

NEMETSCHKE GROUP

HALF-YEAR STATEMENT
AS OF JUNE 30,
2020

Driving digital transformation
**SHAPING THE ENTIRE
BUILDING LIFECYCLE**

To our shareholders



DR. AXEL KAUFMANN

SPOKESMAN OF THE EXECUTIVE BOARD AND
CHIEF FINANCIAL & OPERATIONS OFFICER (CFOO)

Dear Shareholders,

We closed the second quarter of 2020 with slight increases in revenue and earnings despite the global corona crisis. Overall, business development exceeded our own expectations.

After the corona crisis left its mark in the second quarter, especially in Europe, it is not yet possible to foresee the effects of the pandemic in the USA, where the crisis has spread much more strongly than in other parts of the world and at a later point in time. Nemetschek anticipates hurdles in this regard in the US market in the second half of the year.

The Nemetschek Group responded to the altered situation at an early stage and also maintained close customer contact during the corona crisis by means of virtual sales and support as well as online tutorials. In addition, executives worldwide were involved in intensifying cost management in the Group at an early stage.

Major indicators of the Group's success in the second quarter / first half year of 2020

- » **Group revenue** rose by 2.7% to EUR 141.6 million in Q2 (currency-adjusted: 2.0%) compared to the previous year's figure of EUR 137.8 million. The increase in revenue is as a result of stable organic development and the revenue contributed by the Red Giant acquisition in the Media & Entertainment segment. In the first half year, revenue rose by 7.6% (currency-adjusted: 6.6%) compared to the same period in the previous year; organic growth amounted to 4.8%.
- » **Recurring revenue** from software service contracts and subscriptions continued to be a growth driver again in Q2, the revenues from which rose by 21.5% (currency-adjusted: 20.7%) to EUR 88.9 million compared to the same quarter of the previous year. The half year even showed slightly stronger growth dynamics with an increase of 24.2% (currency-adjusted: 23.0%). Thus the proportion of recurring earnings in Group revenue of 60.7% exceeded the 60% mark for the first time in the first six months (previous year's period: 52.6%).

- » As expected, **license business** declined compared to the previous year. In Q2, license revenues reached EUR 46.7 million, a decline of 18.5% compared to the same quarter of the previous year (currency-adjusted: -19.2%). License revenues in the first half of the year amounted to EUR 100.1 million and were thus 10.8% (currency-adjusted: -12.0%) below the previous year's figure.
- » As a result of the stable revenue development and high levels of discipline in terms of cost management, even in Q2 a slight increase in consolidated operating **earnings before interest, taxes, depreciation and amortization (EBITDA)** to EUR 40.7 million (+1.9%) was achieved. The EBITDA margin came close to reaching the previous year's level at 28.8% (Q2 2019: 29.0%). In the first half year, the margin improved, rising to 28.7% (previous year's period: 28.6%).
- » In Q2, **net income for the quarter** (group shares) was only slightly below that of the previous year at 21.1 million (previous year: EUR 21.9 million). The earnings per share amounted to EUR 0.18. In the half year, it was possible to increase the profit for the period by 2.6%, rising to EUR 42.5 million, which corresponds to earnings per share in the amount of EUR 0.37. Adjusted for the amortization from purchase price allocations, net income for the quarter amounting to EUR 26.1 million was 4.8% higher than the previous year. The adjusted earnings per share amounted to EUR 0.23.

Overall, the **performance of the segments** in the first half year was slightly above the levels expected, especially in view of the fact that the corona crisis spread to the US market with a time lag. In March, the **Design** segment was already feeling the effects of the Covid-19 pandemic, which led to reduced customer demand and a decline in revenues. The **Build** and **Manage** segments were able to achieve low growth rates. The **Media & Entertainment** segment was considerably strengthened by the acquisition of Red Giant. The integration of the company, consolidated since January 2020, in the Maxon brand continues to proceed according to plan.

As a result of our broad solution portfolio, our high levels of diversification with regard to target industries and regions and the growing proportion of recurring revenue, we have weathered the corona crisis better than anticipated. The increase in service contracts and subscriptions in particular show the robustness of the Nemetschek business model, even and especially in today's

uncertain market environment. At the same time, as a result of the fast deployment of countermeasures in relation to costs, we have been able to keep our profitability at a high level. However, we expect that the crisis will also have an impact on our business development in the second half of the year, especially in the USA. Thus, caution and vigilance remain our top priority. We continue to see great potential in our markets in the medium and long term. Nemetschek will keep on successfully driving the digital transformation in the construction industry forward.

The Nemetschek Group is always working on future-oriented solutions to further improve the workflow in the construction industry. Thus, for instance, in the Design segment with *Integrated Design*, a cross-brand workflow solution was presented for the first time which is revolutionizing collaboration between architects, structural engineers and civil engineers. With this integrated approach, it is possible for architects and engineers to work together on one model across disciplines for the first time, making unsynchronized work in silos and duplications a thing of the past.

Group outlook for 2020 confirmed

As a result of the very solid first half year, growth trends in the relevant markets that remain intact in the long-term, ongoing increases in the proportion of plannable revenues and broad regional and market-related diversification of risk, the executive board confirms the revenue targets for the full year 2020, despite a still uncertain environment, and is optimistic to comfortably reach the targeted profitability. It also assumes that a certain reluctance on the part of customers will continue in the third quarter before business development should gradually improve again.

For the year 2020 as a whole, we are thus unchanged in its anticipation of development which is at least stable or a slight increase in Group revenue with an EBITDA margin of more than 26% of Group revenue.

Yours sincerely

Dr. Axel Kaufmann

Nemetschek on the Capital Market

In the first half of 2020, the corona pandemic determined the developments of the global economy as well as those of the financial and capital markets. While January and the beginning of February 2020 remained unaffected by the pandemic for the most part, its impact on the capital markets was clearly evident by the end of February. This subsequently led to significant declines on stock exchanges worldwide. Massive losses during the first quarter were followed by similarly large gains in the second quarter which, especially on the capital markets, resulted in the situation improving considerably.

Overall, practically all indexes on the German share markets, however, were unable to completely recoup the losses incurred in February and March, and mainly closed the first half of 2020 with negative growth: the DAX experienced a decline of about 7% and the MDAX even dropped about 9%. The TecDAX asserted itself with somewhat greater success, losing about 2% in the first half

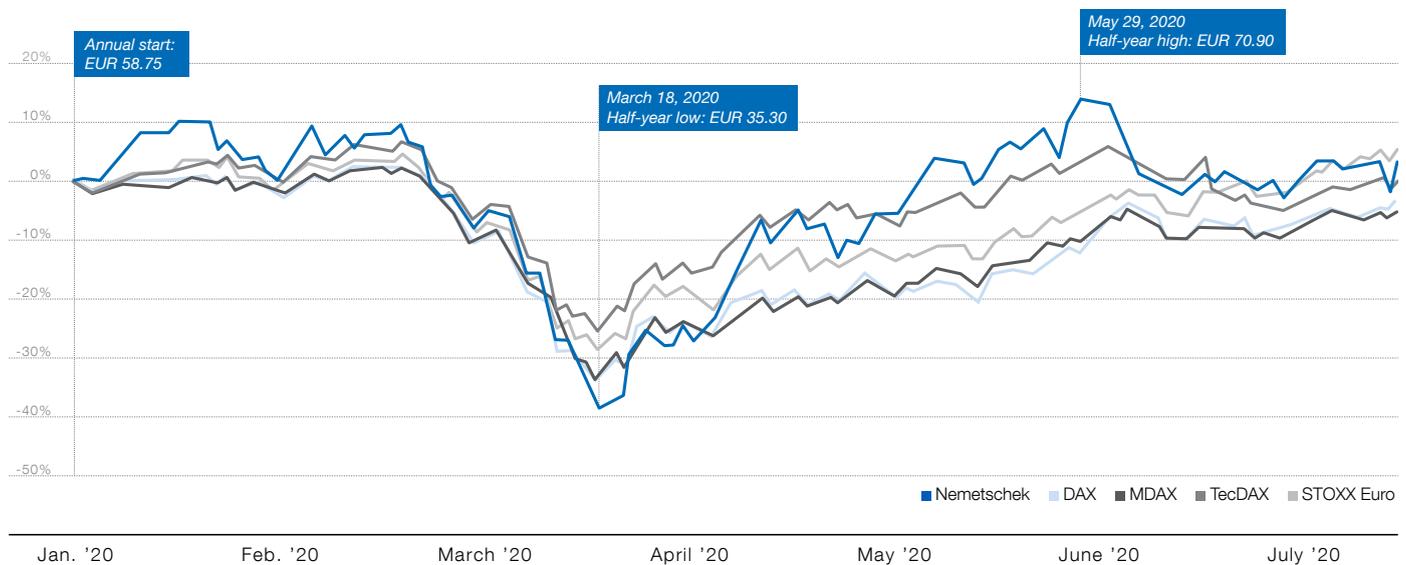
of the year. Stoxx Europe (Software & Computer Services) closed at just about the same level as at the beginning of the year.

Price development of the Nemetschek share since the start of 2020

On January 2, 2020, the Nemetschek share started the new year at a price of EUR 58.75. Right at the beginning of the year, the share continued to rise strongly once again until February 19, reaching EUR 67.95 before losing considerably in value with the spread of the pandemic and in the weak market environment. The Nemetschek share reached its all-time low of EUR 35.30 on March 18, 2020. This was followed by the share and the overall market making a significant recovery. The Nemetschek share reached its all-time high for 2020 of EUR 70.90 on May 29, 2020. By the end of the reporting period on June 30, 2020, it had again lost value – as had the overall market – and closed the first half of the year at EUR 61.20. This corresponds to a slight increase of 4% since the beginning of the year. In the subsequent weeks, the Nemetschek share stabilized at this level.

Accordingly, the market capitalization of Nemetschek SE increased slightly to around EUR 7.1 billion as of June 30, 2020.

DEVELOPMENT OF THE NEMETSCHKEK SHARE AS WELL AS OF THE DAX, MDAX, TECDAX AND STOXX (SOFTWARE & COMPUTER SERVICES) INDEXED

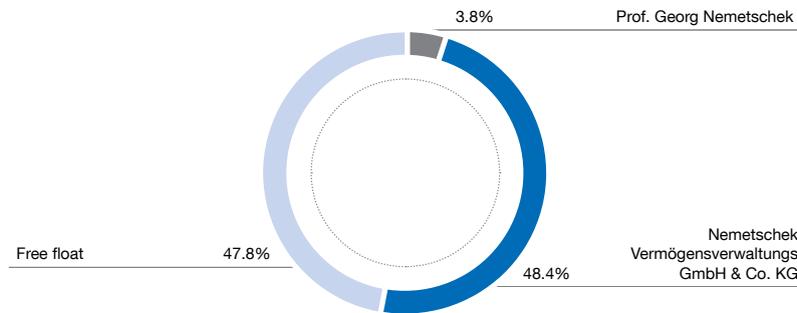


Shareholder structure

As of June 30, 2020, the nominal capital of Nemetschek SE amounted to EUR 115,500,000 and was divided into 115,500,000 no-par value bearer shares.

The free float as of June 30, 2020 was 47.8%.

SHAREHOLDER STRUCTURE*



* Direct shareholdings as of June 30, 2020.

Virtual annual general meeting approved all items on the agenda

For the first time, the Nemetschek Group held its regular annual general meeting completely virtually and postponed it to June 19, 2020. Originally, the plan had been to invite shareholders to physically attend the event in Munich on May 29, 2020. This change was the software company's response to ongoing restrictions applicable to public life as a result of the Covid-19 pandemic, and made simultaneous use of the option provided for by legislators for an annual general meeting that is completely virtual.

Even after rescheduling, Nemetschek was able to remain within the term of six months after the end of the financial year, by which deadline European Companies (SEs) are required to hold their annual general meetings.

At the completely virtual annual general meeting, shareholders were informed about the past financial year 2019 and about the prospects for the current financial year 2020. In addition, the resolutions from the agenda were presented. The company's shareholders approved all agenda items with a large majority.

The agenda items also included the distribution of dividends. For the 2019 financial year, the supervisory board and executive board proposed a dividend in the amount of EUR 0.28 per share, a slight increase compared to the previous year (EUR 0.27 per share). The total dividends to be distributed amounted to EUR 32.3 million (previous year: EUR 31.2 million). The company thus continued with its sustainable and success-oriented dividend policy and paid out a dividend for the eleventh time in a row. Even though it was and remains to be expected that the current situation resulting from the Covid-19 pandemic will also affect the business developments of the Nemetschek Group, a favorable earnings level nevertheless continues to be anticipated for 2020. This and the familiarly high financial strength made the payment of dividends possible.

Key figures

NEMETSCHKE GROUP

in EUR million	2nd quarter 2020	2nd quarter 2019	Change	6 month 2020	6 month 2019	Change
Operative figures						
Revenues	141.6	137.8	2.7 %	288.2	267.7	7.6 %
- thereof software licenses	46.7	57.3	-18.5 %	100.1	112.3	-10.8 %
- thereof recurring revenues	88.9	73.2	21.5 %	175.0	140.9	24.2 %
- subscription (as part of the recurring revenues)	20.5	11.7	75.5 %	40.1	21.4	87.7 %
EBITDA	40.7	40.0	1.9 %	82.6	76.6	7.7 %
as % of revenue	28.8 %	29.0 %		28.7 %	28.6 %	
EBITA	34.9	34.6	0.9 %	71.0	66.2	7.3 %
as % of revenue	24.7 %	25.1 %		24.6 %	24.7 %	
EBIT	28.4	29.6	-4.0 %	57.6	56.4	2.1 %
as % of revenue	20.1 %	21.5 %		20.0 %	21.1 %	
Net income (group shares)	21.1	21.9	-3.4 %	42.5	41.4	2.6 %
per share in €	0.18	0.19		0.37	0.36	
Net income (group shares) before purchase price allocation	26.1	24.9	4.8 %	52.4	47.8	9.7 %
per share in €	0.23	0.22		0.45	0.41	
Cash flow figures						
Cash flow from operating activities	35.1	34.8	0.9 %	78.2	69.3	12.9 %
Cash flow from investing activities	-6.7	-31.5		-88.3	-110.3	
Cash flow from financing activities	-49.9	-27.2		-67.4	39.6	
Free cash flow	28.5	3.3		-10.1	-41.0	
Free cash flow before M&A investments	33.1	27.6	19.9 %	73.6	56.6	30.0 %
Balance sheet figures						
Cash and cash equivalents*				130.2	209.1	-37.7 %
Net liquidity/net debt*				-30.6	21.0	
Balance sheet total*				891.2	857.2	4.0 %
Equity ratio in %*				43.3 %	40.7 %	
Headcount as of balance sheet date				3,014	2,776	8.6 %
Share figures						
Closing price (Xetra) in €				61.20	52.95	
Market Capitalization				7,068.60	6,115.73	

* Presentation of previous year as of December 31, 2019.

Interim Group Management Report

Report on the earnings, financial and asset situation

Solid first half 2020 with revenue growth of 7.6 % and a continuing high EBITDA margin of 28.7 %

The Nemetschek Group has recorded a solid first half of 2020 with continued high profitability. After a positive start to the year, however, the general conditions clouded over as a result of the worldwide Covid-19 pandemic. The company reacted quickly and, in particular, adapted its support and training activities to the changed conditions in order to maintain customer contact, which is important in this situation. For example, virtual support and sales opportunities as well as online tutorials were expanded. In addition, cost management in the Group was adjusted at an early stage with the involvement of the executives.

Consolidated revenue rose by 7.6 % in the first six months to EUR 288.2 million (previous year: EUR 267.7 million). The revenue growth was the result of purely organic growth of 4.8 % and the revenue contribution of the newly acquired Red Giant LLC, which has been integrated into the Maxon brand in the Media & Entertainment segment since January 2020. Adjusted for currency translation effects at constant exchange rates, revenue growth would have been 6.6 % or 3.8 % on a purely organic basis.

EBITDA increased by 7.7 % to EUR 82.6 million (previous year: EUR 76.6 million). The EBITDA margin thus rose slightly from 28.6 % in the previous year to 28.7 %. The high EBITDA margin also reflects the disciplined cost management in connection with the effects of Covid-19. Due to the current and expected development of the business performance, there is no indication that assets, particularly goodwill may be impaired.

Recurring revenues increased significantly

In the first half of 2020, the Nemetschek Group's revenues from software licenses were –10.8 % lower than in the previous year at EUR 100.1 million (previous year: EUR 112.3 million). Adjusted for currency effects, the decline was –12.0 %. In terms of licence revenues, the Covid-19 pandemic already led to restrained demand on the part of customers in the first six months. In contrast, recurring revenues increased significantly in the first half of 2020 by 24.2 % to EUR 175.0 million (previous year: EUR 140.9 million). Adjusted for currency effects, recurring revenues rose by 23.0 %. Software licenses accounted for 34.8 % of total revenues (previous year: 42.0 %), while the share of recurring revenues increased from 52.6 % in the previous year to 60.7 %. These more predictable revenues are of great importance for the robustness of the Nemetschek business model, especially in the current uncertain market environment.

Internationalization

A further growth driver is the Group's continuing global orientation. Domestic sales increased by 5.5 % to EUR 71.2 million (previous year: EUR 67.5 million). In the foreign markets, the Nemetschek Group achieved revenues of EUR 217.0 million, an increase of 8.4 % compared to the previous year. The share of revenues generated abroad rose to 75.3 % (previous year: 74.8 %).

Overview of segments

Overall, the performance of the segments in the first half year was slightly above the levels expected, especially in view of the fact that the corona crisis spread to the US market with a time lag. The corona pandemic has affected all four segments with varying intensity. The Design segment felt the effects of the crisis very early. Revenues in this segment therefore decreased by –1.6 % (adjusted for currency effects: –2.1 %) to EUR 149.8 million compared to the prior year. EBITDA increased by 4.0 % to EUR 46.2 million (previous year: EUR 44.5 million). This corresponds to an operating margin of 30.9 % (previous year: 29.2 %). In the Build segment, revenues increased significantly year-on-year by 13.5 % (after adjustment for currency translation effects: 11.5 %) to EUR 96.8 million (previous year: EUR 85.3 million). The EBITDA margin also increased significantly to 38.2 % (previous year: 35.5 %). The Manage segment also continued to grow, increasing revenues from EUR 17.5 million (adjusted for currency translation effects: 11.6 %) year-on-year to EUR 19.6 million. The EBITDA margin was 13.8 % and above the previous year, which was burdened by acquisition costs (previous year: 9.0 %). The Media & Entertainment segment was significantly strengthened by the acquisition of Red Giant. The integration of the company, which has been consolidated since January 2020, into the Maxon brand is proceeding according to plan. Segment revenues increased by 55.1 % to EUR 25.6 million in the first half of 2020, with organic growth of 8.7 % (previous year: EUR 16.5 million). At 26.9 %, the EBITDA margin fell year-on-year due to acquisition, integration and conversion costs for subscription models (previous year: 37.6 %).

Earnings per share at EUR 0.37

Operating expenses rose by 10.0 % from EUR 214.1 million to EUR 235.4 million. The cost of materials included in this figure rose to EUR 11.0 million (previous year: EUR 9.3 million). Personnel expenses rose by 10.2 % from EUR 117.5 million to EUR 129.6 million. Depreciation and amortization on long lived assets increased by 23.4 % from EUR 20.2 million to EUR 25.0 million, mainly due to intangible assets acquired in the course of business combinations. Other operating expenses rose by 4.2 % from EUR 67.0 million to EUR 69.8 million.

The net income (group shares) for the half year rose to EUR 42.5 million, exceeding the previous year's figure of EUR 41.4 million by 2.6 %. Earnings per share amounted to EUR 0.37. Adjusted for depreciation and amortisation from the purchase price allocation after tax, net income rose by 9.7 % to

EUR 52.4 million (previous year: EUR 47.8 million), resulting in earnings per share of EUR 0.45.

The Group's tax rate at the end of the second quarter of 2020 was 24.3 % (previous year: 25.5 %).

Operating cash flow at EUR 78.2 million – Cash and cash equivalents at EUR 130.2 million

The cash flow from operating activities was mainly used for the investments in fixed assets, dividends and repayment of loans. The company acquisitions were financed by liquid funds and borrowings.

The operating cash flow of the first six months in the amount of EUR 78.2 million increased significantly due to the higher operating performance (previous year: EUR 69.3 million).

Cash flow from investing activities was EUR –88.3 million (previous year: EUR –110.3 million) and included EUR 79.1 million for the acquisition of Red Giant in the Media & Entertainment segment. In contrast, EUR 73.4 million was paid out in the previous year for the acquisition of the Axserion Group and EUR 24.2 million was paid out for the acquisition of Redshift. The cash flow from financing activities of EUR –67.4 million (previous year: EUR 39.6 million) mainly includes dividends paid out in the amount of EUR 32.3 million, repayment of bank loans of EUR 27.3 million and leasing liabilities of EUR 6.4 million. In the previous year, the cash flow from financing activities included the raising of bank loans in the amount of EUR 100.0 million with the Axserion and Redshift acquisition.

On the quarterly closing date, the Nemetschek Group held cash and cash equivalents of EUR 130.2 million (December 31, 2019: EUR 209.1 million).

Equity ratio at 43.3%

The balance sheet total increased from EUR 857.2 million to EUR 891.2 million compared to December 31, 2019. Equity amounted to EUR 386.1 million (December 31, 2019: EUR 348.6 million), resulting in an equity ratio of 43.3% compared to 40.7% as of December 31, 2019. This increase was driven by the total comprehensive income for the period (EUR 34.8 million), dividends paid (EUR 32.3 million) as well as due to the acquisition of Red Giant LLC and the associated financing and the recognition of non-controlling interests in the net amount of EUR 35.2 million.

Events after the end of the interim reporting period

Nemetschek Group has taken advantage of the current favorable financing level and increased its financial scope by adding lines of credit amounting to a total of EUR 200.0 million.

Other than that there were no significant events after the end of the interim reporting period.

Employees

As of June 30, 2020, the Nemetschek Group employed a staff of 3,014 (June 30, 2019: 2,776). The under-proportional increase of 8.6% compared to revenue growth also reflects the disciplined cost management in the first half of 2020 in connection with the effects of Covid-19. Nevertheless, there were hiring activities in some Group companies before the outbreak of Covid-19. In addition, the acquisition of Red Giant LLC on January 2020 contributed to the increase in headcount.

Report on significant related party transactions

There are no material changes to the disclosures in the consolidated financial statements as of December 31, 2019.

Report on opportunities and risks

For the main opportunities and risks of the Nemetschek Group's anticipated development, we refer to the opportunities and risks described in the Group management report as of December 31, 2019. No significant changes have occurred in the meantime. With regard to the effects of the Covid-19 pandemic, we refer to the forecast report in the Group management report as of December 31, 2019, and to the comments in this quarterly report.

Report on forecasts and other statements on prospective development

As a result of the very solid first half year, growth trends in the relevant markets that remain intact in the long-term, ongoing increases in the proportion of plannable revenues and broad regional and market-related diversification of risk, the executive board confirms the revenue targets for the full year 2020, despite a still uncertain environment, and is optimistic to comfortably reach the targeted profitability. It also assumes that a certain reluctance on the part of customers will continue in the third quarter before business development should gradually improve again.

For the year 2020 as a whole, the executive board is thus unchanged in its anticipation of development which is at least stable or a slight increase in Group revenue with an EBITDA margin of more than 26% of Group revenue.

These forecasts continue to be expressly subject to the reservation that international economic and industry-specific framework conditions do not significantly worsen especially as a result of the consequences of the Covid-19 pandemic.

Consolidated Statement of Comprehensive Income

for the period from January 1 to June 30, 2020 and 2019

Thousands of €	2nd quarter 2020	2nd quarter 2019	6 months 2020	6 months 2019
Revenues	141,571	137,803	288,195	267,732
Other operating income	843	1,188	4,802	2,754
Operating income	142,414	138,991	292,997	270,486
Cost of goods and services	-5,945	-4,941	-11,027	-9,262
Personnel expenses	-64,042	-60,268	-129,553	-117,532
Depreciation of property, plant and equipment and amortization of intangible assets	-12,340	-10,385	-24,952	-20,228
<i>thereof amortization of intangible assets due to purchase price allocation</i>	-6,184	-4,213	-12,547	-8,254
Other operating expenses	-31,687	-33,816	-69,846	-67,048
Operating expenses	-114,015	-109,409	-235,378	-214,069
Operating result (EBIT)	28,399	29,582	57,619	56,417
Interest income	46	209	235	364
Interest expenses	-623	-721	-1,325	-1,424
Other financial expenses/income	5	-3	-3	-3
Earnings before taxes (EBT)	27,827	29,401	56,526	55,688
Income taxes	-6,530	-7,517	-13,750	-14,194
Net income for the year	21,298	21,883	42,776	41,493
Other comprehensive income:				
Difference from currency translation	-4,850	-2,511	-7,906	1,239
Items of other comprehensive income that are reclassified subsequently to profit or loss	-4,850	-2,511	-7,906	1,239
Gains/losses from the revaluation of defined benefit pension plans	201	-197	-107	-294
Tax effect	-57	94	30	121
Items of other comprehensive income that will not be reclassified to profit or loss	144	-103	-76	-173
Subtotal other comprehensive income	-4,705	-2,615	-7,982	1,065
Total comprehensive income for the year	16,592	19,269	34,794	42,559
Net profit or loss for the period attributable to:				
Equity holders of the parent	21,117	21,858	42,528	41,447
Non-controlling interests	181	26	249	47
Net income for the year	21,298	21,884	42,776	41,494
Total comprehensive income for the year attributable to:				
Equity holders of the parent	16,664	19,244	34,501	42,512
Non-controlling interests	-72	26	293	48
Total comprehensive income for the year	16,592	19,270	34,794	42,560
Earnings per share (undiluted) in euros	0.18	0.19	0.37	0.36
Earnings per share (diluted) in euros	0.18	0.19	0.37	0.36
Average number of shares outstanding (undiluted)	115,500,000	115,500,000	115,500,000	115,500,000
Average number of shares outstanding (diluted)	115,500,000	115,500,000	115,500,000	115,500,000

Consolidated Statement of Financial Position

as of June 30, 2020 and December 31, 2019

Assets	Thousands of €	June 30, 2020	December 31, 2019
Current assets			
Cash and cash equivalents		130,198	209,143
Trade receivables		63,072	62,046
Inventories		937	1,012
Income tax receivables		3,406	3,945
Other financial assets		1,564	1,089
Other non-financial assets		24,441	18,267
Current assets, total		223,617	295,503
Non-current assets			
Property, plant and equipment		24,399	27,620
Intangible assets		149,844	127,660
Goodwill		417,211	325,041
Right-of-use assets		60,642	66,163
Investments in associates		1,101	1,101
Deferred tax assets		7,084	6,250
Other financial assets		4,740	5,613
Other non-financial assets		2,526	2,251
Non-current assets, total		667,547	561,700
Total assets		891,164	857,204

Equity and liabilities	Thousands of €	June 30, 2020	December 31, 2019
Current liabilities			
Short-term borrowings and current portion of long-term loans		66,928	58,623
Trade payables		9,929	12,404
Provisions and accrued liabilities		37,969	43,999
Deferred revenue		142,647	118,474
Income tax liabilities		13,283	10,967
Other financial liabilities		3,513	2,131
Lease liabilities		13,498	12,589
Other non-financial liabilities		17,515	12,455
Current liabilities, total		305,283	271,642
Non-current liabilities			
Long-term borrowings without current portion		93,850	129,500
Deferred tax liabilities		27,896	23,342
Pensions and related obligations		2,032	1,940
Provisions		4,203	3,235
Deferred revenue		3,150	3,711
Income tax liabilities		3,160	3,103
Other financial liabilities		5,314	7,085
Lease liabilities		53,204	57,738
Other non-financial liabilities		6,943	7,292
Non-current liabilities, total		199,752	236,947
Equity			
Subscribed capital		115,500	115,500
Capital reserve		12,485	12,485
Retained earnings		228,186	230,924
Other comprehensive income		-18,358	-10,396
Equity (Group shares)		337,813	348,513
Non-controlling interests		48,317	103
Equity, total		386,130	348,616
Total equity and liabilities		891,164	857,204

Consolidated Cash Flow Statement

for the period from January 1 to June 30, 2020 and 2019

Thousands of €	2020	2019
Profit (before Tax)	56,526	55,688
Depreciation and amortization of fixed assets	24,952	20,228
Interest income and expenses	1,092	1,063
Share of net profit of associates	0	-334
EBITDA	82,570	76,645
Other non-cash transactions	3,461	1,310
Cash flow for the period	86,031	77,955
Change in trade working capital	16,314	15,795
Change in other working capital	-9,665	-11,558
Interests received	232	360
Income taxes received	2,627	1,078
Income taxes paid	-17,298	-14,349
Cash flow from operating activities	78,242	69,281
Capital expenditure	-4,678	-12,698
Cash received from disposal of fixed assets	11	35
Cash paid for acquisition of subsidiaries, net of cash acquired	-83,659	-97,614
Cash flow from investing activities	-88,326	-110,277
Dividend payments	-32,340	-31,185
Dividend payments to non-controlling interests	-104	-93
Repayment of borrowings	-27,250	-21,110
Changes in bank liabilities due to company acquisitions	0	100,000
Principal elements of lease payments	-6,361	-5,139
Interests paid	-1,326	-1,359
Payments for acquisitions of non-controlling interests	0	-1,500
Cash flow from financing activities	-67,382	39,614
Changes in cash and cash equivalents	-77,466	-1,382
Effect of exchange rate differences on cash and cash equivalents	-1,479	412
Cash and cash equivalents at the beginning of the period	209,143	120,747
Cash and cash equivalents at the end of the period	130,198	119,778

Consolidated Statement of Changes in Equity

for the period from January 1 to June 30, 2020 and 2019

Thousands of €	Equity attributable to the parent company's shareholders				Total	Non-controlling interests	Total equity
	Subscribed capital	Capital reserve	Retained earnings	Translation reserve			
As of January 1, 2019	38,500	12,485	212,084	-13,566	249,503	94	249,597
Differences from currency translation	-	-	-	1,238	1,238	1	1,239
Gains/losses from the revaluation of defined benefit pension plans	-	-	-173	-	-173	-	-173
Net income for the year	-	-	41,447	-	41,447	47	41,494
Total comprehensive income for the year	0	0	41,274	1,238	42,512	48	42,560
Capital increase from the company's funds	77,000	-	-77,000	-	0	-	0
Dividend payments to non-controlling interests	-	-	-	-	0	-93	-93
Dividend payment	-	-	-31,185	-	-31,185	-	-31,185
As of June 30, 2019	115,500	12,485	145,173	-12,328	260,830	49	260,879
As of January 1, 2020	115,500	12,485	230,924	-10,396	348,513	103	348,616
Differences from currency translation	-	-	-	-7,962	-7,962	56	-7,906
Gains/losses from the revaluation of defined benefit pension plans	-	-	-64	-	-64	-12	-76
Net income for the year	-	-	42,528	-	42,528	249	42,776
Total comprehensive income for the year	0	0	42,463	-7,962	34,501	293	34,794
Acquisition of a subsidiary	-	-	-12,862	-	-12,862	48,026	35,164
Dividend payments to non-controlling interests	-	-	-	-	0	-104	-104
Dividend payment	-	-	-32,340	-	-32,340	-	-32,340
As of June 30, 2020	115,500	12,485	228,186	-18,358	337,813	48,317	386,130

Notes to the interim financial statements

The condensed consolidated interim financial statements of the Nemetschek Group have been prepared in accordance with the International Financial Reporting Standards (IFRS), as required to be applied in the European Union, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and of the Standing Interpretations Committee (SIC). These interim financial statements have been prepared in accordance with the requirements of IAS 34.

The interim financial statements as of June 30, 2020 have not been audited and have not undergone an audit. Significant changes to the consolidated statement of financial position, the consolidated statement of comprehensive income and the consolidated cash flow statement are detailed in the report on the earnings, financial and asset situation.

The accounting and valuation policies applied in the condensed consolidated interim financial statements are generally based on the same accounting and valuation policies used as a basis for the consolidated financial statements for the 2019 financial year. The presentation of certain prior-year information has been reclassified to conform the current year presentation.

Accounting estimates and assumptions due to the Covid-19 pandemic

Accounting estimates and assumptions can affect the amounts and reporting of assets and liabilities, the reporting of contingent liabilities as at the balance sheet date, and the amounts of income and expenses reported for the period. Due to the still existing uncertainties of the development of the global pandemic, these accounting estimates and assumptions are subject to increased uncertainty. When updating the estimates and assumptions, available information on the expected economic developments has been included as of the reporting date.

The information was included in the analysis of the collectability of financial assets, especially of trade receivables. Due to the current and expected development of the business performance, there is no indication that assets, particularly goodwill may be impaired.

Company acquisitions

Under the purchase agreement of December 17, 2019, Maxon Computer GmbH acquired 100% of the shares of Red Giant LLC, Portland, United States. Red Giant offers a comprehensive product portfolio of motion graphics and innovative visual effects software solutions. The purchase consideration consists of EUR 79.7 million in cash and of approximately 16% of the shares in Maxon Computer GmbH. The Group obtained control as at January 7, 2020. Within the scope of a preliminary allocation of the purchase price, the amount of EUR 33.3 million was allocated to intangible assets (technology, customer base, brand name). In addition, the amount of EUR 91.6 million was recorded as goodwill and EUR 0.6 million as cash and cash equivalents. Since joining the Group, the company has generated revenues of EUR 7.9 million.

Revenues

REVENUES

	Thousands of €	6 months 2020	6 months 2019
Software and licenses		100,149	112,331
Recurring revenues (software service contracts and rental models)		174,995	140,881
Services (consulting and training)		12,641	14,158
Hardware		410	362
		288,195	267,732

REVENUES BY REGION

	Thousands of €	6 months 2020	6 months 2019
Germany		71,188	66,133
Europe without Germany		92,337	85,780
Americas		97,887	90,936
Asia/Pacific		25,753	23,925
Rest of World		1,030	958
		288,195	267,732

Consolidated Segment Reporting

for the period from January 1 to June 30, 2020 and 2019

In the current financial year strategic projects – which were shown in the column reconciliation in the previous year – were assigned to the segments based on their degree of maturity. The disclosures of the previous year were adjusted accordingly.

SEGMENT REPORTING

2020	Thousands of €	Design	Build	Manage	Media & Entertainment	Reconciliation	Total
Revenue, total		149,775	96,836	19,558	25,583	-3,558	288,195
thereof revenue external		147,917	96,059	19,514	24,898	-193	288,195
thereof intersegment revenue		18	777	19	686	-1,500	0
EBITDA		46,238	36,952	2,708	6,883	-10,211	82,570
Depreciation		-5,806	-4,124	-974	-366	-296	-11,565
EBITA		40,433	32,828	1,733	6,517	-10,506	71,004
Amortization							-13,385
Financial result							-1,092
EBT							56,526

SEGMENT REPORTING

2019	Thousands of €	Design	Build	Manage	Media & Entertainment	Reconciliation	Total
Revenue, total		152,237	85,283	17,545	16,490	-3,823	267,732
thereof revenue external		149,977	84,570	17,518	15,666	0	267,732
thereof intersegment revenue		2	713	27	824	-1,566	0
EBITDA		44,467	30,295	1,586	6,207	-5,912	76,644
Depreciation		-5,531	-3,562	-803	-317	-267	-10,479
EBITA		38,936	26,733	784	5,891	-6,179	66,165
Amortization							-9,748
Financial result							-729
EBT							55,688

Declaration of the legal representatives

“We hereby confirm that to the best of our knowledge, the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and the interim Group management report gives a true and fair view of the business performance, including the results of operations and the situation of the Group, and describes the main opportunities and risks and anticipated development of the Group in the remaining financial year, in accordance with the applicable framework for interim financial reporting.”

Munich, July 2020



Dr. Axel Kaufmann



Viktor Várkonyi



Jon Elliott

Financial calendar 2020

October 29, 2020

Publication
3rd Quarter 2020

Contact

Nemetschek SE, München
Investor Relations, Konrad-Zuse-Platz 1, 81829 Munich

Contact: Stefanie Zimmermann,
Director Investor Relations and Corporate Communication
Tel.: +49 89 540459-250, Fax: +49 89 540459-444,
E-Mail: szimmermann@nemetschek.com

**NEMETSCHKEK
GROUP**

NEMETSCHKEK SE
Konrad-Zuse-Platz 1
81829 München
Tel.: +49 89 540459-0
Fax: +49 89 540459-414
investorrelations@nemetschek.com
www.nemetschek.com

