

In addition, collaboration and partnerships with other innovative companies, colleges and universities are part of the DNA of the Nemetschek Group and support the further development of the company. Maintaining contact with science and teaching has been a key focus since the Nemetschek Group was founded in 1963. Nemetschek has its roots in the academic sector, where the company's software solutions have been used for decades. The brands provide students and professors with free software licenses and online learning materials as part of their "campus programs." This applies to the core markets in Europe and now also to many other markets, particularly the USA and, since 2024, India.

Moreover, Nemetschek regularly takes part in university programs by getting involved in the holding of student competitions to foster young talent in architecture and engineering. For example, Nemetschek provides support to the Leonhard Obermeyer Center at the Technical University of Munich as a partner. Close collaboration with universities and colleges simultaneously safeguards the Nemetschek Group's innovation capabilities, as it is kept up to date with new topics, trends, and innovative developments through the close ties to higher education.

## 1.4 Corporate Management and Governance

### General Information

A key success factor for the Nemetschek Group is its combination of a streamlined Group structure with efficient processes and synergies, as well as the flexibility and independent responsibility of the segment and individual brands. This structure makes it possible to strike a balance between global management and entrepreneurial freedom, thus promoting innovative strength and agility.

The strategic leadership and the operational management of the Nemetschek Group are performed by the Executive Board of Nemetschek SE in close cooperation with the managers of the individual segments and functions. The core tasks include the strategic positioning of the Group on global markets and its short- and medium-term revenue, profitability, liquidity, and investment planning. These processes are not only aligned with internal targets, but also take into account market and competition analyses in order to ensure long-term success.

Management is carried out at segment level and through the relevant functional responsibilities. Based on the strategic objectives, specific requirements and annual targets are derived for the segments and corresponding brands of the Nemetschek Group. These objectives are aligned with the brands as part of an annual planning process and broken down into operational sub-targets for areas such as marketing, sales and research & development. This is done in close coordination between the segment managers, the managers of the brands, and the responsible Global Process Owners (GPOs) as well as the Executive Board of the Nemetschek Group. The Supervisory Board supports these processes in an advisory capacity and monitors compliance with the defined targets.

A monthly monitoring process supports the pursuit of targets during the financial year. A management information system is used to record and evaluate key figures such as revenue, growth, costs, and earnings. These key figures are compared with the previous year's figures and the planned targets in order to identify deviations at an early stage. If necessary, suitable countermeasures are developed in collaboration with the segment managers, the managers of the brand companies, the GPOs and the Executive Board.

## Financial Performance Indicators

The key financial performance indicators (core management indicators) of the Nemetschek Group continue to be revenue growth (currency-adjusted) and thus revenue, EBITDA and the EBITDA margin. These indicators serve as central benchmarks for monitoring the company's performance and are continuously monitored and analyzed. To increase transparency in the transition of the business model to subscription and SaaS models, the Nemetschek Group has introduced additional key figures. These include annual recurring revenues (ARR), ARR growth (currency-adjusted), and the share of recurring revenues in total revenues. However, these additional key figures are not used directly for control purposes, but primarily to communicate progress in the transformation. Furthermore, in 2024, following the acquisition of GoCanvas, the key figures revenue growth (currency-adjusted), ARR growth (currency-adjusted) and EBITDA margin were also reported adjusted for the effects of the acquisition of GoCanvas Holdings, Inc., to allow for a comparison of the company's performance with the previous year.

	FY 2024	FY 2023
Revenue growth (currency-adjusted) and thus revenue (in absolute terms)	X	X
Revenue growth (organic, i.e., excluding GoCanvas & currency-adjusted)	X	-
ARR (Annual Recurring Revenue)	X	X
– Growth of ARR (currency-adjusted)	X	X
Growth in ARR (organically, i.e., excluding GoCanvas and currency-adjusted)	X	-
– Share of recurring revenues in total revenues	X	X
EBITDA	X	X
EBITDA margin	X	X
EBITDA margin (organic, i.e., excluding GoCanvas)	X	-

Non-financial performance indicators are not currently taken into account in corporate management. Nevertheless, non-financial, qualitative targets for the introduction of structures for sustainability reporting are taken into account in the compensation of the Executive Board in the context of the short-term variable component.

## Growth-Related Performance Indicators

To plan and manage the profitable growth strategy, the Nemetschek Group uses year-over-year absolute revenue and the nominal and currency-adjusted revenue growth, at both Group and segment level, as central indicators.

The currency-adjusted revenue growth is calculated as the nominal revenue growth less or plus the translation effects during the course of the year from the revenue attained in foreign currencies. This indicator is extremely important, as revenue and its growth play a central role in terms of assessing business performance – both internally and externally.

For a more transparent presentation of the future growth dynamic and of the success in the ongoing transition of business to subscription and SaaS models, and therefore of all recurring revenue, the Nemetschek Group implemented an annual recurring revenue (ARR) indicator during the 2022 fiscal year. This indicator is calculated using the average of all recurring revenue, i.e., from subscription, SaaS, and service agreements in the most recent three months, multiplied by four. As such, ARR represents a crucial indicator of the company's future revenue and cash flow development.

Complementary “enabler” metrics have been defined to analyze the development of recurring revenue and also manage its development in a targeted way. Firstly, the currency-adjusted growth in recurring revenue is considered, with the currency adjustment being calculated analogously to the corresponding calculation of total revenue. Furthermore, the share of recurring revenue to total revenue is also used. The sum of all recurring revenue (subscription, SaaS, and maintenance agreements) is viewed proportionally to the Group's revenue for this.

### Profitability-Related Performance Indicators

Earnings before interest, taxes, depreciation, and amortization (EBITDA) is primarily used to manage profitability and provide an indicator of free cash flow. It is presented in the consolidated financial statements (IFRS) under [« Consolidated Financial Statements \(IFRS\), Consolidated Statement of Cash Flows »](#). EBITDA provides information on profitability and includes all items on the income statement that relate to operating performance. It is supplemented by the EBITDA margin, which indicates the ratio of EBITDA to revenue, measures the relative profitability of the company, and is therefore suitable for comparison with competitors and other companies. Because of their importance for the financial success of the business, the key performance indicators of revenue and EBITDA are also essential components of the performance management system.

The achievement of business targets is also assessed based on the development of financial performance indicators which are set for the purposes of business management and are also an element of the short- and long-term remuneration of the Executive Board. Information about the remuneration of members of the Executive Board and Supervisory Board is provided in a separate remuneration report that is available on Nemetschek SE's website at [ir.nemetschek.com/remuneration](http://ir.nemetschek.com/remuneration).

Detailed information about the development of the Nemetschek Group and its segments in the 2024 fiscal year and in comparison to the previous year can be found in [« 3.3 Earnings, Financial Position, and Net Assets of the Nemetschek Group »](#). In addition, a comparison of actual and forecast business performance in the 2024 fiscal year can be found in [« 4 Comparison of Actual and Forecast Business Performance of the Nemetschek Group »](#).

In addition to the performance indicators described above, Nemetschek SE, as an individual company, is also managed based on the liquidity required in the Group. This ensures that Nemetschek SE can discharge its obligations, especially to pay a dividend and service loans, at all times.

The most important financial performance indicators of Nemetschek SE are as follows:

	FY 2024	FY 2023
Net income for the period	X	X
Gross liquidity	X	X

Gross liquidity comprises balances of cash and cash equivalents at banks.