NEMETSCHEK GROUP

Building Software – Empowering The Entire AEC Lifecycle

HALF-YEAR REPORT
AS OF JUNE 30, **2019**

To our shareholders

Patrik Heider,
Spokesman of the Executive Board and CFOO

Dear Shareholders,

Following the extraordinary strong first quarter of 2019, we recorded very dynamic development in the second quarter as well, and increased our revenue by more than 20%. The operating margin rose from 28.2% in the first quarter to a high 29.0% in the second quarter. At the same time, Nemetschek, the top player for software solutions in the global AEC market, continued to invest strategically in next-generation solutions and further internationalization in order to secure the high-level growth dynamics for the future.

The first half year met our expectations utterly and completely. We are recording ongoing fast growth and high demand on the part of our customers. We therefore remain the fastest-growing listed software company in Germany with global reach. In addition, in the first half year, we have been able to considerably and strategically develop our Manage segment further and expand it. We are, therefore, in an excellent position to achieve our targets for the year 2019 as a whole.

Major indicators of the Group's success in Q2 and the first half year of 2019

- In the second quarter, **Group revenue** rose to EUR 137.8 million. The dynamic organic growth of 14.9% and strong figures for the recently acquired Spacewell brand resulted in a growth of total 21.1% compared to the same quarter of the previous year. In the first half of the year, revenues even increased by 23.9% compared to the same period in the previous year, organically by 17.9%.
- With a plus of 36.6%, rising to EUR 73.2 million, **recurring revenue** from software service contracts and subscriptions remained a major growth driver in the second quarter. The half year showed similar growth dynamics with an increase of 35.3%. Revenue from **subscriptions**, in particular, which rose by 147.6% in Q2 and by 136.7% in the first half year, contributed to this strong development. The over proportional growth in subscriptions, whose revenue is recognized proportionately over a longer term, reflects the strong customer demand. License growth amounted to 8.6% in the first half year, with simultaneous, extremely strong growth in recurring revenue.
- Continued high levels of customer demand on the **international markets** were a further growth driver. Revenues generated abroad in Q2 rose by 28.0%, and in the first half year by 30.2%.
- Consolidated operating earnings before interest, taxes, depreciation and amortization **(EBITDA)** increased in Q2 by 28.6% to EUR 40.0 million. This is equivalent to an EBITDA margin of a high 29.0% (previous year: 27.3%). In the first half year, the margin improved to 28.6% (previous year's period: 27.3%).

  The increase was positively influenced by the initial application of the new IFRS 16 standard concerning the accounting of leases. Adjusted for this effect, the EBITDA margin in Q2 was 26.3%, and in the first half year 25.9%, thus remaining entirely within the scope of the company's expectations.

» The **quarterly profit** rose by 20.8% to EUR 21.9 million in Q2. As a result, the earnings per share amounted to EUR 0.19. From a half-year perspective, it was possible to increase the profit for the period by 20.3%, rising to EUR 41.4 million, which corresponds to earnings per share in the amount of EUR 0.36.

Segment highlights in Q2 and in the first half of the year 2019

In segment reporting, the **Solibri** brand, which was allocated to the Build segment until the end of 2018, was reclassified to the Design segment in 2019. The values from the previous year were adjusted accordingly and are thus comparable.

» The **Build** segment, backed by the strongly expanding US brand Bluebeam, remains a growth driver of the Nemetschek Group with an increase in revenue of 25.0% in Q2, and of 29.4% in the half year. The corresponding over proportional rise in EBITDA (Q2: +47.0%, H1: +41.8%) led to peak margins in this segment of 34.4% in Q2 and 33.2% in the first half year.

» The **Design** segment recorded growth of 9.1% in Q2, and 12.0% in the half year, and developed as expected. In Q2, the EBITDA margin rose to 26.9% (previous year's quarter: 24.9%), and in the first half year to 27.7% (previous year's period: 24.5%).

» The **Manage** segment, which comprises activities in connection with building management, was considerably strengthened as a result of the acquisition of the Spacewell brand. Revenues rose from EUR 2.1 million in the previous year to EUR 9.3 million in Q2 of this year. In the first half year, it was possible to increase revenue to EUR 17.5 million (previous year's period: EUR 4.1 million). Spacewell, as a new umbrella brand for this segment, invested heavily in new solutions and further internationalization, which resulted in the EBITDA margin's amounting to 15.3% in Q2 as planned. The half-year margin of 6.9% additionally included acquisition costs of EUR 1.5 million for the acquisition of the Axxerion brand from the first quarter. Adjusted for these acquisition costs, the EBITDA margin reached 15.4% in the half year.

» The **Media & Entertainment** segment accelerated its growth compared to the previous year. Revenues in Q2 climbed by 23.2% to EUR 8.5 million. The acquisition of Redshift had a positive effect at brand level in the second quarter. Purely organic growth reached a high 10% in the second quarter. It was possible to achieve strong growth amounting to 23.5% in the half year. The EBITDA margin in the half year amounted to 37.2% (previous year's period: 44.1%) as a result of the acquisition and integration costs for Redshift.

Continued strong growth and high profitability confirmed for the year 2019 as a whole

Following the strong first half of the year, we confirm the previously set corporate targets for the year 2019 as a whole. We expect Group revenue in the range of EUR 540 million to EUR 550 million, which corresponds to growth of 17% to 19% compared to the previous year.

The EBITDA margin is expected to be between 27% and 29%. The expectation considers the effects of the first-time adoption of the new leasing standard IFRS 16* with repeatedly future-oriented investment and the as yet below average EBITDA margin in the Manage segment.

Moreover, the net income for the year after taxes and the earnings per share for 2019, as announced on July 2, 2019, are positively affected, in addition to growth in ordinary operations, as a result of the sale of the non-strategic shares in the associated company DocuWare. From today's perspective, the sale will lead to an one-off rise in the EPS of about 40% compared to the previous year's figure and will take place in Q3.

Yours sincerely

Patrik Heider

* For the first time, as of January 1, 2019, the new financial reporting standard IFRS 16 is to be applied, according to which leases of any kind (operating or finance leasing) are to be accounted for and recognized. As a result of this reform, the Nemetschek Group anticipates a positive effect on the EBITDA of approximately EUR 14 million to EUR 15 million. The Nemetschek Group will provide detailed information on the effects on EBITDA arising from IFRS 16 in the quarters.

Nemetschek on the Capital Market

Positive share market development

Global share markets started the year 2019 favorably and, following a rise at the beginning of the year, have tended to plateau. The growing intensity of the trade conflict between the USA and China and its impacts on global trade slowed the upwards trend from the first quarter. The most recent economic data has been less than ideal.

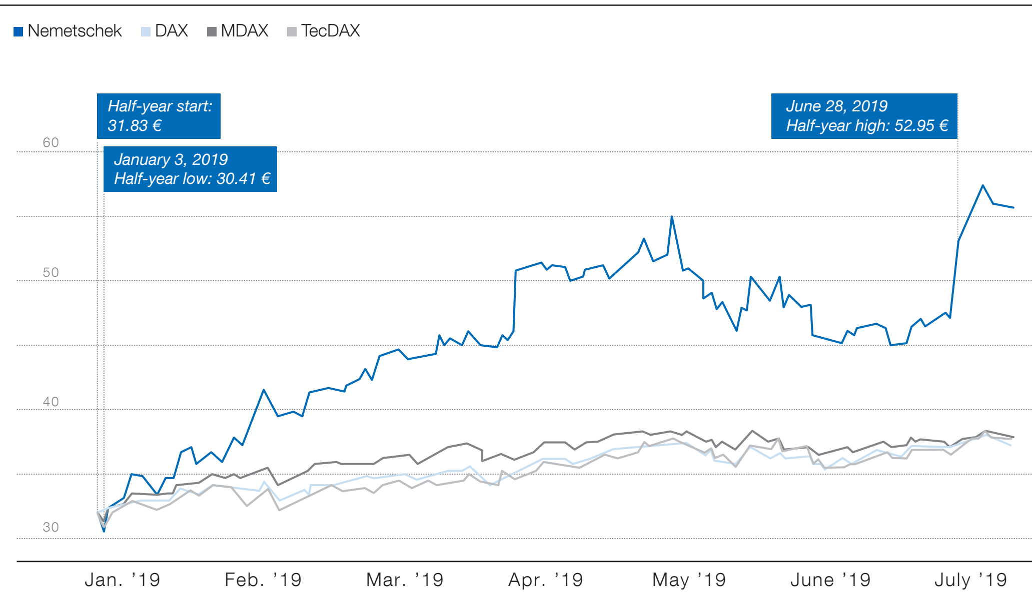
After a strong start of the year, German share markets were thus rather volatile and plateaued. All in all, it was possible to close the first half of the year with a clear plus: The DAX and the technology companies consolidated in the TecDAX achieved gains of some 17% since the beginning of the year. The MDAX was even able to grow by just under 19%.

Price development of the Nemetschek share since the start of 2019

On January 2, 2019, the Nemetschek share started the new year at a price of EUR 31.83. Right at the start of the year, the share dropped to an all-time low of EUR 30.41 (January 3, 2019) as a result of the market environment, which remained volatile. Thereafter, the Nemetschek share was able to develop considerably more strongly than the German indexes. The favorable price development was driven by positive company news, including the acquisition of the brand Axxerion in the Manage segment on January 11, the preliminary annual figures for 2018 on February 6, the announcement of an increased dividend payout on March 21 and the complete annual figures on March 29, at which time the Nemetschek Group also published its ambitious forecast for 2019. The share also continued to rise in the second quarter, driven in particular by expressly high figures in the first quarter, which were published on April 30. This was followed by a consolidation phase. The Nemetschek share got new impetus with the stock split on June 28. With the split completed, the Nemetschek share reached its all-time high of EUR 52.95 in the first half of the year. The share was also able to continue its ascent after the reporting date.

All in all, the share rose by some 66% in the first half of the year. The market capitalization of Nemetschek SE increased accordingly to around EUR 6.1 billion as of June 28, 2019.

DEVELOPMENT OF THE NEMETSCHEK SHARE AS WELL AS OF THE DAX, MDAX AND TECDAX INDEXED



Stock split

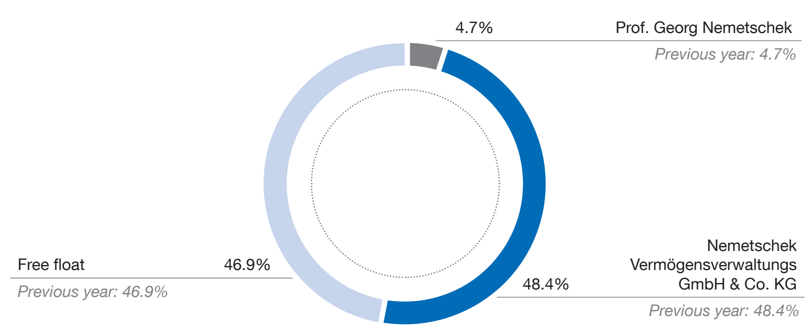
On June 28, 2019, Nemetschek SE implemented the stock split resolved on by the annual general meeting on May 28, 2019. Every shareholder received two shares for every Nemetschek share held at no further charge by means of a corresponding depot credit. The stock split was technically carried out by means of a capital increase of the company's funds of EUR 77,000,000 from EUR 38,500,000 to EUR 115,500,000. Given that the overall value remained the same, the estimated price level of the Nemetschek share for the shareholders was accordingly divided by three. As a result of the split, the nominal capital of Nemetschek SE has tripled from currently 38,500,000 to 115,500,000 no-par value bearer shares.

Shareholder structure

As of June 28, 2019, the nominal capital of Nemetschek SE increased to EUR 115,500,000 and was divided into 115,500,000 no-par value bearer shares.

The free float remained unchanged at 46.9 percent as of June 28, 2019.

SHAREHOLDER STRUCTURE*



* Direct shareholdings as of June 30, 2019.

Annual general meeting approved all items on the agenda

On May 28, 2019, the executive board and supervisory board of the Nemetschek Group welcomed some 140 shareholders to the regular annual general meeting in Munich. Shareholders were informed about the past financial year 2018 and about the prospects for the current financial year 2019. Then resolutions from the agenda were presented for approval. The company's shareholders approved all agenda items with a large majority.

The agenda items also included the distribution of dividends. For the 2018 financial year, the supervisory board and executive board proposed a dividend in the amount of EUR 0.27 per share (after the share split), an increase of about 8% compared to the previous year (EUR 0.25 per share). The considerable dividend increase was in keeping with the very positive business development in 2018. The total dividends to be distributed amounted to EUR 31.19 million (previous year: EUR 28.88 million).

Moreover, the stock split, which had already been carried out as of June 28, was approved at the annual general meeting.

Key figures

NEMETSCHEK GROUP

Millions of €	**2nd quarter 2019**	2nd quarter 2018	Change	**6 month 2019**	6 month 2018	Change
Operative figures						
Revenues	**137.8**	**113.8**	**21.1%**	**267.7**	**216.0**	**23.9%**
- thereof software licenses	57.3	56.2	2.0%	112.3	103.4	8.6%
- thereof recurring revenues	73.2	53.6	36.6%	140.9	104.1	35.3%
- subscription (as part of the recurring revenues)	11.7	4.7	147.6%	21.4	9.0	136.7%
EBITDA	**40.0**	**31.1**	**28.6%**	**76.6**	**59.0**	**30.0%**
as % of revenue	29.0%	27.3%		28.6%	27.3%	
EBITDA (IFRS 16 adjusted)	**36.2**	**31.1**	**16.6%**	**69.3**	**59.0**	**17.5%**
as % of revenue	26.3%	27.3%		25.9%	27.3%	
EBITA	**33.8**	**29.0**	**16.6%**	**64.7**	**55.0**	**17.7%**
as % of revenue	24.5%	25.5%		24.2%	25.4%	
EBIT	**29.6**	**25.6**	**15.7%**	**56.4**	**48.2**	**17.1%**
as % of revenue	21.5%	22.5%		21.1%	22.3%	
Net income (group shares)	**21.9**	**18.1**	**20.8%**	**41.4**	**34.5**	**20.3%**
per share in €*	0.19	0.16		0.36	0.30	
Net income (group shares) before purchase price allocation	**24.9**	**20.8**	**19.6%**	**47.8**	**39.9**	**19.8%**
per share in €*	0.22	0.18		0.41	0.35	

Millions of €	**6 month 2019**	6 month 2018	Change
Cash flow figures			
Cash flow from operating activities	69.3	43.4	59.8%
Cash flow from investing activities	−111.8	−8.2	
Cash flow from financing activities	41.1	−54.0	
Free cash flow	−42.5	35.1	
Free cash flow before M&A investments	55.1	38.2	

Millions of €	**June 30, 2019**	December 31, 2018	Change
Balance sheet figures			
Cash and cash equivalents	119.8	120.7	−0.8%
Net liquidity/net debt	−89.7	−9.9	
Balance sheet total	777.2	580.6	33.9%
Equity ratio in %	33.6%	43.0%	
Headcount as of balance sheet date**	2,776	2,305	20.4%

Millions of €	**June 30, 2019**	June 30, 2018	
Share figures			
Closing price (Xetra) in €*	52.95	34.37	
Market Capitalization	6,115.73	3,969.74	
Dividend per share in €*	0.27	0.25	

* For better comparability, the figures have been presented after the share split.
** Presentation of previous year as of June 30, 2018.

Interim Management Report

Report on the earnings, financial and asset situation

Strong revenue growth of 23.9%, with continued high EBITDA margin of 28.6%

The Nemetschek Group increased its revenues in the first six months by 23.9% to EUR 267.7 million (previous year: EUR 216.0 million). Purely organic growth amounted to 17.9%. Currency-adjusted on the basis of constant currency translation rates, this would result in 20.5%, revenue growth, or 14.5% purely organic growth.

EBITDA increased to EUR 76.6 million (previous year: EUR 59.0 million). The rise in the EBITDA margin of 27.3% in the previous year to 28.6% was as a result of the initial application of IFRS 16 "Leases". Adjusted for the effect as a result of the application of IFRS 16, this would result in an EBITDA margin of 25.9%. The development of the adjusted EBITDA, which is underproportional compared to revenue, is the result of acquisition costs, costs for BAU 2019 architecture fair, held every two years, and investments in strategic projects.

Marked rise in recurring revenue

During the first six months, the Nemetschek Group's revenue from software licenses increased by 8.6% rising to EUR 112.3 million (previous year: EUR 103.4 million). Currency-adjusted, it was possible to achieve an increase of 5.0%. During the same period, recurring revenue at 35.3% rose much more strongly than software licenses to EUR 140.9 million (previous year: EUR 104.1 million). Currency-adjusted recurring revenues increased by 31.8%. The share of revenue from software licenses amounts to 42.0% (previous year: 47.9%); it was possible to increase the share of recurring revenue from 48.2% to 52.6%.

In terms of region, the growth impulses came from within Germany as well as from international markets. Revenues within Germany increased by 8.3% to EUR 67.5 million (previous year: EUR 62.3 million). In markets abroad, the Nemetschek Group achieved revenues amounting to EUR 200.2 million, a plus of 30.2% compared to the previous year. The share of revenues from abroad amounted to 74.8% (previous year: 71.2%).

Summary of segments

As a result of the new executive board structure of the Group and the corresponding, stronger focus on segments, the reporting structure was adapted as per IFRS 8. The Solibri brand was reclassified from the Build segment to the Design segment. The comparative figures were adjusted in the Interim Management Report. Please refer to the segment tables in the notes to the Interim Financial Statements for the originally reported values from the previous year.

In the Design segment, the Nemetschek Group generated revenue growth of 12.0%, rising to EUR 150.0 million (previous year: EUR 133.9 million). EBITDA increased by 26.7% to EUR 41.6 million (previous year: EUR 32.8 million). This is equivalent to an operating margin of 27.7%, following 24.5% in the previous year. In the Build segment, revenues rose due to the continuously strong growth of Bluebeam Software, Inc. with a plus of 29.4% to EUR 84.6 million, a considerable increase compared to the previous year's level (previous year: EUR 65.4 million). The EBITDA margin also rose considerably, growing to 33.2% (previous year: 30.3%). The revenues in the Manage segment rose by EUR 13.4 million to EUR 17.5 million mainly as a result of the acquisition of Spacewell. The EBITDA margin decreased to 6.9% (previous year: 19.1%) due to acquisition costs. Revenues in the Media & Entertainment segment amounted to EUR 15.7 million at the end of the first half of the year, exceeding the level of the previous year (EUR 12.7 million). The EBITDA margin, at 37.2%, decreased compared to the previous year (previous year: 44.1%).

Earnings per share at EUR 0.36

Operating expenses rose by 25.2% from EUR 171.0 million to EUR 214.1 million. This includes material expenses, which grew to EUR 9.3 million (previous year: EUR 6.6 million). Personnel expenses increased by 25.0% from EUR 94.1 million to EUR 117.5 million. Mainly due to the initial application of IFRS 16, the amortization and depreciation on fixed assets increased by 87.0% from EUR 10.8 million to EUR 20.2 million. Other operating expenses rose by 12.6% from EUR 59.5 million to EUR 67.0 million.

The Group's tax rate in the first six months of 2019 amounted to 25.5% (previous year: 25.9%). The net income for the year (Group shares) of EUR 41.4 million thus exceeded the value of the previous year of EUR 34.5 million by 20.3%. Consequently, the earnings per share amounted to EUR 0.36 (previous year, adjusted as a result of the stock split: EUR 0.30 per share). Adjusted for the amortization from the purchase price allocation after tax effects, net income for the year increased by 19.8% to EUR 47.8 million (previous year: EUR 39.9 million), and thus the earnings per share reached EUR 0.41 (previous year, adjusted as a result of the stock split: EUR 0.35 per share).

On May 28, 2019, the annual general meeting resolved to pay out a dividend of EUR 0.81 per share (in consideration of the stock split: EUR 0.27 per share).

Operating cash flow at EUR 69.3 million with cash and cash equivalents of EUR 119.8 million

The high cash flow from operating activities was mainly used for dividend payments, loan payments and investments in fixed assets. Company acquisitions were financed by taking out loans.

The Nemetschek Group generated an operating cash flow of EUR 69.3 million in the first six months of 2019 (previous year: EUR 43.4 million). Due to the initial application of IFRS 16, the operating cash flow increased by EUR 5,9 million compared to the financial reporting framework applied in the previous year. The cash flow from investment activities amounted to EUR –111.8 million (previous year: EUR –8.2 million) and includes EUR 73.4 million paid for the acquisition of the Axxerion Group as well as EUR 24.2 million for the acquisition of Redshift Rendering Technologies, Inc. The cash flow from financing activities of EUR 41.1 million (previous year: EUR –54.0 million) primarily includes dividends paid out in the amount of EUR 31.2 million, bank loans taken out in the amount of EUR 100.0 million, the repayment of bank loans in the amount of EUR 21.1 million and leasing liabilities in the amount of EUR 5,1 million.

At the end of the quarter, the Nemetschek Group held cash and cash equivalents of EUR 119.8 million (December 31, 2018: EUR 120.7 million).

Equity ratio at 33.6%

Compared to December 31, 2018, the balance sheet total increased considerably from EUR 580.6 million to EUR 777.2 million. The cause of this rise was in particular the application of IFRS 16, which, as of June 30, 2019, affected fixed assets in the amount of EUR 65.3 million and leasing liabilities in the amount of EUR 67.8 million. Further, the acquisitions of the Axxerion Group and Redshift Rendering Technologies, Inc., and the financing of these acquisitions, contributed to the increase in the balance sheet total.

Deferred revenues increased by EUR 30.9 million to EUR 126.3 million in line with software service contracts invoiced. Mainly due to acquisitions and the initial application of IFRS 16, non-current liabilities increased by EUR 125.0 million to EUR 233.6 million. Equity amounted to EUR 260.9 million (December 31, 2018: EUR 249.6 million), thus the equity ratio was 33.6% after 43.0% as of December 31, 2018.

Events after the end of the interim reporting period

There were no significant events after the end of the interim reporting period.

Employees

As of the reporting date, June 30, 2019, the Nemetschek Group employed a staff of 2,776 (June 30, 2018: 2,305). The increase is mainly attributable to recruitment in several Group companies as well as to the acquisition of Axxerion Group B.V. and Redshift Rendering Technologies, Inc.

Report on significant transactions with related parties

There are no significant changes compared to the information provided in the consolidated financial statements as of December 31, 2018.

Opportunity and risk report

Please see the opportunities and risks described in the Group management report for the year ended December 31, 2018 for details on significant opportunities and risks for the prospective development of the Nemetschek Group. In the interim period there were no material changes.

Report on forecasts and other statements on prospective development

Following the strong first half of the year, the Nemetschek Group confirms the previously set corporate targets for the year 2019 as a whole. It anticipates Group revenue in the range of EUR 540 million to EUR 550 million, which corresponds to growth of 17% to 19% compared to the previous year.

The EBITDA margin is expected to be between 27% and 29%. The expectation considers the effects of the first-time adoption of the new leasing standard IFRS 16 with repeatedly future-oriented investment and the as yet below average EBITDA margin in the Manage segment.

As the result of rounding, it is possible that the individual figures in this quarterly report do not exactly add up to the totals given and that the percentage disclosures do not reflect the absolute values from which they are derived.

Consolidated Statement of Comprehensive Income

for the period from January 1 to June 30, 2019 and 2018

STATEMENT OF COMPREHENSIVE INCOME

Thousands of €	**2nd quarter 2019**	2nd quarter 2018	**6 month 2019**	6 month 2018
Revenues	**137,803**	**113,819**	**267,732**	**216,042**
Other operating income	1,188	2,192	2,754	3,143
Operating income	**138,991**	**116,011**	**270,486**	**219,185**
Cost of materials / cost of purchased services	−4,941	−3,376	−9,262	−6,630
Personnel expenses	−60,268	−48,922	−117,532	−94,059
Depreciation of property, plant and equipment and amortization of intangible assets	−10,385	−5,511	−20,228	−10,816
thereof depreciation of right-of-use-assets	*−3,588*	*0*	*−7,014*	*0*
thereof amortization of intangible assets due to purchase price allocation	*−4,213*	*−3,433*	*−8,254*	*−6,803*
Other operating expenses	−33,815	−32,642	−67,047	−59,518
Operating expenses	**−109,409**	**−90,451**	**−214,069**	**−171,023**
Operating results (EBIT)	**29,582**	**25,560**	**56,417**	**48,162**
Interest income	209	88	364	158
Interest expenses	−721	−163	−1,424	−352
thereof right-of-use-assets	*−368*	*0*	*−725*	*0*
Share of results of associated companies	334	0	334	0
Other financial expenses / income	−3	332	−3	332
Earnings before taxes (EBT)	**29,401**	**25,817**	**55,688**	**48,300**
Income taxes	−7,517	−6,990	−14,194	−12,488
Net income for the year	**21,884**	**18,827**	**41,494**	**35,812**
Other comprehensive income:				
Difference from currency translation	−2,511	6,217	1,239	2,415
Subtotal of items of other comprehensive income that will be reclassified to income in future periods:	**−2,511**	**6,217**	**1,239**	**2,415**
Remeasurement gains / losses from pensions and related obligations	−197	−24	−294	71
Tax effect	94	7	121	−20
Subtotal of items of other comprehensive income that will not be reclassified to income in future periods:	**−103**	**−17**	**−173**	**51**
Subtotal other comprehensive income	**−2,614**	**6,200**	**1,066**	**2,466**
Total comprehensive income for the year	**19,270**	**25,027**	**42,560**	**38,278**
Net profit or loss for the period attributable to:				
Equity holders of the parent	21,858	18,092	41,447	34,460
Non-controlling interests	26	735	47	1,352
Net income for the year	**21,884**	**18,827**	**41,494**	**35,812**
Total comprehensive income for the year attributable to:				
Equity holders of the parent	19,244	24,256	42,512	36,887
Non-controlling interests	26	771	48	1,391
Total comprehensive income for the year	**19,270**	**25,027**	**42,560**	**38,278**
Earnings per share (undiluted) in euros	0.19	0.16*	0.36	0.30*
Earnings per share (diluted) in euros	0.19	0.16*	0.36	0.30*
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

* For better comparability, earnings per share has been presented after the stock split.

Consolidated Statement of Financial Position

as of June 30, 2019 and December 31, 2018

STATEMENT OF FINANCIAL POSITION

ASSETS Thousands of €	**June 30, 2019**	December 31, 2018
Current Assets		
Cash and cash equivalents	119,778	120,747
Trade receivables, net	65,303	55,758
Inventories	1,595	1,156
Tax refunded claims for income taxes	5,059	4,239
Other current financial assets	1,618	4,209
Other current assets	20,655	16,140
Non-current assets held for sale	3,418	0
Current assets, total	**217,426**	**202,249**
Non-current assets, total		
Property, plant and equipment	24,653	17,574
Right-of-use assets	65,289	0
Intangible assets	136,588	102,085
Goodwill	322,760	244,349
Investments in associates	955	3,964
Deferred tax assets	2,908	3,157
Non-current financial assets	5,360	5,315
Other non-current assets	1,262	1,865
Non-current assets, total	**559,775**	**378,309**
Total assets	**777,201**	**580,558**

EQUITY AND LIABILITIES Thousands of €	June 30, 2019	December 31, 2018
Current liabilities		
Short-term borrowings and current portion of long-term loans	80,488	56,348
Trade payables	9,155	12,878
Provisions and accrued liabilities	33,880	40,647
Deferred revenue	126,180	95,113
Income tax liabilities	7,200	5,441
Other current financial obligations	2,144	1,698
Current lease liability	11,344	0
Other current liabilities	12,322	10,180
Current liabilities, total	**282,713**	**222,305**
Non-current liabilities		
Long-term borrowings without current portion	129,030	74,280
Deferred tax liabilities	26,317	17,198
Pensions and related obligations	2,011	1,677
Non-current deferred revenue	106	262
Non-current financial obligations	8,117	4,115
Non-current lease liability	56,463	0
Other non-current liabilities	11,565	11,124
Non-current liabilities, total	**233,609**	**108,656**
Equity		
Subscribed capital	115,500	38,500
Capital reserve	12,485	12,485
Retained earnings	145,173	212,084
Other comprehensive income	−12,328	−13,566
Equity (Group shares)	**260,830**	**249,503**
Non-controlling interests	49	94
Equity, total	**260,879**	**249,597**
Total equity and liabilities	**777,201**	**580,558**

Consolidated Cash Flow Statement

for the period from January 1 to June 30, 2019 and 2018

CONSOLIDATED CASH FLOW STATEMENT

Thousands of €	**6 month 2019**	6 month 2018
Profit (before tax)	55,688	48,300
Depreciation and amortization of fixed assets	20,228	10,816
Change in pension provision	40	36
Other non-cash transactions	–197	–198
Share of results of associated companies	–334	0
Result from disposal of fixed assets	1,467	38
Cash flow for the period	**76,892**	**58,992**
Interest income	–364	–158
Interest expenses	1,424	352
Change in other provisions	–8,738	–2,723
Change in trade receivables	–6,733	–12,225
Change in other assets	–235	–6,368
Change in trade payables	–4,089	–873
Change in other liabilities	24,032	21,988
Interest received	363	127
Income taxes received	1,078	631
Income taxes paid	–14,349	–16,379
Cash flow from operating activities	**69,282**	**43,364**
Capital expenditure	–12,698	–5,193
Changes in liabilities from acquisition	–1,500	0
Cash received from disposal of fixed assets	35	4
Cash paid for acquisition of subsidiaries, net of cash acquired	–97,614	–3,058
Cash flow from investing activities	**–111,777**	**–8,247**
Dividend payments	–31,185	–28,875
Dividend payments to non-controlling interests	–93	–1,711
Interest paid	–1,359	–377
Repayment of borrowings	–21,110	–23,000
Principal elements of lease payments	–5,139	0
Changes in bank liabilities due to company acquisitions	100,000	0
Cash flow from financing activities	**41,114**	**–53,963**
Changes in cash and cash equivalents	**–1,381**	**–18,846**
Effect of exchange rate differences on cash and cash equivalents	**412**	**143**
Cash and cash equivalents at the beginning of the period	**120,747**	**103,957**
Cash and cash equivalents at the end of the period	**119,778**	**85,254**

Consolidated Statement of Changes in Equity

for the period from January 1 to June 30, 2019 and 2018

STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the parent company's shareholders						
Thousands of €	Subscribed capital	Capital reserve	Retained earnings	Currency conversion	**Total**	Non-controlling interests	**Total equity**
As of January 1, 2018	**38,500**	**12,485**	**193,179**	**–18,691**	**225,473**	**2,472**	**227,945**
Difference from currency translation	-	-	-	2,393	2,393	23	2,416
Remeasurement gains / losses from pensions and related obligations	-	-	36	-	36	16	52
Net income for the year	-	-	34,460	-	34,460	1,352	35,812
Total comprehensive income for the year	**0**	**0**	**34,496**	**2,393**	**36,889**	**1,391**	**38,280**
Transition effects of new International Financial Reporting Standards (IFRS)	-	-	538	-	538	0	538
Dividend payments to non-controlling interests	-	-	-	-	0	0	0
Dividend payment			–28,875	-	–28,875	–1,711	–30,586
As of June 30, 2018	**38,500**	**12,485**	**199,338**	**–16,298**	**234,025**	**2,152**	**236,177**
As of January 1, 2019	**38,500**	**12,485**	**212,084**	**–13,566**	**249,503**	**94**	**249,597**
Difference from currency translation	-	-	-	1,238	1,238	1	1,239
Remeasurement gains / losses from pensions and related obligations	-	-	–173	-	–173	0	–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	0
Dividend payments to non-controlling interests	-	-	-	-	0	–93	–93
Dividend payment	-	-	–31,185	-	–31,185	0	–31,185
As of June 30, 2019	**115,500**	**12,485**	**145,173**	**–12,328**	**260,830**	**49**	**260,879**

Notes to the interim financial statements based on IFRS

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, 2019 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.

Information on the quarterly statement

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 2018 financial year. One exception is IFRS 16 “Leases”, which has been applied in the Group since January 1, 2019.

Leases

Modified retrospective application of the provisions of IFRS 16 is used in the Group, i.e. the comparative figures for the periods of the previous year were not adjusted.

The lease liabilities arising from leasing arrangements recorded as of January 1, 2019 which were classified as operating leases as per IAS 17 were recognized at the present value of the lease payments remaining, discounted using the incremental borrowing rate applicable at this time. The weighted average of the incremental borrowing rate as of January 1, 2019 was 2.13%.

In the following, the operating lease obligations as of December 31, 2018 are transferred to the lease obligations as of January 1, 2019:

RECONCILIATION

Millions of €	Balance Sheet as of January 1, 2019
Operating lease obligations as of December 31, 2018	**78.4**
Relief option for short-term leases	−0.5
Relief option for leases of low-value assets	−0.1
FX-Effects	0.2
Other	−2.9
Gross lease liabilities as of January 1, 2019	75.1
Discounting	−6.8
Lease liabilities at January 1, 2019	**68.3**

In the Group, as of December 31, 2018, there are no finance leases as per IAS 17.

Right-of-use assets were recognized at the amount of the lease liability, adjusted for lease payments made or accrued in advance. The right-of-use assets relate to following asset classes:

RIGHT-OF-USE ASSETS

Millions of €	June 30, 2019	December 31, 2018
Right-of-use assets - Property	61.3	63.9
Right-of-use assets - Office Equipment	0.3	0.4
Right-of-use assets - Vehicles	3.7	3.5

Within the scope on the first-time application of IFRS 16, the Group exercised the following exemptions:

- No new evaluation for existing contracts as to whether the definition of a lease applies
- There is no accounting for leases with a remaining term of less than 12 months as of January 1, 2019. The practical expedient was exercised in accordance with the transitional provisions on the basis of the individual lease
- No accounting of leases for which the underlying asset is of low value
- Initial direct costs are not taken into account in the valuation of the right-of-use assets
- Use of “hindsight”

The effect on diluted and undiluted earnings per share is encumbered by EUR 0.003 as of June 30, 2019.

Company acquisitions

Under the purchase agreement of January 11, 2019, Spacewell (formerly: FASEAS/MCS Solutions Group) acquired 100% of the shares of Axxerion Group B.V., MR Heteren, Netherlands. For this acquisition of shares, there were payments amounting to EUR 76.8 million in the 2019 financial year. The transfer of benefits and encumbrances was completed as of the end of January 19, 2019. Within the scope of a preliminary allocation of the purchase price, the amount of EUR 33.1 million was allocated to intangible assets (technology, customer base, brand name, non-compete agreement). In addition, the amount of EUR 53.1 million was recorded as goodwill and EUR 3.4 million as cash and cash equivalents. Since joining the Group, the company has generated revenues of EUR 5.5 million. Axxerion Group B.V. is one of the leading providers of cloud-based software solutions for facility management and property management. The company develops products for the optimization of operations in facility management, systems management and maintenance management as well as property management and contract management.

With the purchase contract of April 5, 2019, Maxon Computer, Inc., Newbury Park, USA, acquired 100% of the shares of Redshift Rendering Technologies, Inc., Newport Beach, USA at a purchase price of EUR 27.3 million. Further, subsequent purchase price payments of up to EUR 7.6 million were agreed to. The subsequent purchase price payments are mainly dependent on revenue targets and earnings targets as well as technical milestones. As part of the preliminary purchase price allocation, the amount of EUR 9.1 million was allocated to intangible assets (technology, customer base, brand name). The allocation of goodwill is not yet finalized. Cash and cash equivalents acquired amounted to EUR 3.1 million. Since joining the Group, the company has generated revenues of EUR 1.1 million. Redshift offers an extremely powerful and flexible GPU-based rendering solution that functions with extreme speed, economy and reliability for the creation of visual effects, animations and animated graphics.

Assets held for sale

Nemetschek intends to sell the shares in the associated company DocuWare GmbH. To this end, on June 28, 2019, Nemetschek signed a contract with a company belonging to the Ricoh Group concerning the sale of the shareholding amounting to 22.41%. The proceeds from the sale after taxes are expected to amount to EUR 33 million. The conclusion of the transaction with Ricoh still requires the approval of the antitrust authorities. The conclusion is expected to take place in the course of the third quarter of 2019. In compliance with IFRS 5, the carrying amount of the interest in DocuWare GmbH was reclassified in the financial statements from investments in associates to non-current assets held for sale.

Revenues

REVENUES

Thousands of €	June 30, 2019	June 30, 2018
Software and licenses	112,331	103,441
Recurring revenues (software service contracts and rental models)	140,881	104,144
Services (consulting and training)	14,158	8,399
Hardware	362	58
	267,732	**216,042**

REVENUES BY REGION

Thousands of €	June 30, 2019	June 30, 2018
Germany	67,547	62,253
Non-Germany	200,185	153,789
Total	**267,732**	**216,042**

Consolidated Segment Reporting

for the period from January 1 to June 30, 2019 and 2018

SEGMENT REPORTING

2019 Thousands of €	Total	Elimination	Design	Build	Manage	Media & Entertainment
Revenue, external	267,732	–	149,978	84,570	17,518	15,666
Intersegment revenue	–	–1,566	2	713	27	824
Total revenue	**267,732**	**–1,566**	**149,980**	**85,283**	**17,545**	**16,490**
EBITDA	**76,645**	**–**	**41,573**	**28,044**	**1,201**	**5,827**
Depreciation/amortization	–20,228		–8,934	–8,047	–2,675	–572
Segment operating result (EBIT)	**56,417**	**–**	**32,639**	**19,997**	**–1,474**	**5,255**

The following table shows the adjusted values after segment reclassification of the Solibri brand:

SEGMENT REPORTING

2018 Thousands of €	Total	Elimination	Design	Build	Manage	Media & Entertainment
Revenue, external	216,042	–	133,868	65,352	4,140	12,682
Intersegment revenue	–	–1,353	1	592	0	760
Total revenue	**216,042**	**–1,353**	**133,869**	**65,944**	**4,140**	**13,442**
EBITDA	**58,978**	**–**	**32,814**	**19,781**	**792**	**5,591**
Depreciation/amortization	–10,816	–	–5,124	–5,439	–33	–220
Segment operating result (EBIT)	**48,162**	**–**	**27,690**	**14,342**	**759**	**5,371**

The following table shows the segment reporting prior to segment reclassification of the Solibri brand (version reported in Q2/2018):

SEGMENT REPORTING

2018 Thousands of €	Total	Elimination	Design	Build	Manage	Media & Entertainment
Revenue, external	216,042	–	130,242	68,979	4,140	12,682
Intersegment revenue	–	–1,866	4	1,101	0	760
Total revenue	**216,042**	**–1,866**	**130,246**	**70,080**	**4,140**	**13,442**
EBITDA	**58,978**	**–**	**32,185**	**20,410**	**792**	**5,591**
Depreciation/amortization	–10,816	–	–4,557	–6,006	–33	–220
Segment operating result (EBIT)	**48,162**	**–**	**27,628**	**14,404**	**759**	**5,371**

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 2019

Patrik Heider   Viktor Várkonyi   Jon Elliott

Financial calendar 2019

September 23, 2019 Berenberg and Goldman Sachs Eighth German Corporate Conference, Munich	September 24, 2019 Baader Investment Conference 2019, Munich	October 31, 2019 Publication 3rd Quarter 2019
November 13.–14, 2019 Morgan Stanley European TMT Conference, Barcelona	November 25.–27, 2019 German Equity Forum, Frankfurt / Main	December 2.–5, 2019 Berenberg European Conference, Pennyhill

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