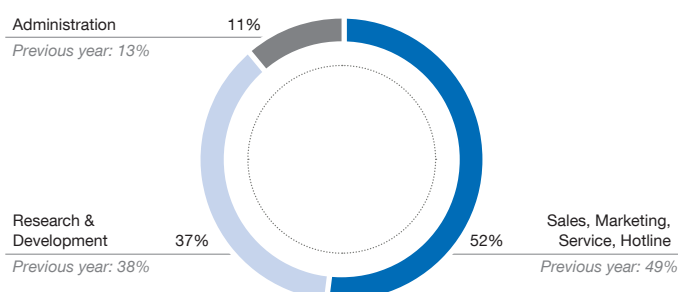


Employees by Function

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

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



Personnel Expenses

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

3.4 Earnings, Financial Position and Net Assets of Nemetschek SE

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

Revenue Development and Earnings Situation

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

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

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

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

Net Assets

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

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

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

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

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

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

Financial Position

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

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

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

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

Report on opportunities and risks of Nemetschek SE

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

Nemetschek SE Employees

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

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

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

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

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

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

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

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