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FINANCIAL STATEMENTS
(GERMAN GAAP)
NEMETSCHKE AKTIENGESELLSCHAFT

FINANCIAL STATEMENTS CHECKING

2	Management Report
30	Balance Sheet
32	Profit and Loss account
34	Notes to the financial statements
36	Notes to the Balance Sheet
40	Notes to the profit and loss account
40	Other disclosures
50	Statement of fixed assets
53	Audit Opinion

MANAGEMENT REPORT

1 BASIC INFORMATION ON THE GROUP

1.1 BUSINESS MODEL OF THE GROUP

LEGAL STRUCTURE

The Nemetschek Group is a leading global software provider for the AECM industry (Architecture, Engineering, Construction, Management). From its headquarters in Munich and with more than 40 locations world-wide the Nemetschek Group serves around 1.2 million users in 142 countries with its 12 brands. The company, which was founded in 1963 by Prof. Georg Nemetschek, covers the complete life cycle of architecture and building structures, from planning to the construction process to utilization, management and modernization.

The Nemetschek AG with its headquarters in Munich undertakes, as the holding company, strategic corporate planning as well as the central functions in the area of corporate controlling and finance, investor relations and corporate communication, central IT and services, human resources, risk management, as well as corporate audit and compliance.

The holding company comprises twelve brands. The twelve brands exist as independently operating entities in the market. The managing directors of the operating subsidiaries act largely independently with a high degree of autonomy in their respective markets. As a result, the brands can react quickly to customer demands, market developments and changing conditions. Despite the independence of the brands the holding guarantees high management efficiency. With this holding structure Nemetschek has the ideal prerequisite to continue to successfully structure the future development of the company.

BUSINESS ACTIVITIES

The twelve brands, under the umbrella of Nemetschek AG, provide solutions for architects, structural designers, and civil and specialist engineers as well as software for cost and schedule planning, tenders, awarding of contracts, invoicing, and execution of building work. There are also solutions for technical facility management and commercial property management as well as for visualization software for architecture, film, animation and advertising.

The wide range of graphic, analytical and commercial solutions plays an important role in all phases and thus in the whole life cycle of architecture and building structures – from the planning and visualization of a building to the actual construction process to its management.

The central topic in the planning process of building objects today is the so-called Building Information Modeling (BIM). BIM is an integrated process of planning, building and management of buildings with the objective of maximizing quality and efficiency, especially as part of interdisciplinary cooperation. As the pioneer of the BIM idea, the Nemetschek Group has already followed this holistic approach for over 30 years. The interconnected BIM software solutions of the Nemetschek Group simplify the cooperation between all those involved in the building process. The project work is then done faster, more cheaply and more efficiently. Errors are reduced.

Nemetschek adopts an open approach (Open BIM). The open standard enables each Open BIM software from the Nemetschek Group to communicate with every other Open BIM software, even with software from competitors.

BUSINESS SEGMENTS

The Nemetschek Group structures its activities into four segments: Design, Build, Manage and Multimedia.

DESIGN

In the largest business segment, Design, Nemetschek is present worldwide and offers software solutions for, among others, architects, civil engineers, structural designers as well as for specialist engineers and landscape planners. The portfolio comprises in particular BIM-oriented solutions for Computer Aided Design (CAD) and Computer Aided Engineering (CAE), which set worldwide standards in the 2D and 3D design of buildings and their building structures.

Nemetschek Allplan, headquartered in Germany, serves both architects as well as engineers with the BIM platform Allplan and primarily serves the European market. Allplan Architecture is a particularly highly performing BIM solution which supports the complete design process for architects and designers as well as for developers and building companies. Its particular strength lies in its consistency, from the initial idea to competitor plans and exposés to the finished manufacturing plans and detailed plans.

Allplan Engineering supports the whole planning process for engineering and design offices as well as for civil engineers and building designers with regard to construction and civil engineering projects. The strength of this solution lies in its three-dimensional form work and reinforcement planning. Classical two-dimensional or hybrid working methods are similarly possible.

The program Precast, based on Allplan, is a leading planning solution for the concrete component industry, ranging from batch production to complex architectural elements and special components. As an information tool the Technical Information Manager (TIM) based on this program links various departments, such as sales, operations scheduling, production, logistics and assembly, and gives information on project structure and project status. Additionally, all contents can be visualized – as a virtual model or in table form. With branches in Singapore and Shanghai these solutions are also sold successfully beyond Europe.

The Hungarian company Graphisoft's software solutions are primarily aimed at architects. With its core product ArchiCAD, Graphisoft introduced the first BIM software for architects to the market. The BIM solutions enable a high degree of design freedom and guarantee a smooth and efficient work flow through all planning phases of a building project. The Graphisoft BIM Server, which enables a planning team to work together in a building model in real time, also belongs to the range of services. All members of a planning team can work simultaneously on a building model and have access to its current status. Furthermore, with BIMx Graphisoft offers a professional presentation tool. Many users around the globe are already using BIMx to present their design projects on mobile end-user devices. Graphisoft solutions are sold in over 100 countries and in 25 languages around the globe.

The American Nemetschek Vectorworks develops and sells CAD and BIM solutions for drafting and execution planning and offers a broad spectrum of specific industry solutions for architects, interior designers, landscape planners, product designers and for lighting, stage design and event planners. With Vectorworks Cloud Services, users can also centrally save, share, call up and process data from any place – whether from the office or whilst travelling. Customers include large design offices as well as small trade businesses. With its flexible and intuitive solutions, the company ranks as one of the leading suppliers worldwide in the field of 3D design technology. Vectorworks is the most used CAD program on the Apple Macintosh in the world and is one of the leading programs for Windows. Today, designers and planners in over 85 countries work with Vectorworks technology.

In addition to the Allplan construction engineering product line and the Precast solution based on Allplan, Nemetschek Scia, Nemetschek Frilo and Glaser are also part of the focus on construction engineering. The group offers solutions for all areas of construction engineering for BIM, CAD, structural analysis, logistics, and project management – from easy-to-learn starter products to high-end solutions.

Nemetschek Scia, located in Belgium, is responsible for four main product lines: Structural analysis and design (Engineering Design), CAD construction engineering (Structural Detailing), software for production control (Fabrication Management), as well as interoperability solutions (Interoperability). Users include engineering and architectural offices, design and structural analysis offices, steel construction companies, and testing and

inspection bodies. With the high performance software solutions the company supports its customers in designing and manufacturing all types of constructions – from complex buildings to bridges to challenging industrial buildings. Scia is also represented successfully beyond Europe.

Nemetschek Frilo is one of the leading suppliers of calculation programs for structural construction projects. The company's over 80 statics programs cover a large area of statistical calculations in practice. Intuitive operation, quick results and current norms ensure customer success. The coordinated cooperation with Frilo Statik and Scia Engineer offers engineers an integrated overall CAD solution from one source.

Glaser offers CAD programs for construction engineering and, in addition to the DACH region, addresses markets such as Russia or the Czech Republic. The programs are used, among other things, for formwork and reinforcement planning, steel construction, and wood and roof construction. A close partnership with Nemetschek Frilo, as well as common interfaces of the programs, enables an especially convenient and consistent calculation of statistics for CAD construction.

Data Design System (DDS), located in Norway, has also belonged to the Design segment since its acquisition on November 30, 2013. The company develops innovative CAD software solutions for the intelligent design of technical building equipment (TGA) and supplies highly functional design software for mechanical, electrical and plumbing engineering, for heating, ventilation and air-conditioning systems, and for photovoltaic systems. Furthermore, DDS develops and sells special software for the architecture and construction of wooden framed, prefabricated houses in the Scandinavian building style. In addition to engineering and design offices and trade businesses, DDS's customers include industrial companies and facility management companies. With branches in Germany, Austria and in the Netherlands, DDS mainly sells its solutions in the European market.

Nemetschek bim+ has also been part of the Design segment since 2013. The solution of the same name, bim+, is an open, cloud-based platform which makes construction quicker and more effective. bim+ enables all information on specific construction projects to be saved contextually in the cloud so that other people may access the information, visualize it and connect with each other. Access is flexible via PC, laptop, iPad or other mobile end devices. bim+ is aimed at those in the construction industry including engineers, technicians, building contractors and people involved in building projects in an administrative function. As an open platform, bim+ also offers programmers the possibility of developing and providing applications and services for BIM.

BUILD

In the Build segment, products and solutions are offered for commercial and technical cost and performance accounting, cost and deadline planning as well as for tender, assignment and invoicing (AVA) of construction work. They cover the actual construction process – from project cost planning and technical building site management to commercial construction invoicing. The Build business segment, which has mainly concentrated on German-speaking markets, includes the companies Nemetschek Bausoftware, the Austrian Nemetschek Auer as well as the product lines Allplan BCM and Design2Cost from the Nemetschek Allplan Group.

Nemetschek Bausoftware, located in Germany, has already offered integrated software solutions for the construction industry for over 25 years. With its programs Building for Windows and Building financials, construction companies of all sizes in Germany, Austria and Switzerland are served with primarily commercial but also technical industry solutions. Furthermore, the company offers programs for administering information, managing documents and for mobile time recording. The company has a strong position in Germany and is the leader among the target group of larger medium-sized construction companies in Switzerland.

With its headquarters in Austria, Nemetschek Auer provides commercial and technical solutions for design and construction. The intelligent software supports customers from design to invoicing, optimizes processes and reduces costs. With a market share of up to 80% the premium product AUER Success is the leading software for the main construction and construction-related industries as well as for designers and building authorities in Austria.

In addition to this, Allplan comprehensively covers construction cost planning and the tender process with BCM. BCM can be used to prepare specifications and accompany a project from the initial idea to its execution and management. Furthermore, Allplan BCM forms the basis for the planning method Design2Cost, the soluti-

on for designing and planning in accordance with cost considerations. With the complete solution Design2Cost the quantities required for the calculation of costs for the tender are calculated quickly and simply from the building model.

Under the development management of Nemetschek Auer, together with Nemetschek Bausoftware and Nemetschek Allplan, the continuous, process-oriented AVA and building software Nevaris was developed. Nevaris was presented for the first time in autumn 2012. In the meantime numerous new features have been added. The software is used in construction cost planning and AVA, from costing and construction invoicing to controlling. Nevaris is offered as an on-premise and as a Software-as-a-Service (SaaS) solution.

In summary, the solutions in the Build segment cater to, above all, architects, engineers, construction management, and construction companies.

MANAGE

The Manage segment includes Nemetschek Crem Solutions – the name Crem stands for Corporate Real Estate Management. The product portfolio is determined by the needs of the real estate and housing sector in the administration and invoicing of its properties and land, and can be aligned to the individual needs of customers. The main product, iX-Haus, is an all-in-one solution for the management of commercial property with complex operating requirements. Additionally, the company offers software for the management of housing associations and large property management companies. Particularly because of its detailed reporting, Crem iX-Haus is also a valuable support in the area of asset management.

Furthermore, with the Allfa solution Allplan offers comprehensive Computer Aided Facility Management (CAFM) software for efficient building management. With the platform independent, browser-based CAFM, software building management data can be called up and managed efficiently at any time regardless of period and time.

MULTIMEDIA

Maxon Computer belongs to the Multimedia segment. The company is a leading developer of solutions for professional 3D modeling, painting, animation, and rendering. The software packages CINEMA 4D and BodyPaint 3D, which have won several awards, are used worldwide in numerous productions in the fields of film, television, advertising and games, as well as visualization of architecture, medicine, product design and info graphic. The solutions from Maxon are distributed via 150 sales partners in more than 80 countries worldwide. The company, located in Germany, maintains branches and representations in the USA, Great Britain, France, Japan, and Singapore.

MAIN LOCATIONS

Nemetschek AG has its headquarters in Munich and is represented with its twelve brands at more than 40 locations worldwide. The Nemetschek Group solutions are sold around the globe.

SIGNIFICANT SALES MARKETS AND COMPETITIVE POSITION

Nemetschek is a worldwide leading provider of software solutions for the life cycle of buildings and building structures in the AECM and multimedia industries. In its target markets the Nemetschek Group is market leader in Europe and second globally after the US supplier Autodesk. The industry has consolidated in the past few decades. Nemetschek was active in this process through acquisitions. Today, there are few globally operating suppliers like Nemetschek. It is faced with a multitude of smaller, locally active companies. Competition occurs in extremely heterogeneous markets, which are characterized by numerous disciplines participating in the building process, various philosophies and different regional requirements and standards.

Unlike other large competitors, Nemetschek concentrates almost exclusively on the AECM market. The strong and specialized brands in the Nemetschek Group understand that their products should be aligned to the needs of the customers and that they need to react quickly to market changes. To meet the wide range of customer needs, the Nemetschek Group offers a broad range of solutions that are tailored to special working require-

ments and local guidelines and norms. The direct proximity to the customer and the transformation of customer requirements into corresponding products are part of its philosophy.

In order to satisfy the numerous customer demands Nemetschek relies on its cooperation with partners from the sector who themselves offer the leading solutions in specialist areas.

The Nemetschek Group has its roots in Europe. In particular in the DACH region Nemetschek has a strong base and secures sustainable growth. North and South America, Asia, Eastern Europe and the Nordic countries count, above all, as the growth markets of the future for Nemetschek. Nemetschek has, in the meantime, numerous branches worldwide including in Brazil, Mexico, Japan, China, and Singapore. The individual brand companies have their own sales and, in addition to that, cooperate with distribution partners who exclusively sell group solutions globally.

Furthermore, Nemetschek relies on cooperations. For example, the Nemetschek Group concluded an extensive development cooperation with CABR Technologies, the leading Chinese software supplier for 2D-CAD solutions. Together with this company, Nemetschek is developing, as requested by the Chinese government, an obligatory nationwide standard for BIM processes.

In November 2013 Graphisoft announced a strategic partnership with Nikken Sekkei, one of the worldwide largest architect offices located in Japan. The core of the contract is the formation of a joint BIM Competence & Research Center which will advance Building Information Modeling in Japan and South East Asia.

Within the Multimedia segment, Maxon laid the foundations in March 2013 for an extensive development and marketing cooperation with the Adobe software group. Thus, two new Maxon technologies, CINEWARE and CINEMA 4D Lite, were directly integrated into Adobe's industry leading software, After Effects. Users from the motion graphics and visual effects industry benefit from an optimized work flow, shortened render periods and more functionality for the creation of digital media content.

Furthermore, Maxon supplies render technology to the CAD brand companies of the Nemetschek Group.

1.2 CORPORATE MANAGEMENT

Nemetschek AG, with its registered office in Munich, acts as a strategic holding company. It holds majority shares in nationally and internationally operating brand companies which act with a high degree of autonomy in their relevant markets. The operational and strategic management of the group is performed via the four segments: Design, Build, Manage and Multimedia.

The corporate management of the group is based on the group strategy jointly approved by the executive and supervisory boards. This covers the strategic positioning of the Nemetschek Group and its solutions portfolio, as well as its concrete, medium-term revenue and income projections. Corporate management is performed at the level of reportable segments. The group specifications and annual targets for the product brands and their companies are derived from the strategic objectives. In the annual planning process at profit center level these company targets are agreed with the brand companies, are substantiated by them and assigned individual quantitative and qualitative targets for marketing and development. The agreement of annual planning, individual targets and medium-term planning is performed together with the supervisory board.

During the year, the group targets are monitored on the basis of a group-wide management information system with detailed reporting of the key performance indicators for the revenue, cost and earnings situation. The central controlling indicators for Nemetschek AG are revenues and growth, as well as the operating result (EBIT-DA) per segment. Non-financial performance indicators as control measures do not exist at the level of the holding company. Non-financial performance indicators (e.g., customer satisfaction) are measured at brand level. The measurement of customer satisfaction occurs at brand level through external surveys, feedback via direct sales, selling partners or via service. The results of the customer satisfaction survey represent an important source of information for future solutions, product improvements and marketing activities.

The strategic and operating corporate management is performed by the executive board. Discussions on business development, financial controlling indicators and actual/target comparisons of the individual brand companies are performed regularly with the relevant management. Furthermore, there are regular cross-company reconciliation processes in important areas (e.g., finance and controlling).

1.3 OBJECTIVES AND STRATEGY

Nemetschek follows a firm growth strategy and focuses on the AECM and multimedia markets worldwide. The brand companies are constantly working on further expanding the strategic direction chosen and the related successful development with regard to growth, profitability and market leadership.

The major growth drivers are internationalization, innovations and new strategic growth fields which result from technological trends.

The growth strategy is aimed at organic growth that outpaces the market average and at accelerating this growth through acquisitions. For acquisition projects the focus is on growth along the life cycle in the AECM market, the rounding off of the product portfolio and on internationalization.

INTERNATIONALIZATION

The worldwide represented Nemetschek Group follows a global growth strategy. In the past few years it has constantly extended its market position, above all in the USA and Asia and, at the same time, reinforced and expanded its position in existing sales markets. This enables it, on the one hand, to seize additional regional growth opportunities and, on the other hand, to better allocate risks. The global distribution network, consisting of Nemetschek's own sales team in particular in the core markets and distributors, ensures close proximity to customers in all markets. The constant expansion of a worldwide service and sales business is a central concern and an important growth driver for the next few years.

INNOVATIONS

The success of Nemetschek is based on innovations. The brand companies follow this philosophy. With their solutions they set new benchmarks and establish standards in the AECM and multimedia markets. The Nemetschek Group is constantly working on being a reliable and sought-after partner for customers and on developing tailor-made solutions for them. High customer satisfaction forms a sound basis for a successful and sustainable corporate development. This should also be ensured for the future. Further information on innovation activity can be found in the section on Research and Development.

TECHNOLOGICAL TRENDS

With forward-looking solutions the Nemetschek Group addresses technological trends such as Building Information Modeling (BIM), process orientation, networking, collaboration, cloud computing, mobile solutions, and internet. These also include new sales forms such as telesales and internet shops. These trends will strongly change industry and customer demands and influence future growth. Transparency, costs, increasing project complexity, and integrated infrastructure are topics which the construction industry must address. Technology – especially software for architecture, engineering, construction and management – makes a vital contribution to this. The objective is to make available to customers the most appropriate and best possible tools for their projects in order that they can master the challenges having to do with costs, time and quality in the best possible way.

1.4 EMPLOYEES

As of December 31, 2013 Nemetschek AG employed 18 staff (previous year: 19). All employees receive appropriate remuneration. Also various special benefits are also offered (e.g., the possibility of a company pension scheme, company car rules and subsidies for canteen meals). In most companies there is also a performance-related remuneration, which is crucial to high employee motivation. The development of revenues and earnings of the relevant company as well as the achievement of personal targets are usually the criteria for measuring this. Managers and sales employees are primarily measured based on the overall success of the company, whereas the variable remuneration for other employees depends on the achievement of individual or team targets.

1.5 RESEARCH AND DEVELOPMENT

Nemetschek is a leading provider of software for the digitalization of building processes and is a pioneer in innovation. Nemetschek's objective is to gradually expand its portfolio of solutions and to constantly improve those products and solutions already present in the market. Customers benefit from the increases in efficiency and from a constant improvement in the quality of their processes and projects. Therefore, close cooperation with customers in developing innovative and value-generating solutions is essential.

Nemetschek constantly invests in the new and continued development of products and solutions. Innovative products are the basis for the success of the group. Approximately one quarter of the revenues generated therefore flow regularly into product and process innovations. The high status of development is highlighted by the fact that in 2013 45 % of total employees within the corporate group were employed in this area (previous year: 47 %). On average for the year 2013 the Nemetschek Group employed 575 staff (previous year: 572) in research and development.

The focus of the development activities is on the releases of the individual software solutions of the relevant brands published annually. With regard to topics such as cloud computing, Software-as-a-Service (SaaS) or BIM, Nemetschek is working on new, tailor-made solutions. Under the development management of Nemetschek Auer, together with Nemetschek Bausoftware and Nemetschek Allplan, the integrated process-oriented AVA and building software Nevaris were developed. Nevaris was presented for the first time in autumn 2012. In the meantime numerous new features have been added. The software is used in various areas, including construction cost planning and AVA, costing and building invoicing, and controlling. Nevaris is a solution from Nemetschek which is offered both as an on-premise and as an SaaS solution.

Furthermore, the first open and cloud-based platform bim+ was launched in November 2013. bim+ enables all construction-related information to be stored in the cloud so that other people can access and visualize the information and connect with one another. The content can be accessed at any time, whether via PC, laptop, iPod or other mobile end devices. As an open platform, bim+ also offers programmers the possibility of developing and providing applications and services for BIM.

The technological trends in the markets served by Nemetschek, such as Building Information Modeling (BIM), process orientation, networking, collaboration, cloud computing, internet, and mobile solutions for tablets and smart phones, will change the industry and customer requirements radically. Nemetschek is constantly working on developing the appropriate solutions.

As a pioneer of Building Information Modeling, Nemetschek is counting on Open BIM as the basis for co-operations between manufacturers independent of software. Open BIM supports a transparent, open working process which enables those involved in construction to participate in building projects with their relevant software. For this the Industry Foundation Classes (IFC) interface is of central significance. The brand companies are constantly working on improving, testing and certifying their data connections for seamless exchange with other open BIM solutions. Furthermore, the brand companies are working on the development of collaborative additional functions, which, for example, enable users to follow which project participant has received, read and potentially changed or approved which detailed information and when.

In developing new products and continuing the development of trusted solutions, internal group resources were predominantly utilized and third-party services were used only to a limited extent.

In the fiscal year 2013 the Nemetschek Group invested EUR 47.4 million (previous year: EUR 45.1 million) across the group in research and development. This is equivalent to 25 % of group revenues (previous year: 26 %). This includes capitalized development costs of EUR 1.7 million (previous year: EUR 1.9 million), of which in the fiscal year 2013 EUR 1.64 million (previous year: EUR 1.6 million) was for self-generated software and EUR 0.03 million (previous year: EUR 0.3 million) for other own work capitalized.

1.6 SUSTAINABLE AND RESPONSIBLE BEHAVIOR

Sustainable economy is the basic prerequisite for long-term success. Sustainable means preparing the company to be secure today while already considering tomorrow. The Nemetschek Group has established itself as a leading global technology company and provides all customers along the life cycle of architecture and building structures in the AECM industry and in the multimedia industry with innovative software solutions. Simultaneously, Nemetschek practices social and ecological responsibility. Here the focus is on three aspects: the environment, employees and society.

ENVIRONMENT

The Nemetschek Group is constantly working on combining innovation and commercial success with the highest quality expectations and careful treatment of resources and the environment. With its software solutions the idea of sustainability is taken account, and efficient and environmentally safe construction is promoted. The solution portfolio of Nemetschek supports architects and engineers in designing energy-efficient buildings and in minimizing material consumption. All brands under Nemetschek's roof have integrated appropriate solutions into their programs. With EcoDesigner from Graphisoft, architects are, for example, already able to determine the likely energy requirements of the buildings planned in the early design phase and to compare different designs with each other. This program has already been given several awards.

The idea of environmental protection also has a high priority internally. For example, almost all brand companies use telephone and video conferences in order to reduce business trips to a minimum. Furthermore, innovative training methods such as e-learning and learning videos are used instead of printed manuals and operating instructions, which significantly reduces paper consumption. Furthermore, download possibilities from the internet are successively replacing the sending of DVDs – a further component in protecting the environment.

EMPLOYEES AND WORKING ENVIRONMENT

A high degree of motivation and identification among employees is a core element for the success of Nemetschek. The company promotes this by creating attractive working conditions and an inspiring working environment.

The companies in the group also make every effort to enable their employees to balance their professional and family lives. This is achieved, among other things, by flexible working time regulations. The concrete structure for this varies and is also dependent on specific country regulations. The same applies to part-time work, in the context of either parental leave or early semi-retirement.

Of course, a comprehensive further education program with internal and external training forms part of the best possible working conditions. The topics of training events range from specific technical training to foreign-language and IT courses to management training and seminars on the subject of teamwork and self-management.

As a result of the international orientation, the topic of corporate compliance is increasing in importance. The Nemetschek Group places particular significance on integrity in staff dealings with stakeholders and on good cooperation. To this end Nemetschek has defined a "Code of Conduct" – a guide for the behavior of all employees of the Nemetschek Group worldwide. The relevant principles, which are visible on the website of Nemetschek AG under "The Company", are made accessible to the employees as part of special internal training courses.

COMPANY

Nemetschek has its roots in the university environment and has been present there for many decades with its software solutions. The brand companies provide free software licenses and online training materials to students and professors as part of their so-called campus programs. In addition to the core markets in Europe, this is also applicable for many further markets, above all the USA. Furthermore, Nemetschek also supports university projects on a regular basis. For example, in the year 2013, this applied to the activities of the faculty for construction engineers and surveying at the Technical University Munich. Furthermore, it supports the regular organization of student competitions for promoting young talent in the areas of architecture and engineering. In addition there is close cooperation with universities and colleges. Nemetschek supports, for example, the Leonhard-Obermeyer-Center of the Technical University Munich, a think tank, in order to launch marketable digital processes for the construction industry. In this way the company promotes the young generation in architecture and engineering and, at the same time, secures itself a high affinity of potential future customers for its own software solutions.

2 ECONOMIC REPORT

2.1 OVERALL CONDITIONS

The global economy stabilized during the year 2013 after uncertainties regarding the continued development of the Euro crisis subsided and indications of a recovery increased in many industrial countries. In its latest report, the German Council of Economic Experts forecasted, however, a weaker growth in global Gross Domestic Product (GDP) from 2.4 % on average for the year 2012 to 2.2 %.

As the result of a weak start to the year, the Euro region remained in a recession in 2013 which was, however, weaker than in 2012. With regard to the recession in important sales markets the growth in Germany also remained weak: It amounted to 0.4 % after 0.7 % in the year 2012.

During the course of the year in the industrial countries there was a slightly accelerated increase in production. This recovery is, however, in the opinion of the Council of Experts, not yet self-supporting because many industrial countries still have high public deficits and are still following an expansive monetary policy to support the economy. In the USA, growth decreased as a result of this from 2.8 % to 1.6 %. In Japan, on the other hand, it decreased only slightly from 2.0 % to 1.9 %. The economy in the USA, however, gained momentum during the course of the year which was, above all, due to private consumer spending and private residential construction.

According to the annual report of the Council of Experts the emerging countries developed significantly more dynamically than the industrial countries: Their economy grew in 2013 by 4.9 % after 5.1 % in the prior year. Growth in China was even higher: As in the prior year GDP grew by 7.7 %.

CONSTRUCTION SECTOR SITUATION

The recession in the Euro region also affected the construction sector. According to the forecast of the sector expert from EuroConstruct, the decline in the building volume in Europe had, however, already slowed compared to the prior year. In Germany, construction volume grew by 0.3 % after having decreased by 1.2 % in the prior year. In addition to Germany, Austria, Switzerland, Norway, Denmark, and Hungary were able to defy the negative trend in Europe.

In the USA the construction sector was able to continue its recovery at a slightly reduced speed in 2013. The experts from Germany Trade & Invest attribute this to residential construction, which was, however, subdued in the summer due to the increase in mortgage interest. Growth in the construction sector was measured at 5 % for the year 2013. In advance of large events, such as the football World Cup and the summer Olympic Games, the Brazilian construction industry also developed dynamically and, according to the analysis of Germany Trade & Invest in their report of November 2013, faster than the economy as a whole.

In Japan the construction sector was able to grow significantly, according to the forecasts by the Research Institute of Construction and Economy in the year 2013. Nominal building investments climbed by 9.1 % compared to the prior year. The increase was mainly due to the reconstruction of the destroyed earthquake areas and the overhaul of obsolete infrastructure. Clear impulses also arose from the construction of private housing and apartments as the result of an imminent increase in the excise tax as well as from commercial construction. This is shown in an analysis from Germany Trade & Invest on economic trends in Japan for the years 2013 and 2014.

The performance indicators on the construction sector shown here are only one type of indication of the development of the markets of Nemetschek. The AECM industry, which Nemetschek addresses with its software solutions, is currently experiencing the strongest changes since the introduction of the computer. Technological trends, such as Building Information Modeling (BIM), process orientation, networking, collaboration, cloud computing, internet, and mobile solutions for tablets and smart phones, change work flows and processes fundamentally and will substantially influence the growth of the whole sector in the coming years. Studies show that, in terms of digitalization, the building and property industry lies far behind other industries (e.g., finance or the automobile industry). This will change. For example, at the beginning of 2014 the European Parliament published that it would develop further the public procurement law of the European Union and recommend the use of computer assisted methods, such as BIM, in order to award public building contracts and tenders. The passing of the directive for the EU Public Procurement Law means that by 2016 all 28 member states of the European Union shall promote the use of BIM in the realization of publicly financed construction and building infrastructure projects and may make this obligatory. Therefore, for the software solution providers the potential and opportunities are great.

2.2 REPORT ON EARNINGS, FINANCIAL POSITION AND NET ASSETS

EARNINGS POSITION

Revenues of Nemetschek Aktiengesellschaft amounting to EUR 2.1 million (previous year EUR 2.0 million) result from income from trademark license fees. Other operating income of EUR 8.0 million (previous year EUR 1.6 million) includes write ups to non-current financial assets amounting to EUR 6.6 million. The write-ups are the result of a permanent improvement in results for two subsidiaries. Furthermore, it includes rental income and recharges within the Nemetschek Group. Operating expenses of EUR 6.5 million (previous year EUR 7.8 million) include personnel expenses, consultancy fees and, for the most part, other operating expenses that can be recharged to subsidiaries.

Income from investments amounting to EUR 14.4 million (previous year EUR 25.3 million) relate to distributions by the subsidiary companies. Income from profit and loss transfer agreements amounting to EUR 11.7 million (previous year EUR 7.1 million) result from profit transfers by Nemetschek Allplan Systems GmbH, Nemetschek Allplan Deutschland GmbH and Nemetschek Frilo GmbH. Overall, net income amounted to EUR 27.3 million (previous year EUR 25.5 million).

FINANCIAL POSITION

The investing activities of Nemetschek Aktiengesellschaft in the fiscal year 2013 were mainly affected by the acquisition of the DDS Group. The provisional purchase price including ancillary acquisition costs amounts to EUR 18.1 million. On calculating the final purchase price only minor changes specified by the contract are made.

The financing activities of Nemetschek Aktiengesellschaft primarily consists of the dividend payment amounting to EUR 11.1 million (prior year EUR 11.1 million). Additionally, a long-term loan amounting to EUR 2.0 million was granted to a subsidiary of Nemetschek AG. The loan principally serves the financing of innovations in the area of cloud solutions.

Cash outflows of EUR 1.5 million (previous year EUR 1.4 million) resulted from the servicing of the interest swap. Within the financing activities cash inflows to the company primarily arose from financial funds from cash pooling transactions as well as distributions from selected subsidiaries.

The liquid funds amount to EUR 8.4 million (previous year EUR 17.8 million) at the closing date.

BALANCE SHEET POSITION

Within fixed assets the balance sheet of Nemetschek Aktiengesellschaft is characterized by the financial assets amounting to EUR 161.5 million (EUR 134.9 million). Of these EUR 157.5 million (previous year EUR 132.9 million) relate to shares in affiliated companies. The increase here results primarily from the acquisitions as well as the write-ups accounted for in the fiscal year. In the area of current assets, accounts due from affiliated companies amount to EUR 0.6 million (previous year EUR 3.0 million). In the previous fiscal year this included dividend payments of EUR 2.7 million.

Liquid funds fell from EUR 17.8 million to EUR 8.4 million. This was caused by payments amounting to EUR 18.1 million for the purchase of the DDS Group.

The shareholders' equity and liabilities of the company are shaped by the shareholders' equity being EUR 16.2 million higher than in the prior year. The net income for the current fiscal year of EUR 27.3 million is matched by dividend payments of EUR 11.1 million. The equity ratio of Nemetschek Aktiengesellschaft amounts to 88 % (previous year 85 %) at the closing date.

The accounts due to affiliated companies mainly result from cash pooling and other financing activities within the Nemetschek Group.

There are profit and loss transfer agreements with the following subsidiaries: Nemetschek Allplan Systems GmbH, Nemetschek Allplan Deutschland GmbH and Nemetschek Frilo GmbH. There is a licensing agreement with Nemetschek Allplan Systems GmbH. The companies Nemetschek Aktiengesellschaft, Nemetschek Allplan Systems GmbH and Nemetschek Allplan Deutschland GmbH provide each other with services in the area of administration.

2.3 PRINCIPLES AND OBJECTIVES OF FINANCIAL MANAGEMENT

The prime objective of financial management is to secure the financial stability and flexibility as well as the liquidity of the Nemetschek Group. This is done by ensuring an equilibrium between equity and debt capital. With an equity ratio of 66.2 % (previous year: 66.8 %), a current debt ratio of 30.2 % (previous year: 29.3 %), a non-current debt ratio of 3.6 % (previous year: 3.9 %) the capital structure is extremely solid. The debt mainly comprises trade payables as well as provisions and accrued income that fall due in less than one year, and are covered by current operating cash flow. The main sources of finance are current assets, including trade receivables, which stem directly from the Nemetschek Group's operating business.

As of December 31, 2013 there were no loan liabilities. Nemetschek has not implemented any other financing measures in the fiscal year.

To ensure efficient cash and liquidity management Nemetschek AG, as the group's ultimate parent, carries out group-wide cash pooling with selected subsidiaries. Other liquid assets flow to the ultimate parent of the group through the annual profit distributions of subsidiaries.

MANAGEMENT OF LIQUIDITY RISKS

Liquidity risks arise from the possibility that customers may not be able to settle their obligations to the Nemetschek Group under normal trading conditions. To manage this risk the Company periodically assesses the credit rating of its customers.

The credit rating of Nemetschek allows sufficient liquid funds to be procured. Furthermore, lines of credit not yet taken up of EUR 6.5 million are also available. Nemetschek monitors its risk of a shortage of funds using monthly liquidity planning. This considers the maturity of both its financial assets (accounts receivable, fixed-term deposits, etc.) and projected cash flows from operating activities. The objective is to maintain a balance between continuous coverage of financial funding requirements and the guarantee of maintaining flexibility.

3 OPPORTUNITY AND RISK REPORT

RISK MANAGEMENT

Nemetschek's business activities involve both opportunities and risks. A risk management system is operated for early detection, assessment and the correct management of business risks.

The aim is to analyze the risk profile of potential factors, detect changes in risk conditions and counteract negative developments in advance. An additional objective is to recognize and benefit from possible opportunities.

Responsibility for detecting risks at an early stage and dealing with them generally rests with the executive board. In performing its duties in this area, the board is assisted by the managing directors of the subsidiaries, the defined risk owners, and the risk managers of the subsidiaries and of Nemetschek AG. The responsibilities of the risk manager include the summary, appraisal and reporting of risks and related counter-measures.

The so-called risk owners are responsible for continuously identifying, assessing and managing risks in their respective strategic and operational areas. The internal auditor is also a key element of the risk management system who, in the course of his activities, continually monitors the functional diligence and effectiveness of the processes.

To improve comparability, risks are valued across the whole group based on uniform quantitative and qualitative criteria. As part of a risk inventory, the current risk status of the Nemetschek Group is updated and documented. Regular reporting can be supplemented during the year using ad hoc information, for example when identifying risks to the continued existence of the company as a going concern.

ACCOUNTING-RELATED RISK MANAGEMENT SYSTEM AND INTERNAL CONTROLLING SYSTEM

The risk management system and internal controlling system generally also cover the accounting processes as well as all risks and checks with regard to accounting. This relates to all parts of the risk management system and internal controlling system that could have a significant impact on the consolidated financial statements.

The aim of risk management with regard to the accounting processes is to identify and assess risks that could prevent the consolidated financial statement from complying with the applicable regulations. The impact of identified risks on the consolidated financial statement must be assessed and evaluated. The aim of the internal controlling system is to establish sufficient security through the setup of controls so that the consolidated financial statement complies with the relevant regulations, despite identified risks.

Both the risk management system and the internal controlling system cover Nemetschek AG and all subsidiaries relevant for the consolidated financial statements with all processes relevant for preparation of the financial statements. The controls relevant for accounting primarily concern the risk of a significant misstatement in the consolidated financial statements.

An evaluation of the significance of misstatements is based on the probability of occurrence and the effects on revenue, on EBITDA and on the balance sheet total.

Significant elements of risk controlling and management in accounting are the assignment of responsibilities and controls during the preparation of the financial statements, group-wide requirements in the form of guidelines on accounting and the preparation of the financial statements, and appropriate rules for accessing the IT systems. The principles of dual control and functional separation are also important control principles in the accounting process.

An evaluation of the effectiveness of internal controls with regard to accounting is an integral part of the checks carried out in 2013 by the internal audit department. Four times a year, the supervisory board is informed about the significant identified risks in the Nemetschek Group and the efficiency of the risk management system and accounting-relevant internal controlling system.

OPPORTUNITIES AND RISKS

The Nemetschek Group is faced with strategic risks of a medium to long-term nature. These are related to changes in environmental and market factors, competitive conditions, technological progress, and management processes, such as development and marketing, organizational or leadership processes. On the other hand, there are also operating risks that tend to be of a more short-term nature, and that can arise from changes in the market environment, inadequate and erroneous internal processes, systems or external factors as well as human error. As a result, the efficiency of the organization and the recoverable value of assets can be impaired. There are currently no known specific risks to the going concern principle.

The Nemetschek Group's factors for success are based on its decades of experience in the development and marketing of software solutions in the AECM environment (Architecture, Engineering, Construction, Management) and the multimedia industry; its well-qualified, innovative and highly motivated employees at all levels; as well as stringent and efficient business processes. Opportunities for further development of the business base and for expansion of the portfolio are systematically identified and exploited where possible.

ECONOMIC, POLITICAL AND REGULATORY RISKS, SOCIAL CONFLICTS, INSTABILITIES, NATURAL CATASTROPHES

The demand by customers for software, services and solutions from the Nemetschek company depends on their order situation and financing conditions. These could be influenced by the current situation and future expectations of the underlying conditions for the sector and the economy generally.

Nemetschek is active in various markets the economies of which can go into a recession and crisis due to potential cuts in state spending, new financial laws on spending and debt limitations, high unemployment, as well as natural catastrophes or conflicts. There is basically the possibility that as part of a rapid change in the economic situation or state regulation in individual countries or in economic communities conditions arise that threaten our existing business models or market opportunities in its substance. Such changes can in turn also have a negative influence on the sales, the financial and earnings situation and the existing assets of the company.

Nemetschek constantly follows the development of the important economies and their construction industries using generally available early warning indicators and an analysis of its own marketing situation. Thanks to its international sales orientation the company has the possibility of spreading risk. However, the company cannot rule out that the economic conditions in central markets can have lasting negative influence on the business activities, financial position and results of operations or on means of payment.

MARKET

The main opportunities and risks, which could lead to a significant change to the Nemetschek Group's economic situation, lie in the market and industry environments.

The Nemetschek Group generally generates revenues from software license sales and income from maintenance contracts from clients in the global AEC and multimedia sector.

In the software industry, it is possible to react comparatively quickly to an increase in demand and the results of additional revenue have an immediate, positive effect. Conversely, a fall in demand can negatively impact the revenue situation at short notice because of a delay in aligning costs.

Revenue from Nemetschek Group solutions is distributed, however, geographically across several countries. Moreover, no individual customers account for a major share of revenues and, thus, there is no cluster risk. Consequently, the risks described above have not yet had any significant impact on Nemetschek's earnings situation. As a leading company in the AECM industry and thanks to its size and expertise Nemetschek has a good chance of continuing to expand its market share and to benefit from technological trends such as Building Information Modeling (BIM), process orientation, networking, collaboration, cloud computing, internet and mobile solutions.

The success of the Nemetschek Group mainly hinges on the economic development in the construction and real estate industry. The order situation and financial strength of the construction industry and its players influence the industry's investments in software, and, in turn, the development of the group's business.

The fundamental willingness of private and institutional building clients to invest also plays an important role in future development. Even after this latest recession has passed, there are still certain risks that global economic conditions will take another turn for the worse. The general conditions of the economies in which Nemetschek is active can permanently impair the purchasing power of our target groups.

In addition, the negative expectation as regards further economic development could lead to a decline in investment.

The Nemetschek Group tracks such trends by regularly analyzing the early key indicators. In the medium term there is a chance that the construction industry will continue to recover. Additionally, there are growth opportunities in the emerging countries, which the group would also like to use consistently, as well as demand for new innovative solutions.

Risks are diversified at Nemetschek additionally through involvement in markets in different countries, which are generally also characterized by different economic and competition risks. In addition, risk is spread by maintaining a broad client base and a wide product portfolio, while the large portion of revenue from maintenance work also serves to mitigate risk. Risk of default, namely the risk of contractual parties defaulting, is managed by means of credit approvals, limits, monitoring procedures and regular debt reminder cycles.

Competitive conditions also have a substantial impact on the risk profile. Apart from Nemetschek, there are not many large vendors active on the global AECM market. Future risks may arise in this context as a result of the pace of technological change, competitors' innovations or the appearance of new companies in the market.

Nemetschek, however, considers these risks manageable. The company invests substantially in research and development and has innovative solutions. It sees itself as a competence provider which is prepared to go to special lengths to accommodate the needs of its customers. With its business segments Design, Build and Manage it covers the whole life cycle of architecture and building structures. In addition to these the Multimedia segment, which is mainly not dependent on a sector, has made good progress over the last few years. Thus, Nemetschek is exposed to lower risks than the other market participants.

CORPORATE STRATEGY

Risks can also result from corporate decisions which change the opportunity and risk profiles in the short and long terms.

Furthermore, the demand of customers for products, solutions and services is generally subject to constant change. The measures introduced for the continued development of the business for further product development, for expansion of business fields or marketing measures initiated could prove not to be successful. The risk also exists that the corporate decisions met and the allocation of resources for the permanent securing of the company are not adequate and jeopardize the substance of the company.

In order to control these risks there is a close cooperation between development and marketing of products and the requirements of the markets and of our target groups. The competitive situation is regularly analyzed with regard to technology, market participants and business models. Furthermore, as part of various sector forums the brand companies are continuously in close dialog on the development of the AECM and multimedia industry with cooperation partners, analysts and key customers.

MARKETING AND SALES RISKS

The varying sales models of the group are based on the approach of technically reliable sales partners and highly qualified employees with special knowledge. These contribute to the optimal processing of the customer segments and to ensuring high customer satisfaction and guarantee sustainability of the earnings situation.

The brand companies administer the various markets as part of differing sales and business models. As a result of the partially high complexity of the solutions, marketing them is very demanding. Knowledge of the technologies and products is subject to constant change due to fast technical progress.

The loss of sales partners or of parts of sales personnel could negatively influence the earnings situation of the Nemetschek Group. The brand companies meet this risk through careful selection and training, as well as management, of the sales partners and personnel through incentive and performance systems. The sales employees are also paid performance-related variable premiums and provisions in addition to their fixed remuneration.

PRODUCT RISKS

There is a basic risk that the innovative advantage achieved by the Nemetschek Group might be lost through innovations from competitors as well as through failure to acknowledge and adapt, at all or in time, to changing customer requirements and technological innovation. Nemetschek counters this risk by generally offering annual release cycles for its software products. This is an opportunity to win additional market shares, thanks to the extensive products range tailored to local customer requirements. Nemetschek has, additionally, the possibility of reacting quickly to changed conditions through its twelve independent and autonomous brand companies.

There are potential internal risks attached to the process of developing software products in that they might fail to sufficiently fulfil customers' needs and internal quality standards. However, as a result of its closeness to customers and its innovative products, Nemetschek has good opportunities for future profitable growth. The continued promotion of internationalization in Asia or in emerging countries, such as Brazil, offers growth potential.

The technology of third parties is partly included in the software products of the brand companies. Where this is lost or there is a lack of quality in technology, this can lead to delays in Nemetschek's own software supply, as well as to increased expenses for the procurement of replacement technology or for quality improvement. The brand companies account for this risk through careful selection of suppliers and adequate quality assurance.

PROJECT RISKS

To a limited extent Nemetschek generates revenues as part of project contracts with customers in various countries. This type of business has a different risk profile from a traditional software license business since, in order to provide the services, Nemetschek has, at times, to use staff with key knowledge and external personnel and is reliant on the support of the customers for project realization and on an exact documentation for provision of the service (systems specification).

It is possible that, due to inadequate service provision, compensation for damages can be claimed from the brand companies. For example, as a consequence of country-specific varying legal requirements Nemetschek may only meet contractual claims to a limited extent. To avoid such risks Nemetschek has issued guidelines on the awarding of contracts which require a legal and commercial examination of such projects.

TECHNOLOGICAL RISKS

The risk exists that technology used is no longer "state of the art". This can relate to both existing and also future products. The current product portfolio strategy followed through to open BIM solutions and web services shall help the company to develop new markets and to secure its market position.

Should the expected market demand for open BIM solutions and web services become weaker, or should completely different web technologies prevail, the situation could arise in which income does not cover the investments made.

Nemetschek bears this risk by constantly evaluating technology and by regularly updating market estimates, as well as focusing the product portfolio strategy on current market conditions. Overall, Nemetschek is convinced that new business opportunities will arise from the trend to open BIM.

PROCESSES

The core processes of software development, marketing and organization in the Nemetschek Group are subject to continuous checks and improvements by management. The performance and goal orientation of these processes is assessed and optimized during strategic and operational planning. Nevertheless, the fundamental risks still exist that, due to inadequate availability of resources or changed underlying conditions, the required and planned process results might not meet customer requirements in terms of timing and content, and therefore might lead to loss of capital.

EMPLOYEES

Recruiting and permanently retaining highly qualified employees is a key success factor for the Nemetschek Group. If managers or other qualified employees leave the Nemetschek Group and suitable replacements are not found, this may adversely affect business development. This issue is particularly sensitive if it also means losing knowledge and specific company data. To prevent this risk, the Nemetschek Group offers attractive labor conditions and continually improves knowledge management processes.

TAX RISKS

With its branches worldwide the Nemetschek Group is subject to local tax laws and regulations. Changes to these regulations could lead to a high tax expense and to cash outflows related to this. Furthermore, changes would have an impact on the deferred tax assets and liabilities set up. However, it is also possible that changes in tax regulations have a positive effect on the earnings of the company. The Nemetschek Group has no influence on changes to the tax environment.

ACQUISITION AND INTEGRATION RISKS

Acquisitions are carefully and systematically checked before contracts are signed. A standardized process for M&A with a particular emphasis on post merger integration and due diligence has been established.

In looking for appropriate acquisition objects Nemetschek is in competition with other companies. Additionally, with acquisitions there is also the corporate risk that the company acquired does not develop economically as expected. After the acquisition, the companies are quickly integrated into the reporting, controlling and risk management system of the Nemetschek Group.

Goodwill is subject to an annual impairment test. Impairment is not necessary. However, impairment in the future cannot be excluded.

COMPLIANCE AND GOVERNANCE RISKS

The regulatory environment of Nemetschek AG, listed in the German TecDAX, is complex and has a high concentration of regulations. Any potential infringement of the existing regulations can have a negative effect on the net assets, financial situation and results of operations, the share price, and the reputation of the company.

In the software sector developments are increasingly protected by patents. The patent activities mainly relate to the American market, though protection of software by patents is also steadily increasing in other markets. The infringement of patents can have a negative effect on the net assets, financial situation and results of operations, the share price, and the reputation of the company. The Nemetschek Group performs regular monitoring of patent activities of competitors. Customers of the Nemetschek Group are, to a limited extent, also governments or companies publicly owned, and the business activities in the Engineering division are partially influenced by contracts with large volumes. The prevalence of corruption or even the accusation thereof can impede participation in public tendering and have negative effects on further economic activity, net assets, financial situation and results of operations, the share price, and reputation. In light of this Nemetschek has, together with the implementation of the Code of Conduct for all employees, instituted an anti-corruption program.

FINANCES

Where there are high financial liabilities there is basically a liquidity risk in which the earnings situation of the group worsens. Currently, the Nemetschek Group has no loan liabilities and generates a clearly positive cash flow which enables the possibility of future acquisitions. The availability of decentralized funds is ensured by Nemetschek AG using a centralized cash pooling system. The objective of the Nemetschek Group with regard to financial risk management is to mitigate the risks presented below by the methods described. Nemetschek generally pursues a conservative, risk-averse strategy.

CURRENCY RISK AND RISK MANAGEMENT

The increasing international activity of the Nemetschek Group generally harbors foreign exchange risks. In the course of ordinary operations, the Nemetschek Group is particularly exposed to exchange rate fluctuations. The company's strategy is to eliminate or reduce these risks by entering into hedging transactions. The currency risks of the group occur because the group operates and has production sites and sales establishments in different countries worldwide. All hedging measures are centrally agreed and coordinated with group treasury. Exchange rate fluctuations only have a limited effect at the top group level because the operating subsidiaries outside of the Euro zone primarily record revenue as well as cost of materials, personnel expenses and other expenses in their local currencies.

The brand companies enter into various types of forward exchange contracts (on an as-needed basis) to manage their foreign exchange risk resulting from cash flows from (anticipated) business activities and financing arrangements (in foreign currencies). At the balance sheet date, there are no pending forward exchange contracts in the group.

DEFAULT RISK AND RISK MANAGEMENT

Risk of default, namely the risk of contractual parties defaulting, is managed by means of credit approvals, limits, monitoring procedures, and regular debt reminder cycles. Where appropriate, the company obtains additional collateral in the form of rights to securities or arranges global netting agreements.

The company does not expect that any of its business partners deemed highly creditworthy will fail to meet their obligations. The Nemetschek Group has no significant concentration of credit risks with any single customer or specific customer group. From today's perspective, the maximum credit risk can be calculated from the amounts shown in the balance sheet.

The Nemetschek Group only does business with creditworthy third parties. All customers that wish to trade with the company on credit terms are subject to credit verification procedures if materiality criteria are exceeded. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to default risks is not significant. If risks of default are identified, appropriate accounting precautions will be taken.

For transactions that do not occur in the country of the relevant operating unit, the group does not offer credit terms without the prior approval of the head of credit control. Within the group there is no material concentration of default risks from today's perspective. With respect to the other financial assets of the group, which comprise cash and cash equivalents, the group's maximum exposure to credit risk, arising from default of the counter-party, is equal to the carrying amount of these instruments.

INTEREST RISK

As a result of the current financing structure of the Nemetschek Group there is no material interest risk in the opinion of management.

SUMMARY ASSESSMENT OF THE GROUP'S OPPORTUNITY AND RISK SITUATION

In summary, the management of Nemetschek is convinced that none of the main risks identified above, neither individually nor as a whole, threaten the going concern principle, and that the group will continue to successfully master challenges also in the future. Its chances of expanding market position as the leading supplier of integrated software solutions for the whole life cycle of buildings and their structures, result from stronger internationalization, as well as in the systematic exploitation of the potential within existing markets, supported by the consistent implementation of new technologies.

4 OTHER DISCLOSURES

REPORT ON CORPORATE MANAGEMENT AND DECLARATION OF CORPORATE GOVERNANCE

With regard to the information on corporate management and corporate governance we refer to Section 1.2 in the management report.

DECLARATION OF CONFORMITY IN ACCORDANCE WITH § 161 AKTG

The declaration of conformity in accordance with §161 AktG (Stock Corporation Act) is published within the section Corporate Governance of the annual report of Nemetschek AG (as well as on the website www.nemetschek.com).

WORKING PRACTICES OF THE SUPERVISORY BOARD

The supervisory board of Nemetschek AG carried out the tasks assigned to it by law, the articles of incorporation and rules of procedures with the utmost care in the fiscal year 2013. In the leadership of the company, the supervisory board supported the executive board in an advisory capacity and followed and monitored the company's management and development within the scope of an intensive and open dialog.

The executive board instructed the supervisory board regularly and comprehensively, as well as orally and in writing, with regard to corporate planning, development of revenues, earnings and liquidity, strategic action, planned investments, the fulfillment of the planning of the Group and the individual brand companies including the risk profile and risk management. Current quarterly development and short- and medium-term prospects as well as the long-term growth and earnings strategy were regularly discussed and, within the scope of regular meetings over the course of the year, discussed and scrutinized. The supervisory board was involved in decisions of fundamental importance for the company and obtained holistic information on backgrounds and contexts.

On the basis of the executive board's reports, the supervisory board supported the executive board's work and made decisions on actions requiring approval. The committee continuously dealt with the risk situation of the Group.

The deliberations focused on the strategic alignment of the Nemetschek Group, addressing international markets and further development of the solution portfolio. Detailed reports concerning the brand companies in the Nemetschek Group were also requested. Business performance which deviated from the corresponding annual planning and annual targets was openly discussed in detail at the supervisory board meetings and jointly analyzed.

Regulatory measures were initiated, where required. Moreover, the committee formed its own picture of the companies. At the meetings, the supervisory board was regularly occupied with the development of the Group and individual brands, as well as with the assets, financial position and implementation of the strategies.

The executive board presented acquisition projects, which were then decided on in close collaboration with the supervisory board. Prior to the acquisition of Data Design System, headquartered in Norway, the target company was analyzed in detail and the opportunities and risks extensively debated and discussed with the committee.

In the fiscal year 2013, five regular supervisory board meetings were held – in the months of March (balance sheet meeting for the 2012 financial report), June, July, October and December. The supervisory board was represented in full at the meetings. In addition to the meetings, the written circular procedure was used for further urgent resolutions on current topics.

As in the previous year, the supervisory board is made up of three members. There were no changes in personnel.

EXPLANATORY REPORT OF THE EXECUTIVE BOARD ON THE DISCLOSURES UNDER § 289 (4) HGB

(1) COMPOSITION OF THE SUBSCRIBED CAPITAL

The nominal capital of Nemetschek Aktiengesellschaft as of December 31, 2013 amounts, as in the prior year, to EUR 9,625,000.00 and is divided into 9,625,000 bearer shares.

(2) RESTRICTIONS RELATING TO THE VOTING RIGHTS OR TRANSFERABILITY OF SHARES

There are no restrictions relating to the voting rights or transferability of shares.

(3) INVESTMENTS IN CAPITAL EXCEEDING 10 % OF VOTING RIGHTS

Direct and indirect investments in subscribed capital (shareholder structure) which exceed 10 % of the voting rights are presented in the notes to the financial statements or in the notes to the consolidated financial statements of Nemetschek Aktiengesellschaft.

(4) SHARES WITH SPECIAL RIGHTS GRANTING CONTROL

There are no shares with special rights granting control.

(5) TYPE OF VOTING RIGHT CONTROLS WHEN EMPLOYEES HOLD INTERESTS IN CAPITAL AND DO NOT EXERCISE THEIR CONTROL RIGHTS DIRECTLY

There are no voting right controls on employees with shareholdings.

(6) LEGAL PROVISIONS AND STATUTES ON THE APPOINTMENT AND DISMISSAL OF MEMBERS OF THE EXECUTIVE BOARD AND AMENDMENTS TO THE STATUTES

The appointment and dismissal of executive board members is governed by §§ 84 and 85 of the German Stock Corporation Act in connection with § 7 of the statutes of Nemetschek Aktiengesellschaft. Accordingly, executive board members are appointed by the supervisory board for a maximum of five years. Reappointment or extension of the term of office is allowed, for a term of up to five years each time.

The amendment to the statutes is subject to § 179 of the Stock Corporation Act in connection with §§ 18 and 13 of the statutes of Nemetschek Aktiengesellschaft. These stipulate that the annual general meeting must pass a resolution to amend the statutes by a simple majority of the voting rights represented – provided that the law does not require a greater majority. According to § 13 of the statutes of Nemetschek Aktiengesellschaft the supervisory board is authorized to resolve changes that only affect their wording of the statutes.

(7) AUTHORIZATION OF THE EXECUTIVE BOARD TO ISSUE OR REDEEM SHARES

According to § 71 (1) No. 8 AktG the company requires a special authorization by the annual general meeting to acquire and trade its treasury shares, to the extent not legally expressly permitted. An authorization resolution was presented to the annual general meeting on May 26, 2010 and resolved accordingly by the shareholders. This recommended resolution was based on the changed § 71 (1) No. 8 AktG (Stock Corporation Act) in the law for the implementation of the rights of shareholders guideline dated July 30, 2009 (ARUG) according to which the authorization can be given for a period of up to five years.

In accordance with the resolution on agenda item 6 of the annual general meeting dated May 26, 2010, the authorization is valid as follows:

“6.1 The company is empowered to purchase up to 962,000 treasury shares by May 25, 2015 once or several times, which is almost 10 % of the current nominal capital, in full or in part, complying with the following conditions. At no time may the shares acquired on the basis of this authorization, together with other shares of the company that the company has already purchased and still holds, or which are attributable to it in accordance with §§ 71a et seq. AktG (Stock Corporation Act), constitute more than 10 % of its share capital. The authorization may not be used for the purpose of trading treasury shares.

This authorization replaces the authorization adopted by the annual general meeting of Nemetschek Aktiengesellschaft on May 25, 2009 as agenda item 6, concerning the acquisition of treasury shares, which is hereby cancelled to the extent it is not exercised.

6.2 The shares are purchased, as opted by the executive board, via the stock exchange or by way of public offer, addressed to all the company's shareholders.

a) If the shares are purchased on the stock exchange, the purchase price of a Nemetschek share (excluding incidental acquisition costs) may not exceed or fall below the average closing price in the last five days of trading prior to the obligation to purchase them on the electronic exchange (Xetra – or a separately functioning comparable system instead of the Xetra system) by more than 10 %.

b) If a public purchase offer is made, the offer price for a Nemetschek share (excluding incidental acquisition costs) may not exceed or fall below the average closing price on the Xetra exchange over the five days of trading prior to publication of the purchase offer by more than 10 %. If the total number of shares tendered exceeds the volume of the purchase offer, shares will be subscribed on the basis of the relative quotas. Preferential subscription to small numbers of shares may be allowed, up to a maximum of 100 shares offered for sale for each shareholder of the company.

6.3 The executive board is empowered to use the treasury shares purchased pursuant to this authorization for any legally permitted purpose, in particular also for the following purposes:

a) With authorization by the supervisory board the shares may be offered to third parties as consideration for the acquisition of entities, investments in entities or parts of entities.

b) The shares may be redeemed with the approval of the supervisory board, without any further resolution of the annual general meeting being required for the redemption to take effect. Redemption leads to a reduction in capital. The executive board may alternatively decide that the share capital remains unchanged on redemption and is increased instead by the inclusion of the proportion of other shares within share capital in accordance with § 8 (3) AktG. The executive board is authorized in this case to adjust the number of shares in the statutes.

6.4 The subscription right of the shareholders on these treasury shares is excluded to the extent that these are exercised in accordance with the above-mentioned authorization under item 6.3 lit. a) of the agenda.”

(8) SIGNIFICANT AGREEMENTS THAT ARE SUBJECT TO A CHANGE IN CONTROL AS A RESULT OF A TAKEOVER BID

The company has not entered into any significant agreements that are subject to a change in control as a result of a takeover bid.

(9) COMPENSATION AGREEMENTS OF THE COMPANY WITH THE MEMBERS OF THE EXECUTIVE BOARD OR EMPLOYEES IN THE EVENT OF A TAKEOVER BID

The company has not entered into any compensation agreements with the members of the executive board or employees in the event of a takeover bid.

REMUNERATION REPORT

SUPERVISORY BOARD

In addition to a fixed component, the remuneration paid to members of the supervisory board contains a variable profit-based component. The variable compensation component is based on the consolidated earnings (diluted earnings per share). It is the view of the executive board and the supervisory board that this important ratio constitutes a reliable benchmark for increasing the intrinsic value of the shares and, thus, the company’s performance.

Remuneration of the supervisory board breaks down as follows:

2013	Thousands of €	Fixed components	Variable components	2013
Kurt Dobitsch		30.0	79.5	109.5
Prof. Georg Nemetschek		22.5	79.5	102.0
Rüdiger Herzog		15.0	79.5	94.5
Total		67.5	238.5	306.0

2012	Thousands of €	Fixed components	Variable components	2012
Kurt Dobitsch		30.0	53.0	83.0
Prof. Georg Nemetschek		22.5	53.0	75.5
Rüdiger Herzog		15.0	53.0	68.0
Total		67.5	159.0	226.5

EXECUTIVE BOARD

The remuneration of the members of the executive board consists of a basic salary (fixed compensation) and a variable, performance-based compensation. The variable compensation has a current and non-current component. In the fiscal year 2013 no non-current variable component was paid or earned.

Remuneration of the executive board breaks down as follows:

2013	Thousands of €	Fixed components	Variable components (short-term)	Variable components (long-term)	2013
Dr. Tobias Wagner		84	0	0	84
Viktor Várkonyi		16	0	0	16
Sean Flaherty		16	0	0	16
Tanja Tamara Dreilich		143	2	0	145
Total		259	2	0	261

2012	Thousands of €	Fixed components	Variable components (short-term)	Variable components (long-term)	Compensation	2012
Tanja Tamara Dreilich		146	133	0	0	279
Tim Alexander Lüdke		283	137	0	250	670
Total		429	270	0	250	949

The fixed compensation includes the fixed salary and other taxable salary components such as health and nursing insurance as well as a company car. The current profit-based (variable) compensation mainly depends on corporate objectives achieved, which are agreed between the supervisory board and executive board at the beginning of each fiscal year.

The non-current, performance-related (variable) compensation of the executive board depends on the achievement of defined corporate objectives with regard to the development of results and share price, such as those set out at the end of 2009 in the Long-Term Incentive Plan (LTIP). The period to be observed is always three fiscal years. With effect from the 2014 fiscal year the development of results and revenues are relevant as the bases. Participation of the executive board in the LTIP requires an appropriate nomination by the supervisory board at the annual balance sheet meeting of the supervisory board.

Tanja Tamara Dreilich, sole member of the executive board until August 26, 2013, received variable remuneration of EUR 2 thousand gross for the period from January 1, 2013 until she left.

Dr. Tobias Wagner was appointed to the executive board on August 29, 2013 on an interim basis. For the period from August 29 to December 31, 2013 no variable compensation was paid because of the purely interim nature of the post.

On November 1, 2013 Viktor Várkonyi, CEO of Graphisoft SE since 2009, and Sean Flaherty, CEO of Nemetschek Vectorworks Inc. since 2005, were appointed to the executive board of Nemetschek AG. In addition to the remuneration paid by Nemetschek AG Viktor Várkonyi received fixed remuneration of EUR 33 thousand gross from Graphisoft SE and a profit-based current remuneration of EUR 14 thousand gross. Sean Flaherty received from Nemetschek Vectorworks Inc. fixed remuneration of EUR 25 thousand gross and a profit-based current remuneration of EUR 28 thousand gross. The above-mentioned remuneration related to the management activities of the gentlemen Várkonyi and Flaherty in the period November 1 to December 2013 in the relevant subsidiary.

5 SUBSEQUENT EVENTS REPORT

There were no significant events after the end of the fiscal year 2013. With regard to the underlying conditions described, there were no further changes worthy of note after the end of the fiscal year.

6 CONCLUSION ON THE DEPENDENCY REPORT

The executive board declares that the company did not undertake or neglect any reportable legal transactions or measures in accordance with the conditions known to the executive board at the time of reporting in the period from December 30, 2013 to December 31, 2013.

7 FORECAST REPORT 2014

SOLID OVERALL ECONOMIC CONDITIONS

The German Council of Economic Experts expects in 2014 significant growth in the global gross domestic product of 3.0 %, which is based, above all, on an improved situation in Europe and in the USA. The recession in the Euro zone has been survived and the economy is expected to grow by 1.1 %. For Germany, the German Council of Economic Experts expects growth of 1.6 %, which is particularly relevant domestically.

The economy in the USA is expected to grow by 2.5 % in 2014, according to the German Council of Economic Experts, and to benefit from the expansive monetary policy. The recovery in the property and employment markets is expected to continue. In Latin America economic growth is likely to accelerate to 4.4 %, whereas in Brazil the increase is expected to remain constant at 3.0 %.

According to the German Council of Economic Experts Asia is again likely to develop even more dynamically in 2014, with an increase in GDP of 4.8 %. Japan is somewhat losing its impetus.

CONSTRUCTION INDUSTRY ON THE UPTURN

The economic situation of the construction industry is an influencing factor for the economic framework conditions for the Nemetschek Group, since most of the customers are directly or indirectly part of the construction industry. Many European countries will see a reversal in the trend in 2014, in the opinion of EuroConstruct, and will again achieve growth in building volume. On average, growth will reach 0.9 %. In Germany, building volume is expected to reach even 2.7 % in 2014. Above-average growth is also forecast for Belgium, Denmark, Great Britain, Ireland, Norway, Austria, Sweden, and Switzerland. Conversely France, Italy, Portugal and Spain, as well as the Czech and Slovak Republics, are expected to show decreasing construction volume in 2014. This decline is likely to be slower than in 2013, according to EuroConstruct.

The experts from Germany Trade & Invest are expecting a continued positive environment for the construction industry in the USA. They estimate that the investment in residential property in 2014 will grow in double digits, and the trade and industrial construction will benefit from the general recovery in the economy. However, the order situation in the public sector (e.g., in infrastructure) remains difficult due to tight public budgets. As already in 2013 the Brazilian construction industry will grow even more strongly in 2014 than the overall economy of the country. The medium-term prospects for the Japanese construction sector are favorable, according to Germany Trade & Invest, because of the Olympic Games 2020 in Tokyo. However, a decline in building investment of 2.3 % is expected for 2014. This is, among other things, due to the planned increase in consumption tax, which will lead to a decrease in residential construction. Overall, market experts are expecting further recovery in the construction industry. Particularly in the markets addressed by Nemetschek, positive growth impulses are expected.

GROWTH IN SIGHT

Based on the predominantly positive impulses of the construction industry and the assumption that the technological growth drivers in the AECM market, such as Building Information Modeling (BIM), process management, networking, collaboration, cloud computing, internet and mobile solutions will provide for further growth, Nemetschek is expecting successful business development for the year 2014. The objective is to grow organically above market average and to achieve further growth through acquisitions. Financial means are available for both.

INNOVATION AND CUSTOMER ORIENTATION

The main drivers of future growth are innovations. The objective of the Nemetschek Group is to gradually expand its portfolio of solutions and to constantly improve those products and solutions already present in the market. For the brand companies the focus of the development activities is on the close proximity to customers, which allows them to take advantage of market opportunities. The share of expenditure for research and development compared to revenues amounted to around 25 percent in previous years. For 2014 this expenditure shall remain at this level in order to secure the innovation ability of the company over the long term.

INTERNATIONALIZATION

Expanding established markets and securing new growth regions remains one of the challenges for Nemetschek in the coming years. Currently, there are great market opportunities, in particular outside of the central European core markets, above all in North and South America, in Asia and in eastern Europe and in the northern countries. The solutions, technology and know-how of the Nemetschek Group are in demand globally. Nemetschek will continually extend its geographical presence to gain and support customers and drive forward the expansion of its worldwide selling and marketing activities.

FINANCING, INVESTMENTS AND LIQUIDITY

With an extremely solid balance sheet the Nemetschek Group views itself as being well positioned for the planned growth in 2014. As in the prior years a high operating cash flow will strengthen liquidity and offer enough scope for planned investments in development, sales and marketing. These also include investments in property, plant and equipment.

In addition, Nemetschek is planning to make acquisitions.

Significant cost items within Nemetschek are personnel expenses and other operating expenses. In 2014 Nemetschek will also recruit additional experts and is thus planning a further moderate increase in personnel expenses. Other operating expenses include primarily selling expenses and are also expected to rise slightly in 2014 as a result of the unchanged international expansion.

DIVIDEND POLICY

Nemetschek follows a sustained dividend policy and allows its shareholders to share appropriately in the company's development both now and in the future. The company will also distribute a dividend for the fiscal year 2013, which will be related to the operating cash flow.

POSITIVE OUTLOOK AND FORECAST

Based on the assumption of positive growth impulses through technological trends in the AECM and multimedia industries as well as on the commitment of motivated employees – and considering the planned activities of the individual brand companies – Nemetschek can look forward confidently to the year 2014. A further increase in revenue and results is expected.

Due to the positive development of the maintenance contracts approximately 48 % of revenues are now recurring. This secures Nemetschek a stable basis for a sustainable development. Based on new releases and innovations, further internationalization and high customer satisfaction, Nemetschek expects an increase in revenues in all four segments. In the Design segment Nemetschek expects moderate growth in revenue in the year 2014, which will be supported by the continued development of the solutions portfolio and further internationalization. The acquisition of DDS as of November 30, 2013 will have a further positive effect on revenue growth. The Build segment is expected to benefit from the favorable development of the construction industry in the DACH region. Similarly, the continued expansion and marketing and internationalization of the new software shall have a positive effect. The successful development of revenue in the prior year is thus expected to continue in 2014. In the Manage segment the successful development will carry on in the year 2014. The expansion of the solutions business will contribute to this. In the Multimedia segment revenues will again improve as a result of, among other things, the strong internationalization.

For the fiscal year 2014 Nemetschek plans for an increase in revenue for the whole group, ranging from 11 % to 14 %. The EBITDA margin is expected to be between 23 % and 25 %.

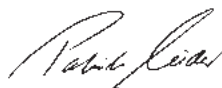
NOTE ON FORECASTS

This management report contains statements and information about transactions and processes that are in the future. These forward-looking statements are identified from formulations such as "expect", "intend", "plan", "evaluate" or similar terms. Such forward-looking statements are based on our expectations today and certain assumptions. They therefore involve a number of risks and uncertainties. Numerous factors, many of which are outside the Nemetschek Group's sphere of influence, affect the Nemetschek Group's business activity, success, business strategy, and its results. This can lead to the actual results, success, and performance of the Nemetschek Group materially deviating from the information on results, success, or performance explicitly or implicitly mentioned in these forward-looking statements.

Munich, March 10, 2014



Dr. Tobias Wagner



Patrik Heider



Sean Flaherty



Viktor Várkonyi

BALANCE SHEET NEMETSCHKE AKTIENGESELLSCHAFT

as of December 31, 2013 and December 31, 2012

ASSETS	in €	Dec. 31, 2013	Dec. 31, 2012
A. FIXED ASSETS			
I. Intangible Assets			
Purchased franchises, industrial rights and similar rights and assets and licenses in such rights and assets		274,732.78	349,118.37
II. Property, plant and equipment			
1. Leasehold improvements		10,941.64	16,412.50
2. Fixtures, fittings and equipment		46,586.06	92,400.32
		57,527.70	108,812.82
III. Financial assets			
1. Shares in affiliated companies		157,526,231.57	132,887,264.16
2. Loans due from affiliated companies		1,950,000.00	0.00
3. Investments		2,025,303.93	2,025,303.93
		161,501,535.50	134,912,568.09
TOTAL FIXED ASSETS		161,833,795.98	135,370,499.28
B. CURRENT ASSETS			
I. Accounts receivable and other assets			
1. Accounts receivable from trading		3,232.04	1,013.19
2. Accounts due from affiliated companies		648,688.23	3,036,092.86
3. Other assets		171,736.47	1,986,331.28
		823,656.74	5,023,437.33
II. Cash and cash equivalents		8,439,152.35	17,769,226.42
TOTAL CURRENT ASSETS		9,262,809.09	22,792,663.75
C. DEFERRED AND PREPAID EXPENSES			
		59,852.00	51,290.80
		171,156,457.07	158,214,453.83

EQUITY & LIABILITIES	in €	Dec. 31, 2013	Dec. 31, 2012
A. EQUITY			
I. Subscribed capital		9,625,000.00	9,625,000.00
II. Capital reserve		49,404,856.90	49,404,856.90
III. Revenue reserve		28,585,721.39	28,585,721.39
IV. Retained earnings		63,059,122.95	46,854,159.70
TOTAL EQUITY		150,674,701.24	134,469,737.99
B. PROVISIONS AND ACCRUED LIABILITIES			
1. Accrued tax liabilities		1,531,748.32	0.00
2. Other provisions and accrued liabilities		2,299,216.75	4,489,183.27
TOTAL PROVISIONS AND ACCRUED LIABILITIES		3,830,965.07	4,489,183.27
C. LIABILITIES			
1. Trade accounts payable		166,543.06	205,515.80
2. Accounts due to affiliated companies		15,694,082.79	17,860,100.49
3. Other liabilities			
– thereof taxes: EUR 774,561.93 (prior year: EUR 867,917.23)		790,164.91	1,189,916.28
TOTAL LIABILITIES		16,650,790.76	19,255,532.57
		171,156,457.07	158,214,453.83

PROFIT AND LOSS ACCOUNT NEMETSCHKE AKTIENGESELLSCHAFT

for the period from January 1 to December 31, 2013 and 2012

in €	Jan. 1 - Dec. 31, 2013	Jan. 1 - Dec. 31, 2012
1. Revenues	2,069,439.55	2,004,070.66
2. Other operating income	8,034,138.44	1,610,619.05
Operating Income	10,103,577.99	3,614,689.71
3. Personnel expenses		
a) Wages and salaries	- 1,510,245.90	- 2,766,405.27
b) Social security, pension and other benefit costs - thereof for pension: EUR 3,991.20 (prior year: EUR 6,473.20)	- 218,336.80	- 261,837.14
4. Depreciation and amortization of intangible assets, property, plants and equipment	- 115,325.00	- 240,963.23
5. Other operating expenses	- 4,640,465.00	- 4,576,850.19
Operating expenses	- 6,484,372.70	- 7,846,055.83
Operating results	3,619,205.29	- 4,231,366.12
6. Income from investments - thereof from affiliated companies: EUR 14,440,882.70 (prior year: EUR 25,264,272.17)	14,440,882.70	25,264,272.17
7. Income from profit and loss transfer agreements	11,724,092.01	7,072,699.10
8. Income from marketable securities and loans	38,890.00	33,212.78
9. Other interest and similar income	413,177.31	42,614.29
10. Depreciation on financial assets	- 45,130.00	- 1,047,284.53
11. Interest and similar expenses - thereof from affiliated companies: EUR 36,511.52 (prior year: EUR 78,619.47)	- 41,943.74	- 914,181.72
12. Profit from ordinary operations	30,149,173.57	26,219,965.97
13. Taxes on income	- 2,875,460.32	- 728,024.93
14. Net income	27,273,713.25	25,491,941.04
15. Profit carried forward from previous year	35,785,409.70	21,362,218.66
16. Allocation to other Revenue Reserves according to Section § 58 (IIa) AktG	0.00	0.00
17. Retained earnings	63,059,122.95	46,854,159.70

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The annual financial statements of the Nemetschek Aktiengesellschaft, Munich for the year ended December 31, 2013 have been prepared in accordance with § 264 (1) HGB in connection with § 267 (3) HGB on the basis of the provisions of the German Commercial Code on accounting for large capital companies and the Stock Corporation Act.

BASIC PRINCIPLES

The accounting policies of the annual financial statements as at December 31, 2013 are based on the provisions of the German Commercial Code and the special regulations of the Stock Corporation Act.

Intangible fixed assets are capitalised at the lower of acquisition cost and fair value. They are amortized over a period of 3 to 5 years.

Property, plant and equipment is measured at the lower of acquisition cost and fair value. It is depreciated over normal useful lives (time-apportioned) on a straight-line basis as follows:

	Useful life in years
IT equipment	3
Motor vehicles	5
Factory equipment	3 - 10
Leasehold improvements	5 - 10

Additions to moveable assets are depreciated (time-apportioned) on a straight-line basis. Moveable fixed assets with acquisition costs of less than EUR 410.00 are depreciated in full in their year of addition.

Financial assets are generally measured at the lower of acquisition cost and fair value.

Non-current loans to affiliated entities with original due terms of more than one year are disclosed under the loans due from affiliated companies. Similarly, at the same time non-current loans to third parties are disclosed under other loans.

Receivables and other assets are capitalised at their nominal amounts. Recognizable risks are covered by specific allowances; thus, in the year under review amounts due from NEMETSCHEK ESPANA S.A. amounting to EUR 3 k and due from NEMETSCHEK OOO amounting to EUR 12 k were provided for specifically. Non-interest bearing receivables or other assets are recorded at their present values.

Liquid funds are stated at their nominal values.

Utilizing the option under § 274 (1) HGB, deferred tax assets were not accounted for. The corporation tax carry forwards existing at the balance sheet date (EUR 6,550 k) at a tax rate of 15.83 % could have been capitalized in accordance with the expectation of their utilization in the next five years. Additionally, the balance sheet differences relating to part-time early retirement and pending loss provisions (EUR 1,310 k) could also have been capitalized at a tax rate of 32.52 %. Material deferred tax liabilities arise due to differences between the commercial code and tax measurement of an investment in a partnership (EUR 6,079 k), to which a tax rate of 15.83 % applies. Overall there was an excess of deferred tax assets over deferred tax liabilities in the fiscal year 2013.

Prepaid and deferred items are disclosed as expenses prior to the balance sheet date insofar as they represent an expense item for a certain period after the qualifying day.

Subscribed capital is accounted for at its nominal value.

Provisions account for all recognizable risks and uncertain obligations. Provisions are stated at their necessary settlement amounts in accordance with reasonable business judgment. Non-current provisions are discounted.

Liabilities are stated at their settlement amounts.

The **total cost method** is used in the profit and loss account.

CURRENCY TRANSLATION

To the extent the financial statements include assets and liabilities in foreign currencies; these are translated into Euro on the basis of the rate at the time of transaction. At the closing date the assets and liabilities in foreign currency are translated at the average spot exchange rate.

NOTES TO THE BALANCE SHEET

FIXED ASSETS

The development of fixed assets is shown in a fixed asset movement schedule from which the depreciation and amortization for the year can be seen and which is presented on the last page of these notes to the financial statements.

INVESTMENTS HELD BY NEMETSCHKEK AKTIENGESELLSCHAFT

Nemetschek Aktiengesellschaft holds at least 20 % directly or indirectly in the following companies. The disclosures on the companies represent the individual country financial statements at the time of the preparation of the annual financial statements of Nemetschek Aktiengesellschaft, translated into EUR thousand.

Name, registered office of the entity	Thousands of €	Shareholding in %	Equity Dec. 31, 2013	Net income/loss for the year 2013
Direct equity investments				
Design segment				
Nemetschek Allplan Deutschland GmbH, Munich *		100.00	2,500	5,963
Nemetschek Allplan Systems GmbH, Munich *		100.00	2,000	3,664
NEMETSCHKEK Vectorworks Inc., Columbia, Maryland, USA		100.00	15,386	5,469
Nemetschek Allplan France S.A.R.L., Asnières, France		100.00	1,640	737
Nemetschek Allplan Schweiz AG, Wallisellen, Switzerland		93.33	1,334	808
Nemetschek Allplan Italia S.r.l., Trient, Italy		100.00	551	- 229
NEMETSCHKEK ESPANA S.A., Madrid, Spain		100.00	- 2,596	- 488
Nemetschek Allplan Česko s.r.o., Prag, Czech Republic		100.00	128	- 95
NEMETSCHKEK OOO, Moscow, Russia		100.00	268	- 13
NEMETSCHKEK DO BRASIL SOFTWARE LTDA, São Paulo, Brasilien		99.90	- 337	- 13
Nemetschek Frilo GmbH, Stuttgart *		100.00	51	2,097
SCIA Group International nv, Herk-de-Stad, Belgium		100.00	2,692	999
Glaser isb cad Programmsysteme GmbH, Wennigsen		70.00	1,496	590
Graphisoft SE European Company Limited by Shares, Budapest, Hungary		100.00	34,416	7,185
DACODA GmbH, Rottenburg		51.00	685	324
Data Design System ASA, Klepp Stasjon, Norway		100.00	314	739
Build segment				
Nemetschek Bausoftware GmbH, Achim		98.50	1,907	1,214
AUER – Die Bausoftware GmbH, Mondsee, Austria		49.90	5,615	2,564
Manage segment				
Nemetschek CREM Solutions GmbH & Co. KG, Ratingen		100.00	2,034	1,748
Nemetschek CREM Verwaltungs GmbH, Munich		100.00	60	- 3
Multimedia segment				
MAXON Computer GmbH, Friedrichsdorf		70.00	2,341	3,666
Other				
Nemetschek Austria Beteiligungen GmbH, Mondsee, Austria		100.00	6,052	2,139
Nemetschek bim+ GmbH, Munich		76.00	- 2,252	- 2,277

Name, registered office of the entity	Thousands of €	Shareholding in %	Equity Dec. 31, 2013	Net income/loss for the year 2013
Indirect equity investments				
Design segment				
Nemetschek Vectorworks Training LLC, Columbia, Maryland, USA, via Nemetschek Vectorworks LLC, Columbia, Maryland, USA		100.00	178	185
Nemetschek Allplan Österreich Ges.m.b.H., Wals, Austria, via Nemetschek Austria Beteiligungen GmbH		100.00	566	399
Nemetschek Engineering GmbH, Wals, Austria, via Nemetschek Austria Beteiligungen GmbH		100.00	907	769
Nemetschek Engineering PTE LTD, Singapore, Malaysia via Nemetschek Engineering GmbH, Wals, Austria		100.00	41	52
Nemetschek Allplan Slovensko s.r.o., Bratislava, Slovakia, via NEMETSCHKEK Allplan GmbH		100.00	355	- 37
Via SCIA Group International nv, Herk-de-Stad, Belgium:				
Nemetschek Scia nv, Herk-de-Stad, Belgium		100.00	1,621	557
Nemetschek Scia B.V., Arnhem, Netherlands		100.00	298	563
Nemetschek Scia sarl, Roubaix, France		100.00	331	5
Nemetschek Scia s.r.o., Brno, Czech Republic		100.00	932	433
Nemetschek Scia s.r.o., Zilina, Slovakia		100.00	143	52
Online Projects bvba, Herk-de-Stad, Belgium		70.00	- 74	- 3
Via Graphisoft SE European Company Limited by Shares, Budapest, Hungary:				
Graphisoft Deutschland GmbH, Munich		100.00	2,219	2,040
Graphisoft USA Inc., Newton, Massachusetts, USA		100.00	- 790	34
Graphisoft Japan KK, Tokyo, Japan		100.00	- 247	- 84
Graphisoft UK Ltd., Surrey, UK		100.00	- 577	- 187
Graphisoft Hong Kong Ltd., Victoria, Hong Kong		100.00	- 1,451	- 933
Graphisoft Mexico S.A. de C.V., Mexico		100.00	- 54	- 34
Via Data Design System ASA, Klepp Stasjon, Norway:				
DDS Building Innovation AS, Klepp Stasjon, Norway		100.00	- 63	4
Data Design System UK Ltd., Wiltshire, Great Britain		100.00	- 133	0
Data Design Systems GmbH, Ascheberg, Germany		100.00	1,710	497
Build segment				
AUER – Die Bausoftware GmbH, Mondsee, Austria, via Nemetschek Austria Beteiligungen GmbH		50.10	5,615	2,564
Multimedia segment				
MAXON Computer Inc., Thousand Oaks, California, USA, via MAXON Computer GmbH		63.00	2,091	962
MAXON Computer Ltd., Bedford, UK via MAXON Computer GmbH		70.00	233	474

* The net income for the year recorded by Nemetschek Allplan Systems GmbH, Nemetschek Frilo GmbH and Nemetschek Allplan Deutschland GmbH, is shown prior to the profit and loss transfer agreement with Nemetschek Aktiengesellschaft in each case. In the fiscal year 2013, the entities exercised the exemptions of Sec. 264 (3) HGB

- Option not to prepare notes to the financial statements so that the annual financial statements comprise a balance sheet and income statement
- Option not to prepare a management report
- Option not to publish the annual financial statements

Furthermore, Nemetschek Aktiengesellschaft holds minority shareholdings at the balance sheet date in DocuWare GmbH, Germering, amounting to 22 % (shareholders' equity at 31.12.2013: EUR 2,332 k; annual result 2013: EUR 393 k) and in NEMETSCHKEK EOOD, Sofia, Bulgaria, amounting to 20 %. (Shareholders' equity as at 31.12.2013 EUR 2,125 k; annual result 2013: EUR 389 k).

CHANGES IN INVESTMENTS HELD

As at December 31, 2013 there were changes in the investments held by the company compared to the prior year. Thus, a share of 24 % in Nemetschek bim+ GmbH (formerly: Nemetschek Verwaltungs GmbH) was sold and, additionally, 100 % of Data Design Systems ASA, Norway was acquired.

LOANS TO AFFILIATED ENTITIES

Nemetschek Aktiengesellschaft granted non-current interest-bearing loans amounting to EUR 1,950 k (prior year: EUR 0 k) to affiliated entities.

RECEIVABLES AND OTHER ASSETS

Receivables with a remaining term of more than one year as at December 31, 2013 within other assets amounted to EUR 66 k (prior year: EUR 73 k). Furthermore, other assets mainly include tax receivables.

AMOUNTS DUE FROM AFFILIATED ENTITIES

The amounts due from affiliated companies relate exclusively to trade receivables.

SUBSCRIBED CAPITAL

Nemetschek Aktiengesellschaft's share capital as of balance sheet date stands at EUR 9,625,000.00 (unchanged compared to the prior year) and is divided into 9,625,000 no-par value bearer shares.

Each share is attributed with EUR 1.00 of share capital. The capital is fully paid up.

CAPITAL RESERVE

The capital reserve still, unchanged compare to the prior year, consists of the premium from the IPO (§ 272 (2) No. 1 HGB).

STATUTORY RESERVES

The statutory reserves relate to other reserves in accordance with § 266 (3A) III No. 4 HGB.

RETAINED EARNINGS

Retained earnings developed as follows:

	in €
As of December 31, 2012	46,854,159.70
Dividend	11,068,750.00
Net income 2013	27,273,713.25
As of December 31, 2013	63,059,122.95

PROVISIONS

Other provisions include the following items:

Thousands of €	As of Dec. 31, 2012	Reclassi- fication	utilization	Release	Addition	As of Dec. 31, 2013
Interest hedge	2,672	0	1,537	0	0	1,135
Outstanding invoices	726	0	657	68	604	605
Commission/bonuses for employees	257	- 30	90	137	147	147
Compensation	414	30	444	0	0	0
Partial retirement	173	0	14	25	44	178
Legal and consulting fees	100	0	67	33	146	146
Other	147	0	75	45	61	88
Total	4,489	0	2,884	308	1,002	2,299

LIABILITIES

Liabilities categorized by due date comprise the following:

Thousands of €	Total	Less than 1 year	1 to 5 years	More than 5 years
Trade accounts payable	167	167	0	0
Dec. 31, 2012	206	206	0	0
Accounts payable to affiliated companies	15,694	13,744	1,950	0
Dec. 31, 2012	17,860	17,860	0	0
Tax liabilities	775	775	0	0
Dec. 31, 2012	868	868	0	0
Other liabilities	15	15	0	0
Dec. 31, 2012	322	322	0	0
Dec. 31, 2013	16,651	14,701	1,950	0
Dec. 31, 2012	19,256	19,256	0	0

FINANCIAL INSTRUMENTS

Within the framework of the contractually agreed syndicated credit facility via WestLB AG, Düsseldorf, Nemet-schek Aktiengesellschaft has entered into an interest swap. The gains or losses from measurement at fair value are recognized directly through income and expense in the profit and loss account. The negative market value of this interest swap is accounted for as of December 31, 2013 at EUR 1,135 k (previous year: EUR 2,672 k).

The fair value of interest rate swap contracts is determined by discounting expected future cash flows over the remaining term of the contract. In total EUR 1,537 k was utilized in the fiscal year 2013. The following table displays the conditions agreed and the current carrying value:

Thousands of €	Reference Amount	Date of agreement	Date of closing	Base interest	factor/rate	Interest cap/floor	Market value as of Dec. 31, 2013
Participation interest rate swap	30,000	January 25, 2007	July 15, 2014	3-Months-EURIBOR	0,95 % / 5,25 %	5,53 % / 3,17 %	-1,135

Should the interest cap be reached during a calculation period, Nemetschek Aktiengesellschaft has undertaken to pay interest at the agreed threshold interest rate to WestLB AG. Should neither the interest cap nor the interest floor be reached in a calculation period, Nemetschek Aktiengesellschaft has undertaken to pay interest at the participation rate (= factor x base interest rate) to WestLB AG. Should the interest floor be reached in a calculation period, Nemetschek Aktiengesellschaft has undertaken to pay interest at the threshold interest rate to WestLB AG.

NOTES TO THE PROFIT AND LOSS ACCOUNT

As in the prior year, revenues still comprise exclusively trademark license fees. Just as in the previous year revenues are generated exclusively in Germany. Other operating income amounting to EUR 8,034 k is predominantly attributable to write-ups on financial assets of EUR 6,590 k. Furthermore, it also includes service contracts with affiliated entities amounting to EUR 1,035 k (previous year: EUR 788 k), out of period income from the reversal of provisions amounting to EUR 308 k (previous year: EUR 750 k) as well as income from currency translation of EUR 25 k (previous year: EUR 13 k).

Other operating expenses include currency translation losses amounting to EUR 48 k (previous year EUR 2 k).

OTHER DISCLOSURES

CONTINGENCIES

Thousands of €	Dec. 31, 2013	Dec. 31, 2012
Bank guarantees	568	657

Contingencies primarily include surety guarantee for rental contracts as well as for guaranteeing a part-time early retirement agreement. Currently there are no indications for utilizing this, since Nemetschek AG has access to adequate liquid funds and, furthermore, no events can be foreseen which would lead to its utilization.

OTHER FINANCIAL COMMITMENTS

Thousands of €	Total	Less than 1 year	1 to 5 years	More than 5 years
Rental agreements	532	266	266	0
Leases	55	31	24	0
Total financial commitments as of December 31, 2013	587	297	290	0
Rental agreements	622	266	356	0
Leases	137	65	72	0
Total financial commitments as of December 31, 2012	759	331	428	0

Additionally, there is a financial contingency from the put-option Dacoda GmbH amounting to EUR 1,093 k.

Control and profit/loss transfer agreements exist between Nemetschek Aktiengesellschaft and the following companies:

- III Nemetschek Frilo GmbH, Stuttgart
- III Nemetschek Allplan Deutschland GmbH, Munich
- III Nemetschek Allplan Systems GmbH, Munich

PERSONNEL

Nemetschek Aktiengesellschaft employed on average for the year 18 employees (previous year: 19), who work in administration. Of these, 4 employees (previous year: 5) are managers, 12 (previous year: 11) are white-collar workers and 2 (previous year: 3) are part-time employees.

INFORMATION ON THE GERMAN "CORPORATE GOVERNANCE CODE"

The declaration of conformity was submitted on March 21, 2013. The relevant current version is available to the shareholders on the website of Nemetschek Aktiengesellschaft (www.nemetschek.com).

EXECUTIVE BOARD

Members of the managing board of Nemetschek Aktiengesellschaft were granted remuneration for the fiscal year 2013 of EUR 361 k (previous year: EUR 949 k) with a fixed component of EUR 317 k (previous year: EUR 429 k) and a short-term variable component of EUR 44 k (previous year: EUR 270 k). The detailed summary of and explanations to managing board remuneration can be seen in the management report of the company.

SUPERVISORY BOARD REMUNERATION

Members of the supervisory board of Nemetschek Aktiengesellschaft are granted remuneration in total for the fiscal year 2013 of EUR 306 k (previous year: EUR 226.5 k) with a fixed component of EUR 67.5 k (previous year: EUR 67.5 k) and a short-term variable component of EUR 238.5 k (previous year: EUR 159 k). The detailed summary of and explanations to supervisory board remuneration can be seen in the management report of the company.

AUDITORS' FEES

With regard to the auditors' fees disclosure has not been made in the single entity financial statements of Nemetschek AG in accordance with § 285 No. 17 HGB. The information is shown in the consolidated financial statements of Nemetschek AG.

Voting rights declarations by Nemetschek AG

JANUARY 08, 2014

Mr. Alexander Nemetschek, Germany, informed us in accordance with § 21 (1) WpHG on 02.01.2014 that on 30.12.2013 his voting right share in Nemetschek AG, Munich, Germany fell below the threshold of 25 %, 20 %, 15 %, 10 %, 5 % and 3 % of the voting rights and, on this day, amounted to 0 % (that is equivalent to 0 of the voting rights).

Dr. Ralf Nemetschek, Germany, informed us in accordance with § 21 (1) WpHG on 02.01.2014 that on 30.12.2013 his voting right share in Nemetschek AG, Munich, Germany fell below the threshold of 25 %, 20 %, 15 %, 10 %, 5 % and 3 % of the voting rights and, on this day, amounted to 0 % (that is equivalent to 0 of the voting rights).

Mrs. Ingrid Nemetschek, Germany, informed us in accordance with § 21 (1) WpHG on 02.01.2014 that on 30.12.2013 her voting right share in Nemetschek AG, Munich, Germany fell below the threshold of 25 %, 20 %, 15 %, 10 %, 5 % and 3 % of the voting rights and, on this day, amounted to 0 % (that is equivalent to 0 of the voting rights).

The Nemetschek Stiftung (Foundation), Munich, Germany, informed us in accordance with § 21 (1) WpHG on 02.01.2014 that on 30.12.2013 its voting right share in Nemetschek AG, Munich, Germany fell below the threshold of 10 %, 5 % and 3 % of the voting rights and, on this day, amounted to 0 % (that is equivalent to 0 of the voting rights).

Nemetschek Vermögensverwaltungs GmbH & Co. KG, Grünwald, Germany, informed us in accordance with § 21 (1) WpHG on 02.01.2014 that on 30.12.2013 its voting right share in Nemetschek AG, Munich, Germany exceeded the threshold of 3 %, 5 %, 10 %, 15 %, 20 %, 25 %, 30 % and 50 % of the voting rights and, on this day, amounted to 53.57 % (that is equivalent to 5,155,732 of the voting rights).

Of these, the company has 5.19 % (that is equivalent to 500000 voting rights) in accordance with § 22 (2) WpHG by Prof. Georg Nemetschek (shareholder whose voting right share in Nemetschek AG amounts to more than 3 %).

Nemetschek Verwaltungs GmbH, Grünwald, Germany, informed us in accordance with § 21 (1) WpHG on 02.01.2014 that on 30.12.2013 its voting right share in Nemetschek AG, Munich, Germany exceeded the threshold of 3 %, 5 %, 10 %, 15 %, 20 %, 25 %, 30 % and 50 % of the voting rights and, on this day, amounted to 53.57 % (that is equivalent to 5,155,732 of the voting rights). Of these, the company has 5.19 % (that is equivalent to the 500000 voting rights) in accordance with § 22 (2) WpHG by Prof. Georg Nemetschek (shareholder whose voting right share amounts to more than 3 % in Nemetschek AG). A further 48.37 % (that is equivalent to 4655732 voting rights) are attributable to the company in accordance with § 22 (1) No. 1 WpHG from Nemetschek Vermögensverwaltungs GmbH & Co. KG as its controlled company.

Professor Georg Nemetschek, Germany, informed us in accordance with § 21 (1) WpHG on 02.01.2014 that on 30.12.2013 his voting right share in Nemetschek AG, Munich, Germany exceeded the threshold of 30 % and 50 % of the voting rights and, on this day, amounted to 53.57 % (that is equivalent to 5155732 of the voting rights).

Of this a further 48.37 % (that is equivalent to 4655732 voting rights) are attributable to the company in accordance with § 22 (1) No. 1 WpHG from Nemetschek Vermögensverwaltungs GmbH & Co. KG as its controlled company.

48.37 % (that is equivalent to 4655732 voting rights) are attributable to Mr. Prof. Georg Nemetschek also in accordance with § 22 (2) WpHG from Nemetschek Vermögensverwaltungs GmbH & Co. KG (shareholder, whose voting right share in the Nemetschek AG are close to the horses).

OCTOBER 10, 2013

The Allianz SE, Munich, Germany informed us in accordance with § 21 (1) WpHG on 08.10.2013 that its voting right share in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany on 04.10.2013 exceeded the threshold of 5 % and amounted to 5.08 % (488,753 voting rights of 9,625,000 voting rights in total).

The voting rights were attributed to Allianz SE in accordance with § 22 (1) sentence 1 No. 1 WpHG and § 22 (1) Sentence 1 No. 6 in connection with sentence 2 WpHG.

The voting rights attributable to Allianz SE in accordance with § 22 (1) sentence 1 No. 1 WpHG were allocated via the following enterprises controlled by it, the voting right share of each in Nemetschek AG amounted to 3 % or more:

III Allianz Europe B.V.

III Allianz Holding France SAS

III Allianz France S.A.

III Allianz I.A.R.D. S.A.

At the same time these voting rights were attributed to Allianz SE in accordance with § 22 (1) No. 6 in connection with sentence 2 WpHG from a shareholder whose voting right share in Nemetschek AG amounted to 3 % or more:

III Allianz I.A.R.D. S.A.

At the same time Allianz SE informed us in accordance with § 21 (1) WpHG in connection with § 24 WpHG:

1. The voting right share of Allianz Europe B.V., Amsterdam, Netherlands in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 5 % on 04.10.2013 and amounted to 5.08 % (488,753 voting rights of 9,625,000 voting rights in total). These voting rights were allocated to Allianz Europe B.C. in accordance with § 22 (1) sentence 1 No. 1 WpHG.

The voting rights attributable to Allianz Europe B.V. were allocated via the following enterprises controlled by it, the voting right share of which held in Nemetschek AG each amounted to 3 % or more:

III Allianz Holding France SAS

III Allianz France S.A.

III Allianz I.A.R.D. S.A.

2. The voting right share of Allianz Holding France SAS, Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 5 % on 04.10.2013 and amounted to 5.08 % (488,753 voting rights of 9,625,000 voting rights in total). These voting rights were allocated to Allianz Holding France SAS in accordance with § 22 (1) sentence 1 No. 1 WpHG.

The voting rights attributable to Allianz Holding France SAS were allocated via the following enterprises controlled by it, the voting right share of which held in Nemetschek AG each amounted to 3 % or more:

III Allianz France S.A.

III Allianz I.A.R.D. S.A.

3. The voting right share of Allianz France S.A., Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 5 % on 04.10.2013 and amounted to 5.08 % (488,753 voting rights of 9,625,000 voting rights in total). These voting rights were allocated to Allianz France S.A. in accordance with § 22 (1) sentence 1 No. 1 WpHG.

The voting rights attributable to Allianz France S.A. were allocated via the following enterprises controlled by it, the voting right share of which held in Nemetschek AG each amounted to 3 % or more:

III Allianz I.A.R.D. S.A.

4. The voting right share of Allianz I.A.R.D. S.A., Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 5 % on 04.10.2013 and amounted to 5.08 % (488,753 voting rights of 9,625,000 voting rights in total).

5. The voting right share of Allianz Asset Management AG, Munich, Germany in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 5 % on 04.10.2013 and amounted to 5.08 % (488,753 voting rights of 9,625,000 voting rights in total). These voting rights were allocated in accordance with § 22 (1) sentence 1 No. 6 in connection with sentence 2 WpHG.

These voting rights were attributed in accordance with § 22 (1) sentence 1 No. 6 in connection with sentence 2 WpHG from a shareholder whose voting right share amounted to 3 % or more:

III Allianz I.A.R.D. S.A.

6. The voting right share of Allianz Global Investors GmbH, Munich, Germany in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 5 % on 04.10.2013 and amounted to 5.08 % (488,753 voting rights of 9,625,000 voting rights in total). These voting rights were allocated in accordance with § 22 (1) sentence 1 No. 6 in connection with sentence 2 WpHG.

These voting rights were attributed in accordance with § 22 (1) sentence 1 No. 6 in connection with sentence 2 WpHG from a shareholder whose voting right share amounted to 3 % or more:

III Allianz I.A.R.D. S.A.

7. The voting right share of Allianz Global Investors France S.A., Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 5 % on 04.10.2013 and amounted to 5.08 % (488,753 voting rights of 9,625,000 voting rights in total). These voting rights were allocated in accordance with § 22 (1) sentence 1 No. 6 WpHG.

These voting rights were attributed in accordance with § 22 (1) sentence 1 No. 6 WpHG from a shareholder whose voting right share amounted to 3 % or more:

III Allianz I.A.R.D. S.A.

Furthermore, Allianz SE, Munich, Germany informed us in accordance with § 21 (1) WpHG on 08.10.2013 that its voting right share in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany on 01.10.2013 exceeded the threshold of 3 % and amounted to 3.58 % (344,504 voting rights of 9,625,000 voting rights in total).

The voting rights were attributed to Allianz SE in accordance with § 22 (1) sentence 1 No. 1 WpHG and § 22 (1) sentence 1 No. 6 in connection with sentence 2 WpHG.

The voting rights attributable to Allianz SE in accordance with § 22 (1) sentence 1 No. 1 WpHG were allocated via the following enterprises controlled by it, the voting right share of which held in Nemetschek AG each amounted to 3 % or more:

III Allianz Europe B.V.

III Allianz Holding France SAS

III Allianz France S.A.

III Allianz I.A.R.D. S.A.

At the same time these voting rights were attributed to Allianz SE in accordance with § 22 (1) sentence 1 No. 6 in connection with sentence 2 WpHG from a shareholder whose voting right share in Nemetschek AG amounted to 3 % or more:

III Allianz I.A.R.D. S.A.

At the same time Allianz SE informed us in accordance with § 21 (1) WpHG in connection with § 24 WpHG:

1. The voting right share of Allianz Europe B.V., Amsterdam, Netherlands in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 3 % on 01.10.2013 and amounted to 3.58 % (344,504 voting rights of 9,625,000 voting rights in total). These voting rights were allocated to Allianz Europe B.V. in accordance with § 22 (1) sentence 1 No. 1 WpHG.

The voting rights attributable to Allianz Europe B.V. were allocated via the following enterprises controlled by it, the voting right share of which held in Nemetschek AG each amounted to 3 % or more:

III Allianz Holding France SAS

III Allianz France S.A.

III Allianz I.A.R.D. S.A.

2. The voting right share of Allianz Holding France SAS, Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 3 % on 01.10.2013 and amounted to 3.58 % (344,504 voting rights of 9,625,000 voting rights in total). These voting rights were allocated to Allianz Holding France SAS in accordance with § 22 (1) sentence 1 No. 1 WpHG.

The voting rights attributable to Allianz Holding France SAS were allocated via the following enterprises controlled by it, the voting right share of which held in Nemetschek AG each amounted to 3 % or more:

III Allianz France S.A.

III Allianz I.A.R.D. S.A.

3. The voting right share of Allianz France S.A., Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 3 % on 01.10.2013 and amounted to 3.58 % (344,504 voting rights of 9,625,000 voting rights in total). These voting rights were allocated to Allianz France S.A. in accordance with § 22 (1) sentence 1 No. 1 WpHG.

The voting rights attributable to Allianz France S.A. were allocated via the following enterprises controlled by it, the voting right share of each in Nemetschek AG amounted to 3 % or more:

III Allianz I.A.R.D. S.A.

4. The voting right share of Allianz I.A.R.D. S.A., Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 3 % on 01.10.2013 and amounted to 3.58 % (344,504 voting rights of 9,625,000 voting rights in total).

5. The voting right share of Allianz Asset Management AG, Munich, Germany in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 3 % on 01.10.2013 and amounted to 3.58 % (344,504 voting rights of 9,625,000 voting rights in total). These voting rights were allocated in accordance with § 22 (1) sentence 1 No. 6 in connection with sentence 2 WpHG.

These voting rights were attributed in accordance with § 22 (1) sentence 1 No. 6 in connection with sentence 2 WpHG from a shareholder whose voting right share amounted to 3 % or more:

III Allianz I.A.R.D. S.A.

6. The voting right share of Allianz Global Investors GmbH, Munich, Germany in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 3 % on 01.10.2013 and amounted to 3.58 % (344,504 voting rights of 9,625,000 voting rights in total). These voting rights were allocated in accordance with § 22 (1) sentence 1 No. 6 in connection with sentence 2 WpHG.

These voting rights were attributed in accordance with § 22 (1) sentence 1 No. 6 in connection with sentence 2 WpHG from a shareholder whose voting right share amounted to 3 % or more:

III Allianz I.A.R.D. S.A.

7. The voting right share of Allianz Global Investors France S.A., Paris, France in Nemetschek AG, Konrad-Zuse-Platz 1, 81829 Munich, Germany exceeded the threshold of 3 % on 01.10.2013 and amounted to 3.58 % (344,504 voting rights of 9,625,000 voting rights in total). These voting rights were allocated in accordance with § 22 (1) sentence 1 No. 6 WpHG.

These voting rights were attributed in accordance with § 22 (1) sentence 1, No. 6 WpHG from a shareholder whose voting right share amounted to 3 % or more:

III Allianz I.A.R.D. S.A.

MAY 17, 2013

Axxion S.A., Grevenmacher, Luxembourg, informed us in accordance with § 21 (1) WpHG on 17.05.2013 that on 06.05.2013 its voting right share in Nemetschek AG, Munich, Germany fell below the threshold of 3 % of the voting rights and, on this date, amounted to 2.82 % (that is equivalent to 271652 of the voting rights).

NOVEMBER 26, 2012

Universal-Investment-Gesellschaft mbH, Frankfurt am Main, Germany, informed us in accordance with § 21 (1) WpHG on 22.11.2012 that on 21.11.2012 its voting right share in Nemetschek AG, Munich, Germany exceeded the threshold of 3 % of the voting rights and, on this day, amounted to 3.003 % (that is equivalent to 289062 of the voting rights). 0.32 % of the voting rights (that represents 30500 voting rights) are allocated to the company in accordance with § 22 (1) sentence 1 No. 6 WpHG.

AUGUST 09, 2012

Mr. Alexander Nemetschek, Germany, informed us in accordance with § 21 (1) WpHG on 01.08.2012 that on 31.07.2012 his voting right share in Nemetschek AG, Munich, Germany exceeded the threshold of 15 %, 20 % and 25 % of the voting rights and, on this day, amounted to 28.46 % (that is equivalent to 2739410 of the voting rights).

16.95 % of the voting rights (that is equivalent to 1631705 voting rights) are attributable to Mr. Nemetschek in accordance with § 22 (2) WpHG from Mrs. Ingrid Nemetschek (524000 voting rights) and Dr. Ralf Nemetschek (1107705 voting rights).

Dr. Ralf Nemetschek, Germany, informed us in accordance with § 21 (1) WpHG on 01.08.2012 that on 31.07.2012 his voting right share in Nemetschek AG, Munich, Germany exceeded the threshold of 15 %, 20 % and 25 % of the voting rights and, on this day, amounted to 28.46 % (that is equivalent to 2739410 of the voting rights).

16.95 % of the voting rights (that is equivalent to 1631705 voting rights) are attributable to Mr. Nemetschek in accordance with § 22 (2) WpHG from Mrs. Ingrid Nemetschek (524000 voting rights) and Mr. Alexander Nemetschek (1107705 voting rights).

Mrs. Ingrid Nemetschek, Germany, informed us in accordance with § 21 (1) WpHG on 03.08.2012 that on 31.07.2012 her voting right share in Nemetschek AG, Munich, Germany exceeded the threshold of 10 %, 15 %, 20 % and 25 % of the voting rights and, on this day, amounted to 28.46 % (that is equivalent to 2739410 of the voting rights).

23.02 % of the voting rights (that is equivalent to 2215410 voting rights) are attributable to Mrs. Nemetschek in accordance with § 22 (2) WpHG from Dr. Ralf Nemetschek (1107705 voting rights) and Mr. Alexander Nemetschek (1107705 voting rights).

NOVEMBER 09, 2011

Axxion S.A., Munsbach, Luxembourg, informed us in accordance with § 21 (1) WpHG on 09.11.2011 that on 08.11.2011 its voting right share in Nemetschek AG, Munich, Germany exceeded the threshold of 3% of the voting rights and, on this day, amounted to 3.05% (that is equivalent to 293300 of the voting rights).

The direct and indirect voting rights of the following persons/institutions in Nemetschek Aktiengesellschaft as of December 31, 2013 were as follows:

- III Professor Georg Nemetschek, Munich: 53.57% (previous year: 25.11%).
- III Nemetschek Vermögensverwaltungs GmbH & Co. KG, Grünwald: 53.57%
- III Nemetschek Verwaltungs GmbH, Grünwald: 53.57%
- III Allianz SE, Munich: 5.08%
- III Universal-Investment-Gesellschaft mbH, Frankfurt am Main: 3.00% (previous year: 3.00%).

The disclosures are based on the information reported to Nemetschek Aktiengesellschaft under §§ 21 ff. WpHG. The actual number of shareholder voting rights can deviate from the number disclosed due to interim, non-reportable or unreported trading.

SUPERVISORY BOARD

Mr. Kurt Dobitsch (entrepreneur)

Chairman

Member of the following supervisory boards:

- III United Internet AG (Chairman)
- III United Internet Ventures AG (Chairman), since March 2013
- III Bechtle AG
- III 1 & 1 Telecommunication AG, since March 2013
- III 1 & 1 Internet AG
- III Graphisoft SE
- III Singhammer IT Consulting AG

Mr. Prof. Georg Nemetschek (engineering degree, entrepreneur)

Deputy Chairman

Mr. Rüdiger Herzog (lawyer)

Member of the following supervisory boards:

- III DF Deutsche Finance Holding AG (Chairman)
- III Kaufhaus Ahrens AG (Chairman)

MANAGING BOARD

Dr. Tobias Wagner

(Dr. Phil., business degree)

Executive Board (until March 31, 2014)

Member of the following supervisory boards:

III AIS Energy Advisors AG, Munich (Chairman)

III mapolis AG, Munich (until August 29, 2013)

III Graphisoft SE, Budapest, Hungary
(from November 16, 2013)

III DF Deutsche Finance Holding AG, Munich
(from January 01, 2014)

Mr. Sean Flaherty

Executive Board (from November 01, 2013)

CEO Nemetschek Vectorworks, Inc.

Member of the following supervisory boards:

III Vectorworks, Inc., USA

Mrs. Tanja Tamara Dreilich

(business degree)

Executive Board (until August 26, 2013)

Member of the following supervisory boards:

III SCIA International NV, Belgium
(until August 26, 2013)

III Graphisoft SE, Hungary (until August 26, 2013)

Mr. Patrik Heider

(Business Degree FH)

CFOO and Spokesman for the Executive Board

(from March 01, 2014)

Mr. Viktor Várkonyi

Executive Board (from November 01, 2013)

CEO Graphisoft SE

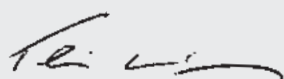
Member of the following supervisory boards:

III Graphisoft SE, Hungary

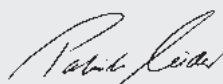
III Data Design System ASA, Norway
(from February 17, 2014)

III Data Design System ASA, Norwegen
(ab 17.02.2014)

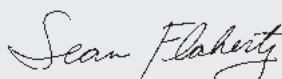
Munich, March 10, 2014



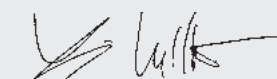
Dr. Tobias Wagner



Patrik Heider



Sean Flaherty



Viktor Várkonyi

STATEMENT OF FIXED ASSETS NEMETSCHKEK AKTIENGESELLSCHAFT

as of December 31, 2013 and as of December 31, 2012

2013	in €	Development of historic costs			As of Dec. 31, 2013
		As of Jan. 1, 2013	Additions	Disposal	
I. Intangible assets					
1. Purchased franchises, industrial rights and similar rights and assets and licenses in such rights and assets		462,534.00	14,987.50	35,696.50	441,825.00
2. Prepayments on intangible assets		300,600.00	0	0	300,600.00
		763,134.00	14,987.50	35,696.50	742,425.00
II. Property, plant and equipment					
1. Leasehold improvements		295,383.90	0	0	295,383.90
2. Fixtures, fittings and equipment		685,691.76	10,850.33	11,012.00	685,530.09
		981,075.66	10,850.33	11,012.00	980,913.99
III. Financial assets					
1. Shares in affiliated companies		148,001,838.34	18,054,837.35	6,240.00	166,050,435.69
2. Loans due from affiliated companies		40,000.00	2,243,559.74	0	2,283,559.74
3. Other loans		1,047,284.53	38,890.00	0	1,086,174.53
4. Investments		3,169,566.46*	0	0	3,169,566.46
		152,258,689.33	20,337,287.09	6,240.00	172,589,736.42
Total fixed assets		154,002,898.99	20,363,124.92	52,948.50	174,313,075.41

* The balance carried forward includes corrections referring the disposal of the investment value of the MyBau AG, which have no impact on the carrying amount.

Development of accumulated depreciation / amortization

As of Jan. 1, 2013	Additions	Attributions	Disposal	As of Dec. 31, 2013
288,415.63	55,402.34	0	1,725.75	342,092.22
125,600.00	0	0	0	125,600.00
414,015.63	55,402.34	0	1,725.75	467,692.22
278,971.40	5,470.86	0	0	284,442.26
593,291.44	54,451.80	0	8,799.21	638,944.03
872,262.84	59,922.66	0	8,799.21	923,386.29
15,114,574.18	0	6,590,370.06	0	8,524,204.12
40,000.00	293,559.74	0	0	333,559.74
1,047,284.53	38,890.00	0	0	1,086,174.53
1,144,262.53*	0	0	0	1,144,262.53
17,346,121.24	332,449.74	6,590,370.06	0	11,088,200.92
18,632,399.71	447,774.74	6,590,370.06	10,524.96	12,479,279.43

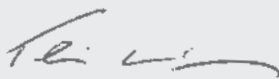
Carrying amount

As of Dec. 31, 2013	As of Dec. 31, 2012
99,732.78	174,118.37
175,000.00	175,000.00
274,732.78	349,118.37
10,941.64	16,412.50
46,586.06	92,400.32
57,527.70	108,812.82
157,526,231.57	132,887,264.16
1,950,000.00	0
0	0
2,025,303.93	2,025,303.93
161,501,535.50	134,912,568.09
161,833,795.98	135,370,499.28

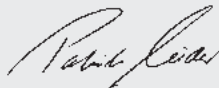
DECLARATION OF THE LEGAL REPRESENTATIVES

"I hereby confirm that, to the best of my knowledge, in accordance with the applicable financial reporting framework, the consolidated financial statements give a true and fair view of the net assets, financial position and results of the group, and the group management report gives a true and fair view of business performance including the results of operations and the situation of the group, and describes the main opportunities and risks of the anticipated development of the group."

Munich, March 10, 2014



Dr. Tobias Wagner



Patrik Heider



Sean Flaherty



Viktor Várkonyi

AUDIT OPINION

We have issued the following opinion on the financial statements and management report:

„We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Nemet-schek AG, Munich, for the fiscal year from 1 January 2013 to 31 December 2013. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company’s management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB [„Handelsgesetz-buch“: „German Commercial Code“] and German generally accepted standards for the audit of financial state-ments promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presenta-tion of the net assets, financial position and results of operations in the annual financial statements in accordan-ce with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financi-al statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company’s position and sui-tably presents the opportunities and risks of future development.“

Munich, 10 March 2014

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Bostedt
Wirtschaftsprüfer
[German Public Auditor]

Heiduczek
Wirtschaftsprüferin
[German Public Auditor]

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