

Letter to Shareholders

Dear shareholders,

After celebrating our 60th company anniversary in 2023, we reached another significant milestone in 2024: the 25th anniversary of the IPO of Nemetschek SE. The company's IPO in 1999 marked the start of an impressive success story. Over the past 25 years, the Nemetschek Group has grown from a medium-sized German software provider to a leading global provider of digital solutions for the AEC/O and media industries.

This success story is rooted in the strength of our operational business. Despite growing global challenges and economic uncertainties, particularly in the construction industry, the Nemetschek Group once again demonstrated remarkable resilience in 2024. Thanks to our clear strategic focus and innovative strength, we have not only overcome market challenges but also further strengthened our position in our AEC/O and Media industries.

Key Financial Figures 2024: Strong Growth Path

In 2024, the Nemetschek Group continued its successful growth trajectory, **achieving or significantly exceeding its financial targets** while transitioning its business model to subscription and SaaS models.

» **Group revenue** grew by 16.9% to EUR 995.6 million in 2024 thanks to a particularly strong year-end business. Currency-adjusted growth amounted to 17.2%. The revenue contribution from the first-time consolidation of the acquired GoCanvas as of July 1, 2024, was in line with the outlook at around 3 percentage points of total growth. On an organic basis (i.e. excluding the acquisition effects of GoCanvas) and currency-adjusted basis, revenue growth amounted to 14.0% thus exceeding the outlook for organic, currency adjusted revenue growth of 10% to 11%.

- » **Annual recurring revenue (ARR)**, including the contribution from GoCanvas, grew by 41.9% to EUR 1,019.9 million. The ARR growth was thus significantly higher than revenue growth, indicating a strong growth potential over the next twelve months. Thanks to the successful transition of the operating businesses to subscription and SaaS models, the share of recurring revenues as a percentage of total revenues reached 86.5%, exceeding the target of around 85%. These figures highlight the stability and strength of our business.
- » The group's **operating income before interest, taxes, depreciation and amortization (EBITDA)**, including all transition and acquisition-related effects, grew by 16.8% to EUR 301.0 million. The **EBITDA margin** (including GoCanvas) of 30.2% and the organic EBITDA margin (i.e. excluding the dilutive effect of the lower profitability of GoCanvas and the impact of purchase price allocation) of 31.1% were slightly above the upper end of our forecast range of 29% to 30% (including GoCanvas) and 30% to 31% (i.e. excluding GoCanvas).
- » **Group net income** grew by 8.8% to EUR 175.4 million due to the acquisition effect, corresponding to earnings per share of EUR 1.52.
- » **Cash flow from operating activities** grew significantly by 21.3% to EUR 306.8 million, underpinning the high quality of the company's earnings.
- » In addition, we issued for the first time a EUR 300 million **promissory note ("Schuldschein")** in the fourth quarter, creating an additional solid financing base. The high demand for the issue enables us to respond flexibly to market opportunities and to realize further growth.



Yves Padrines
CEO

- » The financial stability of the Nemetschek Group is reflected in its favorable balance of equity to debt. As of December 31, 2024, the Group equity ratio stood at 44.2% (previous year: 61.4%). The decline is mainly due to the debt financing that we took on for the acquisition of GoCanvas, the largest acquisition in the company's history. Nevertheless, with our solid financial base, we continue to have sufficient room for further growth – both organically and through acquisitions.

As usual, we want you, our shareholders, to participate appropriately in the company's success in the past year. The Executive Board and Supervisory Board will therefore propose **a dividend of EUR 0.55 per share** for the financial year 2024 at the Annual General Meeting on May 20, 2025. This represents an increase of around 14.6% compared to the previous year's dividend (EUR 0.48 per share) and marks the twelfth consecutive dividend increase. Combined with the excellent performance of the Nemetschek share, this demonstrates once again the attractiveness of an investment in the Nemetschek Group.

Strategic highlights 2024

Our focus on growth and innovation is reflected in our numerous strategic initiatives, which lay the foundation for the Nemetschek Group's continued success story in the future:

- » This includes the well-advanced group-wide **transition to subscription and SaaS**, which continued successfully and as planned in 2024. The Build segment with the transition of the Bluebeam brand, the SaaS solutions of the newly acquired company GoCanvas, and the Design segment, were the main drivers for this.
- » In addition, the further **internationalization** and the strengthened group-wide **go-to-market** approach are progressing. The revenue growth of around 21% abroad was significantly stronger than the 3% achieved revenue growth in the domestic market of Germany, which was affected by the weak construction industry. In high-growth markets such as India, we are expanding our presence in a targeted approach and opened a go-to-market office in Mumbai in April 2024 to further accelerate growth in the region.

- » Innovations drive our success, and we aim to continue playing a pioneering role in our markets with **new technologies** in the future:
 - » This includes our development focus on **artificial intelligence, ensuring it is both ethical and trustworthy**. With our AI & DATA Innovation Hub, we create synergies and drive efficiency and innovation. Artificial intelligence plays a key role in optimizing our internal processes and in our product development to further enhance our solutions for our customers.
 - » We also aim to set new standards with our solutions for an **environmentally friendly and resource-efficient** construction industry and have therefore integrated sustainability more deeply into our corporate strategy.
 - » Our **cloud platform and infrastructure** are further key cornerstones of our corporate strategy. By creating a unified ecosystem, we aim to eliminate information silos, enable end-to-end workflows, and improve real-time collaboration among all project participants. This includes our digital twin solution dTwin, a horizontal, data-centric, open, and cloud-based platform that improves efficiency and sustainability in the life cycle of buildings.
 - » **Acquisitions and investments in start-ups** also contribute to our future growth. With GoCanvas, the largest acquisition in our company's history, we have significantly expanded our portfolio with SaaS solutions in field management for greater safety and efficiency on construction sites. The complementary technologies, customer base and regional distribution structures of GoCanvas and the Nemetschek Group enable significant growth opportunities and technological synergies

by further improving market and customer access along the entire AEC/O life cycle. The acquisition also further strengthens the Nemetschek Group's position in North America, while we offer GoCanvas a unique base for expansion in Europe and the Asia-Pacific region.

In addition, there are innovative start-ups: Over the last three years, we have invested in more than a dozen start-ups.

- » We are also continuing to work on increasing our **operational excellence** and further reducing the complexity resulting from the variety of brands in the Nemetschek Group. Our focus is on greater organizational efficiency and effectiveness, harmonized processes, the exchange of best practices and an optimized tool and support system landscape.

Outlook 2025: Capitalizing on opportunities, securing growth

Despite the global uncertainties, the long-term growth drivers of our industries remain fully intact: the increasing pressure on all parties involved along the construction life cycle to use digital solutions to increase their efficiency and profitability, the growing sustainability requirements as well as the ever-increasing shortage of skilled workers.

These developments continue to offer us significant growth opportunities worldwide well into the future. The construction industry is undergoing a transformation and with our solutions, we are helping to actively shape this transformation.

In the short term, the ongoing transition to subscriptions and SaaS, particularly in the Design segment, will have an accounting-related temporary dampening effect on revenue growth and profitability. However, in the medium and long term, we will ben-

enefit from our more predictable and resilient revenues and closer customer retention, generating higher revenues over the entire customer lifetime.

For the financial year 2025, the Executive Board expects currency-adjusted revenue growth for the Nemetschek Group (including GoCanvas) in a range between 17% and 19%. This includes an M&A-related revenue contribution from the acquisition of GoCanvas of around 350 basis points. The EBITDA margin for the Nemetschek Group, including the dilutive effect of GoCanvas due its lower profitability compared to the group average, is expected to be around 31%.

At the beginning of 2025, all signs point to another successful financial year.

We extend our sincere thanks to our customers, business partners and, above all, our dedicated employees at the more than 80 Nemetschek locations worldwide, who have contributed to this success with their passion and innovative spirit.

We would also like to thank you, our shareholders, for your continued trust in our company.

Best regards,



Yves Padrines
CEO