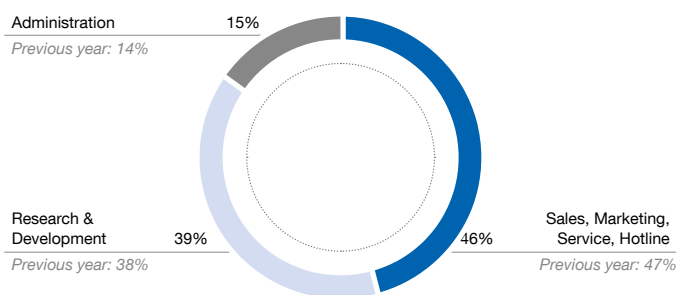


Employees by Function

On average, the Nemetschek Group employed 3,143 people worldwide in 2021, an increase of 4.5% compared with the previous year (3,008). The average number of employees in research and development was 1,232 (previous year: 1,158), or 39.2% of the total workforce (previous year: 38.5%).

The number of employees in sales, marketing and hotline averaged 1,457 (previous year: 1,403). In addition, 453 employees (previous year: 446) worked in administration (including 9 trainees after 12 in the previous year). Trainees are primarily employed in the commercial departments as well as in the IT and development departments.



Personnel Expenses

Personnel expenses increased by 9.3% to EUR 292.0 million in 2021 (previous year: EUR 267.1 million), resulting in a personnel expense ratio (personnel expenses/revenues) of 42.9% (previous year: 44.7%). The below average development of personnel expenses compared to revenues is partly attributable to the tight situation in the market for skilled workers in the IT environment.

3.4 Results of Operations, Financial Position and Net Assets of Nemetschek SE

The following information refers to Nemetschek SE as the parent company of the Nemetschek Group. The information is based on the German Commercial Code (HGB) on accounting for large corporations and the German Stock Corporation Act (AktG). The result of Nemetschek SE is dependent on the earnings of subsidiaries held directly and indirectly. The non-financial consolidated report (non-financial declaration) is combined with the non-financial declaration of the parent company under [<< 2 Non-Financial Declaration >>](#).

Revenue Development and Earnings Situation

Nemetschek SE's revenues of EUR 7.6 million in the 2021 financial year (previous year: EUR 7.2 million) resulted primarily from income from licensing the umbrella brand "A Nemetschek Company."

Other operating income increased to EUR 5.9 million (previous year: EUR 2.5 million). In the past financial year, it included among other things, income from recharges to subsidiaries amounting to EUR 5.6 million (previous year: EUR 1.2 million) as a result of more centralized license purchasing and a back-charge for the financial years 2016 to 2021. The operating expenses of EUR 27.2 million (previous year: EUR 17.7 million) include personnel expenses, consulting costs and other operating expenses. Personnel expenses increased due to the expansion of the central functions of Nemetschek SE and due to an increase in performance-related variable components from EUR 7.3 million to EUR 12.2 million.

Income from interests of EUR 67.4 million (previous year: EUR 60.3 million) includes EUR 67.3 million in dividends from subsidiaries (previous year: EUR 60.3 million). Income from profit transfer agreements in the amount of EUR 34.8 million (previous year: EUR 29.4 million) came as a result of profit transfers from Allplan GmbH, Frilo Software GmbH and Nevaris Bausoftware GmbH. Net income for the year amounted to EUR 81.0 million (previous year: EUR 74.0 million).

Net Assets

Nemetschek SE's balance sheet is mainly characterized by financial assets amounting to EUR 609.3 million (previous year: EUR 612.6 million). Affiliates accounted for by far the largest share at EUR 568.3 million (previous year: EUR 568.1 million). Owing to repayments amounting to EUR 5.3 million, loans to affiliates fell to EUR 39.1 million (previous year: EUR 44.4 million). With regard to current assets, current loan receivables from affiliates, trade receivables from affiliates and profit and loss transfer agreements amounted to EUR 160.8 million as of the balance sheet date (previous year: EUR 47.1 million).

The increase in receivables from and payables to affiliated companies results from the financing of the acquisition of the Pixologic business. Intra-group loans of USD 71 million were taken out or extended and passed on as a loan to the acquiring Maxon Group in the amount of USD 117 million. In addition, liquidity was raised through new debt financing. The open foreign currency position was partially hedged. The entire financing is short-term in nature.

At the end of 2021, cash and cash equivalents amounted to EUR 1.6 million (previous year's reporting date: EUR 8.5 million). The liabilities side of the company's balance sheet is dominated by liabilities to banks and Group companies. As a result of scheduled repayments and new loans, bank liabilities fell to EUR 118.2 million (previous year: EUR 129.5 million). Equity increased by EUR 46.4 million to EUR 477.3 million. Net income for 2021 of EUR 81.0 million was offset by the dividend payment for the 2020 financial year (EUR 34.7 million). The equity ratio of Nemetschek SE was 61.3% as of the balance sheet date (previous year: 64.2%).

Provisions rose by EUR 3.6 million to EUR 8.6 million. The main reason for this was the increase in provisions for employee remuneration associated with the good business performance (EUR 5.7 million; previous year's reporting date: EUR 2.1 million).

Liabilities to affiliates resulted mainly from cash pooling (EUR 81.5 million; previous year: EUR 70.1 million) and short-term intercompany loans of EUR 89.0 million (previous year: EUR 32.0 million).

In the 2021 financial year, control agreements and profit and loss transfer agreements existed with the following subsidiaries: Allplan GmbH, Frilo Software GmbH and Nevaris Bausoftware GmbH. There were also profit and loss transfer agreements and control agreements between Allplan GmbH and Allplan Deutschland GmbH.

Financial Position

Nemetschek SE's financing activities mainly comprised redemption payments of EUR 77.5 million (previous year: EUR 56.3 million), new loans in the amount of EUR 66.2 million and the dividend payment of EUR 34.7 million (previous year: EUR 32.3 million). In July 2020 and September 2021, Nemetschek SE increased its financial scope through additional bilateral credit lines in the amount of EUR 207 million. These credit lines were granted with a term of up to two years. At the end of 2021, Nemetschek SE drew down EUR 10 million from these credit lines and accordingly disclosed them as liabilities to banks in its balance sheet.

In the 2021 financial year, interest payments of EUR 1.0 million (previous year: EUR 1.1 million) were made on loans taken out and credit lines.

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

Nemetschek SE Employees

On average, Nemetschek SE had 57 employees in 2021 (previous year: 51).

Outlook for Nemetschek SE

The future development of Nemetschek SE with its significant opportunities and risks is strongly influenced by the forecasts of the Nemetschek Group set out in the Opportunity and Risk Report. Based on the Group's planning, Nemetschek SE also expects a slight increase in net investment income in the 2022 financial year. Accordingly, Nemetschek SE is assuming that earnings will continue to develop positively and that the annual result for the 2022 financial year will exceed that of the past financial year. The company plans to continue to distribute around 25% of the operating cash flow to its shareholders in the future. The dividend policy always takes into account the overall economic development and the economic and financial situation of the company.