NEMETSCHEK
GROUP

HALF-YEAR STATEMENT
AS OF JUNE 30 2023

SHAPE THE WORLD

SHAPE THE WORLD IN ALL DIMENSIONS

To our shareholders

YVES PADRINES
CHIEF EXECUTIVE OFFICER (CEO)

Dear shareholders,

The Nemetschek Group is on track to achieve its full-year guidance after the first six months of 2023. The MDAX-listed Group continued to successfully transition its business model from license to subscription and SaaS offerings in the second quarter of 2023, reaching its peak in 2023. This is reflected in the continued very strong growth of this revenue category as well as the continued strong performance of annual recurring revenue (ARR). In line with our expectations, the profitability in Q2 was impacted by the business model transition as well as planned one-offs.

We continue to benefit from the strong positioning of our Group and the broad diversification across our customer base and our regional exposure. Even though the market environment for the construction industry in Europe has become more demanding since last year and we are in the middle of transitioning our business model, we are on plan after the first half of the year. For the first time, the share of recurring revenues reached around 75%, which means that we have achieved an important milestone. Regardless of the current market situation, the structural long-term growth drivers in our industries remain intact. With our strategic projects, including new, innovative technologies such as artificial intelligence, digital twins or cloud solutions, our strengthened go-to-market approach as well as the increase of our internal efficiency, we are laying the foundation for continuous high growth in the future.

Key Group Performance Indicators in Q2 and H1 2023

- As in previous quarters, the main growth driver in Q2 was the revenue from **subscription and SaaS offerings**, which grew by 44.0% (FX-adjusted: 46.7%) to EUR 68.1 million, significantly over-proportionally compared to the Group's total revenue. In the first half of the year, the growth amounted to 42.7% (FX-adjusted: 43.2%) to EUR 132.0 million (H1 2022: EUR 92.5 million).
- **Annual Recurring Revenue (ARR)** increased by 22.4% (FX-adjusted: 24.2%) to EUR 630.7 million. The ARR growth which was significantly higher than the reported revenue growth indicates a high growth potential for the next 12 months.
- In line with the strategy, **recurring revenues** as a percentage of total revenues increased significantly by 12 percentage points year-on-year to a new record high of 74.5% in H1 2023 (H1 2022: 63.0%).
- In Q2, **Group revenue** grew by 1.8% (FX-adjusted: 3.3%) to EUR 207.5 million despite the ongoing subscription and SaaS transition. The accumulated revenue for the first six months of the year grew in accordance to plan to EUR 412.1 million, a growth of 4.1% (FX-adjusted: 4.2%) compared to the same period last year.

- The transition to a subscription and SaaS centric business model and its accounting-related effects had the expected dampening impact on short-term earnings. Furthermore, Q2 earnings were impacted by planned one-off effects with regards to personnel expenses and investment in the first joint appearance of the Group brands at trade fairs, as part of the go-to-market approach. **Group earnings before interest, taxes, depreciation, and amortization (EBITDA)** in Q2 reached EUR 56.1 million (Q2-2022: 68.6 million). The corresponding EBITDA margin in Q2 was 27.0% (prior-year quarter: 33.6%). On a half-year basis, the EBITDA reached EUR 117.1 million, resulting in an EBITDA margin of 28.4% (prior-year quarter: 34.9%).
- **Net income** for the second quarter came in at EUR 32.8 million, corresponding to earnings per share of EUR 0.28 (prior-year quarter: EUR 0.40). For H1 2023, net income amounted to EUR 69.1 million with earnings per share of EUR 0.60 (H1 2022: EUR 0.77).
- The high **cash conversion** (operating cash flow in relation to EBITDA) of 104.4% (previous year: 82.8%) for the first half of 2023 underpins the Group's continued high cash generation.

Strategic Highlights

- The Group-wide **transition to subscription and SaaS** continues to progress as planned, which is reflected in the record high share of recurring revenues. In addition to the Bluebeam brand in the Build segment, the Design brands Frilo, Scia and Vectorworks have also successfully started their transition. In the case of Vectorworks, the brand is initially focusing on the USA, UK and Pacific.
- With the group-wide **go-to-market approach,** which envisages a greater collaboration of solutions for a more efficient workflow in the AEC/O industry, the brands presented themselves together for the first time under the umbrella of the Nemetschek Group at several trade fairs, such as the BIM World in Paris, the BAU 2023 in Munich, the Digital Construction Week in London, and the AIA in San Francisco.
- The Nemetschek Group made **five new investments in highly innovative start-ups** in the first half of 2023, including Preoptima (promoting more sustainability in the construction industry) and SmartPM (cloud-based software for project analysis during the construction process).
- As one of the leading **innovation drivers** in the industry, Nemetschek also focuses on new technologies. Development activities focus in particular on the open Digital Twin Cloud platform, initiatives of the brands in the area of artificial intelligence or new cloud features such as Solibri Inside, a SaaS solution integrated in Graphisoft Archicad, Allplan and Vectorworks for the quality control of models.
- To increase its **operational excellence** and ensure future growth, Nemetschek also continued to work on optimizing its business structures and processes.

Segment Developments in Q2 / H1 2023

- The **Design segment** recorded a revenue of EUR 99.8 million in Q2, corresponding to a growth rate of 3.1% (FX-adjusted: 3.9%). With majority of the business in Europe for the Design segment, the market environment, which had already deteriorated since last year, and customers' longer sales cycles continued to impact the segment's development. In addition, announced price adjustments at the beginning of the second quarter led to pull-forward effects from Q2 to Q1. Revenue from subscription and SaaS continued to grow at a disproportionately high rate in Q2, with a currency-adjusted growth of almost 40%. For the first half of the year, the revenue with a plus of 7.6% was in line with expectations at EUR 204.0 million (FX-adjusted: 7.6%). The EBITDA margin in the first half of 2023 reached 24.9% (H1 2022: 31.1%). This reflects the transition to subscription and SaaS models as well as the planned non- recurring personnel expenses and the one-off investments in the first joint trade fair appearance.
- In the **Build segment,** the transition to subscription and SaaS models at the Bluebeam brand continues to be successful. Consequently, the revenue in this category more than doubled. As a result of the transition, the revenue in Q2 of EUR 67.4 million was with –4.6% slightly below the previous year's figure of EUR 70.7 million (FX-adjusted: –2.5%). In H1 2023, revenues reached EUR 129.4 million, a decline of 3.1% on year-on-year basis (FX-adjusted: –3.1%). Despite the transition, the EBITDA margin remained at a high level with 36.3% in the first six months of the year (H1 2022: 42.9%).
- In the **Media segment,** revenue growth accelerated in the second quarter to 11.6% (FX-adjusted: 13.6%) to EUR 27.2 million. On a half-year basis, revenues amounted to EUR 54.1 million, a growth of 8.2% (FX-adjusted: 8.8%). The EBITDA margin was 35.5% in H1 2023 (H1 2022: 39.8%).
- In the **Manage segment,** growth also accelerated slightly in Q2. With an increase of 7.9% (FX-adjusted: 10.0%), revenue grew to EUR 15.0 million. In the first half of 2023, revenue increased by 6.6% and reached EUR 28.4 million (FX-adjusted: 8.0%). The EBITDA margin – also due to investments in the new Digital Twin business unit – was 0.0% in the first half of the year (H1 2022: 8.7%).

Full-Year Guidance for 2023 as well as Ambition for 2024 and 2025 confirmed

Based on the business development in the first half of the year, the Executive Board confirms the targets for the current financial year **2023.** An ARR growth of more than 25% is expected for 2023, which means that the share of annual recurring revenues in total revenue should reach more than 75% in 2023 (previous year: 66%). Nemetschek continues to expect a currency-adjusted revenue growth at Group level in a range of 4% to 6% and an EBITDA margin of between 28% and 30%.

In addition, the Executive Board confirms the revenue and earnings ambitions for the years 2024 and 2025 communicated in March. For **2024**, a continuation of double-digit percentage revenue growth is expected, while the share of recurring revenues in total revenues is expected to increase to around 85%. At the same time, the EBTIDA margin is expected to be above 30%. For **2025**, revenue growth is expected to be at least in the mid-teens range.

The outlook is based on the assumption that global macroeconomic or sector-specific conditions will not deteriorate significantly in 2023, particularly in view of growing global economic risks as well as increasing geopolitical tensions.

Yours sincerely

Yves Padrines

Key figures

NEMETSCHEK GROUP

in EUR million	**2rd quarter 2023**	2rd quarter 2022	Change	**6 months 2023**	6 months 2022	Change
Operative figures						
Revenues	**207.5**	**203.8**	**1.8%**	**412.1**	**396.1**	**4.1%**
- thereof software licenses	40.4	66.4	−39.2%	88.0	130.2	−32.4%
- thereof recurring revenues	157.7	128.8	22.4%	307.0	249.5	23.1%
- subscription (as part of the recurring revenues)	68.1	47.3	44.0%	132.0	92.5	42.7%
EBITDA	**56.1**	**68.6**	**−18.2%**	**117.1**	**138.4**	**−15.4%**
as % of revenue	27.0%	33.6%		28.4%	34.9%	
EBIT	**40.7**	**53.4**	**−23.7%**	**87.4**	**109.6**	**−20.3%**
as % of revenue	19.6%	26.2%		21.2%	27.7%	
Net income (group shares)	**32.8**	**46.5**	**−29.4%**	**69.1**	**89.1**	**−22.5%**
per share in €	0.28	0.40		0.60	0.77	
Net income (group shares) before purchase price allocation	**40.5**	**53.8**	**−24.6%**	**80.9**	**101.1**	**−20.0%**
per share in €	0.35	0.47		0.70	0.88	
Cash flow figures						
Cash flow from operating activities	47.3	42.6	10.8%	122.2	114.6	6.6%
Cash flow from investing activities	−15.9	−11.0		−21.9	−21.7	
Cash flow from financing activities	−56.3	−41.6		−86.2	−56.4	
Free cash flow	31.3	31.6		100.2	92.9	
Balance sheet figures						
Cash and cash equivalents*				209.2	196.8	6.3%
Net liquidity/net debt*				168.3	124.9	
Balance sheet total*				1,215.2	1,198.1	1.4%
Equity ratio in %*				57.5%	57.5%	
Headcount as of balance sheet date				3,402	3,268	4.1%
Share figures						
Closing price (Xetra) in €				68.64	57.76	
Market Capitalization				7,927.92	6,671.28	

* Presentation of previous year as of December 31, 2022.

Nemetschek on the Capital Market

Due to the historically strong change in the interest rate level as a result of high inflation and the resulting capital shifts, Russia's war of aggression against Ukraine and an anticipated significant slowdown of economic growth in the year 2023, global share indexes were subject to severe market breaks in the year 2022, especially in the sector of growth shares.

At the beginning of 2023, however, global share prices, and especially the securities of technology and growth companies, recovered. The main reasons for this were the better than feared economic development of the global economy, the steady decline in inflation rates and the associated hope for a slowdown or even the absence of further interest rate increases by the global central banks.

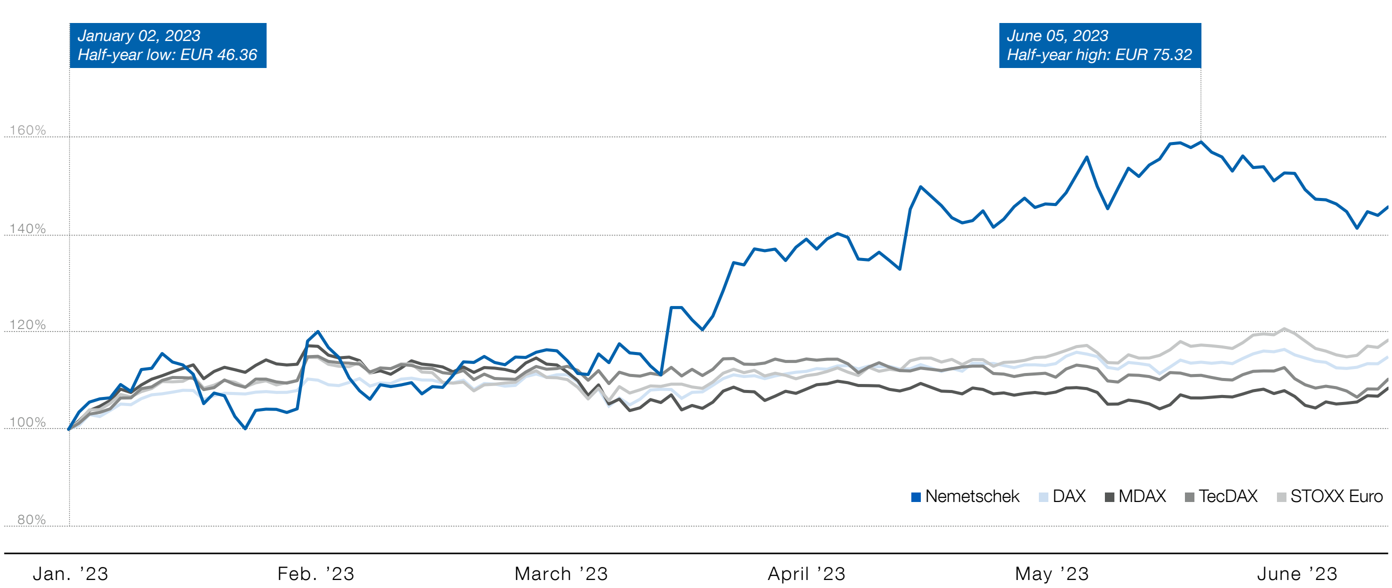
The European and US stock indices recorded similarly strong price gains in the first half of 2023. For example, the EURO STOXX 50 and the S&P 500 each rose by around 15% in the first six months of the year. Only the US leading index for technology stocks, NASDAQ-100, was able to record a significantly stronger increase (around 37%) due to the partly very strong development of some companies.

The indices on the German stock markets also recorded price increases in the first half of 2023. The DAX rose by 15%, while the MDAX and TecDAX recorded increases of around 8% and 10% respectively. The European index focused on software and technology, STOXX Europe (Software & Computer Services), rose slightly more than average by 18%.

Nemetschek Share Price Development since the Beginning of 2023

Following a share price decline in the year 2022, the Nemetschek share started the new year at an all-time low of EUR 46.36 on January 2, 2023. The Nemetschek SE share recorded a positive development in the first half of the year 2023 as a result of the better than anticipated framework conditions described above. The Nemetschek share reached its high of, EUR 75.32, on June 5, 2023. Nemetschek SE shares closed the first half of the year with a price of EUR 68.64, which corresponds to a market capitalization of EUR 7.93 billion. By the end of July, Nemetschek SE share certificates had stabilized at this level. With an increase in price of 48.1% in the first half year, Nemetschek SE shares were able to exceed the shares of most of the direct competitors. In addition to catch-up effects from the previous year, company-specific developments such as better than expected business in the first quarter, the continued planned conversion of the business of Bluebeam, the largest Group brand, to subscription and SaaS models as well as the presentation of the ambitions for the years 2024 and 2025 contributed to outperformance compared to the most important competitors.

DEVELOPMENT OF THE NEMETSCHEK SHARE IN 2023 COMPARED TO THE DAX, MDAX, TECDAX AND STOXX (SOFTWARE & COMPUTER SERVICES) INDEXED

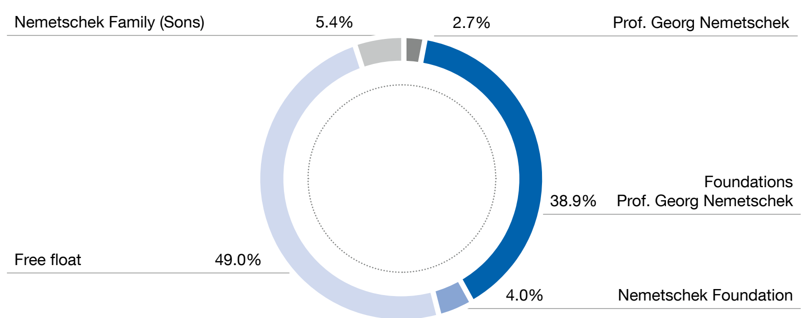


Shareholder Structure

The Nemetschek SE share capital amounted to EUR 115,500,000 as of June 30, 2023 and was divided into 115,500,000 no-par value bearer shares.

The free float as of June 30, 2023 was 49.0%.

SHAREHOLDER STRUCTURE*



* Direct shareholdings as of June 30, 2023.

Ordinary Annual General Meeting (AGM) approved all Agenda Items

After three ordinary annual general meetings, which were held as virtual annual general meetings as a result of the COVID-19 pandemic, this year's ordinary annual general meeting was held in Munich on May 23, 2023 as an in-person event.

During the Annual General Meeting, the shareholders were informed about the past financial year 2022 and the prospects for the current financial year 2023. In addition, the agenda was presented. In the course of the voting, which was then conducted, a clear majority of the shareholders of the company approved all agenda items.

The agenda items also included the distribution of dividends. For the 2022 financial year, the executive board proposed the payment of a dividend in the amount of EUR 0.45 per share, which corresponds to an increase of a good 15% (EUR 0.39 per share) compared to the previous year. The total dividends to be distributed amounted to EUR 52.0 million (previous year: EUR 45.0 million). On the basis of the good business development in 2022, the company thus continued its sustainable dividend policy despite the challenging framework conditions which persisted and increased the dividend for the tenth time in a row. In addition to an attractive dividend policy, the Nemetschek Group continues to aim to invest strategically and make value-enhancing acquisitions as well as investments in startups in order to further drive future growth.

Further items on the agenda included the discharge of the Executive Board and the members of the Supervisory Board for the 2022 financial year as well as the appointment of the auditor and the group auditor for the 2023 financial year. Furthermore, the approval of the remuneration report for the 2022 financial year, as well as the authorization to hold a virtual annual general meeting, including the corresponding amendment to the Articles of Association, and the participation of Supervisory Board members in the annual general meeting by means of video and audio transmission were resolved.

Interim Group Management Report (H1 2023)

Results of Operations, Financial Position, and Net Assets

Results of Operations

Strong first half 2023: Revenue growth of 4.1%, EBITDA margin of 28.4% within forecast corridor and, in line with strategy, below comparable previous year figure

Group revenues increased by 4.1% to EUR 412.1 million in the first six months of 2023 (1H previous year: EUR 396.1 million) during the simultaneous transition to subscription and SaaS models. Adjusted for currency effects, i.e. on the basis of constant exchange rates, revenue growth would have amounted to 4.2%.

The transition to subscription and SaaS models and its accounting-related effects had the expected short-term dampening effect on the Group's earnings. Furthermore, the H1 2023 profitability was impacted by planned one-time personnel expenses and comparatively high trade fair and exhibition expenses as a result of the implementation of our go-to-market approach. Accordingly, EBITDA decreased by – 15.4% to EUR 117.1 million (1H previous year: EUR 138.4 million). This led to the expected reduction of the EBITDA margin from 34.9% in the first half of 2022 to 28.4% in the first six months of 2023.

Revenue development

Revenues by business type – Subscription and SaaS remain growth drivers

In alignment with our strategy, revenues increased in the first six months of 2023 while simultaneously transitioning the business model towards subscription and SaaS. The Group made further progress toward its strategic objective of increasing the share of recurring revenues – especially subscription and SaaS – in total revenues. In total, recurring revenues rose to EUR 307.0 million (1H previous year: EUR 249.5 million), corresponding to revenue growth of 23.1% (currency-adjusted: 23.2%). Subscription and SaaS revenues alone increased significantly by a further 42.7% (currency-adjusted: 43.2%), from EUR 92.5 million in the same period of the previous year to EUR 132.0 million. The ARR (Annual Recurring Revenue) increased by 22.4% (currency adjusted: 24.2%) to EUR 630.7 million in the first six months of 2023, which was significantly stronger than the total revenue growth. Consequently, the share of recurring revenues in total revenues increased significantly to 74.5% (1H previous year: 63.0%).

In line with this development, revenues from software licenses amounted to EUR 88.0 million in the first six months of the financial year, an expected decline of – 32.4% compared to the same period of the previous year (EUR 130.2 million). Adjusted for currency effects, the decrease amounted to – 32.4%. The share of total revenues attributable to revenues from software licenses declined to 21.3% (1H previous year: 32.9%).

Revenues by region – Internationalization

The increasingly global alignment of the Group is an important factor in its diversification. In the first six months of 2023, domestic revenues increased by 4.5% to EUR 89.8 million (H1 previous year: EUR 85.9 million). In its foreign markets, the Nemetschek Group generated revenues of EUR 322.3 million (1H previous year: EUR 310.1 million), corresponding to an increase of 3.9% compared to the previous year period. Foreign markets accounted for 78.2% of total revenues in the first six months of 2023 (1H previous year: 78.3%). The business development in Europe stabilized in the first six months of 2023 and contributed above average to the Group's growth. On the other hand, revenue growth in the USA was burdened as expected by the business model transition of Bluebeam to subscription and SaaS and its accounting-related effects.

Overview of segments

The **Design segment**, whose business activities are mainly focused on Europe, generated revenues of EUR 204.0 million in the first six months of 2023 (1H previous year: EUR 189.6 million). This corresponds to a growth of 7.6% (currency-adjusted: 7.6%). The difficult market environment, marked especially by the higher interest rate level and the geopolitical challenges in Europe, led to longer sales cycles among customers. The recurring revenues, however, showed a significantly above average growth with a plus of 17.0%, mainly coming from the subscription and SaaS-models, contributing to the stabilization of the revenue base. This is mainly a reflection of the transition to subscription and SaaS at the brands Vectorworks, Scia and Frilo.

EBITDA decreased by – 13.7%, from EUR 58.9 million in the first six months of 2022 to EUR 50.8 million in the first six months of 2023. This led to a margin of 24.9%, (1H previous year: 31.1%). The EBITDA decrease was mainly caused by the accounting-related effects of the transition to subscription and SaaS models, but was also impacted as expected by planned one-time personnel expenses and one-time higher trade fair and exhibition expenses as a result of the implementation of our intensified and harmonized go-to-market approach.

In the **Build segment**, which primarily targets construction companies in the USA and the German-speaking countries, Bluebeam's transition to subscription and SaaS models continued to progress as planned. The majority of new customers are opting for the high-value subscription and SaaS packages with more extensive cloud features. As a result of the transition, the revenue declined slighty by −3.1% in the first six months of 2023 (currency-adjusted: −3.1%) to EUR 129.4 million (1H previous year: EUR 133.6 million).

EBITDA decreased because of the transition by −17.9% to EUR 47.0 million in the first six months of 2023 (1H previous year: EUR 57.3 million). At 36.3%, the EBITDA margin in the first six months of 2023 was as expected below the previous year's level of 42.9%.

In the **Manage segment**, which focuses on European commercial construction, the market situation stabilized slightly, even though the volume of investments by facility managers remains below pre-crisis levels. Revenues totaled to EUR 28.4 million in the first six months of 2023. This represents a growth of 6.6% (currency-adjusted: 8.0%) compared with the first six months of 2022, when revenues amounted to EUR 26.6 million. Since January 1, 2023, the dRofus brand has been consolidated in the Manage segment, being moved from the Build segment to the newly created Digital Twin business unit.

Segment EBITDA, influenced by investments in the Digital Twin business-unit, amounted to EUR 0.0 million in the first six months of 2023 (1H previous year: EUR 2.3 million), with the result that the margin declined from 8.7% in the first six months of 2022 to 0.0% in the first six months of 2023.

In the **Media segment** revenues rose by 8.2% (currency-adjusted: 8.8%) to EUR 54.1 million (1H previous year: EUR 50.0 million) in the first six months of 2023. The lower growth compared to the previous year's quarters is attributable to the particularly high comparison base from the previous year. The first half of 2022 profited from an inorganic growth contribution as well as from a strong, positive one-time effect from the sale of perpetual licenses in China for the last time.

Segment EBITDA amounted to EUR 19.2 million in the first six-months of 2023 (1H previous year: EUR 19.9 million). Accordingly, the EBITDA margin declined from 39.8% in the first six months of 2022 to 35.5% in the first six months of 2023 as a result of the continued transition to subscription.

Earnings performance – Earnings per share at EUR 0.60

Operating expenses increased by 11.9% in the first half of 2023 from EUR 293.6 million to EUR 328.4 million. The cost of materials included in this item increased to EUR 17.0 million (1H previous year: EUR 14.6 million). Personnel expenses rose by 11.5% from EUR 163.5 million in the first half of 2022 to EUR 182.4 million. Other expenses increased by 14.6% from EUR 86.7 million to EUR 99.4 million. Depreciation and amortization of fixed assets increased by 3.3% from EUR 28.8 million to EUR 29.7 million.

The net income (group shares) decreased by −22.5% to EUR 69.1 million in the first six months (1H previous year EUR 89.1 million), mainly driven by the transition to subscription and SaaS. Furthermore, the profitability, especially in the second quarter of 2023, was impacted by planned one-time personnel expenses and comparatively high expenses for trade fairs and exhibitions. The corresponding earnings per share amounted to EUR 0.60 (1H previous year: EUR 0.77). Adjusted for amortization from the purchase price allocation after tax, net income declined by −20.0% to EUR 80.9 million (1H previous year: EUR 101.1 million), resulting in an adjusted earnings per share of EUR 0.70 (1H previous year: EUR 0.88).

The Group's tax rate amounted to 20.3% in the first half of 2023 (1H previous year: 19.2%).

Financial position

Development of cash flow – Operating cash flow at EUR 122.2 million – Cash and cash eqivalents at EUR 209.2 million

Cash flow from operating activities was mainly used for investments in fixed assets and intangible assets, investmetns in start-ups, dividend payments, repayments of acquisition loans and repayments of lease liabilities.

The Nemetschek Group generated a **cash flow from operating activities** of EUR 122.2 million in the first six months of 2023 (1H previous year: EUR 114.6 million). The increase is mainly attributable to increased recurring sales invoiced and the corresponding advance payments resulting from those.

Cash flow from investing activities amounted to EUR −21.9 million in the first half of 2023 (1H previous year: EUR −21.7 million) and includes payments for investements in start-ups of EUR 13.3 million (1H previous year: EUR 1.0 million) and capital expenditures of EUR 7.7 million (1H previous year: EUR 8.3 million).

The **cash flow from financing activities** amounted to EUR −86.2 million (1H previous year: EUR −56.4 million) and primarily consisted of dividend payments of EUR 52.0 million (1H previous year: EUR 45.0 million), repayments of bank loans of EUR 33.9 million (1H previous year EUR 21.9 million) and payments of lease liabilities in the amount of EUR 8.2 million (1H previous year EUR 8.2 million). These payments were offset by cash inflows from bank loans in the amount of EUR 10.5 million (1H previous year: EUR 20.8 million).

As at June 30, 2023, the Nemetschek Group held cash and cash equivalents of EUR 209.2 million (December 31, 2022: EUR 196.8 million).

Net assets

Equity ratio stable at 57.5%

Total assets increased from EUR 1,198.1 million as at December 31, 2022 to EUR 1,215.2 million as at June 30, 2023. With equity amounting to EUR 698.9 million (December 31, 2022: EUR 689.2 million), the equity ratio remained unchanged at 57.5% compared to 57.5% as at December 31, 2022. Net income for the first half of the year (EUR 70.2 million) served to increase equity, while the foreigh currency driven decrease in the carrying amount of Group assets of EUR –8.5 million as well as the dividend payments (EUR 52.0 million) had an opposing effect. The dividend increased by 15% from EUR 0.39 per share to EUR 0.45 per share.

Related party transactions and significant events after the interim reporting period

After many years of cooperation, Viktor Várkonyi, who had been responsible for the Planning & Design Division as Chief Division Officer within the Executive Board, left the company by mutual agreement with effect from June 30, 2023. César Flores Rodriguez, the Chief Division Officer for the Operate & Manage Division and the Digital Twin Business-Unit, was appointed as new Chief Division Officer for the Planning & Design Division with effect from July 1, 2023.

Patricia Geibel-Conrad resigned from her position as a member of the Supervisory Board as of June 30, 2023, for personal reasons. She is followed by Iris Helke, who was already appointed to the Supervisory Board by court.

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

Employees

The Nemetschek Group had 3,402 employees as at June 30, 2023 (June 30, 2022: 3,268), representing an increase of 4.1% compared to the prior-year period. The Nemetschek Group is planning to recruit additional employees over the next few quarters in order to ensure its future growth.

Report on opportunities and risks

With regard to the main opportunities and risks of the anticipated development of the Nemetschek Group, we refer in principle to the opportunities and risks described in the group management report as of 31 December 2022.

In the course of the fiscal year 2023, the opportunities and risks of the Group have changed slightly. Changes may occur in the competitive environment, particularly as a result of the rapidly increasing importance of artificial intelligence (AI) and its rapid further development. In addition to the development and introduction of AI solutions by established companies, including in the AEC/O and media industry, the increasing importance of AI is also supported by a high willingness to invest in corresponding start-ups.

The Nemetschek Group sees both opportunities and risks in this development, which are closely monitored and actively addressed in the company. In order to make the best possible use of the opportunities arising from this, Nemetschek has already been investing more heavily in innovations for years, with a significant focus of activities on AI. To this end, Nemetschek also works together with experts from the university environment in its internal research and development activities. At the same time, Nemetschek invests in start-ups in the AI environment in order to be as close as possible to the pulse of the times and to take on a pioneering role in this area. The focus is also on linking the start-ups to the Nemetschek brands.

Furthermore, information security risks have also increased slightly. Overall, the existing risks for the Nemetschek Group do not pose a threat to the company as a going concern, either individually or in their entirety.

Report on forecasts and other statements on expected development

Based on the performance of the first half of 2023, the Executive Board confirms its current targets for the current 2023 financial year. Revenue growth at constant exchange rate is expected in a range of 4% to 6%. Growth in recurring revenues, represented by the key figure ARR (Annual Recurring Revenue), is expected to grow at a significvantly over proportional rate of around 25%. The share of recurring revenue in total revenues is therefore expected to increase further to over 75% by the end of the current financial year. The EBITDA margin is targeted to be between 28% and 30%.

These forecasts are expressly subject to the proviso that the global economic and industry-specific framework conditions do not significantly deteriorate in the further course of the financial year, especially with regard to the growing global economic risks and the war in Ukraine.

Consolidated Statement of Comprehensive Income

for the period from January 1 to June 30, 2023 and 2022

STATEMENT OF COMPREHENSIVE INCOME

Thousands of €	**2rd quarter 2023**	2rd quarter 2022	**6 months 2023**	6 months 2022
Revenues	**207,510**	**203,846**	**412,138**	**396,069**
Other income	1,835	4,099	3,648	7,146
Operating income	**209,345**	**207,944**	**415,785**	**403,215**
Cost of goods and services	–9,183	–7,643	–16,978	–14,559
Personnel expenses	–93,577	–85,306	–182,376	–163,510
Depreciation of property, plant and equipment and amortization of intangible assets	–15,358	–15,237	–29,712	–28,769
thereof amortization of intangible assets due to purchase price allocation	*–8,270*	*–8,455*	*–15,441*	*–15,539*
Other expenses	–50,502	–46,407	–99,368	–86,743
Operating expenses	**–168,620**	**–154,594**	**–328,435**	**–293,581**
Operating result (EBIT)	**40,725**	**53,351**	**87,351**	**109,634**
Interest income	625	11	1,042	71
Interest expenses	–943	–603	–1,564	–1,237
Other financial expenses/income	1,791	3,607	1,479	3,904
Net finance costs	**1,473**	**3,015**	**957**	**2,738**
Share of net profit of associates	–176	0	–176	0
Earnings before taxes (EBT)	**42,022**	**56,366**	**88,132**	**112,372**
Income taxes	–8,621	–9,815	–17,923	–21,538
Net income for the year	**33,401**	**46,551**	**70,209**	**90,834**
Other comprehensive income:				
Difference from currency translation	–788	14,882	–8,457	22,337
Items of other comprehensive income that are reclassified subsequently to profit or loss	**–788**	**14,882**	**–8,457**	**22,337**
Gains/losses from the revaluation of defined benefit pension plans	–41	503	0	773
Tax effect	12	–150	0	–226
Items of other comprehensive income that will not be reclassified to profit or loss	**–29**	**353**	**0**	**546**
Subtotal other comprehensive income	**–817**	**15,235**	**–8,457**	**22,884**
Total comprehensive income for the year	**32,584**	**61,786**	**61,752**	**113,718**
Net profit or loss for the period attributable to:				
Equity holders of the parent	32,825	46,510	69,078	89,106
Non-controlling interests	575	41	1,131	1,728
Net income for the year	**33,401**	**46,551**	**70,209**	**90,834**
Total comprehensive income for the year attributable to:				
Equity holders of the parent	31,910	60,120	61,083	109,972
Non-controlling interests	674	1,666	669	3,746
Total comprehensive income for the year	**32,584**	**61,786**	**61,752**	**113,718**
Earnings per share (undiluted) in euros	0.28	0.40	0.60	0.77
Earnings per share (diluted) in euros	0.28	0.40	0.60	0.77
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

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

Consolidated Statement of Financial Position

as of June 30, 2023 and December 31, 2022

STATEMENT OF FINANCIAL POSITION

Assets Thousands of €	**June 30, 2023**	December 31, 2022
Current assets		
Cash and cash equivalents	209,192	196,821
Trade receivables	93,396	84,520
Inventories	1,598	890
Income tax receivables	14,365	11,289
Other financial assets	1,679	2,492
Other non-financial assets	34,413	31,120
Current assets, total	**354,643**	**327,132**
Non-current assets		
Property, plant and equipment	26,584	26,568
Intangible assets	155,445	171,703
Goodwill	549,604	557,047
Right-of-use assets	66,265	69,795
Investments in associates	3,834	4,010
Deferred tax assets	25,926	21,465
Other financial assets	30,412	18,377
Other non-financial assets	2,489	2,031
Non-current assets, total	**860,559**	**870,996**
Total assets	**1,215,202**	**1,198,128**

Equity and liabilities Thousands of €	June 30, 2023	December 31, 2022
Current liabilities		
Short-term borrowings and current portion of long-term loans	37,662	65,072
Trade payables	13,144	15,712
Provisions and accrued liabilities	57,165	70,251
Deferred revenue	262,578	206,939
Income tax liabilities	7,373	10,660
Other financial liabilities	8,542	1,494
Lease liabilities	16,496	14,854
Other non-financial liabilities	19,738	18,858
Current liabilities, total	**422,699**	**403,841**
Non-current liabilities		
Long-term borrowings without current portion	3,219	6,873
Deferred tax liabilities	16,585	19,802
Pensions and related obligations	2,556	2,455
Provisions	1,461	1,582
Deferred revenue	2,936	2,631
Income tax liabilities	5,890	6,035
Other financial liabilities	33	390
Lease liabilities	58,396	62,443
Other non-financial liabilities	2,504	2,853
Non-current liabilities, total	**93,579**	**105,065**
Equity		
Subscribed capital	115,500	115,500
Capital reserve	12,485	12,485
Retained earnings	552,000	533,871
Other reserves	−16,581	−8,586
Equity (group shares)	**663,405**	**653,270**
Non-controlling interests	35,520	35,953
Equity, total	**698,924**	**689,223**
Total equity and liabilities	**1,215,202**	**1,198,128**

Consolidated Cash Flow Statement

for the period from January 1 to June 30, 2023 and 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

Thousands of €	**6 months 2023**	6 months 2022
Profit (before tax)	88,132	112,372
Depreciation and amortization of fixed assets	29,712	28,769
Net finance costs	−957	−2,738
Share of net profit of associates	176	0
EBITDA	**117,063**	**138,403**
Other non-cash transactions	1,650	1,212
Cash flow for the period	**118,713**	**139,615**
Change in trade working capital	45,553	23,945
Change in other working capital	−11,905	−15,984
Financing effects	1,002	75
Income taxes received	253	1,666
Income taxes paid	−31,459	−34,674
Cash flow from operating activities	**122,158**	**114,642**
Capital expenditure	−7,673	−8,282
Changes in liabilities from acquisitions	−1,239	−7,465
Cash received from disposal of fixed assets	240	16
Cash paid for acquisition of subsidiaries, net of cash acquired	0	−5,033
Cash paid for acquisition of other investments	−13,254	−974
Cash flow from investing activities	**−21,926**	**−21,737**
Dividend payments	−51,975	−45,045
Dividend payments to non-controlling interests	−1,102	−917
Cash received from bank loans	10,510	20,800
Repayment of borrowings	−33,850	−21,850
Principal elements of lease payments	−8,214	−8,218
Interests paid	−1,579	−1,159
Cash flow from financing activities	**−86,209**	**−56,389**
Changes in cash and cash equivalents	**14,023**	**36,516**
Effect of exchange rate differences on cash and cash equivalents	**−1,652**	**4,332**
Cash and cash equivalents at the beginning of the period	**196,821**	**157,095**
Cash and cash equivalents at the end of the period	**209,192**	**197,942**

Consolidated Statement of Changes in Equity

for the period from January 1 to June 30, 2023 and 2022

	Equity attributable to the parent company's shareholders						
Thousands of €	Subscribed capital	Capital reserve	Retained earnings	Translation reserve	**Total**	Non-controlling interests	**Total equity**
As of January 1, 2022	**115,500**	**12,485**	**415,410**	**−17,533**	**525,862**	**33,830**	**559,692**
Other comprehensive income	-	-	457	20,409	20,866	2,018	22,884
Net income for the year	-	-	89,106	-	89,106	1,728	90,834
Total comprehensive income for the year	**0**	**0**	**89,563**	**20,409**	**109,972**	**3,746**	**113,718**
Dividend payments to non-controlling interests	-	-	-	-	0	−917	−917
Dividend payment	-	-	−45,045	-	−45,045	-	−45,045
As of June 30, 2022	**115,500**	**12,485**	**459,929**	**2,876**	**590,790**	**36,659**	**627,449**
As of January 1, 2023	**115,500**	**12,485**	**533,871**	**−8,586**	**653,270**	**35,953**	**689,223**
Other comprehensive income	-	-	-	−7,995	−7,995	−462	−8,457
Net income for the year	-	-	69,078	-	69,078	1,131	70,209
Total comprehensive income for the year	**0**	**0**	**69,078**	**−7,995**	**61,083**	**669**	**61,752**
Dividend payments to non-controlling interests	-	-	-	-	0	−1,102	−1,102
Share-based payments	-	-	1,025	-	1,025	0	1,025
Dividend payment	-	-	−51,975	-	−51,975	-	−51,975
As of June 30, 2023	**115,500**	**12,485**	**552,000**	**−16,581**	**663,405**	**35,520**	**698,924**

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, 2023 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 2022 financial year. The presentation of certain prior-year information has been reclassified to conform the current year presentation.

For a detailed summary of our other financial instruments, the determination of fair value and the classification of the other financial instruments into the fair value hierarchy of IFRS 13, reference is made to the Notes of the Annual Report 2022.

The fair values of financial instruments as at June 30, 2023, are not disclosed for the following reasons:

- the carrying amounts of the financial instruments are essentialy a reasonable approximation of their fair values, and
- for the financial instruments where the carrying amount differs from their fair value, no significant change in the relation between carrying amount and fair value was notable since December 31, 2022.

Revenues

REVENUES

Thousands of €	**6 months 2023**	6 months 2022
Software and licenses	87,968	130,190
Recurring revenues (software service contracts and rental models)	307,029	249,499
Consulting & Hardware	17,141	16,381
	412,138	**396,069**

REVENUES BY REGION

Thousands of €	**6 months 2023**	6 months 2022
Germany	89,817	85,945
Europe without Germany	132,950	121,821
Americas	152,689	148,881
Asia/Pacific	35,038	38,099
Rest of World	1,644	1,323
	412,138	**396,069**

Consolidated Segment Reporting

for the period from January 1 to June 30, 2023 and 2022

SEGMENT REPORTING

2023 Thousands of €	Design	Build	Manage	Media	Reconciliation	**Total**
Revenue, total	**204,008**	**129,428**	**28,386**	**54,064**	**–3,749**	**412,138**
thereof revenue external	203,393	127,557	28,368	52,819		412,138
thereof intersegment revenue	616	1,870	18	1,244	–3,749	0
EBITDA	**50,844**	**47,043**	**–5**	**19,183**	**0**	**117,063**
Depreciation/Amortization						–29,712
Net finance costs						957
Share of net profit of associates						–176
EBT						**88,132**

SEGMENT REPORTING

2022 Thousands of €	Design	Build	Manage	Media	Reconciliation	**Total**
Revenue, total	**189,644**	**133,592**	**26,636**	**49,966**	**–3,769**	**396,069**
thereof revenue external	188,980	131,811	26,510	48,769		396,069
thereof intersegment revenue	663	1,781	126	1,198	–3,769	0
EBITDA	**58,926**	**57,266**	**2,318**	**19,893**	**0**	**138,403**
Depreciation/Amortization						–28,769
Net finance costs						2,738
Share of net profit of associates						0
EBT						**112,372**

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 2023

Yves Padrines

Louise Öfverström

Jon Elliott

Financial calendar 2023

October 26, 2023

Publication
3rd Quarter 2023

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