

Letter to Shareholders

Dear Shareholders,

We continued the success story of the Nemetschek Group in 2021 and recorded once again an outstanding year. Revenues, earnings and profitability reached new record levels and we were even able to exceed our already raised targets for the financial year 2021. The Nemetschek Group therefore stayed on its long-running growth course in this past year as well. Additionally, we continued to strengthen and expand our market position as one of the world's leading partners for the AEC/O industry (Architecture, Engineering, Construction and Operation). Our solutions cover the entire life cycle of buildings and infrastructure facilities. In addition, we have further developed and strengthened our position in the media & entertainment market. Looking at our results, this means:

- » Group revenue increased by 14.2% to EUR 681.5 million in 2021; currency-adjusted growth amounted to an even higher 15.6%. The currency-adjusted revenue growth was therefore slightly above the published forecast range of 12% to 14%.
- » Earnings before interest, taxes, depreciation and amortization (EBITDA) grew over-proportionally compared to the revenue at a rate of 28.8% to EUR 222.0 million.
- » The corresponding EBITDA margin consequently improved from 28.9% in the previous year to 32.6% in 2021 and was thus also above the forecast range of 30% to 32%.
- » Net income increased significantly by 38.9% from EUR 96.9 million to EUR 134.6 million.

We are pleased to see that this growth has been achieved on broad operational basis. We were able to increase the revenues as well as the earnings in all four of our segments. In line with our strategy, the share of recurring revenues from service contracts as well as subscription and SaaS offerings continued to grow and today account for more than 61% of the total group revenue. In fact, our revenues from subscription and SaaS even grew at an even faster rate at 46%. This development means that our reve-

nues are becoming increasingly predictable, and our business is becoming structurally more robust and resistant – even across economic cycles. We will therefore continue to push the subscription business in the coming years, and our US brand Bluebeam in particular will accelerate the transition of its business in 2022.

As you have come to expect from Nemetschek, we want you, as our shareholders, to participate appropriately in the company's success. We will therefore propose to the Annual General Meeting on May 12, 2022, a dividend of EUR 0.39 per share for the fiscal year 2021.

This represents a 30% increase compared to last year's dividend (EUR 0.30 per share). Together with the outstanding price development of the Nemetschek share, this once again demonstrates the attractiveness of an investment in the Nemetschek Group.

Strategic Highlights

In 2021, we achieved an important strategic step in the long-term development of the Nemetschek Group by further strengthening our Media & Entertainment segment with our subsidiary Maxon. After the acquisitions of the two US companies Redshift and Red Giant in 2019 there followed a phase of integration. By combining the technologies and know-how of the acquisitions, we were able to significantly expand Maxon's customer base, accelerate its growth while simultaneously substantially strengthening its subscription business.

Maxon offers professional 3D modeling, painting, animation and visualization software solutions for the creative industry. Maxon's – often long-standing – customers are the "Who's Who" of the global media and entertainment industry as well as well-known industrial companies, and of course our architecture customers continue to use Maxon's software to visualize their designs.

With our Media & Entertainment segment, which accounted for around 10% of the group's revenue in 2021, we are systematically

tapping into new customer groups outside the AEC/O industry. We continue to see enormous growth opportunities for this business in the long-term. At the end of last year, we further strengthened our business with the acquisition of the Los Angeles-based company Pixologic, a specialist in digital 3D sculpting and painting.

Starting in 2021, we also focused on investment in start-up companies in order to further increase the innovative strength of the Nemetschek Group. Last year, we for example participated with minority stakes in funding rounds of three young and highly innovative companies from Germany, the USA and Norway. We will continue these investments in start-ups in the future because product excellence and innovative strength are the key to our ability to offer architects, engineers and facility managers real technological added value in the future.

More customer proximity and increased efficiency via the integration of our brands

Nemetschek's aspiration has always been to provide customers with a broad and integrated offering for all phases of the design, construction, and management process. To achieve this goal, it's important that we intelligently combine the know-how of our brands, exploit synergies, and offer solutions from a single source. With this in mind we merged Data Design System, our design software specialist for technical building equipment, with Graphisoft, the world's leading provider of Building Information Modeling (BIM) solutions, at the end of 2021.

Similarly, our brands Allplan and SDS/2 joined forces at the end of 2021 to combine their respective expertise in order to create a cross-disciplinary platform for architects, engineers and contractors which will also provide end-to-end support and integration for the design and construction process across all service phases.

Going forward, we will continue to examine our structures to see where a greater degree of integration creates additional value for our customers while simultaneously increasing our internal efficiency.

New levels of digitization

This is essential because the demands on the construction industry are constantly increasing worldwide. Global climate change, the energy transition as well as growing urbanization are continuing to increase the pressure to design, construct and subsequently operate buildings in a more environmentally friendly and resource-saving way. It is therefore becoming increasingly clear that sustainable planning and construction, including concepts for a true circular economy, cannot be possible without consistent digitization. In addition, the global Covid-19 pandemic has further strengthened the willingness of all project participants to communicate digitally. It is now important to further accelerate this trend.

New technologies such as artificial intelligence (AI), digital twins, robotics or virtual reality will help users to master the challenges of the AEC/O industry in the future. The Nemetschek Group will be a pioneer and pacesetter in these developments because the key factor in it all remains our core competence: enabling efficient collaboration between all parties involved in the construction process, with end-to-end workflows based on open standards.

We would like to express our sincere thanks to the more than 3,000 employees of our Group, who once again made this outstanding business performance last year possible with a high degree of commitment and under conditions that were not always easy. We would also like to thank you, our shareholders, for your continued confidence in our company.

Best regards,

The Executive Board