

Supervisory board's report on the 2019 financial year of Nemetschek SE

The supervisory board of Nemetschek SE involved itself extensively with the situation and development of the Nemetschek Group during the 2019 financial year. Over the course of the financial year, the committee followed the executive board closely, advised it with regard to important issues and monitored it in addition to carrying out the tasks assigned to the supervisory board by law, the Articles of Incorporation and the Articles of Association with the utmost care.

Constructive deliberations between supervisory board and executive board

The collaboration between the supervisory board and the executive board was always constructive and marked by open and trustful discussions. The executive board instructed the supervisory board regularly, promptly and comprehensively, as well as orally and in writing, about all relevant topics pursuant to corporate development and corporate strategy. Inherent opportunities and risks, corporate planning and the development of revenues, earnings and liquidity were extensively debated. Moreover, the supervisory board obtained information on planned and current investments, the implementation of the planning of the Group, of the segments and of the individual brands as well as on risk management and compliance.

The supervisory board regularly and intensively discussed the developments in the respective months and reporting quarters, the short-term and medium-term prospects and the long-term growth and earnings strategy internally with the executive board. This also included information on deviations in business development vis-à-vis planning. The supervisory board was very involved in all decisions of fundamental importance for the company. Outside the regularly scheduled sessions as well, the supervisory board and the executive board maintained close contact.

On the basis of the executive board's reports, the supervisory board supported the executive board's work in an advisory capacity and made decisions on actions requiring approval. On the basis of the extensive information provided by the executive board as well as independent audits, the supervisory board was able to completely fulfill its monitoring and advisory role at all times.

Meetings, participation and topics of focus

In the fiscal year 2019, the supervisory board met in person at four regular supervisory board meetings (March, July, October and December) at which the executive board informed the supervisory board of the economic situation and business development. The complete supervisory board was in attendance at all meetings. In addition to the meetings, there were further resolutions on current topics, for which the written circular procedure was used. As a result of its composition with four members, the supervisory board formed no committees.

The deliberations focused in particular on the further internationalization of company business, potential acquisition targets, strategic projects at holding and segment levels and the further development of the Group's solution portfolio. Detailed reports concerning the four segments and the brand companies were received by the supervisory board. Business performance which deviated from the corresponding annual targets was discussed in detail at the supervisory board meetings and analyzed. The executive board presented the strategy for acquisitions and actual projects and decided on them in close collaboration with the supervisory board.

In the meetings, there was debate in particular on the following topics:

- Annual financial statements and consolidated financial statements for the 2018 financial year
- Proposal on the appropriation of profits for the 2018 financial year

- Invitation and agenda items for the regular 2019 annual general meeting with proposed resolutions to the annual general meeting as well as the supervisory board's report for the 2018 financial year
- Sustainability reporting in the Group
- Executive board and general managers' specification of targets reached in 2018 and release of payment of variable remuneration shares as well as the definition of target agreements for the 2019 financial year; nominations for participation in the "Long-Term Incentive Plan" (LTIP)
- Declaration of Conformity in accordance with the "German Corporate Governance Code"
- Group planning, revenue planning, result planning and investment planning for 2019 as well as ongoing discussion of the current situation
- Strategic projects at Group and segment levels and alignment of the Nemetschek Group and its internationalization as well as target achievement during implementation
- Development of market and competition
- Acquisition strategy and strategic partnerships at holding and segment levels
- Acquisition in the Manage segment: Acquisition of the Axxerion Group based in the Netherlands by the Spacewell umbrella brand
- Acquisitions in the Media & Entertainment segment: Acquisition of Redshift Rendering Technologies, Inc. as well as of RedGiant based in the USA by Maxon Computer GmbH
- Sale of 22.4% interest in Docuware
- Internal control and early stage risk detection systems, audit and compliance report
- Capital market, investor development and share price development
- New executive board structure
- Group planning and revenue, result and investment projects for the 2020 financial year

Composition of executive board and supervisory board

As in the previous year, the executive board consisted of three members. At the beginning of the 2019 financial year, the supervisory board established a new executive board structure with a stronger focus on the segments. Thus consideration is given to the strategic alignment of the Nemetschek Group which involves even greater consolidation of the competencies of the brand companies in the customer-oriented four segments Design, Build, Manage and Media Entertainment.

After introduction of the new executive board structure, the executive board consisted of the following three members:

- Viktor Várkonyi, member of the executive board since December 2013, was appointed to the board for the Design segment to go into effect as of February 1, 2019. Consequently, he stepped down from his previous function as CEO of the Graphisoft brand.

- Jon Elliott, CEO of the Bluebeam brand, was appointed to the board of the Build segment to go into effect as of February 1, 2019; he remained executive board member and CEO of Bluebeam.
- As before, Patrik Heider, member of the executive board since March 2014, remained Spokesman of the Executive Board and CFOO in the reporting year. In addition, he was appointed to the board for the Media & Entertainment segment.

Patrik Heider left the company of his own accord at the end of the year. The supervisory board would like to thank Mr. Heider for his outstanding performance and his high level of commitment over the past six years and wish him all the best for the future. As the Spokesman of the Executive Board and CFOO of the Group, he contributed significantly to the successful development of the Nemetschek Group.

At the same time, the supervisory board welcomes Dr. Axel Kaufmann. He was appointed Spokesman of the Executive Board and CFOO of Nemetschek SE as of January 1, 2020. In addition to these roles, he will be responsible for the growth-intensive Media & Entertainment business unit. Dr. Kaufmann takes on these important roles in Nemetschek SE as a very experienced manager with many years of international industry experience and a great deal of financial expertise. The supervisory board is convinced that, together with the existing, very experienced and international Nemetschek SE executive board team, Dr. Kaufmann will lead the company into the next era of innovation and growth.

In 2019 the composition of the supervisory board remained unchanged in terms of personnel vis-à-vis the previous year; the supervisory board consisted of the following four members:

- Kurt Dobitsch, Chairman of the supervisory board
- Prof. Georg Nemetschek, Deputy Chairman
- Rüdiger Herzog, member of the supervisory board
- Bill Krouch, member of the supervisory board

Audit of the annual financial statements and consolidated financial statements

On May 28, 2019, the annual general meeting chose auditing firm Ernst & Young GmbH, Munich, for the audit of the individual financial statements and the consolidated financial statements for 2019 as well as the corresponding consolidated management report. The supervisory board was convinced as to the independence of the auditor and obtained a written declaration from the auditor.

The annual financial statements of Nemetschek SE for the 2019 financial year prepared by the executive board according to the German Commercial Code (HGB), as well as the consolidated financial statements prepared according to the International Financial Reporting Standards (IFRS), as applicable in the EU, and also according to § 315a (1) of the German Commercial Code (HGB), and the consolidated management report for Nemetschek SE and the Group for the 2019 financial year were audited and approved without qualification by auditing firm Ernst & Young GmbH, Munich.

The specified final documents of the SE, the Group and the executive board's proposal on the appropriation of profits as well as the auditor's reports were available to the members of the supervisory board sufficiently in advance of the balance sheet meeting on March 27, 2020. The auditor took part in the meeting, reported extensively on his auditing activities and the main audit results, explained the audit report and provided detailed answers to all of the supervisory board members' questions.

Taking the auditor's reports into consideration, the supervisory board has examined the annual financial statements, the consolidated financial statements and the consolidated management report for Nemetschek SE and the Group and is convinced of the correctness and completeness of the actual information. The supervisory board concurs with the result of the audit performed by the auditor and has determined that there are no reservations to be raised. The supervisory board approved the 2019 financial

statements and consolidated financial statements of Nemetschek SE at the balance sheet meeting of March 27, 2020. The 2019 annual financial statements are thus final within the scope of § 172 of the German Stock Corporation Act (AktG).

Reporting on sustainability

Nemetschek SE integrated its nonfinancial declaration in the management report. Auditing firm Ernst & Young GmbH subjected the nonfinancial Group declaration of the Nemetschek Group to an audit for obtaining limited assurance. The supervisory board also checked the nonfinancial declaration and has come to the conclusion that the nonfinancial declaration provides no grounds for reservations.

Conflicts of interest

In the reporting year, there were no conflicts of interest on the part of the supervisory or executive board members.

Corporate governance

The supervisory board was continuously occupied with the principles of good corporate governance in the 2019 financial year. In March and in December 2019, the supervisory board and executive board submitted an updated Declaration of Conformity as per § 161 of the German Stock Corporation Act (AktG) and made it permanently available to shareholders via the website of the Nemetschek Group. Nemetschek SE conforms to the recommendations of the Government Commission of the German Corporate Governance Code as per the version of the code published in the Federal Gazette in April 2017 with the exception of the justified deviations specified in the Declaration of Conformity. For details on this subject, please refer to the Group Management Report 2019 under the section report on enterprise controlling and declaration on corporate management or visit the website <https://ir.nemetschek.com/websites/nemetschek/German/5000/corporate-governance.html>.

Thanks for dedicated performance

In the 2019 financial year, the Nemetschek Group had another very successful year with revenue growth recorded in the double-digit percentage range together with a simultaneous increase in profitability, and exceeded its set objectives. The supervisory board thanks all employees worldwide for their excellent work and personal commitment. At the same time, the supervisory board would like to express its recognition and high level of appreciation to the executive board and the CEOs of all the brands for their performance.

Munich, March 27, 2020



Kurt Debitsch
Chairman of the Supervisory Board