

# Combined Management Report for the 2021 Financial Year

## About This Report

The management report of Nemetschek SE and the Group management report for the 2021 financial year have been consolidated. The corporate governance declaration in accordance with Section 161 of the German Stock Corporation Act (AktG) is published on the website [ir.nemetschek.com/en/corporate-governance](https://ir.nemetschek.com/en/corporate-governance). The corporate governance declaration can also be found in the chapter [«< To our Shareholders >>](#). The consolidated financial statements prepared by Nemetschek as of December 31, 2021 comply with the International Financial Reporting Standards (IFRS), as applicable in the European Union (EU) as of December 31, 2021, as well as with the requirements of the German Commercial Code in connection with German Accounting Standards.

## 1 Group Principles

### 1.1 Group Business Model

#### Organization

The global Nemetschek Group comprises Nemetschek SE and its operating subsidiaries. The company's history dates back to its foundation in 1963 by Prof. Georg Nemetschek. Today, the Nemetschek Group is a leading global provider of software solutions in the AEC/O industry (architecture, engineering, construction and operation) as well as in the Media & Entertainment area.

The strategic holding company, Nemetschek SE, is headquartered in Munich, Germany. The company's operating activities are carried out via four segments with a total of 13 brands (previous year: 15 brands), with the brand alignment taking effect as of January 1, 2022. The brands are represented by subsidiaries or groups of subsidiaries that operate independently in the market. This group structure reflects the company's balanced philosophy of central management at holding company level and a high degree of entrepreneurial freedom at subsidiary level. The subsidiaries operate as independently managed brands in their respective end markets. This enables the individual brands to focus on their respective customers' needs in an agile and targeted way to increase the benefits and added value for the customer. For its part, Nemetschek SE is responsible for the central functions of Corporate Finance & Tax, Controlling, Investor Relations & Communication, Corporate Development & Operations, Mergers & Acquisitions, Human Resources, IT & Business Solutions, Corporate Audit and Corporate Legal & Compliance. In 2021 the function Start-up & Venture Investments was added.

The corporate structure of the Nemetschek Group, with its portfolio of solutions ensuring a continuous workflow across the entire construction lifecycle and encompassing solutions for the world of media, is reflected in the reporting structure for the four segments: Design, Build, Manage and Media & Entertainment. An Executive Board member or Segment Manager is assigned to each segment. This structure ensures regular segment reporting to the holding company. The close interlocking of the holding company and segments also ensures close coordination between the holding company and its subsidiaries as well as a high degree of management efficiency. To leverage synergies within the Nemetschek Group, the Executive Board members, in their roles as Segment Managers, support the coordination of strategic projects between the brands in their respective segment but increasingly also cross-segment cooperation between individual brands. As a result, the subsidiaries benefit from synergies at segment and Group level with regard to internationalization, the exchange of best practices, and sales and development activities.

The legal structure of the company is presented in the notes to the consolidated financial statements under item [«< 32 List of Companies in the Nemetschek Group >>](#).

#### Business Activities

The Nemetschek Group offers digital solutions for all disciplines across the entire lifecycle of buildings and infrastructure projects. The aim of offering networked solutions is to further improve cooperation between the various professional groups in the construction industry and to make this cooperation more efficient. This diverse portfolio comprising graphical, analytical and commercial solutions therefore enables an end-to-end workflow in the lifecycle of construction and infrastructure projects.

The brands are "experts" in their specific customer segment, and have a high level of expertise in their respective market segment. Customers include architectural and design offices of all sizes, structural planners, engineers of all disciplines, planning and service providers, construction companies and their suppliers, process controllers and general administrators, as well as property, building and facility managers. Added to this is the Media & Entertainment segment, which focuses on customers in the film, television, advertising, video game and metaverse sectors. The segment also serves customers from the AEC/O industry (e.g. rendering software for visualizing buildings).