





# Consolidated financial statements (IFRS)

As a result of rounding it, is possible that individual figures in these consolidated financial statements do not add up to the totals shown and that the percentages shown do not reflect the absolute values to which they relate.

## Consolidated statement of comprehensive income

for the period from January 1 to December 31, 2021 and 2020

### STATEMENT OF COMPREHENSIVE INCOME

Thousands of €	2021	2020	[Notes]
<b>Revenues</b>	<b>681,471</b>	<b>596,905</b>	[1]
Other income	9,829	10,161	[2]
<b>Operating income</b>	<b>691,300</b>	<b>607,066</b>	
Cost of goods and services	-25,343	-23,682	[3]
Personnel expenses	-292,019	-267,065	[4]
Depreciation of property, plant and equipment and amortization of intangible assets	-49,974	-49,778	[5]
<i>thereof amortization of intangible assets due to purchase price allocation</i>	-25,437	-24,498	
Other expenses	-151,974	-144,027	[6]
<b>Operating expenses</b>	<b>-519,309</b>	<b>-484,552</b>	
<b>Operating result (EBIT)</b>	<b>171,991</b>	<b>122,515</b>	
Interest income	147	278	[7]
Interest expenses	-2,740	-2,979	[7]
Other financial income/expenses	892	-61	[8]
<b>Net finance costs</b>	<b>-1,700</b>	<b>-2,761</b>	
Share of net profit of associates	334	274	[9], [18]
<b>Earnings before taxes (EBT)</b>	<b>170,625</b>	<b>120,027</b>	
Income taxes	-33,702	-22,334	[10]
<b>Net income for the year</b>	<b>136,923</b>	<b>97,693</b>	
<b>Other comprehensive income:</b>			
Difference from currency translation	23,259	-30,894	
<b>Items of other comprehensive income that are reclassified subsequently to profit or loss</b>	<b>23,259</b>	<b>-30,894</b>	
Gains/losses from the revaluation of defined benefit pension plans	174	-200	
Tax effect	-52	57	
<b>Items of other comprehensive income that will not be reclassified to profit or loss</b>	<b>122</b>	<b>-143</b>	
<b>Subtotal other comprehensive income</b>	<b>23,381</b>	<b>-31,036</b>	
<b>Total comprehensive income for the year</b>	<b>160,304</b>	<b>66,657</b>	
<b>Net profit or loss for the period attributable to:</b>			
Equity holders of the parent	134,618	96,947	
Non-controlling interests	2,305	747	
<b>Net income for the year</b>	<b>136,923</b>	<b>97,693</b>	
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the parent	156,594	67,813	
Non-controlling interests	3,710	-1,156	
<b>Total comprehensive income for the year</b>	<b>160,304</b>	<b>66,657</b>	
Earnings per share (undiluted) in euros	1.17	0.84	[11]
Earnings per share (diluted) in euros	1.17	0.84	[11]
Average number of shares outstanding (undiluted)	115,500,000	115,500,000	[24]
Average number of shares outstanding (diluted)	115,500,000	115,500,000	[24]

## Consolidated statement of financial position

as at December 31, 2021 and December 31, 2020

### STATEMENT OF FINANCIAL POSITION

Assets	Thousands of €	December 31, 2021	December 31, 2020	[Notes]
<b>Current assets</b>				
Cash and cash equivalents		157,095	139,320	[12]
Trade receivables		70,108	64,571	[13]
Inventories		949	642	[14]
Income tax receivables		4,766	6,010	[10]
Other financial assets		1,220	1,624	[14], [23]
Other non-financial assets		28,990	24,204	[14]
<b>Current assets, total</b>		<b>263,128</b>	<b>236,371</b>	
<b>Non-current assets</b>				
Property, plant and equipment		20,736	21,628	[15]
Intangible assets		158,884	138,176	[16]
Goodwill		523,967	416,706	[16]
Right-of-use assets		59,233	61,328	[17]
Investments in associates		4,063	1,344	[18]
Deferred tax assets		8,208	7,465	[10]
Other financial assets		13,816	4,835	[14], [23]
Other non-financial assets		2,158	1,809	[14]
<b>Non-current assets, total</b>		<b>791,064</b>	<b>653,290</b>	
<b>Total assets</b>		<b>1,054,193</b>	<b>889,661</b>	

<b>Equity and liabilities</b>	Thousands of €	<b>December 31, 2021</b>	December 31, 2020	[Notes]
<b>Current liabilities</b>				
Short-term borrowings and current portion of long-term loans		93,766	59,601	[19], [23]
Trade payables		11,260	11,229	[19], [23]
Provisions and accrued liabilities		71,744	56,250	[20]
Deferred revenue		157,975	129,469	[1]
Income tax liabilities		11,496	9,253	[10]
Other financial liabilities		7,355	1,618	[19], [23]
Lease liabilities		14,060	13,369	[19], [23]
Other non-financial liabilities		16,870	15,023	[21]
<b>Current liabilities, total</b>		<b>384,526</b>	<b>295,813</b>	
<b>Non-current liabilities</b>				
Long-term borrowings without current portion		34,935	70,670	[19], [23]
Deferred tax liabilities		20,590	25,222	[10]
Pensions and related obligations		3,601	3,083	[22]
Provisions		4,530	4,153	[20]
Deferred revenue		2,966	2,406	[1]
Income tax liabilities		4,787	3,050	[10]
Other financial liabilities		1,241	8,731	[19], [23]
Lease liabilities		51,977	54,254	[19], [23]
Other non-financial liabilities		3,379	4,986	[21]
<b>Non-current liabilities, total</b>		<b>128,005</b>	<b>176,556</b>	
<b>Equity</b>				<b>[24]</b>
Subscribed capital		115,500	115,500	
Capital reserve		12,485	12,485	
Retained earnings		415,410	315,341	
Other comprehensive income		- 17,533	- 39,408	
<b>Equity (group shares)</b>		<b>525,862</b>	<b>403,919</b>	
Non-controlling interests		15,799	13,373	
<b>Equity, total</b>		<b>541,662</b>	<b>417,292</b>	
<b>Total equity and liabilities</b>		<b>1,054,193</b>	<b>889,661</b>	

## Consolidated cash flow statement

for the period from January 1 to December 31, 2021 and 2020

### CONSOLIDATED STATEMENT OF CASH FLOWS

Thousands of €	2021	2020	[Notes]
Profit (before tax)	170,625	120,027	
Depreciation and amortization of fixed assets	49,974	49,778	
Net finance costs	1,700	2,761	
Share of net profit of associates	-334	-274	
<b>EBITDA</b>	<b>221,965</b>	<b>172,293</b>	<b>[26]</b>
Other non-cash transactions	109	5,202	
<b>Cash flow for the period</b>	<b>222,074</b>	<b>177,494</b>	<b>[26]</b>
Change in trade working capital	18,576	6,816	
Change in other working capital	10,608	9,246	
Dividends received from associates	97	31	
Interests received	92	208	
Income taxes received	3,309	6,966	
Income taxes paid	-40,395	-43,270	
<b>Cash flow from operating activities</b>	<b>214,361</b>	<b>157,490</b>	<b>[26]</b>
Capital expenditure	-9,925	-9,100	
Changes in liabilities from acquisitions	-1,683	-637	
Cash received from disposal of fixed assets	245	421	
Cash paid for acquisition of subsidiaries, net of cash acquired	-127,070	-101,689	
Cash paid for acquisition of equity instruments of other entities	-6,732	0	
Cash paid for acquisition of interests in associates	-2,452	0	
<b>Cash flow from investing activities</b>	<b>-147,617</b>	<b>-111,005</b>	<b>[26]</b>
Dividend payments	-34,650	-32,340	
Dividend payments to non-controlling interests	-1,283	-938	
Cash received from loans	75,579	6,850	
Repayment of borrowings	-77,500	-65,385	
Principal elements of lease payments	-15,110	-13,156	
Interests paid	-2,390	-2,670	
Payments for acquisitions of non-controlling interests	0	-1,500	
<b>Cash flow from financing activities</b>	<b>-55,354</b>	<b>-109,139</b>	<b>[26]</b>
<b>Changes in cash and cash equivalents</b>	<b>11,390</b>	<b>-62,653</b>	
<b>Effect of exchange rate differences on cash and cash equivalents</b>	<b>6,385</b>	<b>-7,170</b>	
<b>Cash and cash equivalents at the beginning of the period</b>	<b>139,320</b>	<b>209,143</b>	
<b>Cash and cash equivalents at the end of the period</b>	<b>157,095</b>	<b>139,320</b>	<b>[12]</b>

## Consolidated statement of changes in equity

for the period from January 1, 2020 to December 31, 2021

### EQUITY

Thousands of €	Equity attributable to the parent company's shareholders				Total	Non-controlling interests	Total equity
	Subscribed capital	Capital reserve	Retained earnings	Translation reserve			
<b>As of January 1, 2020</b>	<b>115,500</b>	<b>12,485</b>	<b>230,924</b>	<b>- 10,396</b>	<b>348,513</b>	<b>103</b>	<b>348,616</b>
Other comprehensive income	-	-	- 121	- 29,012	- 29,133	- 1,903	- 31,036
Net income for the year	-	-	96,947	-	96,947	747	97,693
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>96,825</b>	<b>- 29,012</b>	<b>67,813</b>	<b>- 1,156</b>	<b>66,657</b>
Acquisition of a subsidiary	-	-	19,932	-	19,932	15,364	35,296
Dividend payments to non-controlling interests	-	-	-	-	0	- 938	- 938
Dividend payment	-	-	- 32,340	-	- 32,340	-	- 32,340
<b>As of December 31, 2020</b>	<b>115,500</b>	<b>12,485</b>	<b>315,341</b>	<b>- 39,408</b>	<b>403,918</b>	<b>13,373</b>	<b>417,292</b>
<b>As of January 1, 2021</b>	<b>115,500</b>	<b>12,485</b>	<b>315,341</b>	<b>- 39,408</b>	<b>403,918</b>	<b>13,373</b>	<b>417,292</b>
Other comprehensive income	-	-	101	21,875	21,976	1,405	23,381
Net income for the year	-	-	134,618	-	134,618	2,305	136,923
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>134,719</b>	<b>21,875</b>	<b>156,594</b>	<b>3,710</b>	<b>160,304</b>
Dividend payments to non-controlling interests	-	-	-	-	0	- 1,283	- 1,283
Dividend payment	-	-	- 34,650	-	- 34,650	-	- 34,650
<b>December 31, 2021</b>	<b>115,500</b>	<b>12,485</b>	<b>415,410</b>	<b>- 17,533</b>	<b>525,862</b>	<b>15,799</b>	<b>541,662</b>

For more information, reference is made to the notes [business combinations](#) and [\[24\] Equity](#).







# Notes to the consolidated financial statements for the fiscal year 2021

## General information

Nemetschek SE is the ultimate parent company of Nemetschek Group. Its headquarters are located at Konrad-Zuse-Platz 1, 81829 Munich, Germany, and it is entered into the commercial register at the Local Court of Munich (HRB 224638). Nemetschek SE and its subsidiaries (collectively "Nemetschek Group", "Nemetschek") provide software for the AEC/O (Architecture, Engineering, Construction and Operation) industry.

Nemetschek SE, as the ultimate parent has been quoted on the German stock exchange in Frankfurt am Main since March 10, 1999. Nemetschek is listed on the TecDAX and MDAX.

The consolidated financial statements of Nemetschek SE as at December 31, 2021 comprise Nemetschek SE and its subsidiaries and are prepared in compliance with International Financial Reporting Standards and the relevant interpretations (IFRS) as to be applied in the European Union (EU) as at December 31, 2021, and the additional requirements pursuant to § 315e HGB German Commercial Code (HGB).

Nemetschek SE prepares and publishes the consolidated financial statements in Euros. Information is shown in the consolidated financial statements in EUR k (€ k) unless otherwise specified. The presentation of certain prior-year information has been changed to conform to the current year presentation.

### Accounting standards applied for the first time in 2021

The Group has initially adopted the following amendments that became effective as at 1 January 2021:

- » Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- » Covid-19-Related Rent Concessions beyond 30 June 2021 Amendment to IFRS 16

Neither amendment has a material effect on the Group's financial statements.

### Accounting standards that are not yet effective

The following IFRS were issued at the balance sheet date by the IASB but are not mandatorily applicable until later reporting periods or have not yet been adopted into EU law. The Nemetschek Group has decided not to exercise the possible option of early application of standards and interpretations, which are not mandatorily applicable until later reporting periods.

### PUBLISHED FINANCIAL REPORTING STANDARDS THAT HAVE NOT YET BEEN APPLIED

Amendments to standards/interpretations	Mandatory application	Anticipated effects
IFRS 3	References to the Conceptual Framework Jan. 1, 2022	No material effects expected
IAS 37	Onerous Contracts - Costs of Fulfilling a Contract Jan. 1, 2022	No material effects expected
IAS 16	PP&E: Proceeds before Intended Use Jan. 1, 2022	No material effects expected
AIP 2018–2020	IFRS 1, IFRS 9, IFRS 16, IAS 41 Jan. 1, 2022	No material effects expected
IFRS 17	Including Amendments to IFRS 17 Jan. 1, 2023	No effects expected
IAS 1	Classification of Liabilities as Current or Non-current including Deferral of Effective Date Jan. 1, 2023	No material effects expected
IAS 1	Disclosure of Accounting Policies Jan. 1, 2023	No material effects expected
IAS 8	Definition of Accounting Estimates Jan. 1, 2023	No material effects expected
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction Jan. 1, 2023	No material effects expected
IAS 1	Disclosure of Accounting Policies Jan. 1, 2023	No material effects expected

## Summary of significant accounting policies

The consolidated financial statements are prepared in accordance with the consolidation accounting and valuation principles described below.

### Consolidation principles

The consolidated financial statements include subsidiaries and associates. The financial statements of the individual consolidated companies are prepared as of the closing date of the Group financial statements.

A schedule of the shareholdings of Nemetschek SE is shown in section [32] of the consolidated financial statements.

### Subsidiaries

Subsidiaries are companies over which Nemetschek is currently able to exercise power by virtue of existing rights. Power means the ability to direct the relevant activities that significantly affect a company's profitability. Control is therefore only deemed to exist if Nemetschek is exposed, or has rights, to variable returns from its involvement with a company and has the ability to use its power over that company to affect the amount of that company's returns. Inclusion of an entity's accounts in the consolidated financial statements begins when the Nemetschek Group is able to exercise control over the entity and ceases when it is no longer able to do so.

Acquired businesses are accounted for using the acquisition method, which requires that the assets acquired and liabilities assumed be recorded at their respective fair values on the date Nemetschek obtains control. For significant acquisitions, the purchase price allocation is carried out with assistance from independent third-party valuation specialists. The related valuations are based on the information available at the acquisition date. Ancillary acquisition costs are recognized as expenses in the periods in which they occur. The initial value recognized includes the fair value of any asset or liability resulting from a contingent consideration arrangement. On the acquisition date, the fair value of the contingent consideration is recognized as part of the consideration transferred in exchange for the acquiree. According to IFRS 3, for each business combination, the acquirer shall measure any non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the acquiree's net assets (partial goodwill method).

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired, is recorded as goodwill. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized immediately in the consolidated statement of comprehensive income.

### Non-controlling interests

Non-controlling interests have a share in the earnings of the reporting period. Their interests in the shareholders' equity of subsidiaries are reported separately from the equity of the Group. The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. For transactions with non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity.

### Associates

Associates are companies over which Nemetschek SE has significant influence, generally through an ownership interest between 20% and 50%. They are accounted for using the equity method. The carrying amounts of companies accounted for using the equity method are adjusted annually to reflect the share of earnings, dividends distributed and other changes in the equity of the associates attributable to the investments of Nemetschek.

An impairment loss is recognized on investments accounted for using the equity method, including goodwill in the carrying amount of the investment, if the recoverable amount falls below the carrying amount. Impairment losses and their reversals are recognized in the line item "share of net profit of associates." Gains or losses from the disposal are recognized in financial income or expenses.

Unless stated otherwise, the financial statements of the associates are prepared as of the same balance sheet date as Nemetschek SE. Where necessary, adjustments are made to comply with the Group's accounting policies.

## Valuation methods

The following table shows the most important subsequent valuation principles:

### SUBSEQUENT VALUATION METHODS

Item	Valuation Methods
<b>Assets</b>	
Cash and cash equivalents	Nominal amount
Trade receivables	Amortized costs
Inventories	Lower of cost and net realizable value
Other financial assets	See separate table
Other non-financial assets	Amortized costs
Non-current assets held for sale	Lower of carrying amount and fair value less costs to sell
Property, plant and equipment	Amortized costs
Intangible assets	
<i>With definite useful life</i>	<i>Amortized costs</i>
<i>With indefinite useful life</i>	<i>Impairment-only approach</i>
Goodwill	Impairment-only approach
Right-of-use assets	Amortized costs
<b>Equity and liabilities</b>	
Borrowings	Amortized costs
Trade payables	Amortized costs
Provisions	Present value of future settlement amount
Deferred revenue	Expected settlement amount
Other financial liabilities	Amortized costs or fair value through profit or loss
Other non-financial liabilities	Amortized costs
Pensions and related obligations	Projected unit credit method
Accrued liabilities	Amortized costs

Financial assets are classified and measured according to IFRS 9. The purchase and sale of financial assets are recognized on the trade date and are initially measured at fair value. Subsequently, a financial asset is measured at 1) amortized cost, 2) at fair value through other comprehensive income or 3) at fair value through profit or loss. The classification and measurement of financial assets which are not equity instruments depend on two factors which are to be checked at the time of acquisition: the business model under which the financial asset is held, as well as the cash flow conditions of the instrument.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss: financial asset which is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments do not fulfill the cash flow conditions. The instruments are measured at fair value through profit or loss.

All financial assets which are not classified as measured at amortized cost or at fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Reclassification of a financial asset between measurement categories of IFRS 9 requires a change to the business model for the corresponding group of instruments, in which case all affected financial assets are reclassified.

The subsequent measurement of financial assets is as follows:

### SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS ACCORDING TO IFRS 9

IFRS 9 category	Subsequent measurement principle
Amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by loss allowances. Interest income, foreign exchange gains and losses and loss allowances are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

### Judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. When available, management uses external resources like market studies to support the assumptions. Revisions to estimates are recognized prospectively. Besides other risk factors impacting the Group's business, additional uncertainties arising from the Covid-19 pandemic have been factored in.

Information about assumptions and estimation uncertainties on December 31, 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next fiscal year is included in the following notes:

- » Note [16] - Impairment of goodwill: key assumptions underlying recoverable amounts.
- » Note **business combinations**: fair value of the consideration transferred (including contingent consideration), fair value of intangible assets acquired as well as their useful lives.
- » Note [10] - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized.
- » Notes [13] and [23] - measurement of loss allowances for trade receivables: The determination of loss allowances is based on historical values which are adjusted to account for information relating to the future. Material (special) items from the past may distort risk provisioning, which may make correction necessary.

### Fair value estimation

IFRS 7 requires for financial instruments that are measured in the statement of financial position at fair value in accordance with IFRS 13 a disclosure of fair value measurements by level using the following fair value measurement hierarchy:

- » Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- » Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (that is derived from prices), and
- » Level 3: Inputs for asset or liability that are not based on observable market data (that is unobservable inputs).

On December 31, 2021 and 2020, the Group's financial instruments carried in the statement of financial position at fair value are categorized within Level 3 of the fair value hierarchy. They are reported in the statement of financial position as other financial assets and other financial liabilities. In accordance with IFRS 13, the following overview shows the valuation methods as well as the unobservable inputs used:

#### DETERMINATION OF FAIR VALUES

	Other financial liabilities	Other financial assets
Type	Contingent consideration	Unlisted equity securities
Valuation method	The discounted cash flow method is applied, which considers the present value of expected payments, discounted using a risk-adjusted discount rate. The fair value adjustments are recognized under other financial expenses / income.	A market based approach is used, evaluating a variety of quantitative and qualitative factors such as last financing round, actual and forecasted results, milestone achievements, cash position, recent or planned transactions, and market comparable companies (venture capital method). The fair value adjustments are recognized under other financial expenses / income.
Significant unobservable inputs	Probability adjusted revenues and profits	NA
Relationship of significant unobservable inputs to fair value	An increase in the probability adjusted revenues and profits used in isolation would result in an increase in the fair value.	NA

The fair value of financial assets and financial liabilities that are not measured at fair value but for which fair value disclosures are required are included in Level 3 categories. The fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

### Currency translation

#### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are prepared in EUR, which is the Group's presentation currency.

### Group companies

In the consolidated financial statements, the assets and liabilities of companies that do not use the Euro as their functional currency are translated as follows:

- » Assets and liabilities are translated at the closing rate on the date of that consolidated statement of financial position. Goodwill and fair value adjustments arising through the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate. Equity components are translated at the historical exchange rates prevailing at the respective dates of their first-time recognition in the Group equity.
- » Income and expenses are translated at average exchange rates; and
- » all resulting exchange differences are recognized as a separate component of equity.

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the actual exchange rates on the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. There is an exception for monetary items that are designated as part of the Group's net investment in a foreign operation. These are recognized in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognized in other comprehensive income.

### Cash and cash equivalents

Cash and cash equivalents represent cash at banks, cash on hand, and short-term deposits with maturities of three months or less from the date of acquisition. Cash equivalents are highly liquid short-term financial investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash not available from rental guarantee deposits is disclosed as other financial assets. For the purposes of the consolidated cash flow statement, cash and cash equivalents as described above are net of outstanding bank overdrafts.

### Trade receivables

Trade receivables are recognized at the transaction price, which represents the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Subsequently, these are measured at amortized cost.

### Inventories

Inventories are mainly comprised of hardware, third party licenses as well as marketing materials, which are carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

### Other financial assets

Other financial assets mainly relate to security deposits carried at amortized cost and equity instruments recognized at fair value through profit or loss.

### Impairment of financial assets

Impairment losses for debt instruments measured at amortized cost or at fair value through other comprehensive income are recognized in accordance with IFRS 9 *Financial Instruments*. The standard requires that not only historical data but also future expectations and projections are taken into consideration when accounting for impairment losses (expected credit loss model).

For trade receivables and contract assets as per IFRS 15, Nemetschek consistently applies the simplified approach and recognizes lifetime expected credit losses. In order to calculate the collective loss allowance, the Nemetschek Group determines a default rate on the basis of historical defaults and then adjusts these with forward looking information if appropriate. The rates are reviewed on a regular basis to ensure that they reflect the latest data on credit risk. In case objective evidence of credit impairment is observed for trade receivables from a specific customer, a detailed analysis of the credit risk is performed, and an appropriate individual loss allowance is recognized for this customer. Trade receivables are considered to be in default when it is expected that the debtor will not fulfill its credit obligations toward Nemetschek. Loss allowances on trade receivables are presented as other expenses in the consolidated statement of comprehensive income.

For other financial assets, Nemetschek Group applies the general impairment approach according to IFRS 9. As it is the policy of Nemetschek Group to invest only in high-quality assets of issuers with a minimum internal or external rating of at least investment grade, the low credit risk exception is used. Thus, these assets are always allocated to stage 1 of the three-stage credit loss model and, if material, a loss allowance for an amount equal to 12-month expected credit losses will be recorded. Impairment losses on other financial assets are shown in the line item "Other financial expenses." The credit risk of cash and cash equivalents measured at amortized cost is insignificant due to their short-term maturity, counterparties' investment grade credit ratings and established exposure limits. Therefore, Nemetschek Group did not recognize any credit impairment losses of those financial assets.

### Other non-financial assets

Accrued items and other non-financial assets are carried at amortized cost. The Group recognizes contract assets under the balance sheet position "Other non-financial assets". A contract asset is a right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

### Property, plant and equipment

Property, plant and equipment are measured at amortized cost. This comprises any costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management less any accumulated depreciation and accumulated impairment losses. Depreciation is recognized for those assets, with the exception of land and construction in progress, over the estimated useful life utilizing the "straight-line method" and taking into account any potential residual value. Parts of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item are depreciated separately.

The estimated useful lives of property, plant and equipment are as follows:

**TABLE OF USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT**

	Useful life in years
Vehicles	5
Office equipment	3 – 10
Leasehold improvements	5 – 10

Expenditure for repairs and maintenance is expensed as incurred. Renewals and improvements are capitalized and depreciated separately if the recognition criteria are met.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other income/expenses".

### Intangible assets and goodwill

#### Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary on the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the business sold.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. For purposes of internal and external reporting, the activities of Nemetschek Group are broken down into the Design, Build, Manage and Media & Entertainment segments. The budget for 2022 and the medium-term planning for the subsequent years were drawn up on the basis of this reporting structure.

#### Intangible assets (except goodwill)

Separately acquired intangible assets are shown at historical cost less accumulated amortization. Intangible assets acquired in a business combination are recognized at fair value on the acquisition date. Intangible assets which have a finite useful life will be amortized over their estimated useful lives. Amortization is calculated using the straight-line method. Intangible assets which are determined to have indefinite useful lives as well as intangible assets not yet available for use are not amortized, but instead tested for impairment at least annually. Furthermore, intangible assets which are determined to have indefinite useful lives and therefore are not amortized, will be reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for these assets. As in the previous year, the Group has no intangibles with an indefinite useful life.

The Group's intangibles are not qualifying assets in accordance with IAS 23. Therefore, no borrowing costs are capitalized.



The useful lives of intangible assets acquired in a business combination are estimates based on the economics of each specific asset which were determined in the process of the purchase price allocation. The useful lives are reviewed at each reporting date by taking into account amongst others technological change and adjusted if appropriate. The major part of these assets are brand names, technology and customer relationships. Intangibles acquired in a business combination are amortized as follows:

**USEFUL LIFE OF INTANGIBLE ASSETS FROM THE PURCHASE PRICE ALLOCATION**

	Useful life in years
Brand name	10 – 15
Technology	5 – 12
Customer Relationship	10 – 25

**Development costs**

Costs of research are expensed in the period in which they are incurred. Costs for development activities, whereby research findings are applied to a plan or design for the development of new or substantially improved intangible asset, are capitalized if development costs can be measured reliably, the product or process is technically and commercially feasible and future economic benefits are probable. Furthermore, Nemetschek Group intends, and has sufficient resources, to complete development and use or sell the intangible asset. In the fiscal year 2021, as well as in the previous year, none of the development projects fulfilled the capitalization criteria. Development costs in the amount of EUR 148,880k (previous year: EUR 142,006k) and amortization of software acquired in business combinations in the amount of EUR 17,574k (previous year: EUR 14,516k) are carried as expenses.

**Impairment of non-financial assets**

**Assets with a finite useful life**

For assets with a finite useful life, an impairment test is needed if there are indications that those assets may be impaired. If such indications exist, the amortized carrying value of the asset is compared to the recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use. The value in use is the discounted present value of future cash flows expected to arise from the continuing use of the asset. In the case of an impairment, the difference between the amortized carrying amount and the lower recoverable amount is recognized as an expense in profit or loss. If evidence exists that the reasons for the impairment no longer exist, the impairment loss is reversed. The reversal cannot result in an amount exceeding amortized cost.

**Goodwill and other assets with an indefinite useful life**

Intangible assets with an indefinite useful life, intangible assets not yet ready for use or advance payments on such assets as well as goodwill must be tested for impairment annually. A test is also performed whenever there is any indication that an asset might be impaired. Where the reasons for an impairment no longer exist, the impairment loss is reversed, except in the case of goodwill.

The recoverable amount is determined for each individual asset, unless an asset generates cash inflows that are not largely independent of those from other assets or other groups of assets or cash-generating units. In these cases, the impairment test is performed at the relevant level of cash-generating units to which the asset is attributable. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized.

Nemetschek determines the recoverable amount of the relevant unit to which the goodwill is allocated based on the value in use. The value in use is calculated using a discount rate from the present value of the future cash flows from the use of this unit.

The determination of the future cash flows and their underlying parameters such as revenue growth and EBITDA margin is performed on the basis of the knowledge gained in the past, the current economic results and the budgets approved over a period of three to five years, which contains the expected future macroeconomic developments. The budgeting for the fiscal year 2022 is prepared applying certain uniform Group assumptions "from the bottom to the top" (bottom-up method). The cash flows for the further budget years follow similar premises, however they are not at the same level of detail as the first budget year. Estimates for periods beyond the budgeting horizon are made using the perpetuity method. The growth rates applied do not account for capacity expanding investments for which cash flows have not yet been incurred. These are derived from available market studies by market research institutes and do not exceed the long-term average historical growth rates of the relevant cash-generating units. In the fiscal year 2021 a growth rate of up to 2.0% (previous year: 2.0%) was assumed.

The budgets are driven by a strongly growing business during the planning period of three to five years. In the terminal value a growth rate between 1.5% and 2.0% (previous year: 1.5% and 2.0%) is estimated leading to a gap between the last year of the detail plan and the terminal value. To derive a more realistic recoverable amount, a three year convergence period is applied. Within that period the growth rate at the end of the detail planning period converges to the growth rate applied in the terminal value.

The discount rate required for discounting future cash flows is calculated from the weighted average cost of capital (WACC) of the related cash-generating unit or group of cash-generating units after tax. The relevant pre-tax WACC in accordance with IAS 36 is derived from future cash flows after tax and the after-tax

WACC applying typical tax rates for each cash-generating unit. Then, the risk-free interest rate according to the Svensson method with accounting for risk premiums (with a floor applied by 0%), and the beta as well as the gearing ratio are derived from a group of comparable entities. The discount rate thus estimated reflects the current market returns as well as the specific risk of the respective cash-generating unit or group of cash-generating units. The discount rate applied to derive the present value of the cash flow forecasted ranges between 9.8% and 10.9% (previous year: 8.29% and 10.24%) before tax.

### Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of vehicles and office equipment, the Group has elected not to separate non-lease components and instead account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group recognizes leasehold improvements as an item of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and discounted by using the incremental borrowing rate, as the interest rate implicit in the lease cannot be readily determined.

Lease payments included in the measurement of the lease liability comprise the following:

- » fixed payments, including in-substance fixed payments
- » variable lease payments that depend on an index or a rate
- » amounts expected to be payable under a residual value guarantee; and
- » the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, when there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, when the Group changes its assessment of whether it will exercise a purchase, extension or termination option or when there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### Financial liabilities

Financial liabilities primarily include trade payables, borrowings and other financial liabilities. Upon initial recognition, financial liabilities are measured at fair value. In the case of all financial liabilities which are subsequently not classified at fair value through profit or loss, the transaction costs which are directly attributable to the purchase will be recognized.

### Financial liabilities measured at amortized cost

After initial recognition, financial liabilities are carried at amortized cost using the effective interest method. Trade payables, borrowings and other financial liabilities, in particular, are classified in this category.

### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss primarily include contingent consideration. Gains or losses on financial liabilities that are measured at fair value through profit or loss are included in profit or loss. Financial liabilities are derecognized when the contractual obligation is discharged or canceled, or has expired.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### **Provisions**

Provisions are recognized when the Group has a present obligation (legal or factual) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions and accrued expenses which do not already lead to an outflow of resources in the subsequent year are measured at their discounted settlement amount at the balance sheet date where the interest effect is material. Where the Group expects some or all of a provision to be reimbursed (e.g. under an insurance contract) the reimbursement is recognized as a separate asset if the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

### **Deferred revenue**

Deferred revenue relates to the consideration received in advance from customers for which revenue is recognized over time.

### **Employee benefits**

#### **Short-term employee benefits**

Short-term employee benefits include wages, social security contributions, vacation and sickness pay. They are recognized with the undiscounted amount to be paid in exchange for the service rendered by the employee.

### **Pensions**

The Group provides company pension plans for certain employees. The provisions are measured every year by reputable independent appraisers. Provisions for pensions are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The pension obligation less plan assets is recorded as the provision in the balance sheet. Actuarial gains and losses are recorded in other comprehensive income. Effects resulting from interests are disclosed accordingly in interest result.

### **Termination benefits**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognized as a liability and expense on the earlier date of:

- » when the entity can no longer withdraw the offer of those benefits; or
- » when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

### **Provisions for other long-term employee benefits**

Other long-term employee benefits such as anniversary allowances are comprised of the present value of future payment obligations to the employee less any associated assets measured at fair value. Gains and losses from the remeasurement are recognized in profit or loss in the period in which they are incurred.

### **Contingent liabilities**

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are not recognized in the consolidated financial statement of financial position but are disclosed and explained in the Notes.

## Taxes

### Current income taxes

Current income taxes are calculated within the Nemetschek Group on the basis of tax legislation applicable in the relevant countries. To the extent that judgement was necessary to determine the treatment and amount of tax items presented in the financial statements, there is in principle a possibility that local tax authorities may take a different position.

### Deferred taxes

Deferred taxes are recognized on all temporary differences between the tax and accounting bases of assets and liabilities and on consolidation procedures. No deferred tax is recognized for non-tax-deductible goodwill. The deferred taxes are measured at the applicable tax rates related to the period when the temporary differences are expected to reverse. Changes in tax rates are recognized once the rate has been substantially enacted. Deferred tax assets are not recognized if it is not probable that they will be realized in the future.

## Revenues

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a good or service to a customer.

The following is a description of principal activities from which the Group generates its revenue.

## Software

### Software Licenses

Software licenses only include the software performance obligation. Revenue from software licenses is recognized when control of the software passes on to the customer. Control of the software passes on to the customer after the hardware is shipped to the customer or a link for downloading the software is sent to the customer.

### Rental models

In the case of rental models, a distinction is made between subscription and software-as-a-Service (SaaS) offerings. The Nemetschek Group's rental models usually include the performance obligations "Software" and "User support" or "Upgrade." The performance obligation "User support"/"Upgrade" is a "stand-ready obligation" which is recognized straight-line over the period during which the service is rendered. For recognition of the performance obligation "Software", the Nemetschek Group distinguishes between two different models:

- » For software rental models offerings that include access to the most recent version of the corresponding application via servers provided by Nemetschek Group companies, revenue is recognized straight-line over the term of the contract.

- » In case the customer runs the application directly on the customer's own system, revenue is recognized at the point in time the customer has control over the software. The allocation of revenue to "Software" and other performance obligations is based on the residual value method or on the adjusted market assessment approach. The latter includes standalone selling price assumptions and judgements about technology lifetime cycles.

Advance payments received from customers for rental models are carried as deferred revenue (contract liability) and normally lead to revenue within the next twelve months.

### Sales transactions via sales representatives / agents

In the case of sales transactions with end customers via sales representatives, the income from the sale is recorded as of the point in time that ownership is transferred to the end customer. The sales representative serves only in the function of an agent in such transactions, for which he/she receives a commission. The Nemetschek Group acts as the principal; Nemetschek has primary responsibility for fulfillment of the contract and influence on pricing of such.

### Software service contracts

The performance obligations in the case of software service contracts can be subdivided into two material obligations. On the one hand, user support, which is available to the customer for the entire term of the contract. On the other hand, with software service contracts, customers receive the most recent version of the corresponding Nemetschek software by getting software updates. However, it is at the discretion of the Group to decide the intervals at which new versions of the software will be provided and what functionalities and/or modules of the corresponding software will be changed, modified, reduced or extended. In the case of demand for software versions and user support which are not further defined, these are stand-ready obligations according to IFRS 15, for which revenue is recognized straight-line over the term of the contract. Advance payments received from customers for software maintenance contracts are carried as deferred revenue (contract liability) and normally lead to revenue within the next twelve months.

### Consulting & Hardware

Consulting services constitute in general separate performance obligations for which revenue is recognized in the period in which they were rendered. In the case that they do not constitute separate performance obligations, consulting services are combined with other contract components to a bundle and recognized in accordance with the provisions of IFRS 15.

Revenue from hardware sales is usually recognized at the point in time of the transfer of control to the customer. Hardware revenue is of minor significance to the Nemetschek Group.

## **Grants**

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all related conditions will be complied with.

## **Segment reporting**

The resource allocation and the measurement of profitability of the business segments are performed by the executive board as the main decision-maker. The allocation of segments and regions as well as the selection of key figures is in agreement with the internal controlling and reporting system (“management approach”).

The operating business segments are organized and managed separately according to the nature of the products and services provided. Each segment represents a strategic business unit whose product range and markets differ from those of the other segments.

For the purpose of managing the company, management has organized the Group into four operational business segments: Design, Build, Manage and Media & Entertainment which form four reportable segments.

## **Post balance sheet events**

Events after the balance sheet date that provide additional information about the Group’s position at the balance sheet date (reportable events) have been taken into account in the financial statements as required. Non-adjusting events after the balance sheet date are stated in the notes to the consolidated financial statements if they are material.

## Business combinations

### Acquisitions in 2021

#### Maxon Computer, Inc., Newbury Park, United States

Under the purchase agreement of November 23, 2021, Maxon Computer, Inc., acquired assets of Pixologic, Inc., Los Angeles, United States, within the scope of an asset deal, meeting the criteria for a business combination. The acquisition substantially completes Maxon's product line with 3D sculpting and painting expertise. It also firmly positions the company as an industry leader for providing superior creative tools to digital artists to the 3D animation market. The Group obtained control as at December 29, 2021. The purchase price amounted to EUR 121,649k. On the basis of the preliminary purchase price allocation, technology amounting to EUR 23,839k, customer relationships amounting to EUR 5,163k and brand name amounting to EUR 1,833k were recognized. The resulting goodwill amounted to EUR 90,814k. All amounts have been measured on a preliminary basis. The identified goodwill mainly represents future technology in the Media & Entertainment segment. The goodwill recognized is expected to be deductible for tax purposes. If the acquired assets had been in the Group for the entire 2021 financial year, they would have contributed revenues in the lower double-digit million Euro range.

#### Maxon Computer KK, Tokyo, Japan

Under the purchase agreement of November 19, 2020, Maxon Computer GmbH acquired 100% of the shares of Maxon Computer KK comprising the business segment of the Japanese distributor TMS Corp. The acquisition complements the group's existing segment Media & Entertainment. The Group obtained control as at January 19, 2021. The purchase price amounted to EUR 919k in cash as well as a contingent consideration liability in the amount of EUR 385k. On the basis of the purchase price allocation, customer relationships amounting to EUR 1,305k were recognized. The resulting goodwill amounted to EUR 1k.

#### Maxon Computer GmbH, Friedrichsdorf, Germany

Under the purchase agreement of February 24, 2021, Maxon Computer GmbH acquired the technology of a developer within the scope of an asset deal, meeting the criteria for a business combination. The acquisition complements the group's existing segment Media & Entertainment. The purchase price amounted to EUR 1,300k in cash as well as a contingent consideration liability in the amount of EUR 205k. On the basis of the preliminary purchase price allocation, technology amounting to EUR 119k was recognized. The resulting goodwill amounted to EUR 1,387k.

#### Vectorworks Australia Pty Ltd, Rosebery, Australia

Under the purchase agreement of July 14, 2021, Vectorworks, Inc. acquired 100% of the shares in Vectorworks Australia Pty Ltd, which includes the business segment of the Australian distributor OzCad Pty Ltd. The acquisition complements the group's existing segment Design. The purchase price amounted to EUR 3,288k in cash. On the basis of the preliminary purchase price allocation, customer relationships amounting to EUR 2,099k were recognized. The resulting goodwill amounted to EUR 1,876k.

### Acquisitions in 2020

#### Red Giant LLC, Portland, United States

Under the purchase agreement of December 17, 2019, Maxon Computer GmbH acquired 100% of the shares of Red Giant LLC. The Group obtained control as at January 7, 2020. Red Giant offers a comprehensive product portfolio of motion graphics and innovative visual effects. With the acquisition Nemetschek expects to capture significant growth and technology synergies in the Media & Entertainment segment through better market and customer access and by leveraging the worldwide sales and reseller team.

The consideration transferred consists of EUR 79,553k in cash and 16% shares in Maxon Computer GmbH with a fair value of EUR 52,673k. The net cash flow on acquisition amounts to EUR 78,978k. The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

#### RED GIANT

Thousands of €	2020
Intangible assets	33,702
Property, plant and equipment	70
Trade receivables	667
Other current assets	164
Cash and cash equivalents	575
Deferred tax assets	330
<b>Total assets acquired</b>	<b>35,509</b>
Deferred tax liabilities	8,318
Accounts payable	215
Other current liabilities	971
Provisions and accruals	428
Deferred revenue	1,653
<b>Total liabilities assumed</b>	<b>11,585</b>
<b>Net assets acquired</b>	<b>23,924</b>

The carrying amount of the technology acquired at December 31, 2020 amounted to EUR 15,264k (previous year: EUR 18,784k) with a remaining amortization period of 3 years (previous year: 4 years).

The fair value of the trade receivables is also the gross amount of trade receivables. It is expected that the full contractual amounts can be collected.

The non-controlling interest (16% ownership interest in Maxon Computer GmbH) recognized at the acquisition date in the amount of EUR 15,364k was measured by applying the partial goodwill method.

The goodwill arising from the acquisition has been recognized as follows:

#### RED GIANT

Thousands of €	2020
Consideration transferred - total	132,226
Net assets acquired	-23,924
Goodwill allocated to non-controlling interests (not capitalized due to partial goodwill method)	-17,377
<b>Goodwill</b>	<b>90,925</b>

The identified goodwill represents synergies in the Media & Entertainment segment. None of the goodwill recognized is expected to be deductible for tax purposes. The net exchange rate differences arising on goodwill during 2020 amounted to EUR -7,988k.

As part of the transaction, hidden reserves of Maxon Computer GmbH in the amount of EUR 19,932k were realized in equity.

In 2020, the company has generated revenues of EUR 18.8 million and an EBITDA of EUR 3.5 million.

#### DEXMA Sensors S.L., Barcelona, Spain

With the purchase agreement of December 11, 2020, Axxerion Group B.V., acquired 100% of the shares of DEXMA Sensors S.L. The company is a provider of innovative Software-as-a-Service solutions with artificial intelligence / machine learning capabilities for energy data management. Axxerion Group B.V. acquired DEXMA Sensors S.L. because it complements the existing portfolio for facility management, property management and smart building.

In 2020, according to the preliminary purchase price allocation a goodwill of EUR 20,609k was anticipated, whereas the following table summarizes the final recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

#### DEXMA SENSORS S.L.

Thousands of €	2020
Intangible assets	9,539
Property, plant and equipment	45
Other non-current assets	266
Trade receivables	1,083
Other current assets	562
Cash and cash equivalents	795
Deferred tax assets	505
<b>Total assets acquired</b>	<b>12,796</b>
Deferred tax liabilities	2,022
Long-term debts	815
Accounts payable	290
Other current liabilities	1,805
Deferred revenue	397
<b>Total liabilities assumed</b>	<b>5,329</b>
<b>Net assets acquired</b>	<b>7,466</b>

The fair value of the trade receivables is also the gross amount of trade receivables. It is expected that the full contractual amounts can be collected.

The purchase price amounted to EUR 19,269k in cash. As part of the purchase agreement with the previous owners there will be additional cash payments to the previous owners of up to EUR 5,000k if specified revenue targets and earnings targets as well as technical milestones are met. As at the acquisition date, the fair value of the contingent consideration was estimated to be EUR 3,968k. The net cash flow on acquisition amounted to EUR 18,474k.

As at December 31, 2020 the first revenue and earnings targets were met and the contingent consideration proportionately paid in 2021. The fair value of the contingent consideration determined at December 31, 2021 amounts to EUR 997k (previous year EUR 3,968k). The remeasurement charge due to the delay in business development caused by the pandemic has been recognized through profit or loss.

The goodwill arising from the acquisition has been recognized as follows:

**DEXMA SENSORS S.L.**

Thousands of €	<b>2020</b>
Consideration transferred - total	23,237
Net assets acquired	-7,466
<b>Goodwill</b>	<b>15,771</b>

The identified goodwill represents synergies in the Manage segment. None of the goodwill recognized is expected to be deductible for tax purposes.

If DEXMA Sensors S.L. had been in the Group for the entire 2020 financial year, it would have contributed EUR 3,500k revenues and EUR 720k EBITDA to the Groups profit for the period.

**RISA Tech, Inc., Foothill Ranch, United States**

Under the purchase agreement of April 14, 2020, RISA Tech, Inc., acquired assets of ADAPT Corporation within the scope of an asset deal, meeting the criteria for a business combination. The Group obtained control as at May 1, 2020.

The purchase price amounted to EUR 4,237k. On the basis of the purchase price allocation, customer relationships amounting to EUR 1,104k, brand name amounting to EUR 372k and technology amounting to EUR 279k were recognized. On the basis of the purchase price allocation, the resulting goodwill amounted to EUR 2,882k.



## Notes to the consolidated statement of comprehensive income

### [1] Revenue

Revenue recognized in the period related to the following:

#### REVENUES

Thousands of €	2021	2020
Software and licenses	234,837	209,995
Recurring revenues (software service contracts and rental models)	416,716	359,009
Consulting & Hardware	29,918	27,902
	<b>681,471</b>	<b>596,905</b>

Recurring revenue includes revenue from software rental models in the amount of EUR 131,961k (previous year: EUR 90,406k).

Categorized by geographic sector, the following allocation of revenues results:

#### REVENUES BY REGION

Thousands of €	2021	2020
Germany	161,334	146,464
Europe without Germany	218,262	189,208
Americas	233,948	202,057
Asia/Pacific	65,801	57,090
Rest of World	2,126	2,086
	<b>681,471</b>	<b>596,905</b>

The contract balances at December 31 are as follows:

#### CONTRACT BALANCES

Thousands of €	December 31, 2021	December 31, 2020
Contract assets	1,235	1,009
Deferred revenue	160,941	131,876
thereof short-term	157,975	129,469
thereof long-term	2,966	2,406

During the reporting period there have been no significant changes with regard to contract assets. For reasons of materiality, no expected credit loss allowance was recorded for contract assets. Advance consideration received from customers is reported as deferred revenue. As soon as the contractual services are rendered, these are recorded as revenue.

Of the amount totaling EUR 131,876k (previous year: EUR 122,185k) reported at the beginning of the period in deferred revenue, EUR 129,469k (previous year: EUR 118,474k) was recognized as revenue in 2021.

No revenue from performance obligations fulfilled in previous years were recognized in the fiscal years 2021 and 2020. Most of the contracts have a term of one year.

The Group does not adjust the promised amount of consideration for the effects of a significant financing component if the contract term is one year or less. Additionally, the Group does not capitalize the incremental cost of obtaining a contract if the amortization period of the asset is one year or less.

The breakdown of revenues by segment can be seen under segment reporting [25].

### [2] OTHER INCOME

Thousands of €	2021	2020
Income from foreign currency transactions	4,521	5,442
Subsidies	1,884	1,808
Damage	1,007	126
Customer base rental income	338	203
Income from trade fairs	264	110
Income from sale of property, plant and equipment	245	821
Other	1,570	1,650
	<b>9,829</b>	<b>10,161</b>

### [3] COST OF GOODS AND SERVICES

Thousands of €	2021	2020
Cost of purchased software licenses and hardware	21,551	20,436
Cost of purchased services	3,792	3,246
	<b>25,343</b>	<b>23,682</b>

### [4] PERSONNEL EXPENSES

Thousands of €	2021	2020
Wages and salaries	246,294	225,743
Social security, other pension costs and welfare	45,725	41,322
	<b>292,019</b>	<b>267,065</b>

**[5] AMORTIZATION AND DEPRECIATION**

Thousands of €	2021	2020
Amortization of intangible assets other than those acquired in a business combination	2,188	2,248
Depreciation of property, plant and equipment	7,420	7,575
Depreciation of right-of-use assets	14,929	15,457
<b>Depreciation / amortization of tangible and intangible assets</b>	<b>24,537</b>	<b>25,280</b>
Amortization of intangible assets due to purchase price allocation	25,437	24,498
<b>Total amortization and depreciation</b>	<b>49,974</b>	<b>49,778</b>

**[6] OTHER EXPENSES**

Thousands of €	2021	2020
Expenses for third-party services	31,352	30,515
Commissions	30,398	24,087
Marketing expenses	24,648	22,721
EDP equipment	17,672	15,552
Legal and consulting expenses	13,912	12,167
Training and recruiting expenses	5,552	5,177
Expenses from foreign currency transactions	4,669	6,544
Ancillary rent costs	4,644	4,462
Travel expenses and hospitality	3,047	2,994
Communication expenses	2,576	2,604
Vehicle expenses	2,099	2,054
Other	11,404	15,150
	<b>151,974</b>	<b>144,027</b>

The item "Other" consists of various immaterial items.

**[7] INTEREST INCOME / EXPENSES**

Thousands of €	2021	2020
Other interest and similar income	147	278
Interest and similar expenses	-2,740	-2,979
	<b>-2,593</b>	<b>-2,701</b>

**[8] Other financial income and expenses**

Other financial expenses/income amount to EUR 892k in the reporting year (previous year: EUR -61k) and relate to the revaluation of contingent consideration liabilities and foreign currency effects of intercompany loans. For more details, reference is made to the note for business combinations and financial instruments [23].

**[9] Share of profit of associates**

The income/expenses from associates of EUR 334k (previous year: EUR 274k) relate to Nemetschek OOD in the amount of EUR 382k (previous year: EUR 274k) and to Sablono GmbH in the amount of EUR -48k (previous year: EUR 0k). For more information, see [18].

**[10] Taxes**

The major components of the income tax expense are as follows:

Thousands of €	2021	2020
Current tax expenses	-41,493	-29,225
Deferred tax income	7,791	6,891
<i>thereof from addition / release of temporary differences</i>	<i>6,634</i>	<i>6,775</i>
	<b>-33,702</b>	<b>-22,334</b>

The tax expenses for the fiscal year 2021 include tax income from previous years amounting to EUR 1,648k (previous year: tax income EUR 2,225k). Furthermore, in the fiscal year 2021, EUR -52k (previous year: EUR 57k) deferred taxes from the revaluation of pension obligations were recorded in other comprehensive income.

The income tax rates of the individual legal entities range from 11.1% to 34.1% (previous year: from 11.1% to 33.5%).

The tax rate for the fiscal year 2021 applied by Nemetschek SE is 32.3% (fiscal year 2020: 32.4%). It is calculated as follows:

in %	2021		2020	
Earnings before taxes	100.0		100.0	
Trade tax (weighted)	16.5	16.5	16.6	16.6
	<b>83.5</b>		<b>83.4</b>	
Corporate income tax	15.0	15.0	15.0	15.0
Solidarity surcharge	0.8	0.8	0.8	0.8
	<b>67.7</b>	<b>32.3</b>	<b>67.6</b>	<b>32.4</b>

Deferred taxes are measured on the basis of the nominal tax rate of Nemetschek SE or the tax rate applying to the respective subsidiary.

Deferred tax assets and deferred tax liabilities are offset for each tax-paying entity if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the income tax of the same taxable entity and the same taxation authority.

Deferred taxes at the balance sheet date comprise the following:

#### DEFERRED TAXES

Thousands of €	Consolidated balance sheet	
	2021	2020
<b>Deferred tax assets resulting from</b>		
Intangible assets	5,400	5,276
Property, plant and equipment	464	90
Financial Assets	251	215
Receivables	649	1,139
Deferred revenue	2,266	1,565
Pensions and related obligations	637	664
Provisions	3,320	2,493
Liabilities	582	742
Tax loss carryforward	4,281	3,552
Tax credit	1,623	1,200
Other	665	509
Lease liabilities	15,901	13,484
<b>Offsetting</b>	<b>-27,829</b>	<b>-23,464</b>
	<b>8,208</b>	<b>7,465</b>
<b>Deferred tax liabilities resulting from</b>		
Intangible assets	29,970	31,693
Property, plant and equipment	320	950
Receivables	585	534
Deferred revenue	712	116
Provisions	19	7
Liabilities	467	1,999
Other	1,879	1,243
Right-of-use assets	14,469	12,144
<b>Offsetting</b>	<b>-27,829</b>	<b>-23,464</b>
	<b>20,590</b>	<b>25,222</b>

The increase of deferred tax assets on loss carryforwards is mainly due to the write-up recognized in fiscal year 2021 as a result of positive impairment test and higher utilization of net operating losses in following years.

#### INCOME TAX RECONCILIATION

Thousands of €	2021	2020
<b>Earnings before taxes</b>	<b>170,625</b>	<b>120,027</b>
Expected tax 32.3% (previous year: 32.4%)	55,197	38,853
Differences to German and foreign tax rates	-16,314	-10,864
<b>Tax effects on:</b>		
Change in the recoverability of deferred tax assets and tax credits	1,754	2,311
Change of deferred taxes on permanent differences	382	244
Current and deferred taxes previous years	-1,649	-2,225
Non-deductible expenses	2,256	2,307
Tax-free income and Tax Credits	-8,454	-7,699
Tax rate changes and adaptation	-200	-295
Other	731	-298
Effective tax expense	33,702	22,334
<b>Effective tax rate</b>	<b>19.8%</b>	<b>18.6%</b>

At 19.8%, the Group tax rate was above the level of the previous year (18.6%). The development is mainly due to the change in determination of taxable basis for state taxes in the US state California, with the permission to treat significant portion of profits as exempt for tax purposes. Respective refunds for prior years in the amount of EUR 2.2 million have been collected in fiscal year 2020. The adjusted tax rate in fiscal year 2020 was 20.4%.

The write-up of deferred tax assets on loss carryforwards recognized in the amount of EUR 1.5 million tax income would result in adjusted tax rate for fiscal year 2021 of 20.6%.

The deferred tax assets on losses carried forward are determined as follows:

**DEFERRED TAX ON LOSSES CARRIED FORWARD**

Thousands of €	2021	2020
Deferred tax assets, gross	15,526	12,615
Allowances on tax losses carried forward	-11,241	-9,063
<b>Deferred tax assets on unused tax losses, net</b>	<b>4,286</b>	<b>3,552</b>

The items contain deferred taxes on unused tax losses which are likely to be realized in the future. The deferred tax assets on tax losses carried forward were recognized on the basis of the income and expense budgets of Nemetschek SE subsidiaries for the next 3 to 5 fiscal years.

**LOSSES CARRIED FORWARD WITH LIMITED LIFE OF USAGE**

Thousands of €	2021	2020
<b>Unused tax loss carried forward</b>		
Never expire	48,593	29,632
Expire by 2026	3,047	1,583
Expire from 2026	16,814	29,318
<b>Sum of unused tax loss carried forward</b>	<b>68,454</b>	<b>60,533</b>

**TAX CREDITS WITH LIMITED LIFE OF USAGE**

Thousands of €	2021	2020
<b>Unused tax credits</b>		
Never expire	12,862	8,515
Expire	0	377
<b>Sum of unused tax credits</b>	<b>12,862</b>	<b>8,892</b>

The temporary differences associated with investments in the Group's subsidiaries in the amount of EUR 3,308k (previous year: EUR 2,812k), for which deferred tax liabilities were recognized, would result in tax expense in the amount of EUR 1,070k (previous year: EUR 579k) in following years.

There are no income tax consequences attached to the payment of dividends by Nemetschek SE to its shareholders neither in 2021 nor 2020.

**[11] Earnings per share**

Basic undiluted earnings per share are calculated by dividing the net income for the period attributable to shares by the average number of shares during the period. No diluting effects existed as of the reporting date.

**EARNINGS PER SHARE**

	2021	2020
Net income attributable to the parent (in thousands of EUR)	134,618	96,947
Weighted average number of ordinary shares outstanding as of December 31	115,500,000	115,500,000
Weighted average number of ordinary shares to be included in the calculation of diluted earnings per share as of December 31	115,500,000	115,500,000
<b>Earnings per share in EUR, undiluted</b>	<b>1.17</b>	<b>0.84</b>
<b>Earnings per share in EUR, diluted</b>	<b>1.17</b>	<b>0.84</b>

For more details reference is made to note [24].

## Notes to the consolidated statement of financial position

### [12] Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated financial position as follows:

#### CASH AND CASH EQUIVALENTS

Thousands of €	December 31, 2021	December 31, 2020
Bank balances	154,986	134,123
Fixed term deposits (contract period up to 3 months)	2,109	5,197
	<b>157,095</b>	<b>139,320</b>

#### [13] TRADE RECEIVABLES

Thousands of €	December 31, 2021	December 31, 2020
Trade receivables (before allowances)	75,453	70,307
Credit loss allowance	-5,345	-5,736
	<b>70,108</b>	<b>64,571</b>

Trade receivables are non-interest bearing and are generally due within 30- to 90-day terms customary for the industry. Bad debt allowances developed as follows:

#### DEVELOPMENT OF CREDIT LOSS ALLOWANCES

Thousands of €	January 1	Utilization	Release	Addition	December 31
Credit loss allowance 2021	-5,736	336	1,070	-1,015	-5,345
Credit loss allowance 2020	-3,293	902	599	-3,944	-5,736

The aging structure of trade receivables together with the respective loss allowances recognized is as follows:

#### AGEING STRUCTURE OF TRADE RECEIVABLES

2021	Thousands of €	not past due	Past due (by < 90 days)	Past due (by 90-180 days)	Past due (by 180-360 days)	Past due (by > 360 days)	December 31, 2021
Gross Trade receivables		51,274	17,414	2,102	1,603	3,059	75,453
Credit loss allowance		-1,594	-733	-275	-497	-2,246	-5,345
Net Trade receivables		49,680	16,681	1,828	1,107	813	70,108
Expected credit loss rate (weighted average)		3.11%	4.21%	13.06%	30.98%	73.41%	

#### AGEING STRUCTURE OF TRADE RECEIVABLES

2020	Thousands of €	not past due	Past due (by < 90 days)	Past due (by 90-180 days)	Past due (by 180-360 days)	Past due (by > 360 days)	December 31, 2020
Gross Trade receivables		46,930	14,275	3,322	2,338	3,442	70,307
Credit loss allowance		-705	-766	-450	-673	-3,142	-5,736
Net Trade receivables		46,224	13,509	2,872	1,665	300	64,571
Expected credit loss rate (weighted average)		1.50%	5.37%	13.53%	28.80%	91.29%	

**[14] ASSETS**

Thousands of €	December 31, 2021	December 31, 2020
Inventories	949	642
Other financial assets	15,036	6,459
Other non-financial assets	31,148	26,013
	<b>47,132</b>	<b>33,114</b>

Inventories consist of third party licenses amounting to EUR 86k (previous year: EUR 121k) as well as hardware amounting to EUR 493k (previous year: EUR 118k). As in the previous year no write-downs or reversals of write-downs were recognized. On December 31, 2021 and 2020, the inventories were not pledged.

Other financial assets mainly include the shares in Reconstruct Inc. as well as security deposits from office rental agreements.

Other non-financial assets mainly consist of prepaid expenses in the amount of EUR 21,894k (previous year: EUR 17,643k), other taxes in the amount of EUR 4,305k (previous year: EUR 4,179k) as well as contract assets according to IFRS 15 in the amount of EUR 1,235k (previous year: EUR 1,009k).

**[15] Property, plant and equipment**

The acquisition and manufacturing costs as well as accumulated depreciation of property, plant and equipment developed as follows:

**DEVELOPMENT OF PROPERTY, PLANT AND EQUIPMENT**

Thousands of €	2021	2020
<b>Cost</b>		
As of January 1	56,791	62,004
Additions	6,509	6,097
Additions from business combinations	4	136
Disposal	-3,556	-5,835
Reclassification	-504	-2,139
Foreign currency translation difference	1,947	-3,473
As of December 31	61,190	56,791
<b>Depreciation and impairment</b>		
As of January 1	35,163	34,384
Additions	7,420	7,575
Disposal	-3,329	-4,979
Reclassification	-1	2
Foreign currency translation difference	1,201	-1,819
As of December 31	40,454	35,163
<b>Carrying amount December 31</b>	<b>20,735</b>	<b>21,628</b>

No material impairment and no material write-ups were recognized on property, plant and equipment in 2021 and 2020. On December 31, 2021 and 2020, property, plant and equipment were not pledged.

## [16] Intangible assets and goodwill

The acquisition costs as well as accumulated amortization and impairment of intangible assets consist of the following:

### DEVELOPMENT OF GOODWILL AND OTHER INTANGIBLE ASSETS

In EUR million	2021					2020				
	Goodwill	Software and similar rights	Customer Relationship	Brand name	Non-compete agreements	Goodwill	Software and similar rights	Customer Relationship	Brand name	Non-compete agreements
<b>Cost</b>										
As of January 1	416,706	160,652	109,128	19,669	2,146	325,041	137,587	107,180	18,229	2,146
Additions	–	3,416	–	–	–	–	3,003	–	–	–
Additions from business combinations	94,078	23,958	8,566	1,833	–	114,415	29,936	6,660	2,348	–
Disposal	–	–1,077	–	–	–	–	–2,131	–	–	–
Reclasses	–4,838	2,145	3,598	962	–	–	2,150	–	–	–
Foreign currency translation difference	18,021	4,660	4,287	722	–	–22,751	–9,893	–4,711	–907	–
As of December 31	523,967	193,754	125,579	23,188	2,146	416,706	160,652	109,128	19,669	2,146
<b>Amortization and impairment</b>										
As of January 1	0	85,237	56,942	9,873	1,368	0	76,665	51,624	8,491	701
Additions	–	19,761	5,472	1,614	777	–	16,767	7,644	1,668	667
Disposal	–	–546	–	–	–	–	–1,545	–	–	–
Reclasses	–	–	–	–	–	–	–	–	–	–
Foreign currency translation difference	–	2,660	2,362	260	–	–	–6,650	–2,327	–286	–
As of December 31	0	107,113	64,776	11,747	2,146	0	85,237	56,942	9,873	1,368
<b>Carrying amount December 31</b>	<b>523,967</b>	<b>86,641</b>	<b>60,803</b>	<b>11,440</b>	<b>0</b>	<b>416,706</b>	<b>75,415</b>	<b>52,186</b>	<b>9,796</b>	<b>778</b>

On December 31, 2021 and 2020, the intangibles were not pledged.

## Goodwill

Nemetschek is organized into divisions, which is also the organization level where goodwill is monitored. The divisions represent the operating segments Design, Build, Manage and Media & Entertainment. Please refer to note [25] for more information regarding the segment disclosures.

Goodwill is allocated as follows:

### GOODWILL

Thousands of €	Carrying Amount per balance sheet Dec. 31, 2021	Discount rate after tax	Discount rate before tax	Terminal value growth rate
<b>Division</b>				
Design	97,525	8.39%	10.43%	1.50%
Build	110,941	8.39%	10.86%	1.50%
Manage	106,486	8.59%	10.73%	2.00%
Media & Entertainment	209,015	7.38%	9.84%	2.00%
<b>Total group</b>	<b>523,967</b>			

### GOODWILL

Thousands of €	Carrying Amount per balance sheet Dec. 31, 2020	Discount rate after tax	Discount rate before tax	Terminal value growth rate
<b>Division</b>				
Design	92,817	6.69%	8.17%	1.50%
Build	104,346	6.68%	8.43%	1.50%
Manage	111,324	8.45%	10.24%	2.00%
Media & Entertainment	108,219	6.82%	8.94%	2.00%
<b>Total group</b>	<b>416,706</b>			

The main assumptions for the business plan, also used for impairment test purposes, are revenue and personnel cost. The development of sales volumes and prices is based on the expectations of market developments considering general economic factors as well as AEC/O sector specific factors. This also includes effects of the global Covid-19 pandemic. The development of personnel cost is a key driver to revenue because employees enable the development of successful products as well addressing markets.

According to the impairment tests for goodwill conducted in fiscal year 2021 and in the previous year, the carrying amounts are recoverable. Thus, no impairments were recognized. As in the previous year, the impairment test was carried out as at the valuation date, December 31, 2021.

For goodwill for which the recoverable amount is not at least 30% above the carrying value of the cash-generating unit, the impairment test was complemented by sensitivity analyses for which assumptions deviating from original forecasts are made for EBITA, WACC and growth rates in perpetuity. These scenarios are deemed by management as improbable yet possible. For all divisions the recoverable amount exceeded the book value by more than 30%.

The key assumptions to which the recoverable amount is sensitive are the WACC, the terminal growth rate as well as the EBITA in the terminal value calculation. Main value drivers of the recoverable amount are the WACC, terminal value growth rate and the margin expected in perpetuity.

The Group accounts for uncertainties within the scope of forecasts and analyzes the goodwill for impairment as well as for scenarios which are less favorable than forecast. Given that the recoverable amount exceeds the book value significantly, management foresees no realistic scenario which could trigger an impairment.

Compared to the situation in 2020 the capital markets for Nemetschek and peers were more stable. Technology stocks were in focus and respective market development bullish throughout 2021. The derived betas were higher than those from 2020.



On the basis of the impairment testing performed, as well as on the basis of the sensitivity analyses conducted within this scope, the Group has come to the conclusion that in the reporting year goodwill does not need to be impaired.

### [17] Leases

The right-of-use assets resulting from leases are as follows:

#### RIGHT-OF-USE ASSETS

Thousands of €	December 31, 2021	December 31, 2020
Right-of-use assets - Property	54,546	57,763
Right-of-use assets - Office Equipment	109	191
Right-of-use assets - Vehicles	4,579	3,374
	<b>59,233</b>	<b>61,328</b>

Property leases mainly include office space. Additions to the right-of-use assets during 2021 were EUR 11,419k (previous year: EUR 14,786k). The Group has estimated that potential future lease payments arising from extension options and leases not yet commenced but for which the Group is committed would result in cash outflows of EUR 6,919k (previous year: EUR 1,368k). Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation per asset class in the fiscal year is as follows:

#### DEPRECIATION

	Property	Vehicles	Office Equipment
Depreciation 2021	12,475	2,360	94
Depreciation 2020	13,079	2,225	154

Information on the corresponding lease liabilities can be found under financial liabilities [23]. Expenses recognized in profit or loss besides depreciation are shown in the overview below:

#### AMOUNTS RECOGNIZED IN PROFIT OR LOSS

Thousands of €	2021	2020
Interest on lease liabilities	1,306	1,445
Expenses relating to short-term leases	574	509
Expenses relating to leases of low-value assets	183	97
Variable lease payments not included in the measurement of lease liabilities	2	2

#### AMOUNTS RECOGNIZED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS

Thousands of €	2021	2020
Total cash outflow for leases	16,416	14,601

## [18] Investments in associates

Details of each of the Groups associates at the end of the reporting period are as follows:

Name, registered office of the entity	Thousands of €	Shareholding in %		Equity		<b>pro rata</b>	
		2021	2021	2021	2020	2020	2020
Nemetschek OOD, Bulgaria		20.00	8,141	1,628	20.00	6,718	1,344
Sablono GmbH, Berlin		22.14	2,180	483	24.99	-453	-113

Nemetschek OOD develops customer-specific software within the scope of order developments. Sablono GmbH develops software solutions for the digital design, control and monitoring of complex building projects.

The Nemetschek Group participated in the series A financing round of Sablono GmbH with EUR 500k and the conversion of loans into equity in the amount of EUR 240k. The recognition of the unrecognized share of loss of prior years together with the reversal of loan impairment losses led to a profit or loss impact in the amount of EUR 83k. After the series A financing round the share of the Group amounts to EUR 613k which corresponds to a stake of 22.1%.

The following table summarizes financial information for the shares of the Group in its non-material associates, based on the amounts reported in the consolidated financial statements:

### AGGREGATE INFORMATION OF ASSOCIATES THAT ARE NOT INDIVIDUALLY MATERIAL

Thousands of €	December 31, 2021	December 31, 2020
Group's share of net income from continuing operations	334	274
Group's share of net income from discontinued operations	0	0
<b>Group's share of net income for the year</b>	<b>334</b>	<b>274</b>
Group's share of other comprehensive income	0	0
<b>Group's share of total comprehensive income</b>	<b>334</b>	<b>274</b>
Aggregate carrying amount of the Group's interests in these associates	4,063	1,344

### UNRECOGNIZED SHARE OF LOSSES OF AN ASSOCIATE

Thousands of €	December 31, 2021	December 31, 2020
The unrecognized share of loss of an associate for the year	0	-10
Cumulative share of loss of an associate	0	-113

The Nemetschek Group participated in a financing round for Imerso AS with EUR 1,952k which corresponds to a stake of 18,0%. Imerso AS is offering a next-generation platform to automate construction quality monitoring through a combination of advanced artificial intelligence (AI), reality capture, and BIM technologies. Although the Group has less than 20% of the voting rights, management determined that the Group has significant influence. This is on the basis that the Group participates in policy-making decisions by its board representation.

## [19] Financial liabilities

### FINANCIAL LIABILITIES

Thousands of €	December 31, 2021	December 31, 2020
Borrowings	128,700	130,271
Trade payables	11,260	11,229
Other financial liabilities	8,596	10,349
Lease liabilities	66,036	67,623
	<b>214,593</b>	<b>219,472</b>

Borrowings include acquisition loans in the amount of EUR 127,571k (previous year: EUR 129,500k). Borrowings are recognized initially at fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortized cost.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. Debts from trade payables are usually settled on 60-day terms.

Other financial liabilities comprise subsequent purchase price obligations in connection with business combinations. As of December 31, 2021 these mainly consist of EUR 6,254k (previous year: EUR 6,039k) resulting from the acquisition of Redshift Rendering Technologies, Inc., and EUR 997k (previous year: EUR 3,968k) resulting from the acquisition of Dexma Sensors S.L.

## [20] Provisions and accrued liabilities

Provisions and accrued liabilities contain the following items:

### PROVISIONS AND ACCRUED LIABILITIES

Thousands of €	December 31, 2021	December 31, 2020
<b>Provisions</b>		
Personnel	45,940	33,814
Warranty and liability risks	383	393
Other	407	416
<b>Accruals</b>		
Outstanding invoices	13,683	11,613
Personnel	9,237	8,297
Legal and consulting fees	2,003	1,694
Other	4,621	4,176
	<b>76,274</b>	<b>60,403</b>

Provisions for personnel mainly consist of provisions for short- and long-term variable compensation components. The increase is also caused by the positive business development in the financial year 2021. Long-term variable compensation components have a term of up to three years.

Provisions for warranty and liability risks arise due to the obligation of fulfilling customer claims with regard to goods and services sold. They are based on an individual assessment per entity.

Accruals for outstanding invoices mainly relate to commissions for distributors due to achievement of targets as well as goods and services not yet invoiced. Accruals for personnel mainly consist of outstanding vacation.

The development of provisions is as follows:

### PROVISIONS

Thousands of €	As of January 1	Usage	Release	Additions	Reclassification	Currency translation	As of December 31	thereof long-term
Personnel	33,814	-23,929	-1,855	36,373	-	1,538	45,940	4,123
Warranty and liability risks	393	-	-43	33	-	-	383	-
Other	416	-	-	-	-	-10	407	407

### [21] Other non-financial liabilities

Other current liabilities primarily comprise liabilities to the tax authorities on account of obligations to pay wage tax and value added tax (VAT) as well as to pay social security contributions to the social security authorities.

### [22] Pensions and related obligations

As in the previous year, pensions and related obligations consist solely of defined benefit obligations.

#### German plans

The pension plans provide a benefit after reaching the age of 65 amounting to 60% of the last net salary, up to a maximum amount of EUR 3,834 per month. These claims are vested. In the year ending December 31, 2021 there were no curtailments to the plan, as was the case in the previous year:

Plan assets from these benefit plans have been invested in life insurances. Plan assets include any reinsurance plans entered into which are assigned to the pension beneficiary entitled to these.

#### Non-German plans

The plans in Austria and Italy comprise severance compensation according to § 23 and 23a of the Austrian Employee Act (Angestellengesetz) and article 2120 of the Italian Civil Code (Trattamento di Fine Rapporto or TFR) respectively.

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit plan is as follows:

#### PROVISIONS FOR PENSIONS

Thousands of €	As of January 1	Changes	As of December 31
Defined benefit obligation 2021	3,660	387	4,047
Less plan asset 2021	578	-131	447
<b>Status of coverage (= pension provisions) 2021</b>	<b>3,083</b>	<b>518</b>	<b>3,601</b>
Defined benefit obligation 2020	2,530	1,130	3,660
Less plan asset 2020	604	-26	578
<b>Status of coverage (= pension provisions) 2020</b>	<b>1,926</b>	<b>1,157</b>	<b>3,083</b>

The determination of assets and liabilities for defined benefit plans is based upon statistical and actuarial valuations. The principal assumptions used for the purposes of the actuarial valuations were as follows:

#### DISCOUNT RATE

	German Plans	Non-German Plans	German Plans	Non-German Plans
in %	2021	2021	2020	2020
Discount rate	1.25	0,35–1,0	0.85	0,6–1
Future pension increases	1.00	0.00	1.00	0.00
Salary increase	0.00	1,0–3,0	0.00	2,4–2,7

The actuarial assumptions as at the balance sheet date are used to determine the defined benefit liability at that date as well as the pensions expense for the upcoming fiscal year.

The mortality rates for German plans are based on the Heubeck 2018 G mortality tables. The ones for Austria are based on "AVÖ 2018-P-Angestellte"-tables of the Austrian association of actuaries (Aktuarvereinigung Österreich, AVÖ). In Italy, the mortality tables "RG48", issued by the General State Account Department (Ragioneria Generale dello Stato) of the Italian Ministry of Economic and Finance, are used as a basis.

Movements in the present value of the defined benefit obligation and in the fair value of the plan assets were as follows:

#### CHANGE IN DEFINED BENEFIT OBLIGATIONS (DBO)

	Thousands of €	2021		2020	
		German Plans	Non-German Plans	German Plans	Non-German Plans
<b>DBO at beginning of fiscal year</b>		<b>2,771</b>	<b>889</b>	<b>2,530</b>	<b>0</b>
Adjustment / reclass DBO at beginning of fiscal year		-	497	-	1,046
Current service cost		-	112	-	54
Interest expense		24	9	32	11
Actuarial changes arising from changes in demographic assumptions		-	17	-	-4
Actuarial changes arising from changes in financial assumptions		-205	-11	213	49
Experience adjustments		-1	27	-4	-50
Settlements		-	-80	-	-218
<b>DBO at end of fiscal year</b>		<b>2,588</b>	<b>1,459</b>	<b>2,771</b>	<b>889</b>
<b>Fair value of plan assets at beginning of fiscal year</b>		<b>578</b>	<b>0</b>	<b>604</b>	<b>0</b>
Interest income		4	0	8	-
Actuarial gains / (losses)		1	0	6	-
Employer contributions		23	0	23	-
Benefit payments		-159	0	-63	-
<b>Fair value of plan assets at end of fiscal year</b>		<b>446</b>	<b>0</b>	<b>578</b>	<b>0</b>

Significant actuarial assumptions for the determination of the defined obligation are presented below. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

#### SENSITIVITY

Changes in actuarial assumptions	Thousands of €	2021		2020	
		German Plans	Non-German Plans	German Plans	Non-German Plans
Present value of pension obligation for the reporting date		2,588	1,459	2,771	889
Discount rate	increase by 0.5 percent points	2,359	1,382	2,508	837
	decrease by 0.5 percent points	2,848	1,542	3,071	945
Pension cost	increase by 0.5 percent points	2,779	-	2,982	-
	decrease by 0.5 percent points	2,415	-	2,581	-
Salary increase	increase by 0.5 percent points	-	1,523	-	916
	decrease by 0.5 percent points	-	1,399	-	866

The average duration of the benefit obligation at December 31, 2021 is 19.1 years (2020: 20.5 years) for German plans and 10.6 years (2020: 12.24 years) for non-German plans. The expected payments in the 2022 fiscal year amount to EUR 18k (previous year: EUR 19k) and relate to employer contributions paid into the plan assets.

**[23] Financial instruments**

The financial assets and liabilities are presented in the following table according to their measurement categories and classes:

**FINANCIAL INSTRUMENTS**

Thousands of €	Carrying amount per balance sheet Dec. 31, 2021	Measurement in accordance with IFRS 9			Fair value Dec. 31, 2021
		Amortized cost	Fair value impacting profit/loss	Fair value not impacting profit/loss	
Trade receivables	70,108	70,108	-	-	70,108
Other financial assets	15,036	7,972	7,063	-	15,036
Cash and cash equivalents	157,095	157,095	-	-	157,095
<b>Total financial assets</b>	<b>242,239</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>242,239</b>
Borrowings	128,700	128,700	-	-	128,700
Trade payables	11,260	11,260	-	-	11,260
Other financial liabilities	8,596	813	7,783	-	8,596
Lease liabilities	66,036	66,036	-	-	-
<b>Total financial liabilities</b>	<b>214,593</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148,557</b>

**FINANCIAL INSTRUMENTS**

Thousands of €	Carrying amount per balance sheet Dec. 31, 2020	Measurement in accordance with IFRS 9			Fair value Dec. 31, 2020
		Amortized cost	Fair value impacting profit/loss	Fair value not impacting profit/loss	
Trade receivables	64,571	64,571	-	-	64,571
Other financial assets	6,459	6,459	-	-	6,459
Cash and cash equivalents	139,320	139,320	-	-	139,320
<b>Total financial assets</b>	<b>210,349</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210,349</b>
Borrowings	130,271	130,271	-	-	130,271
Trade payables	11,229	11,229	-	-	11,229
Other financial liabilities	10,349	342	10,007	-	10,349
Lease liabilities	67,623	67,623	-	-	-
<b>Total financial liabilities</b>	<b>219,472</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151,849</b>

Due to the short-term maturities of cash and cash equivalents, trade receivables and payables, current financial assets and liabilities, the respective fair values correspond to their carrying amount.

The following table shows the reconciliation from the opening balances to the closing balances for other financial liabilities categorized within Level 3.

#### RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS

Thousands of €	2021	2020
<b>Balance at January 1</b>	<b>10,007</b>	<b>8,262</b>
Changes in scope of consolidation, currency adjustments	1,054	3,435
Changes with cash effect	-1,683	-2,137
Changes recognized in profit or loss	-1,595	447
<b>Balance at December 31</b>	<b>7,783</b>	<b>10,007</b>

#### NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

Thousands of €	2021	2020
Financial assets measured at amortized cost	-510	-3,267
Financial liabilities measured at fair value through profit or loss	1,132	-447
Financial liabilities measured at amortized cost	-2,740	-2,979
	<b>-2,118</b>	<b>-6,693</b>

Net gains and losses from financial instruments comprise the results from valuations, the recognition and reversal of loss allowances, results from the translation of foreign currencies as well as interests. Financial assets measured at amortized costs include interest income in the amount of EUR 147k (previous year: EUR 278k). Financial liabilities measured at amortized cost include interest expenses in the amount of EUR -2,740k (previous year: EUR -2,979k).

#### Financial risk management

The objective of the Group with regard to financial risk management is to mitigate the risks presented below by the methods described. The Group generally pursues a conservative, risk-averse strategy.

#### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from the Group's receivables from customers and from the Group's cash and cash equivalents. The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

#### Accounts receivables

At the end of 2021, there was no relevant concentration of credit risk by type of customer. The Group's credit risk exposure is mainly influenced by individual customer characteristics. Sales of goods and services are made to customers after having conducted appropriate internal credit risk assessment. At the end of 2021 no customer accounted for more than 10% of accounts receivable.

The Covid-19 pandemic added a systematic credit risk to our customers. As of December 31, 2021, the liquidity and insolvency risks are still increased in the markets where the group operates, as compared to pre-pandemic periods.

#### Cash and cash equivalents

The credit risk from balances with banks and financial institutions of Group companies is managed in accordance with the Group's policy and in agreement with Group headquarters. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential default of a business partner.

#### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As at the balance sheet date, the Group holds cash and cash equivalents amounting to EUR 157,095k (previous year: EUR 139,320k).

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

**MATURITY ANALYSIS FINANCIAL LIABILITIES**

Thousands of €	Carrying Amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
<b>December 31, 2021</b>					
Borrowings	128,700	129,332	94,244	35,088	–
Trade payables	11,260	11,260	11,260	–	–
Other financial liabilities	8,596	8,606	7,355	1,250	–
Lease liabilities	66,036	69,987	15,168	38,126	16,694
<b>Total</b>	<b>214,593</b>				
<b>December 31, 2020</b>					
Borrowings	130,271	131,235	60,145	71,090	–
Trade payables	11,229	11,229	11,229	–	–
Other financial liabilities	10,349	10,699	1,630	9,069	–
Lease liabilities	67,623	72,470	14,610	36,659	21,201
<b>Total</b>	<b>219,472</b>				

**Market risk**

Market risk is the risk that changes in market prices – e.g. foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**Currency risk**

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise, in reply to which derivatives are occasionally entered into. The exchange rate fluctuation only has a limited effect at top Group level because the operating subsidiaries outside the Euro area record revenue as well as cost of goods and services, personnel expenses and other expenses primarily in their local currency.



### Sensitivity analysis of selected foreign currencies

The currency risk mainly relates to trade receivables held in foreign currency. These exist in a subsidiary in Hungary. The following table shows the foreign currency receivables:

#### TRADE RECEIVABLES

2021	Thousands of €	Change of exchange rate	Sensitivity effect on EBIT
<b>Trade receivables</b>			
HUF / EUR		+ 5%	-284
<b>Total in kEUR: 5,965</b>		<b>- 5%</b>	<b>314</b>
HUF / USD		+ 5%	-25
<b>Total in kEUR: 516</b>		<b>- 5%</b>	<b>27</b>

#### TRADE RECEIVABLES

2020	Thousands of €	Change of exchange rate	Sensitivity effect on EBIT
<b>Trade receivables</b>			
HUF / EUR		+ 5%	-260
<b>Total in kEUR: 5,450</b>		<b>- 5%</b>	<b>287</b>
HUF / USD		+ 5%	-13
<b>Total in kEUR: 265</b>		<b>- 5%</b>	<b>14</b>

### Interest risk and interest risk management

As a result of the current Group financing structure, there are no material interest risks.

### Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy equity ratios in order to support its business operations and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or return capital payments to shareholders. No changes were made to the objectives, policies or processes as of December 31, 2021 or as of December 31, 2020. The Group meets externally imposed minimum capital requirements.

The Group monitors its capital based on the key indicators of debt capacity and equity ratios.

### Debt capacity

The debt capacity represents the relationship between net debt and EBITDA. Net debt is essentially defined as current and non-current loans less any cash and cash equivalents. Group net liquidity/debt as of December 31, 2021 amounted to EUR 28.4 million (previous year: EUR 9.0 million).

### Equity ratio

The equity ratio is the ratio of equity to total equity and liabilities. The Nemetschek Group's equity ratio amounts to 51.4% (previous year: 46.9%).

Thus, external and internal key indicators have been met.

### [24] Equity

The development of subscribed capital, the capital reserve, the revenue reserve, foreign currency translation and the retained earnings/accumulated losses of the Group as well as shares without controlling interest are presented in the consolidated statement of changes in equity.

Nemetschek SE's **subscribed capital** as of December 31, 2021 amounted to EUR 115,500,000.00 (previous year: EUR 115,500,000.00) and is divided into 115,500,000.00 (previous year: 115,500,000.00) no-par value bearer shares. Each share is attributed with EUR 1.00 of share capital. The capital is fully paid in.

The **capital reserve** comprises the share premium from the IPO.

The **translation reserve** comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries.

Maxon Computer GmbH has non-controlling interests that are material to the group. The main non-current assets without goodwill amount to EUR 70,349k (previous year: EUR 35,040k), the current assets to EUR 22,746k (previous year: EUR 21,383k), the non-current liabilities to EUR 9,703k (previous year: EUR 17,514k) and the current liabilities to EUR 62,782k (previous year: EUR 42,208k). Sales correspond to those of the Media & Entertainment segment.

### Dividends

In the fiscal year 2021, a dividend of EUR 34,650,000.00 (previous year: EUR 32,340,000.00) was distributed to the shareholders. This represents EUR 0.30 (previous year: EUR 0.28 per share). The executive board proposes to the supervisory board that a dividend be paid in the fiscal year 2022 amounting to EUR 45,045,000.00 This corresponds to EUR 0.39 per share.

## [25] Segment reporting

The Nemetschek Group is managed centrally by the Executive Board of Nemetschek SE in its function as chief operating decision maker (CODM).

### Operating segments

The operating segments of the Group are Design, Build, Manage and Media & Entertainment.

The **Design** segment contains the architecture and engineering division and is mainly characterized by the development and marketing of CAD, static engineering and tender software.

The **Build** segment involves the creation and marketing of commercial software for construction companies.

The **Manage** segment covers facility and property management, which involves the extensive administration and management of property development projects.

Furthermore, with the **Media & Entertainment** segment, the Group is involved in the field of multimedia software, visualization and animation.

### Management and reporting system

The Group's management reporting and controlling systems principally use accounting policies that are the same as those described in the summary of significant accounting policies according to IFRS with the exception of intercompany leases, which are accounted as operating leases.

Intersegment revenue is generally recorded at values that approximate third-party selling prices.

In general, reconciliation includes corporate items for which headquarters are responsible as well as strategic projects.

Transactions between the segments are eliminated in the context of consolidation and the eliminated amounts are also included in the reconciliation.

#### SEGMENT REPORTING

2021	Thousands of €	Design	Build	Manage	Media & Entertainment	Reconciliation	Total
<b>Revenue, total</b>		<b>351,785</b>	<b>221,796</b>	<b>43,733</b>	<b>70,511</b>	<b>-6,354</b>	<b>681,471</b>
thereof revenue external		349,874	219,710	43,271	68,617	-	681,471
thereof intersegment revenue		29	2,087	420	1,894	-4,429	0
<b>EBITDA</b>		<b>118,946</b>	<b>91,784</b>	<b>4,057</b>	<b>25,522</b>	<b>-18,344</b>	<b>221,965</b>
Depreciation/Amortization							-49,974
Financial result							-1,700
Share of net profit of associates							334
<b>EBT</b>							<b>170,625</b>

#### SEGMENT REPORTING

2020	Thousands of €	Design	Build	Manage	Media & Entertainment	Reconciliation	Total
<b>Revenue, total</b>		<b>314,919</b>	<b>193,029</b>	<b>40,873</b>	<b>55,222</b>	<b>-7,137</b>	<b>596,905</b>
thereof revenue external		311,021	191,369	40,732	53,784	-	596,905
thereof intersegment revenue		28	1,660	54	1,438	-3,180	0
<b>EBITDA</b>		<b>95,864</b>	<b>70,089</b>	<b>3,684</b>	<b>15,536</b>	<b>-12,880</b>	<b>172,293</b>
Depreciation/Amortization							-49,778
Financial result							-2,761
Share of net profit of associates							274
<b>EBT</b>							<b>120,027</b>

## Information related to geographic areas

Segment reporting by geographical region is as follows:

### SEGMENT REPORTING – GEOGRAPHICAL REGION

Thousands of €	Revenues 2021	Non-current assets 2021	Revenues 2020	Non-current assets 2020
Germany	161,334	48,624	146,464	58,780
USA	233,948	439,111	202,057	307,323
Abroad (w/o USA)	286,189	281,306	248,384	274,887
<b>Total</b>	<b>681,471</b>	<b>769,041</b>	<b>596,905</b>	<b>640,990</b>

With respect to information about geographical regions, revenue is allocated to countries based on the location of the customer. Non-current assets are presented according to the physical location of these assets.

#### [26] Notes to the cash flow statement

The cash flow statement is split into cash flows from operating, investing and financing activities. Whereas the cash flow from operating activities is derived using the indirect method, the cash flows from investing and financing activities are based on direct cash inflows and outflows.

Cash flow from operating activities amounts to EUR 214,361k (previous year: EUR 157,490k).

The cash flow from investing activities amounts to EUR –147,617k (previous year: EUR –111,005k). In the current fiscal year, this mainly includes:

- » payments for the asset deal of Maxon Computer, Inc. as well as payments for the acquisition of Vectorworks Australia Pty Ltd.
- » investments in the start-up Reconstruct Inc. and the associate Imerso AS
- » investments in intangible assets and office equipment

The previous fiscal year primarily includes payments for the acquisition of Red Giant LLC, Dexma Sensors S.L., the asset deal of Risa Tech, Inc. and investments in intangible assets and office equipment.

#### [27] Financial commitments

There are guarantee obligations amounting to EUR 589k (previous year: EUR 646k) in total. These are mainly rental guarantees.

#### [28] Related party transactions

The Group enters into transactions with related parties. These transactions are part of ordinary activities and are treated at arm's length. Related parties are defined as parties who can exert influence on Nemetschek SE and its subsidiaries or over which Nemetschek SE and its subsidiaries exercise control or have a significant influence. They include associates accounted for using the equity method. Related parties also include the executive and supervisory boards as well as their family members and partners.

#### Sales and purchases of goods and services

During the year, the group entities entered into the following transactions with related parties:

- (1) Rental of space as well as maintenance from Concentra GmbH & Co. KG, Munich, Germany, amounting to a total of EUR 1,505k (previous year: EUR 1,514k).
- (2) Use of services from Nemetschek OOD, Bulgaria, amounting to a total of EUR 5,133k (previous year: EUR 4,459k).

As of December 31, 2021 trade payables to Concentra GmbH & Co. KG amounted to EUR 25k (previous year: EUR 40k) and trade payables to Nemetschek OOD amounted to EUR 221k (previous year: EUR 158k). As of December 31, 2021 loans given to the associate Sablono GmbH, Berlin, Germany, amounted to EUR 0k (previous year: EUR 30k).

#### Compensation of members of the Executive Board

Total remuneration attributable to the Executive Board amounted to EUR 5,914k (previous year: EUR 2,914k). Thereof EUR 4,468k (previous year: EUR 2,280k) relate to short-term employee benefits and EUR 1,446k (previous year: EUR 634k) relate to other long-term benefits.

## Compensation of members of the Supervisory Board

Remuneration of the supervisory board breaks down as follows:

### REMUNERATION OF THE SUPERVISORY BOARD

Thousands of €	2021	2020
Kurt Dobitsch	250	250
Prof. Georg Nemetschek	225	225
Rüdiger Herzog	200	200
Bill Krouch	200	200
	<b>875</b>	<b>875</b>

## [29] Other information

### Headcount

The average headcount breaks down as follows:

### HEADCOUNT

Number of employees	2021	2020
Sales/Marketing/Hotline	1,458	1,404
Development	1,232	1,158
Administration	453	446
<b>Average headcount for the year</b>	<b>3,143</b>	<b>3,008</b>
<b>Headcount as of December 31</b>	<b>3,180</b>	<b>3,074</b>

## Auditor's fees

The following fees of the auditor of the consolidated financial statements were expensed in the fiscal year 2021:

### AUDITOR'S FEES

Thousands of €	2021	2020
Financial statements audit services	478	477
Other audit services	40	35
	<b>518</b>	<b>512</b>

## [30] Information on the "German Corporate Governance Code"

The Declaration of Conformity was submitted on December 17, 2021. The relevant current version is available to the shareholders on the website of Nemetschek SE.

([https://ir.nemetschek.com/download/companies/nemetschek/CorporateGovernance/211217\\_Entsprechenserklärung\\_ENG.pdf](https://ir.nemetschek.com/download/companies/nemetschek/CorporateGovernance/211217_Entsprechenserklärung_ENG.pdf))

## [31] Events after the balance sheet date

### Subsequent events

On February 24, 2022, the political conflict between Russia and Ukraine escalated and Russia launched an invasion on the neighboring country. The war and also the associated economic sanctions against Russia will influence the development of the global economy. The Nemetschek management is monitoring the development in Ukraine and its possible effects on the results of operations, financial position and net assets of the Group and will take measures if necessary.

With effect from March 1, 2022, the supervisory board of Nemetschek SE has unanimously appointed Yves Padrines as CEO. The new executive board structure consists of Yves Padrines (CEO) and the three existing members Viktor Várkonyi (CDO Planning & Design Division), Jon Elliot (CDO Build & Construct Division) and Dr. Axel Kaufmann (CFOO).

### Date of preparation

The Executive Board prepared and approved the consolidated financial statements on March 17, 2022, to be passed on to the Supervisory Board. It is the supervisory board's task to examine the consolidated financial statements and give its approval and authorization for issue.

[32] For a detailed overview of Nemetschek Group's shareholdings, please refer to the following chart:

#### AFFILIATED ENTITIES

Name, registered office of the entity	Shareholding in %
<b>Design segment</b>	
Allplan Česko s.r.o., Prague, Czech Republic	100.00
Allplan Deutschland GmbH, Munich*, Germany	100.00
Allplan France S.A.R.L., Paris, France	100.00
Allplan GmbH, Munich*, Germany	100.00
Allplan Inc., West Chester, Pennsylvania, United States	100.00
Allplan Italia S.r.l., Trient, Italy	100.00
Allplan Österreich GmbH, Wals-Siezenheim, Austria	100.00
Allplan Schweiz AG, Wallisellen, Switzerland	93.33
Allplan Software Engineering GmbH, Graz, Austria***	100.00
Allplan Software Singapore Pte. Ltd., Singapore	100.00
Allplan Slovensko s.r.o., Bratislava, Slovakia	100.00
Allplan Systems España S.A., Madrid, Spain	100.00
Allplan UK Ltd., Salford, Great Britain	100.00
Dacoda GmbH, Rottenburg, Germany	100.00
Data Design System AS, Klepp Stasjon, Norway	100.00
Data Design System GmbH, Ascheberg, Germany	100.00
Data Design System UK Ltd., Wiltshire, Great Britain	100.00
DDS Building Innovation AS, Klepp Stasjon, Norway	100.00
dRofus AB, Stockholm, Sweden	100.00
dRofus AS, Oslo, Norway	100.00
dRofus Inc., Lincoln, Nebraska, United States	100.00
dRofus Pty Ltd, North Sydney, Australia	100.00
Friilo Software GmbH, Stuttgart*, Germany	100.00
Graphisoft Asia Ltd., Hong Kong, China	100.00
Graphisoft Brasil Serviços de Tecnologia da Informação Ltda, São Paulo, Brazil	100.00
Graphisoft Deutschland GmbH, Munich*, Germany	100.00
Graphisoft Italia S.R.L., Spinea, Italy	100.00
Graphisoft Japan Co., Tokyo, Japan	100.00
Graphisoft México S.A. de C.V., Mexico D.F., Mexico	100.00
Graphisoft North America, Inc., Waltham, Massachusetts, United States	100.00
Graphisoft SE, Budapest, Hungary	100.00
Graphisoft UK Ltd., Uxbridge, Great Britain	100.00
Nemetschek Austria Beteiligungen GmbH, Mondsee, Austria	100.00
Precast Software Engineering Co. Ltd., Shanghai, China	100.00
RISA Tech, Inc., Foothill Ranch, California, United States	100.00
Scia CZ s.r.o., Prague, Czech Republic	100.00
Scia France S.A.R.L., Lille, France	100.00
Scia Group International nv, Hasselt, Belgium	100.00
Scia Nederland B.V., Arnhem, Netherlands	100.00
Scia nv, Hasselt, Belgium	100.00
Scia SK s.r.o., Zilina, Slovakia	100.00
Scia GmbH, Dortmund, Germany (consolidated since November 1, 2021)	100.00
Solibri DACH GmbH, Hamburg, Germany	100.00

Solibri LLC, Scottsdale, Arizona, United States	100.00
Solibri Oy, Helsinki, Finland	100.00
Solibri UK Ltd., Leeds, Great Britain	100.00
Solibri Benelux B.V., Hoofddorp, Netherlands (consolidated since November 1, 2021)	100.00
Vectorworks Canada, Inc., Vancouver, British-Columbia, Canada	100.00
Vectorworks UK, Ltd., Newbury, Great Britain	100.00
Vectorworks, Inc., Columbia, Maryland, United States	100.00
Vectorworks Australia Pty Ltd., Rosebery, New South Wales, Australia (consolidated since July 14, 2021)	100.00
<b>Build segment</b>	
123erfasst.de GmbH, Lohne, Germany	100.00
Bluebeam AB, Kista, Sweden	100.00
Bluebeam Holding, Inc., Wilmington, Delaware, United States	100.00
Bluebeam GmbH, Munich, Germany	100.00
Bluebeam, Inc., Pasadena, California, United States	100.00
Bluebeam Limited UK, Ltd., London, Great Britain	100.00
Bluebeam Australia Pty Ltd., Sydney, Australia	100.00
Design Data Corporation, Lincoln, Nebraska, United States	100.00
NEVARIS Bausoftware GmbH, Bremen*, Germany	100.00
NEVARIS Bausoftware GmbH, Elixhausen, Austria	100.00
<b>Manage segment</b>	
Crem Solutions GmbH & Co. KG, Ratingen*, Germany	100.00
Crem Solutions Verwaltungs GmbH, Munich, Germany	100.00
Spacewell International NV, Antwerp, Belgium	100.00
FASEAS NV, Antwerp, Belgium	100.00
MCS Americas Single Member LLC, New York City, New York, United States	100.00
MCS NV, Antwerp, Belgium	100.00
MCS Solutions Private Ltd., Hyderabad, India	100.00
myMCS AB, Knivsta, Sweden	100.00
Axxerion Group B.V., Heteren, Netherlands	100.00
Axxerion B.V., Heteren, Netherlands	100.00
Plandatis B.V., Apeldoorn, Netherlands	100.00
Dexma Sensors S.L., Barcelona, Spain	100.00
<b>Media &amp; Entertainment segment</b>	
Maxon Computer Canada, Inc., Montreal, Québec, Canada	83.55
Maxon Computer GmbH, Friedrichsdorf, Germany	83.55
Maxon Computer, Inc., Thousand Oaks, California, United States **	83.55
Maxon Computer Ltd., Bedford, Great Britain	83.55
Maxon Computer Japan KK, Tokyo, Japan (consolidated since January 19, 2021)	83.55
<b>Other</b>	
Nemetschek, Inc., Washington, District of Columbia, United States	100.00

\* In the fiscal year 2021, the entities exercised the exemptions of Sec. 264 (3) HGB as follows:

- Option not to prepare notes to the financial statements (Friilo Software GmbH, Allplan Deutschland GmbH, Graphisoft Deutschland GmbH und NEVARIS Bausoftware GmbH) .
- Option not to prepare a management report (Allplan GmbH, Allplan Deutschland GmbH, Graphisoft Deutschland GmbH, NEVARIS Bausoftware GmbH and Crem Solutions GmbH & Co. KG).
- Option not to publish the annual financial statements.
- Option not to audit the annual financial statements (Allplan GmbH, Allplan Deutschland GmbH, NEVARIS Bausoftware GmbH and Crem Solutions GmbH & Co. KG).

\*\* In the fiscal year 2021 Red Giant LLC. and Redshift Rendering Technologies, Inc., have been merged with Maxon Computer, Inc.

\*\*\*In the fiscal year 2021 Precast Software Engineering was merged with Allplan GmbH, now operating under the name Allplan Software Engineering

### [33] Bodies of the Company

#### Supervisory Board

**Kurt Dobitsch**, Businessman

Chairman

Year of birth 1954, Nationality: Austrian

First appointed 1998, Term expires 2022

Member of the following Supervisory Boards:

- » Nemetschek SE (publicly listed),  
Munich, Germany, Chairman  
Mandates affiliated with the Group:
  - Graphisoft SE, Budapest, Hungary (until May 31, 2021)
  - Vectorworks, Inc., Columbia, USA (until May 31, 2021)
- » Bechtle AG (publicly listed), Gaildorf, Germany
- » Singhammer IT Consulting AG (not listed), Munich, Germany
- » United Internet AG (publicly listed), Montabaur, Germany  
Chairman, (until May 27, 2021)
- » 1 & 1 AG (publicly listed), Maintal, Germany, Chairman  
Mandates affiliated to the Group:
  - 1 & 1 Mail & Media Applications SE,  
Montabaur, Germany, Chairman
  - IONOS Holding SE, Montabaur, Germany

**Prof. Georg Nemetschek**, Businessman

Deputy Chairman

Year of birth 1934, Nationality: German

First appointed 2001, Term expires 2022

**Rüdiger Herzog**, Lawyer

Year of birth 1950, Nationality: German

First appointed 2003, Term expires 2022

Member of the following supervisory boards:

- » DF Deutsche Finance Holding AG (not listed),  
Munich, Germany, Chairman
- » DF Deutsche Finance Investment GmbH,  
Munich, Germany, Chairman
- » DBC Finance GmbH, Munich, Germany, Chairman

**Bill Krouch**, Businessman

Year of birth 1959, Nationality: US American

First appointed 2018, Term expires 2022

Member of the following supervisory board:

- » INVESTCORP (not listed), New York, USA

#### Committees of the Supervisory Board

Audit Committee (as of January 1, 2022)

**Rüdiger Herzog**, Chairman

**Kurt Dobitsch**

**Prof. Georg Nemetschek**

## Executive Board

### Yves Padrines

(Master of Business Administration, MBA)  
 Chief Executive Officer (as of March 1, 2022)  
 Born in 1976, Nationality: French

### Dr. Axel Kaufmann

(Dipl.-Kfm.)  
 Chief Financial & Operations Officer  
 Born in 1969, Nationality: German

Further group-internal mandate:

- » Managing Director Nemetschek Austria Beteiligungen GmbH

Member of Supervisory Boards of affiliated companies:

- » Bluebeam Holding, Inc., USA
- » Bluebeam Inc., USA
- » Maxon Computer GmbH, Germany
- » Nemetschek Inc., USA
- » Spacewell International NV, Belgium (as of January 12, 2022)

### Viktor Várkonyi

(Master of Computer Science, MBA)  
 Chief Division Officer, Planning & Design Division  
 Born in 1967, Nationality: Hungarian

Member of Supervisory Boards of affiliated companies:

- » Data Design System AS, Norway
- » dRofus AS, Norway
- » Graphisoft SE, Hungary
- » RISA Tech. Inc., USA
- » SCIA Group International NV, Belgium
- » SCIA NV, Belgium
- » Solibri Oy, Finland
- » Vectorworks, Inc., USA

### Jon Elliott

(Master of Business Administration, MBA)  
 Chief Division Officer, Build & Construct Division  
 Born in 1976, Nationality: US American

Further group-internal mandates:

- » CEO Bluebeam Holding, Inc., USA
- » CEO Bluebeam, Inc., USA
- » Director Bluebeam Ltd., UK
- » CEO Nemetschek Inc., USA

Member of the Supervisory Board of affiliated companies:

- » Design Data Corp., USA (until December 31, 2021)
- » Nemetschek Inc., USA (as of March 1, 2021)

Munich, March 17, 2022

Nemetschek SE



Yves Padrines



Dr. Axel Kaufmann



Viktor Várkonyi



Jon Elliott







## **Declaration Confirmation of the members of the authorized body**

“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 operations 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 and anticipated development of the Group.”

Munich, March 17, 2022



Yves Padrines



Dr. Axel Kaufmann



Viktor Várkonyi



Jon Elliott

*Translation of the German independent auditor's report concerning the audit of the consolidated financial statements group management report prepared in German*

## Independent auditor's report

To Nemetschek SE

### Report on the audit of the consolidated financial statements and of the group management report

#### Opinions

We have audited the consolidated financial statements of Nemetschek SE, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of comprehensive income for the fiscal year from 1 January 2021 to 31 December 2021, the consolidated statement of financial position as of 31 December 2021, the consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal year from 1 January 2021 to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report, which is combined with the management report of Nemetschek SE, for the fiscal year from 1 January 2021 to 31 December 2021. We have not audited the contents of the Company's information outside the annual report to which the cross-reference in section 1.3 of the group management report refer. In accordance with the German legal requirements, we have not audited the content of the non-financial declaration included in section 2 of the group management report or the corporate governance declaration, which is published on the website cited in the group management report and is a component of the group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- » the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as of 31 December 2021 and of its financial performance for the fiscal year from 1 January 2021 to 31 December 2021, and
- » the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the group non-financial

declaration or the content of the corporate governance declaration referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

#### Basis for the opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

#### Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 January 2021 to 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

#### 1. Recognition of revenue from software service agreements and software rental models

##### Reasons why the matter was determined to be a key audit matter

The business activities of the Nemetschek Group comprise the sale of software licenses, the rendering of services such as a telephone hotline and software upgrades as part of software service agreements ("service agreements") as well as software rental models. Software rental models generally contain the software

rental performance obligations as well as user support and software upgrades. Revenue from service agreements, which represents the largest share of revenue, is recognized on a pro rata basis over the term of the agreement. For software rental models, revenue from the performance obligations user support/upgrades is also recognized on a pro rata basis over the period in which services are rendered. The recognition of the performance obligation software rental depends on whether the application is accessed via servers provided by Nemetschek group entities or whether the customer runs the application directly on its local system. In the latter case, revenue is recognized when the customer is sent a link to download the software. In the event that the application is accessed via servers provided by Nemetschek group entities, revenue is recognized on a pro rata basis over the term of the agreement.

The allocation of the transaction price of the software rental agreements to individual performance obligations and the allocation of revenue from service agreements and software rental models in line with the accrual method of accounting constitute an area associated with a significant risk of material misstatement in the consolidated financial statements due to the judgment this involves and the materiality of the corresponding revenue, and consequently also constitute a key audit matter.

#### **Auditor's response**

In the course of our audit, we examined the processes associated with revenue recognition as well as the application of the accounting policies for service agreements and software rental models. We assessed the design of the accounting-related internal control system by obtaining an understanding of business transactions from their initiation through to their presentation in the financial statements as well as the controls implemented as part of the process.

Our substantive audit procedures included, but were not limited to, a review of the contractual bases including contractually agreed regulations regarding services rendered and termination rights. To assess the accounting performed by the executive directors, we performed substantive testing to verify that the prerequisites for the recognition of this revenue were met. In particular, to assess whether revenue from service agreements and software rental models was allocated to the correct period, we reconciled and recalculated on a sample basis the revenue recognized as of the reporting date as well as the corresponding deferred items for work in process with the contractual bases and compared records of payments received with bank statements. Data analysis procedures were also used in this context to evaluate business transactions. In order to detect irregularities in the

margin development over the course of the year and in comparison to the prior year, we carried out analytical audit procedures.

Our audit procedures did not lead to any reservations regarding the recognition of revenue from software service agreements and software rental models.

#### **Reference to related disclosures**

For information on the accounting policies applied to the recognition of revenue from software service agreements and software rental models, we refer to the disclosures in the notes to the consolidated financial statements under section Summary of significant accounting policies - Revenues as well as to no. 1 Revenue and no. 25 Segment reporting.

## **2. Accounting for business combinations**

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#### **Reasons why the matter was determined to be a key audit matter**

The acquisition of the business operations of Pixologic Inc., Los Angeles, USA, as of 29 December 2021 as well as the finalization of the purchase price allocation for Dexma Sensors S.L., Barcelona, Spain, acquired as of 11 December 2020 were a key audit matter on account of the significant impact of these business transactions on the consolidated statement of financial position and consolidated statement of cash flows as well as the assumptions and estimates required by the executive directors for the purchase price allocation.

#### **Auditor's response**

Our audit procedures in relation to the purchase of the business involved verifying the assessment by the executive directors regarding control of the entity acquired. To this end, we compared, among other things, the corporate law agreements with the criteria for control defined in IFRS 10 Consolidated Financial Statements.

In addition to comparing the consideration transferred by Nemetschek SE with the contractual bases, our audit procedures in relation to the purchase price allocation involved assessing the methodology for the identification of the acquired assets as well as the conceptual assessment of the measurement models, considering the rules in IFRS 3 Business Combinations. We verified the methods used to measure the fair values of the identified assets (including technology and the customer base). In addition, we verified the mathematical accuracy of the models used and, with regard to the determination of goodwill, verified the calculation as a residual amount between the consideration transferred

less the fair value of the identified assets and liabilities acquired, taking into account the resulting deferred taxes.

In the course of the audit of the finalization of the purchase price allocation for the acquisition of Dexma Sensors S.L. Barcelona, Spain, we also analyzed the assumptions and estimates based on judgment (for example growth rates, cost of capital rates, royalty rates or remaining useful lives) made to determine the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date in order to check whether they are consistent with general and industry-specific market expectations. In addition, we compared the expected future cash flows used for measurement with internal budgets and assessed the suitability of the appraisal of an external expert, which was used by the executive directors, as audit evidence, conducted interviews with the expert and verified whether the assumptions made reflect the view of an external market participant on the acquisition date.

We compared the accounting treatment of the assets and liabilities acquired in the business combinations with the accounting policies used in the Nemetschek Group. We also examined the tax effects of the combination and the presentation of the first-time consolidation in the consolidation system. Additionally, we assessed the disclosures in the notes to the consolidated financial statements in terms of the requirements stemming from the rules in IFRS 3.

Our audit procedures did not lead to any reservations regarding the accounting for these business combinations.

#### Reference to related disclosures

The disclosures on the accounting for business combinations are presented in the sections Summary of significant accounting policies, Judgements and estimates, Business combinations – Acquisitions in 2021, Acquisitions in 2020, as well as in no. 16 Intangible assets and goodwill in the notes to the consolidated financial statements.

### 3. Impairment of goodwill and intangible assets

#### Reasons why the matter was determined to be a key audit matter

Testing goodwill and intangible assets at the level of the cash-generating unit for possible impairments was a key audit matter, as the measurements underlying the impairment tests highly depend on the estimate of future cash flows – particularly against the background of the effects of the Covid-19 pandemic – and the discount rate used, and have a material effect on the consolidated financial statements.

#### Auditor's response

To assess the appropriateness of the measurements performed by the executive directors, we examined the underlying processes associated with the identification of the cash-generating units and determination of fair values, and also carried out substantive audit procedures.

To test the cash-generating unit for possible impairment, we gained an understanding of the measurement models used in terms of methodology and reperformed the calculations with the assistance of internal valuation specialists. In this context, we also examined whether the budgets reflect general and industry-specific market expectations and compared the measurement parameters used for the estimates of the fair values, including any implications from the Covid-19 pandemic – in particular the estimated growth rates, the weighted average cost of capital rates and the tax rates – with publicly available data. To determine the reliability of the budgets, we compared historical budget data with actual figures on a sample basis. This also took effects caused by the Covid 19 pandemic into account.

To be able to assess a possible impairment risk in the event of a potential change in one of the main assumptions, we also carried out our own sensitivity analyses.

Our audit procedures did not lead to any reservations regarding the impairment of goodwill and intangible assets.

#### Reference to related disclosures

For information on the accounting policies applied to the impairment of goodwill and intangible assets, we refer to the disclosures in the notes to the consolidated financial statements in the section Summary of significant accounting policies – Intangible assets and goodwill, Impairment of non-financial assets, as well as to no. 16 Intangible assets and goodwill.

#### Other information

The supervisory board is responsible for the supervisory board's report on the 2021 financial year of Nemetschek SE in the annual report 2021.

The executive directors and supervisory board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is published on the website cited in the group management report and is part of the corporate governance declaration. In all other respects, the executive directors are responsible for the other information.

The other information comprises the group corporate governance declaration as well as the group non-financial declaration referred to above. In addition, the other information comprises the prescribed elements of the annual report, which were provided to us prior to us issuing this auditor's report:

- » "Shape the world"
- » The section "To our Shareholders":
  - "Key Figures"
  - "Letter to Shareholders"
  - "The Executive Board"
  - "Report of the Supervisory"
  - "Corporate Governance Declaration"
  - "Nemetschek on the Capital Market"
- » Declaration of the members of the authorized body pursuant to Sec. 297 (2) Sentence 4 HGB and Sec. 315 (1) Sentence 5 HGB
- » Reference projects and
- » "Other Information" (financial calendar 2022, imprint)

but not the consolidated financial statements, not the group management report disclosures whose content is audited and not our auditor's report thereon.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- » is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- » otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the group management report**

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

### **Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and wheth-

er the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- » Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- » Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- » Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- » Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.
- » Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- » Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- » Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

### **Other legal and regulatory requirements**

Report on the assurance on the electronic rendering of the consolidated financial statements and the group management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

### **Assurance conclusion**

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the file Nemetschek\_KA+KLB\_ESEF-2021-12-31.zip SHA-256-checksum: [d57c965aa4ef16b4b867cba92020d78893005ccdec77520005bca694b15bd0d] and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from 1 January 2021 to 31 December 2021 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

### **Basis for the assurance conclusion**

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410) (10.2021). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

### **Responsibilities of the executive directors and the supervisory board for the ESEF documents**

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

### **Group auditor's responsibilities for the assurance work on the ESEF documents**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- » Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- » Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances,

but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- » Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.
- » Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- » Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

#### Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 12 May 2021. We were engaged by the supervisory board on 26 November 2021. We have been the group auditor of Nemetschek SE without interruption since fiscal year 2013.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

In addition to the audit of the consolidated financial statements, we have provided to the group entities the following services that are not disclosed in the consolidated financial statements or in the group management report:

In addition to the statutory audit of the annual financial statements and consolidated financial statements of Nemetschek SE, we also performed audits of the financial statements of subsidiaries.

Audit-related services included assurance services in respect of the non-financial declaration and the remuneration report in accordance with the AktG. We also performed review procedures with regard to determining adherence to the covenants from the loan agreements in place with banks.

#### Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Bundesanzeiger [German Federal Gazette] – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

#### German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Sonja Bauer.

Munich, 21 March 2022

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

Bauer	Hinderer
Wirtschaftsprüferin	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

*The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German version of the non-financial statement 2021 of Nemetschek SE. The following text is a translation of the original German independent assurance report.]*

## **Independent auditor's report on a limited assurance engagement**

### **To Nemetschek SE, Munich**

We have performed a limited assurance engagement on the non-financial statement included in the "Non-financial statement" section of the management report of Nemetschek SE, Munich (hereinafter the "Company"), which is combined with the non-financial statement of the Group and which additionally comprises the chapters "1.1 Group Business Model" in the combined management report for the period from 1 January 2021 to 31 December 2021 (hereinafter the "non-financial statement").

Our engagement did not include any disclosures for prior years and any references to further information outside of the non-financial statement.

### **Responsibilities of the executive directors**

The executive directors of the Company are responsible for the preparation of the non-financial statement in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB ["Handelsgesetzbuch": German Commercial Code] and Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder as well as in accordance with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as set out in section "EU Taxonomy" of the non-financial statement.

These responsibilities of the Company's executive directors include the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a non-financial statement that is free from material misstatement, whether due to fraud (manipulation of the non-financial) or error.

The EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU

Taxonomy Regulation and the Delegated Acts adopted thereunder in section "EU Taxonomy" of the non-financial statement. They are responsible for the defensibility of this interpretation. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

### **Independence and quality assurance of the auditor's firm**

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements - in particular the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

### **Responsibilities of the auditor**

Our responsibility is to express a conclusion with limited assurance on the non-financial statement based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's non-financial statement is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors disclosed in section "EU Taxonomy" of the non-financial statement. Not subject to our assurance engagement are other references to disclosures made outside the non-financial statement and prior-year disclosures.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- » Gain an understanding of the structure of the sustainability organization and stakeholder engagement,
- » Inquiries of the employees regarding the selection of topics for the non-financial statement, the risk assessment and the policies of the Company and the Group for the topics identified as material,
- » Inquiries of employees of the Company and the Group responsible for data capture and consolidation as well as the preparation of the non-financial, to evaluate the reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the assurance of the disclosures in the non-financial statement,
- » Identification of likely risks of material misstatement in the non-financial statement,
- » Analytical procedures on selected disclosures in the non-financial at the level of the Company and the Group,
- » Reconciliation of selected disclosures with the corresponding data in the annual financial statements and management report,
- » Evaluation of the process to identify the economic activities taxonomy-eligible and the corresponding disclosures in the non-financial statement,
- » Evaluation of the presentation of the non-financial statement.

In determining the disclosures in accordance with Art. 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

### Assurance conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial statement of the Company for the period from 1 January 2021 to 31 December 2021 is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors as disclosed in section "EU Taxonomy" of the non-financial statement.

We do not express an assurance conclusion on the other references to disclosures made outside the non-financial statement and prior-year disclosures.

### Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

### General Engagement Terms and Liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement ([www.de.ey.com/general-engagement-terms](http://www.de.ey.com/general-engagement-terms)). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, 21 March 2022

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

Richter	Meyer
Wirtschaftsprüferin	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]