

Supervisory board's report on the 2016 fiscal year of Nemetschek SE

The supervisory board of Nemetschek SE involved itself extensively with the situation and development of the Group during the 2016 fiscal year. Over the course of the fiscal year, the committee followed the executive board closely, advised it regularly and monitored it in addition to carrying out the tasks assigned to the supervisory board by law 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, trustful discussions. The executive board instructed the supervisory board regularly, promptly and comprehensively, as well as orally and in writing, about all relevant corporate strategy issues. 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 fulfillment of the planning of the Group, of the segments and of the individual brands as well as on risk management and compliance.

The developments in the respective reporting quarters, the short-term and medium-term prospects and the long-term growth and earnings strategy were regularly and critically discussed. The supervisory board was very involved in decisions of fundamental importance for the company and obtained holistic information on backgrounds and contexts. Outside the regularly scheduled sessions, 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 and made decisions on actions requiring approval. As a result 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.

Meetings and topics of focus

In the fiscal year 2016, four regular supervisory board meetings were held, namely in the months of March (balance sheet meeting for the 2015 annual financial statements), July, October and December. The supervisory board was completely represented at all meetings. In addition to the meetings, there were further resolutions on current topics, for which the written circular procedure was used.

The deliberations focused in particular on the further internationalization of company business, segment expansion, potential acquisition targets, strategic investments and the further development of the Group's solution portfolio. Detailed reports concerning the brand companies were requested by the supervisory board and discussed. 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 acquisition strategy and actual projects and decided on them in close collaboration with the supervisory board. The supervisory board approved all transactions in the reporting year.

In the meetings and further discussions outside of the meetings, there was debate in particular on the following topics, which were the subject of intensive deliberation and verification:

- Annual financial statements and consolidated financial statements for the 2015 fiscal year
- Proposal on the appropriation of profits for the 2015 fiscal year
- Invitation and agenda items for the regular 2016 annual general meeting with proposed resolutions to the annual general meeting as well as the supervisory board's report for the 2015 fiscal year
- Executive board and managing directors' specification of targets reached in 2015 and release of payment of variable remuneration shares as well as the definition of target agreements for the 2016 fiscal year; nominations for participation in the "Long-Term Incentive Plan" (LTIP); appointment of the members of the executive board in office for a further three years and corresponding amendments to the executive board contracts
- Declaration of Conformity in accordance with the "German Corporate Governance Code"
- Strategic projects and alignment of the Nemetschek Group and its internationalization as well as target achievement during implementation
- Group planning, revenue planning, result planning and investment planning for 2016 as well as ongoing discussion on the current situation
- Conversion of Nemetschek AG into a Societas Europaea (SE)
- Product developments and innovations of the respective brand companies regarding topics such as Open BIM, 5D, collaboration platform and digitalization
- Development of market conditions and competitive situation
- Acquisition strategy, strategic investments and cooperations
- Acquisition and integration of Design Data Corporation headquartered in Lincoln, Nebraska, USA, as well as of dRofus AS headquartered in Oslo, Norway
- Internal control and early stage risk detection systems, audit and compliance report
- Increase in the forecast for revenue and operating result at the beginning of October
- Capital market and share price development
- Group planning and investment projects for 2017

Composition of executive board and supervisory board

There were no changes in personnel on the three-man executive board of Nemetschek SE.

Sean Flaherty, who has been a member of the executive board of the Nemetschek Group since October 2013, was also CEO at brand company Vectorworks parallel to this. In April 2016, he resigned as the CEO of Vectorworks and was appointed Chief Strategy Officer of the

Nemetschek Group by the supervisory board, where he has been responsible for driving forward the Group-wide strategy and the globalization of the Group. In addition, he is in charge of the M&A strategy as well as technology developments within the Group. The responsibilities of the other two members of the executive board, Patrik Heider and Viktor Várkonyi, were unchanged. All three members of the executive board were appointed to the executive board of Nemetschek SE for a further period of three years, i.e. until December 31, 2019. The existing executive board contracts were amended accordingly. For details concerning executive board remuneration, please refer to the remuneration report contained in the management report of the annual report.

As in the previous year, the supervisory board was made up of three members. There were no changes in personnel. The formation of supervisory board committees is not necessary since the supervisory board comprises three members.

Audit of the annual financial statements and consolidated financial statements

On May 20, 2016, 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 2016 as well as the corresponding management report and Group 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 prepared by the executive board according to the German Commercial Code (HGB), taking into consideration the accounting principles and annual report of Nemetschek SE for the 2016 fiscal year, the consolidated financial statements prepared according to the International Financial Reporting Standards (IFRS), as applicable in the EU, and also according to § 315a Paragraph 1 of the German Commercial Code (HGB), and the consolidated annual report for the 2016 fiscal year have been 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 in good time before the balance sheet meeting on March 23, 2017. The auditor took part in the meeting, reported extensively on his auditing activities and the main audit results, explained his 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 management report, the consolidated financial statements, and the Group's management report 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, within the scope of its own investigations, that there are no reservations to be raised. The supervisory board approved the 2016 financial statements and consolidated financial statements of Nemetschek SE at the balance sheet meeting of March 23, 2017. The 2016 annual financial statements are thus final within the scope of § 172 of the German Stock Corporation Act (AktG).

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 and executive boards were continuously occupied with the principles of good Corporate -Governance in the 2016 fiscal year. In March 2017, the supervisory board and executive board submitted an updated Declaration of Conformity as per § 161 of the German Stock Corporation Act (AktG) and made this 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 June 2015 with the exception of the justified deviations specified in the Declaration of Conformity. For more details on this subject, please refer to the Corporate -Governance section of the annual report or visit www.nemetschek.com/investor-relations.

Thanks for dedicated performance

In the 2016 fiscal year, the Nemetschek Group set new records in terms of revenues and operating result, and is consequently continuing on its successful course as a flourishing, highly profitable and technologically leading software company. The supervisory board thanks all employees worldwide for their dedication, motivation and high level of personal commitment, without which this success would not have been possible. 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 great dedication and outstanding performance.

Munich, March 23, 2017

Kurt Dobitsch

Chairman of the Supervisory Board