- Group planning, revenue planning, result planning and investment planning for 2018 as well as ongoing discussion on the current situation
- Strategic projects at Group and brand levels and alignment of the Nemetschek Group and its internationalization as well as target achievement during implementation
- Development of market and competition
- Acquisition strategy and strategic partnerships at holding and brand levels
- Acquisition at holding level: Spacewell (formerly: FASEAS / MCS Solutions Group) based in Belgium
- Acquisition at brand level: Takeover of 123erfasst.de by Nevaris and Atlas by US subsidiary Bluebeam
- Internal control and early stage risk detection systems, audit and compliance report
- Capital market, investor development and share price development
- Extension of supervisory board and new executive board structure
- Group planning and investment projects for 2019

COMPOSITION OF EXECUTIVE BOARD AND SUPERVISORY BOARD

There were no changes in personnel on the three-man executive board of Nemetschek SE in the 2018 reporting year. At the beginning of the current year, the supervisory board established a new executive board structure that reflects a stronger integrated divisional set-up. Thus, consideration is given to the strategic alignment of the Nemetschek Group which involves even greater consolidation of the competencies of the brand companies in the customer-oriented segments of the AEC industry. Moreover, closer integration and interaction is established between the holding and the segments guiding the strategy with the corresponding operating brands.

The executive board currently consists of the following three members:

- Viktor Várkonyi, member of the executive board since December 2013, was appointed as Chief Division Officer, Planning & Design Division, to go into effect on February 1, 2019. Consequently, he has stepped down from his previous function as CEO of the Graphisoft brand.
- Jon Elliott, CEO of the Bluebeam brand, was appointed as Chief Division Officer, Build & Construct Division, to go into effect on February 1, 2019; he remains CEO of Bluebeam.
- As before, Patrik Heider, member of the executive board since March 2014, remains Spokesman and CFOO for the main Group functions.

Sean Flaherty, who served the Group for more than 18 years and spent the last five years as Chief Strategy Officer for Nemetschek SE, left the company of his own accord at the end of 2018. The supervisory board would like to take this opportunity to thank Sean Flaherty for his outstanding performance, his many years of commitment and his extremely valuable contribution to the successful development of the Nemetschek Group.

In addition, the supervisory board was extended from 3 members to 4 members. With votes in favor amounting to 99.72%, Bill Krouch was elected to the supervisory board by the annual general meeting on May 30, 2018. Bill Krouch, entrepreneur based in USA, is the first non-European member on the supervisory board and will support Nemetschek in particular with regard to further international expansion, primarily in the USA growth region.

The supervisory board has since consisted of the following four members:

- Kurt Dobitsch, Chairman of the supervisory board
- Prof. Georg Nemetschek, Deputy Chairman
- Rüdiger Herzog, Member of the supervisory board
- Bill Krouch, Member of the supervisory board

AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

On May 30, 2018, the annual general meeting chose auditing firm Ernst & Young GmbH, Munich, for the audit of the individual financial statements and the consolidated financial statements for 2018 as well as the corresponding consolidated management report. The supervisory board was convinced as to the independence of the auditor and obtained a written declaration from the auditor.

The annual financial statements of Nemetschek SE for the 2018 financial year prepared by the executive board according to the German Commercial Code (HGB), as well as the consolidated financial statements prepared according to the International Financial Reporting Standards (IFRS), as applicable in the EU, and also according to § 315a (1) of the German Commercial Code (HGB), and the consolidated management report for Nemetschek SE and the Group for the 2018 financial year were audited and approved without qualification by auditing firm Ernst & Young GmbH, Munich.

The specified final documents of the SE, the Group and the executive board's proposal on the appropriation of profits as well as the auditor's reports were available to the members of the supervisory board sufficiently in advance of the balance sheet meeting on March 21, 2019. The auditor took part in the meeting, reported extensively on his auditing activities and the main audit results, explained the audit report and provided detailed answers to all of the supervisory board members' questions.

Taking the auditor's reports into consideration, the supervisory board has examined the annual financial statements, the consolidated financial statements and the consolidated management report for Nemetschek SE and the Group and is convinced of the correctness and completeness of the actual information. The supervisory board concurs with the result of the audit performed by the auditor and has determined that there are no objections to be raised. The supervisory board approved the 2018 financial statements and consolidated financial statements of Nemetschek SE at the balance sheet meeting of March 21, 2019. The 2018 annual financial statements are thus final within the scope of § 172 of the German Stock Corporation Act (AktG).

REPORTING ON SUSTAINABILITY

Nemetschek SE integrated its nonfinancial declaration in the management report. The supervisory board checked the nonfinancial declaration and after conducting its own investigations has come to the conclusion that the nonfinancial declaration provides no grounds for objections.

CONFLICTS OF INTEREST

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

CORPORATE GOVERNANCE

The supervisory board consistently adhered to the principles of good corporate governance in the 2018 financial year. In March 2019, the supervisory board and executive board submitted an updated Declaration of Conformity as per § 161 of the German Stock Corporation Act (AktG) and made this permanently available to shareholders via the website of the Nemetschek Group. Nemetschek SE

conforms to the recommendations of the Government Commission of the German Corporate Governance Code as per the version of the code published in the Federal Gazette in April 2017 with the exception of the justified deviations specified in the Declaration of Conformity. For details on this subject, please refer to the "Corporate governance" section of the annual report or visit the company's website <https://ir.nemetschek.com/websites/nemetschek/English/0/investor-relations.html>.

THANKS FOR DEDICATED PERFORMANCE

In the 2018 financial year, the Nemetschek Group had another successful year with revenue growth in the double-digit percentage range coupled with high levels of profitability and achieved the objectives it set for itself. The supervisory board thanks all employees worldwide for their successful work and personal commitment. At the same time, the supervisory board would like to express its recognition and high level of appreciation to the executive board and the CEOs of all the brands for their outstanding performance.

Munich, March 21, 2019

Kurt Dobitsch
Chairman of the Supervisory Board