3 Economic Report

3.1 Macroeconomic and Industry-Specific Conditions

General Economic Conditions

Global Economy

In 2024, the global economy continued to be impacted by geopolitical crises and persistently high interest rates in key economic areas. Nevertheless, global growth remained robust overall, with gross domestic product (GDP) continuing to grow at 3.0% in the first half of the year, according to the DIW Weekly Report No. 36-2024, and remaining stable in the second half of the year, ending the year at 3.2% according to the International Monetary Fund's World Economic Outlook published on January 17, 2025.

The economic development in the developed economies varied. While weak growth of around 0.8% is projected for the European Union (EU), the US economy performed significantly better, with an estimated growth rate of 2.8% according to the World Economic Outlook published on January 17, 2025. While the EU continued to suffer from structural weaknesses, restrained investment activity and the consequences of high energy prices, the US economy benefited from a robust labor market and solid consumer demand. This divergence underscored the different challenges and growth impulses in the two regions.

Declining inflation rates prompted the European Central Bank (ECB) and the US Federal Reserve (FED) to make their first interest rate cuts, from June and September respectively. Nevertheless, the interest rates in both economic regions remained relatively high, which – coupled with ongoing inflation – had a dampening effect on the investment and consumer behavior of companies and private households alike.

According to the IWF report as of January 17, 2025 GDP growth of approx. 4.2% is expected for emerging and developing countries. China, as a significant actor within this Group, experienced sluggish domestic demand, however, which had an adverse effect on emerging and developing countries as a whole.

In its Annual Report 2024/2025, published on November 13, 2024, the German Council of Economic Experts forecast global GDP growth of 2.6%, which represents an increase of 0.4 percentage points on the prior-year forecast. The International Monetary Fund (IMF) forecast global growth of roughly 3.2% for 2024 in its World Economic Outlook published on January 17, 2025.

Below, the performance of the regions relevant to the Nemetschek Group is examined in more detail.

Eurozone

Geopolitical crises, particularly the ongoing Russian war of aggression against Ukraine, once again dominated the economic performance of the Eurozone in 2024. In addition, the associated energy crisis continued to have an impact in 2024, although the situation on the energy markets eased compared to the previous year. Inflation fell compared with 2023, but remained high, which depressed the purchasing power of private households. On account of the partial normalization of inflation, the European Central Bank (ECB) was able to cut interest rates slightly for the first time in several years. However, interest rates remained comparatively high, continuing to contribute to low demand for credit and low investment growth. In particular, the German economy, as the largest Eurozone economy, continued its negative trajectory in 2024 following a price-adjusted decline in gross domestic product (GDP) of −0.3% in 2023. The main reasons for this development were the lack of necessary structural reforms, as well as the aforementioned high energy prices and interest rates and the slowing down of domestic consumption and international export demand. For Germany, the German Council of Economic Experts projected a moderate contraction of −0.1% for 2024, while the IMF's January 2025 update pointed to a slightly sharper slowdown of −0.2%.

Overall, in its Annual Report 2024/2025 published on November 13, 2024, the German Council of Economic Experts assumed economic growth of 0.7% for the Eurozone for 2024. In its World Economic Outlook published on January 17, 2025, the IMF currently expects growth of 0.8% in 2024, i.e., slightly in excess of its 2023 forecast of 0.4% for the Eurozone. According to Eurostat, the unemployment rate in the euro area remained stable at 6.3% in December 2024, with regional differences remaining high. The shortage of skilled workers is worsening in many sectors, including the software industry and the construction industry, and is hindering long-term growth prospects.

USA

The US economy performed well in 2024, bolstered by strong domestic demand and continued high investment in key areas such as semiconductor production and new technologies. Moreover, the Inflation Reduction Act (IRA) ensured further positive growth momentum, especially in renewable energies. The high interest rate burden had initial effects, however, as surplus private savings were largely used up and consumption slowed down in some cases.

Overall, in its Annual Report 2024/2025, the German Council of Economic Experts assumed economic growth of 2.7% for 2024, whereas the IMF arrived at a figure of 2.8%. According to the German Council of Economic Experts, the risks of a stronger slowdown have increased, but nonetheless remain limited.

Asia
Within Asia, Japan is currently the Nemetschek Group's strongest regional single market in terms of revenues. In 2024, Japan's economic performance was marked by a quite moderate growth rate, a slowing down of inflation, and structural adjustments. The IMF puts Japan's real-term GDP growth at roughly −0.2% for 2024. This represents a slowing down compared with the previous years, which is attributable to weaker global demand and the impact of production downtime, especially in the automotive industry. According to the World Economic Outlook published on October 22, 2024, inflation dropped to approx. 2.2%, compared with 3.3% in 2023. This was partially mad possible by lower commodities prices and the stabilization of the yen. Despite rising wages private consumption was weak as real purchasing power remained limited due to inflation.

Emerging Markets
The emerging markets are growing in importance for the Nemetschek Group. It is already active in individual countries and regions, such as India. In addition, the development of the Chinese economy is important for the Nemetschek Group. Due to its size, changes in the Chinese economy and economic policy have a direct impact on the development of neighboring countries and the entire global economy.

In its annual report 2024/25 published on November 13, 2024, the German Council of Economic Experts expects the emerging markets to grow by 4.3% overall. In its World Economic Outlook in January, the IMF predicts growth of 4.2% for 2024. Developments in the individual countries in the emerging markets group will continue to vary strongly. For the **Asian region**, the IMF predicts growth of 5.2% for 2024. The slight decline compared to 2023 (5.7%) is mainly due to the slower recovery in China, where structural problems in the real estate sector and muted export demand are hampering momentum. With a growth rate of 6.8%, **India** remains the region's growth engine and is the world's fastest-growing economy, according to Germany Trade & Invest (GTAI). Key factors driving this development include subsidies such as production-linked incentives (PLI), which provide targeted investment support, as well as rising domestic demand and increasing purchasing power. In addition, ongoing digitalization, together with extensive infrastructure projects, is creating an innovation-friendly environment that encourages companies to make additional investments. The demographic structure – a young population with great labor force potential – as well as a series of government reforms and efforts to reduce bureaucracy are further strengthening the confidence of foreign investors and consolidating India's position as a growth engine in the region.

According to the World Economic Outlook of October 22, 2024, the IMF expects the positive development in **European emerging markets** to continue in 2024, with a growth of 3.2% after 3.3% in year 2023. The IMF sees a stable development in the European emerging countries, with a growth of 3.2% in 2024 on the back of 3.3% in 2023. According to the IMF, the **Latin American emerging markets** are set to grow by 2.4% in 2024. The region remains affected by low commodities prices and the uncertainties in Brazil and Argentina. A return to more stable political conditions, however, could boost investment activity. A growth of approx. 2.4% is expected by the IWF for the **Middle East and Central Asia**, which is up slightly on 2023 (2.0%). A more stable geopolitical environment and diversification strategies away from the oil industry are having a positive effect. After **Saudi Arabia** experienced a slight decline in economic growth of −0.8% in 2023, the economy recovered and is expected to achieve a growth rate of 1.3%, according to the Saudi Arabian General Authority for Statistics. This adjustment reflects the deliberate reductions in oil production, both as a result of the country's own measures and of OPEC agreements to stabilize the global oil market. While the growth rate in the oil sector slowed, the non-oil sector (tourism, technology, and entertainment) remained a driving force for the economy. With a forecasted growth rate of 3.8% (according to the IFW), the **African developing countries** are seeing a moderate improvement. Investments in infrastructure projects and a diversification of the economy are spearheading expansion, even though many countries continue to struggle with high debt levels and inflation.

Sources: DIW Wochenbericht No. 36-2024, German Council of Economic Experts, Annual Report 2024/2025 dated November 13, 2024, and International Monetary Fund, World Economic Outlook Update dated October 22, 2024, and January 17, 2025. January 2025, Eurostat (Statistics | Eurostat) und German Trade Invest (Wirtschaftsausblick Indien); Oxford Economics und General Authority for Statistics.

Development of industry-specific conditions in the construction industry

Europe
In 2024, Europe remained the most important market for the Nemetschek Group, accounting for around 49% of group revenue. Following growth declines in the construction industry in the previous two years, particularly due to high interest rates, this trend continued in 2024, with the industry contracting by −2.4%. This was due to weaker domestic and foreign investments, which led to a fall in demand for building materials and other associated preliminaries. Moreover, high interest rates and tense lending conditions had a substantial impact on the real estate market, which, in turn, weakened the construction sector, partly because of the diminishing effect of generous incentives for energy-efficient renovation. Private non-housing construction was also hindered by high borrowing costs and structural changes such as

the rise in hybrid remote-working models and online retail, which have cut demand for office and retail spaces. The individual European markets performed very disparately in some cases in 2024. While the highest declines were mainly recorded in the Nordic countries, such as Finland (–5.4%), Sweden (–5.3%) and Norway (–4.9%), countries such as Spain (+2.0%), Portugal (+1.5%) and Ireland (+1.4%) even achieved notable growth rates. The German market, which is important for the Nemetschek Group, recorded a slightly disproportionate decline in the construction industry of 2.8% compared to the rest of Europe.

North America

Alongside the European market, the **United States** is one of the most important sales markets for the Nemetschek Group. For 2024, the FMI (as of October 2024) anticipates that expenditure in the construction sector will continue to rise, albeit at a slower rate than in the prior-year period, meaning that growth of approx. 5% is to be anticipated. The three segments of commercial building construction (+6%), the infrastructure sector (+5%), and the housing market (+5%) all contribute to this development with similar growth rates. Within commercial building construction (+6%), the areas of public safety (29%) and production facilities (21%) represent the chief drivers of growth. In the housing market (+6%), the picture has reversed compared with the previous year. Whereas multi-family homes were still the growth driver in 2023 (+18% in the year 2023), they posted a –4% decline in 2024. By contrast, single-family homes (+5%) and housing renovations (+8%) gained renewed momentum following the declines witnessed in 2023.

On the back of minimal growth of just 2% for the construction industry in **Canada** in 2023, it recovered slightly in 2024, with growth of +4% forecast for 2024. This recovery was particularly pronounced in housing growth, which once again recorded a slight increase (+2%). However, the growth of +4% seen in commercial buildings was lower than the previous year's increase of +8%.

Asia/Pacific

The construction industries in the Asia–Pacific region which still represent the world's largest building sectors exhibited a decline of around 3.0% in 2024. This development was influenced by a variety of factors.

The construction industry in **China**, in particular, recorded a sharp decline of around –5.3%. Although public-sector investment in infrastructure, particularly in the transport sector, was bolstered by the 14th Five-Year Plan, demand in the real estate sector was held back by high excess debt. In addition, strict government controls, such as limits on the indebtedness of real estate companies, borrowing restrictions on buyers, land purchases, and construction regulations, had a negative impact on the market.

India's construction sector remained a growth region in 2024, with a rise of 7.5%. The driving factors were large-scale infrastructure projects, continued urbanization, and increasing investments in housing projects. The government also implemented initiatives such as the National Infrastructure Pipeline, channeling significant funds into road, railroad, and energy projects.

The **Japanese** construction industry recorded moderate growth of approx. 1.8%, driven by investments in the modernization of infrastructure and transport networks. Major projects, such as expansion of the Shinkansen high-speed rail network, contributed to this stability.

In 2024, the construction industry in **Saudi Arabia** recorded growth of 0.4%. The weak growth of the construction industry in Saudi Arabia in 2024 resulted mainly from production cuts in the oil sector, which led to lower government revenues and reduced infrastructure investments. According to the Construction Outlook Q4 2024 for Saudi Arabia, Oxford Economics is forecasting a return to higher growth of 3.0% to 6.6% in the coming years. Residential and commercial construction is seen as a driver of growth, while civil engineering is not expected to see significant growth until 2026. The main underlying growth drivers are investments in Vision 2030 projects, rising private investments and improved credit conditions.

Other countries such as Indonesia, Vietnam and Bangladesh recorded average growth of more than 5.0%, with urbanization and economic development remaining key growth drivers.

Sources: 98th EUROCONSTRUCT Summary Report, Winter 2024 (November 2024); 2024 North American Engineering and Construction Outlook, Fourth Quarter Edition (October 2024), Fortune Business Insights (Marktgröße für Baumaterialien | Globaler Branchenbericht 2032); Mordor Intelligence (Analyse der Marktgröße und des Anteils von Bau- und Konstruktionsplatten – Branchenforschungsbericht – Wachstumstrends); Construction Outlook, Q4 2024 Saudi Arabia (December 2024); Oxford Economics.

Development of the Media and Entertainment Industry

The global 3D animation market continued to be influenced by the geopolitical crises and conflicts in 2024. In addition, ongoing challenges such as the film and TV strike in Hollywood prevented the market from fully unleashing its growth potential. In spite of these limitations, the media and entertainment market grew overall, driven by technological innovations and rising demand for high-quality visual and creative content.

A key factor for the sector's resilience is the diversity of markets and target groups addressed, particularly by innovative solutions such as the Maxon Group brand. Maxon solutions are not only used to produce feature films, TV products, and commercials, but also in the games industry and the fields of medical illustration, virtual reality (VR), augmented reality (AR), architecture, and industrial design.

In the long term, the brand benefits from powerful structural growth drivers, such as the growing use of VR and AR technologies and the integration of artificial Intelligence (AI). Forecasts indicate that the global 3D animation market will achieve a low double-digit annual growth rate by 2030, which is attributable to increasing demand for animated experiences and the application of visual effects in various sectors.

Source: PwC Global Entertainment & Media Outlook 2024-28 (https://www.pwc.com/gx/en/news-room/press-releases/2024/pwc-global-entertainment-and-media-outlook-2024-28.html)

3.2 Business Performance in 2024 and Key Events Influencing the Company's Business Performance

General Statement on the Economic Position of the Group

2024 was marked by geopolitical conflicts and crises and the macroeconomic challenges resulting from these factors. The consequences of the ongoing Russian war of aggression on Ukraine and the escalating Middle East conflict, which is spreading within the region, influenced world events and impacted the global underlying economic conditions. Overall, however, the global economy once again proved to be resilient in 2024. Global declines in inflation, and the associated cuts in interest rates by individual central banks, also had a supporting effect and, overall, ensured a slight improvement in the global economy. This overall development, however, was marked by considerable regional and industry-specific uncertainties. In this challenging environment, the Nemetschek Group once again performed positively and generated very strong business results.

In the course of 2024, the Nemetschek Group's business developed very favorably and better than originally expected in the outlook for the financial year 2024 published in March. In particular, the operational strength of the business and the resilience of the business model, which is also based on the continued successful transition of the business model to recurring revenues from subscription and SaaS models, have once again shown how the Nemetschek Group can develop very successfully even in a demanding and challenging environment. With the acquisition of GoCanvas Holdings, Inc., (Reston, Virginia, USA) on July 1, 2024, the largest company acquisition in the history of the company to date was successfully completed during the financial year, see << M&A / Start-up und Venture Investments >>.

Despite the ongoing transition of the business model to subscription and SaaS models and a still challenging market environment, overall Group revenue increased by 16.9% (currency-adjusted: 17.2%) to EUR 995.6 million. Organic growth, i.e., adjusted for the effects from the takeover of GoCanvas Holdings, Inc., with effect from July 1, 2024, came in at 13.7% (currency-adjusted: 14.0%).

The Group's earnings before interest, taxes, depreciation and amortization (EBITDA) grew to EUR 301.0 million (previous year: EUR 257.7 million). At 30.2%, the EBITDA margin was almost at the previous year's level of 30.3%. This includes one-time costs for M&A activities as well as the dilutive effect of the profitability of GoCanvas Holdings, Inc., which is still below the Group average.

The organic EBITDA margin, i.e., excluding the dilutive effect of the lower operating profitability of GoCanvas, was at 31.1%. The results do not yet reflect the full potential of GoCanvas Holdings, Inc., as both the revenue and EBITDA contribution in the second half of the year were reduced by a high single-digit million euro amount due to the IFRS-related purchase price allocation.

Annual recurring revenue (ARR) grew by 41.9% (currency-adjusted: 41.6%) to EUR 1,019.9 million. Organic ARR growth, i.e., adjusted for the GoCanvas contribution, of 34.6% (currency-adjusted: 34.2%) was generated. The ARR growth was therefore significantly more than the Group's revenue growth, which indicates a growth potential in the next 12 months.

In line with the strategy, the share of annual recurring revenue in total revenue increased significantly to 86.5% (organic, i.e., excluding GoCanvas Holdings, Inc.: 86.3%). As such, this figure climbed by around 10 percentage points compared to the prior-year figure (76.6%).

The ongoing Russian war of aggression on Ukraine as well as the ongoing military conflicts in the Middle East have left traces on the company and its employees. The Nemetschek Group believes that the economic sanctions imposed on Russia are an important instrument for restoring peace in Ukraine and therefore continues to suspend all activities with sanctioned persons, organizations or regions until further notice. In 2021, i.e., before the outbreak of war, business in Russia accounted for roughly 0.5% of total Group revenue. At present, no revenues generated in Russia are known.

The military conflicts in the Middle East continued in 2024 and spread within the region. As the Nemetschek Group does not have any direct business relations in the war region and does not engage in any activities there, the immediate consequences of the war on its earnings, financial and asset situation remained insignificant in 2024.

In addition to the direct effects described above for the Nemetschek Group, both the Russian war of aggression on Ukraine and the armed conflicts in the Middle East left traces on the development of the global economy and industries relevant to the company in 2024, see *<< 3.1 Macroeconomic and Industry Conditions >>*.

Overall, the business model, which is characterized by a broad portfolio of solutions, strong regional diversification in different client segments, and a high proportion of recurring revenue, proved to be very resilient. In 2024, the Nemetschek Group once again observed global developments and crises, as well as their potential effects on the company, extremely closely in order to respond quickly to possible impacts if necessary. First and foremost, however, the initiated strategic initiatives were driven forward, and key milestones reached, in the 2024 fiscal year. The main focus of this work was on strengthening the Group-wide go-to-market approach and further internationalization, the expansion of the subscription and SaaS models, and the continuous development of innovative solutions and new technologies connected with artificial intelligence, cloud features, and sustainability. The Nemetschek Group focuses relentlessly on the satisfaction of existing customers and on acquiring new ones. A further key area of focus lies in expanding the company's operations through acquisitions and investments in young and innovative start-ups.

As a growth-oriented company, the Nemetschek Group strives to grow sustainably and profitably, now and in the future. In order to do justice to the challenges associated with the company's increasing size, along with the significant increase in regulatory requirements, governance and management structures have been further expanded in recent years, and the Business Enablement initiatives launched have been continued and extended. In the 2024 fiscal year, the focus was on strengthening existing governance functions at the company and implementing the strategic focus areas outlined.

M&A / Start-up & Venture Investments

The strategic "Start-up & Venture Investments" initiative strengthened the Nemetschek Group's innovation-oriented focus on new technologies and investments in young companies, resulting in further investments in 2024. Since the start of the strategic initiative in the middle of 2021, the investment volume of the Nemetschek Group in start-ups amounted to a medium double-digit million-euro figure, split between more than a dozen promising start-ups and fostering not only the company's own innovative capabilities, but also that of industry.

Beyond the investments and shareholdings in start-ups, M&A transactions play a significant role in successfully implementing the corporate strategy, which is geared toward sustainable growth. In the reporting year, the largest M&A transaction in the company's history – the takeover of GoCanvas Holdings, Inc. – was successfully completed.

Segment level

On July 1, 2024, the takeover of GoCanvas Holdings, Inc., headquartered in Reston (Virginia, USA), was successfully completed. Since then, GoCanvas has been managed and fully consolidated within the Build segment. GoCanvas is a provider of SaaS solutions to facilitate collaboration between specialists on the construction site. With GoCanvas, traditionally paper-based processes can be digitalized and construction site safety improved. Synergies can be generated through complementary technologies, client bases, and regional sales structures. At the same time, the acquisition represents an ideal addition to the portfolio strategy in the Build segment, further accelerating the transition of the Nemetschek Group business model to subscriptions and SaaS models. At the time of the takeover, GoCanvas employed more than 300 people worldwide and generated annual recurring revenue (ARR) of USD 67 million and an operating margin below that of the Nemetschek Group in the 2023 fiscal year. The influence of the acquisition on the results of operations, financial position, and net assets is discussed under *<< Results of Operations, Financial Position, and Net Assets >>* . For more information on the takeover, see the notes to the consolidated statements under *<< Acquisitions of subsidiaries >>*.

Holding level

The Nemetschek Group is continually expanding its product and solution portfolio through acquisitions, gaining access to new technologies and / or regional markets and thus closing gaps in its value chain. In addition, new customer groups can be reached and market shares that are considered relevant and promising can be won. There is also a growing focus on investments in ventures in order to gain access to innovative technologies and business models and to promote the acceptance of new technologies in the market. With its know-how, the Nemetschek Group is in a position to influence the development of ventures positively and to strengthen value generation. Investments in ventures are made with the aim of deriving economic benefit from them, which is seen in a profitable sale.

During the past financial year, the Nemetschek Group invested in selected international companies in line with its strategic priorities.

At the beginning of the year, the Nemetschek Group made an additional investment in the US start-up Briq Technologies, Inc., based in Pasadena, California (USA). Briq offers a data-driven, collaborative platform for the automation of financial processes in the construction industry. Briq can be used to manage workflows, data, cash flow and projects, while simultaneously improving processes, precision and business workflows.

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As part of a series A financing round, the Nemetschek Group continued its investment in SmartPM Technologies, Inc., headquartered in Atlanta, Georgia (USA), and further expanded the existing partnership. With this investment, Nemetschek aims to further spearhead the transformation in construction and further broaden its reach in the key US market. The SmartPM software entails a cloud-based platform for increasingly automated project management in the construction industry. The solution optimizes existing planning software solutions by improving scheduling quality and automating project management processes.

During the course of the year, the Nemetschek Group also announced the investment it made in Document Crunch, Inc., headquartered in Alpharetta, Georgia (USA), as part of a series B financing round. Document Crunch is a technology firm specializing in the areas of AI-assisted document administration and risk management in the construction industry.

Beyond the investments outlined, partnerships were entered into at segment and brand level, such as in the form of an interoperability agreement with Autodesk and a strategic partnership with Hexagon. The aim of these activities is to support implementation of the strategic direction of the Nemetschek Group.

Details of company transactions can be found in the notes to the consolidated financial statements under *<< Acquisition of subsidiaries >>*.

Divestments

There were no significant portfolio divestments in the financial year 2024.

3.3 Results of Operations, Financial Position and Net Assets of the Nemetschek Group

Earnings

Revenue Development

In 2024, Group revenue rose by 16.9% to EUR 995.6 million (previous year: EUR 851.6 million). Adjusted for currency effects (i.e., on the basis of constant exchange rates compared with the previous year), revenue growth would have reached 17.2%. 2024 was thus impacted by slightly negative currency effects, particularly from the US dollar. Organic growth, i.e., adjusted for the effects from the takeover of GoCanvas Holdings, Inc., with effect from July 1, 2024, came in at 13.7% (currency-adjusted: 14.0%).

At 17.2%, revenue growth at constant currency was above the outlook of 13% to 14%, which was expanded due to the GoCanvas acquisition. Excluding the contribution from GoCanvas, organic growth was 13.7%. At 14.0%, organic growth after adjustment for currency effects was also above the originally forecast range of 10% to 11%. See also *<< 4 Comparison of the actual and forecast business performance of the Nemetschek Group >>*.

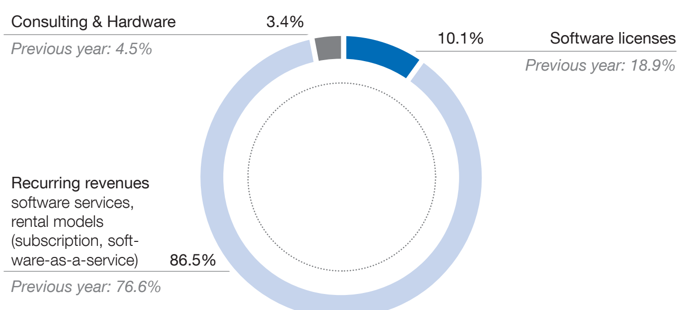
Annual Recurring Revenue (ARR) – see also *<< 1.4 Corporate management and governance >>* – developed positively in 2024. ARR grew by 41.9% (currency-adjusted: 41.6%) to EUR 1,019.9 million in the financial year 2024 (previous year: EUR 718.6 million), once again showing a higher growth momentum than total revenue, which in turn points to high growth in the future. This means that growth also exceeded the outlook of more than 30%. Organic growth in ARR was also very encouraging at 34.6% (currency-adjusted: 34.2%). The share of annual recurring revenues grew to 86.5% in the financial year 2024 (organically, i.e., excluding GoCanvas Holdings, Inc.: 86.3%). This means that the share increased again by around 10 percentage points compared to the previous year's level (76.6%) and is thus above the figure of around 85% that was forecasted.

In an economically challenging environment, the Nemetschek Group was able to grow year-on-year over all four quarters and thus continue on its sustained growth trajectory, while at the same time converting its business model from licenses to subscription and SaaS products. Strong end-of-year business in the fourth quarter of 2024 contributed to the forecast being exceeded. In the second half of the year, the completed takeover of GoCanvas Holdings, Inc., contributed to the strong revenue growth. But even without the contribution of GoCanvas Holdings, Inc., the revenue growth of 13.7% in the financial year 2024 was once again in the double-digit percentage range. The Nemetschek Group segments contributed to growth in 2024 by differing degrees – further information can be found in *<< Development of the Segments >>*.

DEVELOPMENT OF REVENUE AND GROWTH OF REVENUE

in EUR millions or percent	FY 2024	FY 2023	Change Δ nominal in %	Change Δ currency-adjusted in %	Organic change (excluding GoCanvas) Δ nominal in %	Organic change (excluding GoCanvas) Δ currency-adjusted in %
Total year	**995.6**	**851.6**	**16.9%**	**17.2%**	**13.7%**	**14.0%**
Q1	223.9	204.6	9.4%	10.3%	9.4%	10.3%
Q2	227.7	207.5	9.7%	9.7%	9.7%	9.7%
Q3	253.0	219.8	15.1%	15.8%	8.9%	9.6%
Q4	290.9	219.6	32.5%	32.3%	26.2%	25.9%

REVENUE DEVELOPMENT BY TYPE



The Nemetschek Group divides its revenue into three types: recurring revenue from software maintenance contracts and rental models such as subscription and SaaS (software as a service), software licenses and consulting and hardware.

Pure “software revenue” is divided into software rental models, software services and software licenses.

In the case of software rental models, a distinction is made between subscriptions and SaaS offers. While in the case of subscription models the software continues to be located by default on the customers' own local systems, in the case of SaaS models (cloud) the current version of the software is normally located on the servers of the Nemetschek brands, which customers can access.

Revenue from software rental models, such as SaaS and subscription contracts, is recognized over the agreed contract term or, in some cases, at the time of sale and subsequently over the contract term, as in the case of some of the subscriptions models, in accordance with the IFRS 15 accounting standard. Revenue from software maintenance contracts is recognized evenly over the entire contract term.

In contrast to software rental models, all revenues from software licenses are recognized at the time of sale (i.e., when ownership is transferred to the customer). The strategic goal is to gradually increase the share of recurring revenues. This goal is achieved by offering more software rental models, which leads to a more resilient and even more stable business model for the Nemetschek Group.

The transformation of the business model away from the traditional license business and towards a model with high recurring revenues, in particular through the transition to subscriptions and SaaS, was continued successfully in 2024. This transformation makes it possible to generate significantly higher revenues over the customer lifetime. At the same time, these revenue inflows are more resilient and thus easier to plan. In the short term, however, the transition to subscription and SaaS models has a temporary dampening effect on revenue growth due to accounting effects.

In the financial year 2024, the Nemetschek Group was able to increase its **recurring revenues from maintenance contracts and rental models** by 31.9% (currency-adjusted: 32.1%) to EUR 861.2 million (previous year: EUR 652.7 million). Organically (adjusted for GoCanvas), growth was 27.9% (currency-adjusted: 28.1%). This means that the high growth momentum of the previous year in recurring revenues (22.5% or currency-adjusted: 24.7%) was even exceeded. The growth rate of recurring revenues was again higher than the overall revenue growth of the Nemetschek Group (16.9% or currency-adjusted: 17.2%). As a result of this the share of recurring revenues in total revenues increased to 86.5% (previous year: 76.6%). The **ARR** (Annual Recurring Revenue) key figure grew by 41.9% (currency-adjusted: 41.6%) in the financial year 2024 to EUR 1,019.9 million (previous year: EUR 718.6 million), reflecting the sustainable implementation of the strategic shift in the business model towards offering more rental models. In organic terms (adjusted for GoCanvas), ARR growth was 34.6% (currency-adjusted: 34.2%).

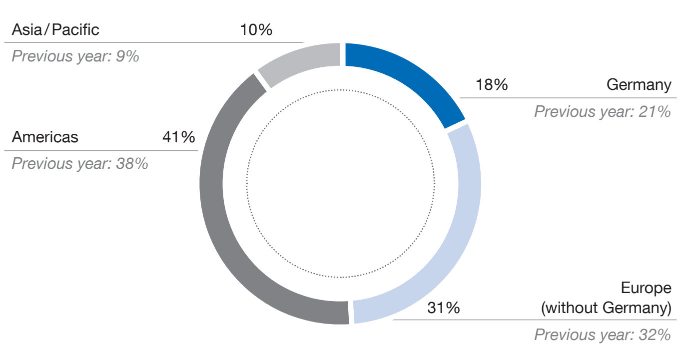
Revenue from **subscriptions and SaaS (rental models)** – which is considered recurring revenue – also increased at a disproportionately high rate to the Group's growth in the past financial year, rising by 88.1% (currency-adjusted: 88.3%) to EUR 567.8 million (previous year: EUR 301.8 million). In organic terms (adjusted for GoCanvas), the growth rate was 79.5% (currency-adjusted: 79.6%). In the financial year 2024, all segments contributed to this significant growth. The strongest driver of this development was the Build segment. Growth in this segment was over 100%, partly due to the acquisition of GoCanvas Holdings, Inc. The Design segment, in which some brands continued to accelerate their transition to subscriptions and SaaS, also contributed to the positive development. The share of group revenue from subscriptions and SaaS grew significantly again, from 35.4% to 57.0% in the financial year 2024.

In line with the strategy, revenue from maintenance contracts fell by –16.4% (currency-adjusted: –16.2%) from EUR 350.9 million to EUR 293.3 million in the financial year 2024. The share of revenues from maintenance contracts in the financial year 2024 was 29.5%, and thus, as planned, below the level of the previous year of 41.2%.

Revenues from **software licenses** fell by –37.5% (currency-adjusted: –36.6%) to EUR 100.7 million, compared to the previous year's figure of EUR 161.1 million, in line with the company's strategy. Accordingly, the share of software licenses in total revenue fell from 18.9% in the previous year to 10.1% in the financial year 2024. This development reflects the already well-advanced transformation of the business model.

At 3.4%, the share of **Consulting & Hardware** revenues was below the previous year's level (4.5%).

REVENUE DEVELOPMENT BY REGION



A key strategic objective of the Nemetschek Group is to further internationalize its business and to open up additional markets with high growth potential. The result of these efforts is reflected in the very encouraging growth abroad. In addition to the organic revenue growth abroad, there was also the revenue contribution from the acquired GoCanvas Holdings, Inc.

Revenues generated in **Germany** increased at a disproportionately low rate of 2.8% in the financial year 2024, while foreign revenues grew significantly by 20.6%. Germany's share of revenues thus fell from around 21% in the previous year to around 18% in the financial year 2024, and the share of revenues generated abroad was around 82%, up from the previous year's figure of 79%. The low domestic revenue growth is based, on the one hand, on the ongoing transition to subscriptions and SaaS models, especially in the Design segment, and the resulting short-term accounting-related dampening effect on revenue growth. On the other hand, the overall economic development in Germany, especially in the construction industry, also influenced the business of the Nemetschek Group.

In previous years, **Europe (excluding Germany)** had been strongly impacted by geopolitical crises and their macroeconomic consequences, and the European economy – especially the construction industry – weakened considerably. Nemetschek's businesses in Europe had also felt the effects of substantially more muted growth. The momentum of growth stabilized in 2023 and 2024 despite the still challenging conditions. Revenue in Europe (excluding Germany) increased by 14.7% in 2024. As a result, growth in Europe (excluding Germany) was below the growth of the Nemetschek Group. Owing to this, its proportion of total revenue fell to 31% (previous year: 32%).

In the **Americas** region (North, Central and South America), the growth dynamic increased significantly in the financial year 2024. First and foremost, the Build and Design segments contributed to the revenue growth of around 23.8% (previous year: around 5%). In the second half of the year, the inorganic revenue contribution of GoCanvas, focusing on the North American market, played a particularly important role in the strong revenue growth. Businesses in the Media segment also grew in the region, but continue to be influenced by cautious demand from the film and TV industry. With sharp revenue growth, its share of revenue in North America climbed to 41% in 2024 (previous year: 38%). As such, the Americas are still the Group's strongest region in terms of revenue.

The **Asia/Pacific** region recorded a significant year-over-year revenue growth of 27.9% in 2024. As in the USA, the Nemetschek Group benefited from a more robust construction industry. As a result, the share accounted for by this region in total revenue increased slightly from roughly 9% in the previous year to around 10%.

Earnings Performance

OVERVIEW OF KEY GROUP PERFORMANCE FIGURES

in EUR millions or percent	FY 2024	FY 2023	Change: Δ nominal in %	Change: Δ currency-adjusted in %	Organic change (i.e., excluding GoCanvas): Δ nominal in %	Organic change (i.e., excluding GoCanvas): Δ currency-adjusted in %
Revenue (absolute), revenue growth	**995.6**	**851.6**	**16.9%**	**17.2%**	**13.7%**	**14.0%**
ARR (Annual Recurring Revenue)	1,019.9	718.6	41.9%	41.6%	34.6%	34.2%
EBITDA	**301.0**	**257.7**	**16.8%**	**15.3%**	**16.9%**	**15.4%**
EBITDA margin	30.2%	30.3%				
EBITDA margin (organic, i.e., excluding GoCanvas)	31.1%	30.3%				
EBIT	**234.2**	**199.5**	**17.4%**			
EBIT margin	23.5%	23.4%				
Net income for the year (equity holders of the parent company)	**175.4**	**161.3**	**8.8%**			
Earnings per share in EUR	1.52	1.40	8.8%			
Net income for the year before depreciation from PPA	**200.8**	**183.8**	**9.3%**			
Earnings per share before depreciation from PPA in EUR	1.74	1.59	9.3%			

The **EBITDA** (consolidated operating result before interest, taxes, depreciation and amortization) increased in the financial year 2024 to EUR 301.0 million due to the very good operating performance, continued strict cost discipline and very strong revenue growth – supported by the acquisition of GoCanvas – and thus increased compared to the previous year (EUR 257.7 million). The growth amounted to 16.8% (15.3% on a constant currency basis) and was slightly diluted by the consolidation of GoCanvas in the second half of the year. Excluding the GoCanvas acquisition, growth would have amounted to 16.8% (15.3% on a constant currency basis). In addition, the previous year's EBITDA was burdened by planned one-time personnel expenses and comparatively high expenses in the area of trade fairs, which were related to the implementation of the go-to-market approach.

At 30.2%, the **EBITDA margin** was at the previous year's level of 30.3% and slightly above the EBITDA guidance range of 29% to 30%, which was adjusted due to the acquisition of GoCanvas.

The **organic EBITDA margin** (i.e., excluding the GoCanvas) amounted to 31.1%, and was thus slightly above the guided range of 30% to 31%, see *<< 4 Comparison of the actual business performance of the Nemetschek Group with the forecast >>*.

The past financial year 2024 has shown that the Nemetschek Group can continue on its targeted profitable growth path even in challenging times and can even accelerate it through organic and inorganic growth impulses.

Operating expenses increased by a total of 17.0% to EUR 773.1 million (previous year: EUR 661.0 million). The rise in operating expenses was thus at the level of revenue growth (16.9%). Personnel expenses are the largest single item within operating expenses, rising by 12.5% in 2024 and, hence, more slowly than revenue, to EUR 406.1 million (previous year: EUR 360.9 million). This particularly reflects higher wages and salaries due to inflation. In addition, there were transformation-related effects, such as the establishment of central functions in Nemetschek SE and the new employees from the GoCanvas acquisition (*<< Employees of the Nemetschek Group >>*). Other operating expenses increased by 24.9% to EUR 259.8 million (previous year: EUR 208.0 million) for inflation-related reasons, among other things. This item reflects sales commissions, costs of IT systems, expenses for external personnel as well as legal and consulting costs. At EUR 66.8 million, depreciation of fixed assets was up on the previous year (EUR 58.2 million). The depreciation from purchase price allocation included in this item increased from EUR 29.4 million to EUR 36.7 million. This was due in particular to the acquisition of GoCanvas and the resultant recognition of acquired intangible assets, in particular client relationships and technology. Depreciation of leased assets in accordance with IFRS 16 increased slightly by EUR 0.1 million to EUR 16.8 million. Excluding depreciation and amortization, operating expenses increased by 17.2% to EUR 706.3 million (previous year: EUR 602.8 million).

Overall, the financial result amounted to EUR –5.4 million in 2024 (previous year: EUR 4.8 million). Interest expenses for acquisition loans and lease liabilities in accordance with IFRS 16 affecting the financial result rose substantially from EUR 3.3 million in the previous year to EUR 16.7 million in 2024. This was due to the interest incurred in financing the acquisition of GoCanvas. On the other hand, there was interest income of EUR 4.7 million in 2024 (previous year: EUR 3.4 million). The other financial income of EUR 18.1 million was also higher than in the previous year (EUR 11.1 million). The income generated in 2024 primarily arose from foreign currency gains and the gain on a currency hedging transaction of around EUR 8.4 million in connection with the purchase of GoCanvas. This instrument was used to hedge the exchange rate risk between the signing and closing of the acquisition of GoCanvas. In the previous year, the item had mainly consisted of foreign currency gains and fair-value remeasurement gains on venture investments. Other financial expenses of EUR 11.4 million (previous year: EUR 6.4 million) mainly include foreign currency effects from loans between group subsidiaries.

Earnings before interest and taxes (EBIT) rose by 17.4% to EUR 234.2 million and were thus above the previous year's level (EUR 199.5 million).

Income taxes increased from EUR 40.6 million in 2023 to EUR 49.4 million in 2024. At 21.7%, the Group tax rate was up on the previous year (19.8%). In the financial year 2024, tax risks in connection with cross-border transactions were taken into account. In the previous year, loss carryforwards that had become usable for the first time were also recognized. Furthermore, tax expenses were increased due to the fact that the Pillar 2 rules came into force. In the Nemetschek Group, Hungary was affected in 2024, with tax rules that had not been applied in the past resulting in a EUR 2.0 million increase in the tax position.

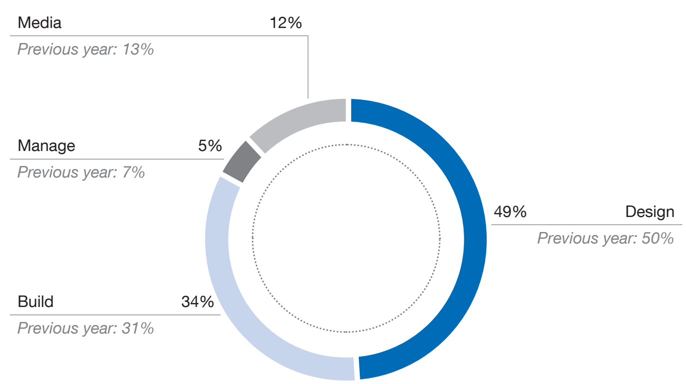
Net income (Group earnings after taxes) increased by 9.0% from EUR 164.0 million to EUR 178.8 million in 2024. Net income for the year (equity holders of the parent company) increased by 8.8% from EUR 161.3 million to EUR 175.4 million. Earnings per share came to EUR 1.52 (previous year: EUR 1.40). EPS adjusted for the effects of depreciation from PPA rose by 9.3% from EUR 1.59 in 2023 to EUR 1.74 in 2024.

Segment Developments

The strategic and operational management of the Nemetschek Group is organized via the four segments Design, Build, Manage and Media. The individual brands and their subsidiaries are assigned to the respective segments, see [<< 1.1 Group business model >>]. The key financial performance indicators used to manage the segments are revenue and year-on-year revenue growth (currency-adjusted) as well as EBITDA and the EBITDA margin as key performance indicators of operating profit. Further information can be found in chapter [<< 1.3 Corporate management and governance >>].

Revenue distribution by segment has changed slightly compared to the previous year – due to the acquisition of GoCanvas Holdings, Inc., which mainly affects the Build segment – and is as follows in 2024:

REVENUES BY SEGMENT



In the financial year 2024, a change in the segment structure occurred due to a strategic reorganization. As of January 1, 2024, the Digital Twin business unit, including the dRofus brand, was reallocated from the Manage segment to the Design segment, where it was consolidated. For further information, see [<< 1.1 Group business model >>.] To present the development of the affected segments transparently, the previous year's figures for the two affected segments have been adjusted and presented on a comparable basis.

Information on the performance of the individual segments is provided below.

Design Segment

in EUR millions or percent	FY 2024	FY 2023 [1]	Δ nominal	Δ currency-adjusted
Revenue	488.8	432.0	13.1%	13.7%
Personnel costs	−198.5	−182.3	8.9%	–
Other expenses	−137.4	−117.6	16.8%	–
EBITDA	144.8	119.8	20.9%	17.7%
EBITDA margin	29.6%	27.7%	+1.9pp	–

1) With effect from January 1, 2024, the Digital Twin business unit, including the dRofus brand, was regrouped from the Manage segment to the Design segment and consolidated in the latter. The prior-year figures were adjusted accordingly.

In the **Design segment,** with its regional focus on Europe, revenues of EUR 488.8 million (previous year: EUR 432.0 million) were generated in the financial year 2024. The segment was thus able to grow by 13.1% (currency-adjusted: 13.7%). In particular, a very strong year-end business had a positive impact on growth. The subdued market environment, which continues to be characterized by higher interest rates and geopolitical challenges in Europe, led to longer sales cycles for customers and thus hindered the full realization of the growth potential. On the other hand, the market situation also fostered the transformation of the business model towards recurring revenue models, which, however, had a short-term dampening effect on revenue. The growth in recurring revenues was over proportionately high. They grew by 24.1% (currency-adjusted: 24.3%), driven in particular by a strong increase in subscription and SaaS models. Based on this positive development, the share of recurring revenues increased again.

The segment's EBITDA rose from EUR 119.8 million in the previous year to EUR 144.8 million, which corresponds to an increase in earnings of 20.9%. Adjusted for currency effects, the increase would have been 17.7%. The overproportionate growth of EBITDA compared to revenue growth led to an increase in the EBITDA margin from 27.7% in the financial year 2023 to 29.6% in the financial year 2024. The improvement is also due to the negative special effects in the previous year. In the previous year, planned one-time personnel expenses and planned higher expenses for trade fairs, which are related to a strengthened and harmonized go-to-market approach, weighed on the segment's profitability.

Segment Build

			Change		Organic change (i.e., excluding GoCanvas)	
in EUR millions or percent	FY 2024	FY 2023	Δ nominal in %	Δ currency-adjusted in %	Δ nominal in %	Δ currency-adjusted in %
Revenue	340.7	265.4	28.4%	28.4%	18.0%	18.0%
Personnel costs	−138.1	−108.6	27.2%	–	–	–
Other expenses	−77.0	−49.9	54.2%	–	–	–
EBITDA	108.3	93.1	16.3%	14.7%	16.5%	14.8%
EBITDA margin	31.8%	35.1%	−3.3pp	–	−0.5 pp	–

In the **Build segment,** which primarily addresses construction companies in the United States, the transition of the Bluebeam brand to subscription and SaaS models continues to go according to plan and was successfully completed by the end of 2024. From July 1, 2024, the acquisition of GoCanvas Holdings, Inc., and its consolidation resulted in inorganic effects on revenues and earnings; see *<< M&A / Start-up & Venture Investments >>* and *<< 4 Comparison of the actual and forecast business performance of the Nemetschek Group >>*.

In the financial year 2024, revenues grew to EUR 340.7 million (previous year: EUR 265.4 million). This corresponds to a nominal growth rate of 28.4% (currency-adjusted: 28.4%). Organic growth, i.e., excluding the revenue contributions from the consolidation of GoCanvas Holdings, Inc., amounted to 18.0% (currency-adjusted: 18.0%) and was thus also above the growth dynamic of the previous year, despite the transition to subscriptions and SaaS models and its associated accounting-related burdening effect in the first three quarters.

In the Build segment, the Nemetschek Group continues to benefit from the low level of digitalization in the construction sector and from strong demand, particularly in the Asia/Pacific and Americas regions. The successful transition of Bluebeam's business model to a subscription and SaaS offerings led to a significant increase in recurring revenues. Recurring revenues grew by 55.9% (currency-adjusted: 55.9%), with a particularly strong contribution from the subscription and SaaS models.

In the financial year 2024, the EBITDA of EUR 108.3 million was 16.3% (currency-adjusted: 14.7%) above the previous year's figure (previous year: EUR 93.1 million) despite the accounting-related effects from the transition to subscription and SaaS models as well as the dilutive effect due to the lower profitability of the acquired GoCanvas and the associated effects from the purchase price allocation. Due to the effects described above, the EBITDA margin fell to 31.8% (previous year: 35.1%), but remained at a very high level. Organically (adjusted for the GoCanvas acquisition), the EBITDA margin was slightly below the previous year at 34.6%.

Segment Manage

in EUR millions or percent	**FY 2024**	FY 2023 [1]	Δ nominal	Δ currency-adjusted
Revenue	49.9	50.4	−1.1%	−1.1%
Personnel costs	−26.1	−28.7	−9.1%	–
Other expenses	−11.3	−12.8	−12.1%	–
EBITDA	5.1	1.8	> 100%	>100%
EBITDA margin	10.2%	3.6%	+ 6.6pp	–

1) With effect from January 1, 2024, the Digital Twin business unit, including the dRofus brand, was regrouped from the Manage segment to the Design segment and consolidated in the latter. The prior-year figures were adjusted accordin

The **Manage segment**, which comprises all activities related to facility and workplace management, generated revenues of EUR 49.9 million in the past financial year (previous year: EUR 50.4 million), which corresponds to a slight decline of −1.1% (currency-adjusted: −1.1%). In the financial year 2024, the sale of a unit for consulting services with a low profitability also had a revenue-reducing effect. In addition, the Digital Twin business unit, including the dRofus brand, was reallocated from the Manage segment to the Design segment as of January 1, 2024, and consolidated there. The previous year's figures have been adjusted accordingly. The Manage segment is feeling the effects of the continued macroeconomic uncertainty, coupled with the long-term consequences of the Covid-19 pandemic and the resulting changes in working conditions. The investment volume of building managers remains below the level prior to the outbreak of the Covid-19 pandemic. However, the Nemetschek Group continues to see growth potential in this segment as the degree of digitalization for building efficiency remains very low and the importance of energy efficiency and energy savings continues to grow.

The segment EBITDA improved significantly from EUR 1.8 million in the previous year to EUR 5.1 million in the year 2024. The main drivers of this development were restrictive cost management, the sale of the consulting service with a low profitability as well as efficiency increases. Overall, this resulted in an increase of the EBITDA margin from 3.6% in the previous year to 10.2% in the financial year 2024.

Segment Media

in EUR millions or percent	**FY 2024**	FY 2023 [1]	Δ nominal	Δ currency-adjusted
Revenue	120.1	111.4	7.8%	8.2%
Personnel costs	−43.3	−41.2	4.9%	–
Other expenses	−34.2	−27.7	23.4%	–
EBITDA	42.9	43.1	−0.5%	−0.1%
EBITDA margin	35.7%	38.7%	−3.0pp	–

In the financial year 2024, revenue in the **Media segment** grew by 7.8% (currency-adjusted: 8.2%) from EUR 111.4 million to EUR 120.1 million. The revenue development of the Nemetschek Group was thus again above the level of the underlying market. One of the reasons for the weak market development was the continued restrained demand from customers, especially in the important US market. The restrained demand is primarily still due to the effects of the long-lasting strike in Hollywood and the film industry in the previous year.

The segment's EBITDA of EUR 42.9 million was almost at the previous year's level of EUR 43.1 million. The previous year's EBITDA margin of 38.7% thus decreased by 300 basis points. However, supported by stringent cost management, the segment's EBITDA margin of 35.7% remained above the Nemetschek Group average.

Financial Position

Main Features and Objectives of Financial Management

The primary objective of financial management is to control and secure liquidity within the Nemetschek Group, ensure access to the debt market and manage foreign currency and interest rate risks. Financing and financial risk management is organized centrally and controlled by global governance. To ensure efficient cash and liquidity management, Nemetschek SE carries out cash pooling with selected subsidiaries. Nemetschek SE, the ultimate Group holding company, also receives further cash and cash equivalents from the annual dividends paid by the subsidiaries or in the form of loans granted by Group companies. If necessary, hedging transactions are concluded in dedicated individual cases.

The Nemetschek Group's financing options were improved in 2024. The existing bilateral credit facilities totaling EUR 357.0 million were replaced by financing under a revolving syndicated loan with a total volume of EUR 500 million. In the fourth quarter of 2024, Nemetschek SE issued its first promissory note (hereinafter called "Schuldschein") with a volume of EUR 300 million, thus securing access to this segment of the debt market.

The financial stability of the Nemetschek Group is reflected in a balanced ratio between debt and equity. The equity ratio stood at 44.2% on the reporting date (December 31, 2024) (previous year: 61.4%). The decline in the equity ratio is mainly due to the debt financing raised to acquire GoCanvas. The good Group earnings in 2024 had the opposite effect. In view of the favorable business outlook and solid funding structure, the Nemetschek Group is able to raise substantial liquidity beyond its existing facilities from the debt markets at short notice. Combined with the potential use of equity instruments, it can finance significant investments.

Liquidity analysis

Net liquidity/net financial liabilities in EUR million

	December 31, 2024	December 31, 2023
Short-term financial debt and short-term shares of long-term financial debt	0	6.8
+ non-current financial liabilities	500.3	0.1
Total financial liabilities	**500.3**	**6.9**
Cash and cash equivalents	205.7	268.0
Total liquidity	**205.7**	**268.0**
Net liquidity/ net financial debt (–)	**–294.6**	**261.2**

As of December 31, 2024, the Group held cash and cash equivalents of EUR 205.7 million (previous year: EUR 268.0 million). The decrease of EUR 62.3 million or 23.2% over the previous year is mainly due to the acquisition of GoCanvas and the associated financing measures. Cash and cash equivalents were used, among other things, to acquire GoCanvas and to repay the interim financing raised for this purpose. When investing the surplus liquidity, short-term, risk-free availability is generally more important than maximizing earnings in order to be able to fall back quickly on available funds in the event of possible acquisitions and to keep the risk profile of the Group low.

At EUR 500.3 million on the reporting date, financial liabilities (bank and Schuldschein loans) were significantly up on the previous year (EUR 6.9 million).

On the reporting date, the Nemetschek Group had no current financial liabilities and no short-term shares of long-term financial debt (bank loans). The liabilities existing on the previous year's reporting date were fully repaid in the course of 2024.

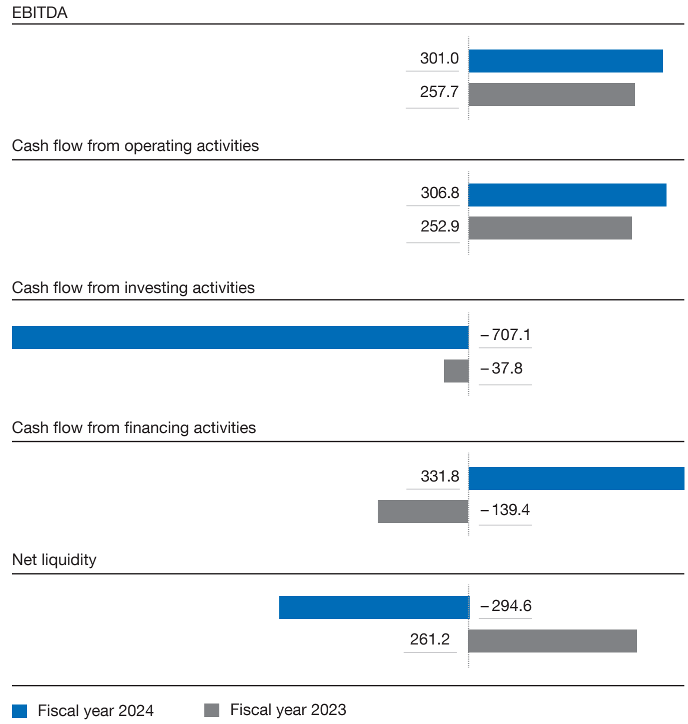
The EUR 500.2 million increase in non-current financial liabilities during 2024 to EUR 500.3 million as of December 31, 2024 (previous year: EUR 0.1 million) is attributable to financing of the acquisition of GoCanvas. A Schuldschein loan of EUR 300.0 million was issued, and long-term credit facilities were utilized to fund the purchase. The various tranches of the Schuldschein loan have maturities of three to five years. Part of the three-year Schuldschein loan has a fixed interest rate, while the other tranches have variable interest rates. EUR 201.0 million of the revolving syndicated loans with a volume of EUR 500 million were utilized. These were used to fund the growth strategy. The syndicated loan agreement requires compliance with financial covenants. There is no indication that these have not been complied with or cannot be complied with.

As a result of the aforementioned changes in the relevant balance sheet items, the Group's net financial debt was EUR –294.6 million as of December 31, 2024. On the basis of the aforementioned changes in the relevant balance sheet items, the Group's net financial debt as of December 31, 2024, was EUR –294.6 million (previous year: net liquidity of EUR 261.2 million). This negative net liquidity is characterized by long-term debt. The Group's continued high cash flow generation will reduce this negative liquidity in the following years. Furthermore, the Group has access to additional debt capital. Equity measures can also be implemented, with the Annual General Meeting having authorized a capital increase of up to 10% of the share capital. With these options, the negative net liquidity as of the reporting date does not represent an increased liquidity risk.

Due to the high profitability of the Nemetschek Group and the fact that its debt is within the bandwidths of the financial key figures set by banks, the group is able to obtain liquid funds for investments on a large scale.

With regard to dividend payments, the Executive Board pursues a sustainable dividend policy that provides for a distribution of around 25% of the operating cash flow. The dividend payout always takes into account the overall economic development and the economic and financial situation of the company. Total dividends of EUR 55.4 million were paid in 2024 (previous year: EUR 52.0 million).

DEVELOPMENT OF CASH FLOW



At EUR 308.3 million, the Group's cash flow in 2024 was 19.1% above the previous year's level (EUR 258.9 million).

Cash flow from operating activities in the financial year 2024 increased by EUR 53.9 million or 21.3% year-on-year to EUR 306.8 million (previous year: EUR 252.9 million). The increase was positively influenced primarily by the positive development of the operating business and consequently of the cash flow for the period as well as trade working capital (trade receivables and payables as well as deferred revenue). The management of the trade working capital resulted in a cash flow effect of EUR 47.8 million (previous year: EUR 49.4 million). This positive development was mainly due to the advance payment models from software service and software rental contracts with the corresponding recurring revenues. Compared to the previous year, the positive cash flow effect increased significantly again due to the continued very good development of this business model. The development of other working capital, which was characterized by higher provisions and trade payables compared to the previous year, also had a positive effect.

Income taxes paid (net) increased by EUR 9.2 million or 16.0% from EUR 57.6 million in 2023 to EUR 66.8 million in 2024. In addition to the increase resulting from the expansion of business operations, the taxation of development expenses in the United States in particular has had an opposite effect. This regulation was introduced for the first time in 2022, resulting in the highest cash outflow in this year. The related payments leveled off further in 2024.

Cash flow from investing activities amounted to EUR –707.1 million in 2024 (previous year: EUR –37.8 million).

Payments made for company acquisitions and equity investments increased substantially in 2024. At EUR 680.8 million (previous year: EUR 0.0 million), they reflect the company acquisitions (mainly the acquisition of GoCanvas Holdings, Inc.) and further equity interests acquired in start-ups in the course of the year. See section *<< 3.2 Business Performance in 2024 and Key Events Influencing the Company's Business Performance, Acquisitions/Divestments >>*.

Cash flow from investing activities also includes expansion and replacement spending of EUR 13.7 million on fixed assets (previous year: EUR 12.7 million).

Cash flow from financing activities amounted to EUR 331.8 million in 2024 (previous year: EUR –139.4 million). The large increase in payments made is mainly due to the fact that new loans were substantially higher than loan repayments in connection with financing of the company acquisitions. Cash and cash equivalents of EUR 931.0 million were raised in 2024 (previous year: EUR 18.5 million). This includes proceeds of EUR 300.0 million from successful placement of the first Schuldschein loan in the company's history, utilization of the syndicated loan and interim financing for the acquisition of GoCanvas.

The opposite effect arose from the repayment of bank loans amounting to EUR 507.1 million. This relates mainly to repayments of short-term interim financing raised in connection with the acquisition of GoCanvas. In the previous year, repayments of EUR 83.6 million (including EUR 27.7 million for acquisition loans) had been made.

Furthermore, the cash flow from financing activities was impacted by the dividend payment for 2024 of EUR 55.4 million (previous year: EUR 52.0 million) as well as payments of capital and interest on lease liabilities.

Management of Liquidity Risks

Liquidity risks arise when, for example, clients or payment service provider are not able to settle their obligations to the Nemetschek Group under normal trading conditions. To manage this risk, the company periodically assesses the solvency of its customers. That is underpinned by Group's broad client structure, in which there is no concentration risk.

The high creditworthiness of the Nemetschek Group (e.g., internal bank ratings) allows it to raise sufficient additional liquidity. As of December 31, 2024, it also had unutilized credit facilities of EUR 306.8 million (previous year: EUR 357.0 million). Nemetschek continually monitors the risk of a liquidity shortage using regular liquidity analyses and planning. Maturities of financial assets (receivables, fixed-term deposits, etc.) and expected cash flows from operating activities are taken into account. The objective is to continuously cover the ongoing need for financial resources while maintaining flexibility in financing. Further information on the management of financial risks can also be found in the Risk and Opportunities Report *<< 6 Report on Risks and Opportunities – Financial Risks >>*.

Investment Analysis

In order to continue securing its market position in the AEC/O and media markets and to be able to continuously open up new areas of application, investments in research and development and capacity expansion as well as replacement and rationalization measures are required. Business combinations and investments in start-up companies also play an important role for the Nemetschek Group. Such transactions are largely financed by means of bank loans. Depending on the terms of the loan, the company may use its own funds. The acquisitions completed in 2024 were financed internally, by bank loans and by issue of a Schuldschein loan. The bank loans raised were used for interim financing and were largely replaced by successful placement of the first Schuldschein loan in the company's history of EUR 300.0 million.

In the financial year 2024, the Nemetschek Group invested a total of EUR 867.7 million (previous year: EUR 24.1 million), of which EUR 7.3 million was in property, plant and equipment (previous year: EUR 6.3 million), which mainly represented expansion and replacement investments, and EUR 830.3 million in intangible assets (previous year: EUR 6.4 million), of which EUR 823.5 million (previous year: EUR 0) resulted from company acquisitions.

Off-balance-sheet obligations

Information on off-balance-sheet obligations can be found in *<< Note 27 Financial obligations >>*.

Net Assets

In EUR million	Dec. 31, 2024	Dec. 31, 2023	Δ nominal in %
ASSETS			
Current assets	413.7	418.2	–1.1%
Non-current assets	1,722.7	856.1	101.2%
Total assets	**2,136.3**	**1,274.3**	**67.6%**

In EUR million	Dec. 31, 2024	Dec. 31, 2023	Δ nominal in %
LIABILITIES			
Current liabilities	535.6	400.6	33.7%
Non-current liabilities	656.3	91.8	614.8%
Total equity	**944.4**	**781.9**	**20.8%**
Total liabilities	**2,136.3**	**1,274.3**	**67.6%**

The consolidated balance sheet total as of December 31, 2024 increased significantly by EUR 862.0 million or 67.6% to EUR 2,136.3 million (previous year: EUR 1,274.3 million).

Current assets

On the assets side of the consolidated balance sheet, current assets decreased by EUR 4.6 million or –1.1% from EUR 418.2 million in the previous year to EUR 413.7 million in 2024. This was mainly due to the 23.2% decrease in cash and cash equivalents to EUR 205.7 million (previous year: EUR 268.0 million). The opposite effect arose from the business-driven increase in trade receivables of EUR 47.8 million or 47.9% to EUR 147.4 million. The percentage increase in receivables is higher than the 16.9% increase in revenue and is primarily attributable to the further growth in the share accounted for by rental models as well as high invoicing in December 2024.

Non-current assets

Non-current assets rose significantly by EUR 866.5 million or 101.2% to EUR 1,722.7 million (previous year: EUR 856.1 million).

This was mainly due to the increase in goodwill by EUR 583.2 million or 105.6% from EUR 552.0 million to EUR 1,135.2 million as of December 31, 2024. The increase is due to acquisitions, mainly in connection with the takeover of GoCanvas Holdings, Inc. There were also changes in goodwill as a result of currency translation effects, as a material part of the goodwill is denominated in non-EUR currencies, particularly the US dollar. In addition, the change in intangible assets also contributed to that. They increased significantly by EUR 248.3 million or 183.8% to EUR 383.4 million (previous year: EUR 135.1 million). The additions to intangible assets, mainly through acquisitions, significantly exceed amortization and disposals. Detailed information can be found in *<< Note 16 Intangible assets and goodwill >>*. The right-of-use assets under leases that are classified as non-current assets were EUR 60.7 million and thus at the previous year's level (EUR 60.9 million). Additions, particularly in the form of rental of office space, were offset by scheduled depreciation as well as disposals. In addition, other financial assets in particular increased by EUR 17.1 million or 57.9% from EUR 29.6 million (previous year) to EUR 46.7 million as of December 31, 2024. This sharp increase was particularly underpinned by equity investments in start-ups in 2024, which had a corresponding effect on this item.

Property, plant and equipment decreased by EUR 1.7 million or 7.0% to EUR 22.1 million (previous year: EUR 23.7 million). Investments in office space could not be more than compensated for by depreciation, which remained almost unchanged compared to the previous year.

Current liabilities

At EUR 535.6 million, current liabilities were significantly above the previous year (EUR 400.6 million).

The largest share of the increase results from the greater volume of business, in particular from recurring revenues. As a result, deferred revenue increased significantly. It increased by EUR 89.5 million, or 33.8%, from EUR 265.1 million in 2023 to EUR 354.6 million at the end of 2024. Current provisions also increased by EUR 6.3 million, or 18.1%, to EUR 41.1 million, mainly as a result of higher personnel-related provisions. In addition, accrued liabilities increased by EUR 22.4 million from EUR 30.8 million (previous year) to EUR 53.2 million as of December 31, 2024.

Non-current liabilities

Non-current liabilities rose by EUR 564.5 million from EUR 91.8 million to EUR 656.3 million as of December 31, 2024.

The most significant increase related to non-current loans. They rose by EUR 500.2 million from EUR 0.1 million on the previous year's reporting date to EUR 500.3 million as of December 31, 2024, and mainly reflect the Schuldschein loan of EUR 300.0 million that was successfully placed in December 2024 and the syndicated financing of EUR 201.0 million that was utilized. Deferred tax liabilities also increased significantly by EUR 36.3 million or 216.5% over the previous year to EUR 53.0 million (previous year: EUR 16.7 million) as a result of company acquisitions. Deferred revenue from multi-year client contracts as part of recurring revenue models rose by EUR 25.1 million from EUR 6.2 million to EUR 31.2 million as of December 31, 2024.

Lease liabilities changed slightly by 0.1% and were EUR 52.8 million as of December 31, 2024. The change is described in detail in the notes to the consolidated financial statements under *<< Note 17 Leases >>*.

Equity

As of December 31, 2024, equity increased by EUR 162.5 million from EUR 781.9 million (2023 reporting date) to EUR 944.4 million. The significant increase is primarily due to higher retained earnings of EUR 763.1 million (previous year: EUR 640.8 million) and the rise in other comprehensive income (OCI) of EUR 37.6 million, which was mainly influenced by positive currency translation effects.

The equity ratio declined to 44.2% at the end of 2024 (previous year: 61.4%). The current liability ratio stood at 25.1% (previous year: 31.4%) and the non-current liability ratio at 30.7% (previous year: 7.2%) of the balance sheet total. This is mainly attributable to the financing structure for the acquisition of GoCanvas Holdings, Inc. Significant portions of the financing were implemented through debt instruments.

KEY BALANCE SHEET FIGURES

In EUR million	FY 2024	FY 2023	Δ nominal in %
Liquid assets	205.7	268.0	−23.2%
Goodwill/Company value	1,135.2	552.0	105.6%
Equity	944.4	781.9	20.8%
Balance sheet total	2,136.3	1,274.3	67.6%
Equity ratio in %	44.2%	61.4%	17.2pp

As in previous years, the Nemetschek Group determined capital costs (WACC = weighted average cost of capital) for the group of cash-generating units as part of the impairment test for goodwill.

A market risk premium of 6.5% (previous year: 7.0%) was applied. This results in capital cost rates before taxes ranging from 12.9% to 17.2% (previous year: 13.1% to 18.6%). In 2024, the slight decline in interest rates over the course of the year in response to receding inflation had an impact on the parameters derived from the capital market. Based on market capitalization as of December 31, 2024 and the planning expectations, the internal rate of return after taxes is 4.7% (previous year: 5.0%).

Nemetschek Group Employees

Nemetschek SE's People/HR department is globally responsible for the strategic development of human resources management and coordinates the strategic orientation with the respective HR departments of the individual brands.

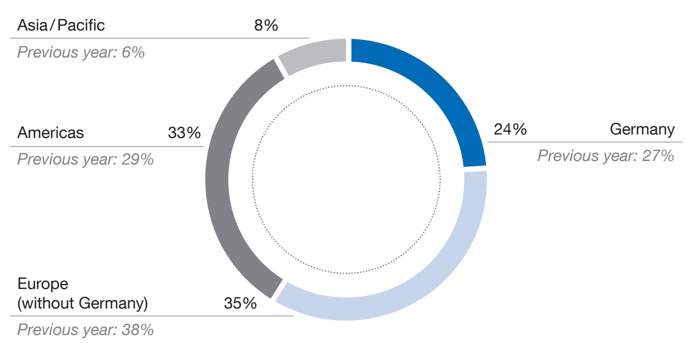
Further information on human resources work can be found in the non-financial group declaration under [<< 2.3 Social Information >>].

As of December 31, 2024, the Nemetschek Group had 3,894 employees worldwide (previous year: 3,429), equivalent to an increase of 465 employees or 13.6%. This increase also includes new employees due to the acquisition of GoCanvas. This does not include employees on parental leave, freelancers and those on long-term sick leave.

Employees by Region

At 76% (previous year: 73%), the majority of Nemetschek Group employees were based outside Germany at the end of 2024.

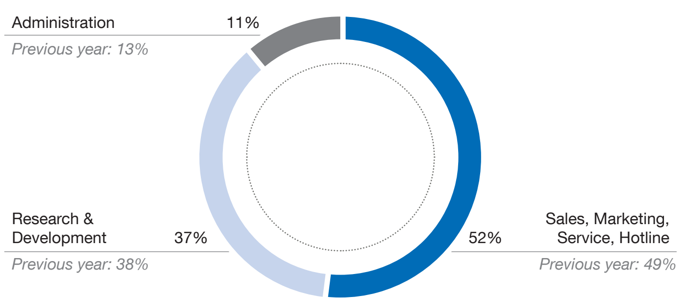
The following table shows the distribution of employees across the Nemetschek Group's key regions and Germany as the country in which the company has its headquarters.



Employees by Function

The number of employees in research and development at the end of the year was 1,423 (previous year: 1,323), or 37% of the total workforce (previous year: 38%).

The number of sales, marketing and customer support employees at the end of the year was 2,046 (previous year: 1,672). In addition, 426 employees (previous year: 434) worked in administration.



Personnel Expenses

Personnel expenses increased by 12.5% to EUR 406.1 million in 2024 (previous year: EUR 360.9 million), resulting in a personnel expense ratio (personnel expenses/revenue) of 40.8% (previous year: 42.4%). The increase in personnel expenses is also influenced by the GoCanvas acquisition, salary increases and transformation effects, such as the development of central functions in Nemetschek SE.

3.4 Earnings, Financial Position and Net Assets of Nemetschek SE

The following information refers to Nemetschek SE as the parent company of the Nemetschek Group. The information is based on the German Commercial Code (HGB) on accounting for large corporations and the German Stock Corporation Act (AktG). The result of Nemetschek SE is dependent on the earnings of subsidiaries held directly and indirectly.

Revenue Development and Earnings Situation

Nemetschek SE's revenues of EUR 12.8 million in 2024 (previous year: EUR 9.5 million) resulted primarily from income from licensing the umbrella brand "A Nemetschek Company."

Other operating income increased to EUR 32.8 million (previous year: EUR 15.5 million). There were proceeds of EUR 8,280 thousand from an FX forward in 2024. In the year under review, there was also income from currency translation of EUR 7.1 million (previous year: EUR 4.1 million) and income of EUR 16.9 million (previous year: EUR 9.2 million) from expenses recharged to subsidiaries. Personnel expenses for wages and salaries rose from EUR 12.5 million in the previous year to EUR 18.1 million. Other operating expenses increased from EUR 30.4 million in the previous year to EUR 50.3 million in 2024 and thus in line with other operating income. This was mainly due to increased expenses for consulting services (EUR 13.5 million, up from EUR 5.8 million in the previous year), IT software costs (EUR 10.5 million, up from EUR 6.2 million in the previous year) and marketing costs (EUR 3.6 million, up from EUR 2.8 million in the previous year). Expenses from currency differences (EUR 6.9 million, up from EUR 4.2 million in the previous year) rose due to exchange rate effects, primarily from the US dollar.

Income from equity interests of EUR 193.1 million (previous year: EUR 124.1 million) includes EUR 192.9 million in dividends from subsidiaries (previous year: EUR 124.0 million). Income of EUR 26.6 million (previous year: EUR 27.7 million) from profit transfer agreements arose from profit transfers from Allplan GmbH. This is offset by expenses from the transfer of losses amounting to EUR 1.5 million (previous year: EUR 2.1 million) from the Nevaris Bausoftware GmbH.

In 2024, EUR 2,220k was recognized as out-of-period income from the recording of the add-back taxation in 2023. In the financial year 2024, EUR 1,300k were recognized as out-of-period expenses due to a finding for the tax audit period 2016 to 2019 and EUR 1,100k for the subsequent period 2020 to 2023. Income of EUR 4,230k was recognized from the initial recognition of deferred tax assets on interest carried forward. The net profit for the year increased to EUR 175.1 million (previous year: EUR 123.5 million).

Net Assets

Nemetschek SE's balance sheet is mainly characterized by financial assets amounting to EUR 1,263 million (previous year: EUR 587.1 million). Affiliates accounted for by far the largest share of EUR 1,249 million (previous year: EUR 576.9 million). In 2024, Bluebeam Inc. acquired 100% of the shares in GoCanvas Holdings, Inc., headquartered in Reston, Virginia, USA. To finance the acquisition, Nemetschek SE increased the capital of Bluebeam, Inc., by EUR 662.5 million. This mainly accounts for the increase in financial assets. With regard to current assets, current loan receivables from affiliates, trade receivables from affiliates and profit and loss transfer agreements amounted to EUR 178.6 million as of the balance sheet date (previous year: EUR 167.6 million). As of the end of 2024, other assets included tax receivables of EUR 18.0 million (previous year: EUR 14.5 million).

Cash and cash equivalents stood at EUR 13.2 million at the end of 2024 (previous year: EUR 6.7 million).

The other side of the balance sheet is dominated by liabilities to banks and Group companies. As a result of new loans and scheduled repayments, bank liabilities rose to EUR 504.0 million (previous year: EUR 6.6 million). This was due to financing of the capital increase at Bluebeam, Inc., in order to fund the acquisition of GoCanvas Holdings, Inc. Equity increased by EUR 117.3 million to EUR 645.6 million. The net income for 2024 of EUR 175.1 million was offset by the dividend of EUR 55.4 million (EUR 52.0 million) that was distributed in 2024. Nemetschek SE's equity ratio was 43.4% as of the balance sheet date (previous year: 67.4%).

Provisions increased by EUR 4.9 million to EUR 19.7 million. Provisions for short- and long-term variable remuneration increased due to the rise in the number of employees and the inclusion of further executives in the long-term variable remuneration program. In contrast, the tax provisions were reduced.

Liabilities to affiliates mainly resulted from cash pooling (EUR 172.4 million; previous year: EUR 111.8 million) and short-term intercompany loans of EUR 127.6 million (previous year: EUR 109.3 million).

In 2024, control agreements and profit and loss transfer agreements were in force with the following subsidiaries: Allplan GmbH and Nevaris Bausoftware GmbH. There were also profit and loss transfer agreements and control agreements between Allplan GmbH and Allplan Deutschland GmbH. The control and profit and loss transfer agreements with Frilo Software GmbH ended due to the merger with Allplan GmbH.

Financial Position

Nemetschek SE's financing activities mainly comprised new debt of EUR 931.0 million (previous year: EUR 18.5 million), redemption payments of EUR 436.6 million (previous year: EUR 83.21 million) and the dividend payment of EUR 55.4 million (previous year: EUR 52.0 million). The financial covenants agreed with the lenders for the syndicated loan were met as of December 31, 2024, and there are no indications of a possible default.

In 2024, Nemetschek SE replaced the existing bilateral credit facilities (previous year: EUR 357.0 million) with a syndicated loan with a volume of up to EUR 500 million and a term of five years. The reported liabilities to banks relate to the syndicated loan (EUR 201 million) and a Schuldschein loan (EUR 300 million) as well as short-term interest liabilities for these loans. Nemetschek SE has committed, but unutilized credit facilities and a syndicated loan share of EUR 306.8 million. The syndicated loan agreement requires compliance with financial covenants. There is no indication that these have not been complied with or cannot be complied with. In 2024, interest payments of EUR 11.8 million (previous year: EUR 1.4 million) were made on loans taken out and credit facilities.

Within the scope of its internal financing activities, the company received funds primarily from cash pooling transactions, intercompany loans and dividends from selected subsidiaries.

The liabilities due exceed cash, cash equivalents, short-term receivables and other assets by EUR 626.1 million. The liabilities included in the debts amounting to EUR 817.2 million (previous year: EUR 236.7 million) are mainly characterized by liabilities to banks amounting to EUR 504.0 million (previous year: EUR 6.6 million) and liabilities to affiliated companies amounting to EUR 304.2 million (previous year: EUR 225.7 million). Nemetschek SE can exercise control over these companies to extend the liabilities beyond their current maturity date. Furthermore, Nemetschek SE can request dividends from the affiliated companies in order to further increase short-term liquidity. In addition, Nemetschek SE has committed, but undrawn credit lines and syndicated loan shares of EUR 306.8 million (previous year: EUR 357.0 million) available until 2029. In this respect, Nemetschek SE can more than compensate for the above-described shortfall through internal and external financing measures.

Report on opportunities and risks of Nemetschek SE

Nemetschek SE is materially influenced by the opportunities and risks of the Group. Compared with the Group, Nemetschek SE is exposed to a greater foreign currency risk from intra-group financing. These foreign currency risks are mainly offset by means of natural hedging. Remaining material risk peaks are addressed in individual cases by means of hedging transactions. There were no open hedges as of the balance sheet date.

Nemetschek SE Employees

On average, Nemetschek SE had 102 employees in 2024 (previous year: 66).

Outlook for Nemetschek SE and Comparison of Actual and Forecast Business Performance

The future development of Nemetschek SE with its significant opportunities and risks is heavily influenced by the forecasts of the Nemetschek Group set out in the Opportunity and Risk Report. Based on the Group's planning, Nemetschek SE expects another small increase in the net investment result and thus in net income in the financial year 2025. In the past financial year, this was significantly higher than in the previous year and also exceeded the expectation for 2024. This was due to higher financing requirements, which were largely covered by dividends received from subsidiaries, which were not factored into the forecast. Nemetschek SE expects a positive earnings trend in the upper single-digit percentage range for 2025. The net profit for 2025 is expected to be higher than in the past financial year. An increase in the upper single-digit percentage range is anticipated.

Furthermore, Nemetschek SE is expected to report positive gross liquidity in 2025 with growth in the lower double-digit percentage range above the previous year's level. The outlook from the previous year for the year 2024 was exceeded, as Nemetschek SE reported positive gross liquidity in the low double-digit million range, which is mainly due to intercompany dividend payments in December. The company plans to continue to distribute around 25% of the operating cash flow to its shareholders in the future. The dividend policy always takes into account macroeconomic factors and the economic and financial situation of the company.

4. Comparison of Actual and Forecast Business Performance of the Nemetschek Group

The original outlook for the financial year 2024 took into account the uncertain macroeconomic and industry-specific conditions prevailing at the time of the outlook in March 2024, primarily due to geopolitical conflicts and crises. The outlook was also based on the assumption that the global economy in 2024 would grow by 2.2% (German Council of Economic Experts) to 3.1% (IMF), as projected by the German Council of Economic Experts and the IMF at the time, and that growth would stagnate or even slow down compared to the previous year. The outlook also took into account the anticipated downturn in the construction industry in the USA, Europe and Asia, which are important markets for the Nemetschek Group. In addition, the outlook for the financial year 2024 took into account short-term dampening effects on revenue and earnings due to the ongoing transition of the business model from the traditional license business to subscription and SaaS models.

Taking into account the aforementioned assumptions, the Executive Board entered the financial year 2024 with realistic but positive expectations overall, anticipating currency-adjusted revenue growth in the range of 10% to 11%. The annual recurring revenue (ARR) growth was expected to be over-proportionally high at around 25%, thus increasing the share of recurring revenues in total revenues to around 85% by the end of the year. For the EBITDA margin, the Executive Board forecasted a range of 30% to 31%.

Following the successful closing of the GoCanvas acquisition as of July 1, 2024, the Executive Board confirmed the previous expectations for the operating business (i.e. excluding acquisition effects) for the financial year 2024 and at the same time expanded the outlook due to the acquisition of GoCanvas. The consolidation of GoCanvas was expected to have an additional positive effect on the forecasted revenue growth of three percentage points in the financial year 2024. With regard to the EBITDA margin, the Executive Board expected a dilution of around 100 basis points compared to the originally forecast EBITDA margin due to the profitability of GoCanvas, which is still below the average of the Nemetschek Group. These figures did not yet reflect the full potential of the GoCanvas acquisition, as both the revenue and EBITDA contribution in the second half of the year were expected to be reduced by a high single-digit million euro amount due to the IFRS purchase price allocation. The ARR growth was expected to increase from around 25% to more than 30% in the year 2024 after the consolidation of GoCanvas. The share of recurring revenues was still expected to be around 85%.