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FINANCIAL STATEMENTS
(GERMAN GAAP)

NEMETSCHKEK AKTIENGESELLSCHAFT 2014

FINANCIAL STATEMENTS NEMETSCHEK AG

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MANAGEMENT REPORT OF NEMETSCHKE AG FOR THE FISCAL YEAR 2014

1 BASIC INFORMATION

1.1 BUSINESS MODEL OF THE GROUP

LEGAL STRUCTURE

Since Nemetschek AG is indirectly dependent on the developments of the individual investments the reporting in this management report also relates to the business development of the Nemetschek Group.

The Nemetschek Group is a leading global software provider for the AEC industry (Architecture, Engineering, Construction) and, as BIM 5D provider, offers an innovative and comprehensive solution portfolio for the integrated planning of 3D models combined with a professional time and cost planning system. From more than 50 locations worldwide and with its 13 independent brands, the Nemetschek Group serves around 1.8 million users in 142 countries. With its software solutions the company, which was founded in 1963 by Prof. Georg Nemetschek, addresses all those involved in construction and covers the complete life cycle of buildings, from planning and visualization to the actual construction process through to utilization, management and modernization.

The Nemetschek AG with its headquarters in Munich undertakes, as the holding company, the central functions in the areas of corporate finance and controlling, investor relations and corporate communication, business development and strategic corporate planning, central IT and services, human resources, risk management as well as corporate audit and compliance.

The holding comprises the four segments Design, Build, Manage and Media & Entertainment, to which 13 brands are allocated in total. The 13 brands appear as independently operating entities in the market. The managing directors of the operating subsidiaries act largely independently with a high degree of autonomy. As a result the brands can react quickly to customer demands, market developments and changing conditions. Despite the independence of the brands high management efficiency is guaranteed through continual reporting to the holding company and a constant dialogue. This holding structure offers Nemetschek a very good prerequisite for successfully structuring the future development of the company.

BUSINESS ACTIVITIES

The 13 brands, under the umbrella of the Nemetschek Group, provide solutions for architects and design offices, structural designers, civil and specialist engineers through to software for schedule and cost planning, tenders, awarding and invoicing of contracts, and execution of building work. Additionally, there are solutions for technical and commercial property management as well as visualization software for architecture, film, animation and advertising.

The wide range of graphic, analytical and commercial solutions accompanies building projects along their complete life cycle: From the planning and visualization of a building, the tendering and contracting of the building process with time and cost planning through to administration, controlling and management.

The central topic in the planning and construction process of buildings is the so-called Building Information Modeling (BIM) and the trend to 5D. With the Building Information Modeling (BIM) all relevant building data is digitally recorded and cross-linked. A virtual, three-dimensional building model arises. Time and cost are added as the fourth and fifth dimensions already in the simulation. BIM 5D enables an optimum co-operation of all those involved in the project over the whole life cycle of a property. Thus, particularly in realizing complex large projects, cost and efficiency advantages are possible and risks detected before these escalate as problems. In the five-dimensional future building is first visual and then real.

The Nemetschek Group was always concerned with providing the best possible solutions in order to master the challenges in the building process. As the pioneer of the BIM idea the Nemetschek Group has already followed this holistic approach for over 30 years. Nemetschek adopts an open approach (Open BIM). The open standard enables each Open BIM software from the

Nemetschek Group to communicate with every other software, even with software from competitors, via open data and communications interfaces. Thus, the seamless transition of all information relevant to the building is practically enabled throughout all levels of the origin and the operation of buildings.

The interconnected BIM software solutions of the Nemetschek Group for all five dimensions simplify the cooperation between all those involved in the building process. The project work is then faster, cheaper and more efficient. Errors are reduced. Thus, the Nemetschek Group is paving the foundation for an integrated, open 5D planning and realization process in the AEC sector.

BUSINESS SEGMENTS

The Nemetschek Group structures its activities into the four segments Design, Build, Manage and Media & Entertainment. The 13 brands under the umbrella of the Nemetschek Group are allocated to these four segments.

DESIGN

Nemetschek's software solutions are conceived traditionally for the building industry and are oriented to the specific needs and the working methods of architects, engineers of all types, structural designers, in-house technicians as well as for technical and landscape planners. With intelligent solutions the customers of the Nemetschek Group can successfully realize creatively and with attention to detail each exercise with maximum precision and accuracy from the earliest planning and design phase through to the works and execution planning. The portfolio comprises in particular BIM oriented solutions for Computer Aided Design (CAD) and Computer Aided Engineering (CAE), which set worldwide standards in the 2D and 3D design of and visualization of buildings.

The following brand companies are allocated to the Design segment: Allplan, Graphisoft, Vectorworks, Data Design System, Scia, Frilo Software, Glaser and Nemetschek Engineering.

Allplan, headquartered in Germany is known in the AEC sector as a competent software partner for architects, civil engineers, property developers, building companies and facility managers. The core product Allplan offers flexible and efficient tools for seamless planning, visualization and realization of visionary architecture, innovative engineering projects within building construction and civil engineering as well as formwork and reinforcement planning. The software covers all application levels of a BIM-oriented CAD- and CAE system: from the simple 2D designs to complex 3D models including quantity and cost determination. Since 2014 Allplan has also belonged to the in-house developed bim+ cloud technology and the BIM server. This platform forms the basis for future developments through which Allplan users will benefit even more from the advantages of the BIM working method. Furthermore, with its software Allplan Alfa, Allplan offers a comprehensive CAFM software (Computer Aided Facility Management) for efficient facility management. The Allplan software family thus enables all those involved in the whole development process of buildings to optimize the quality, cost and time. Allplan has numerous locations in Europe. The software, which is available in 19 languages, is mainly sold in the European market.

The European company **Graphisoft** is one of the globally leading manufacturers of architecture software.

With ArchiCAD, the first model-oriented 3D software for architects, Graphisoft changed the working methods of architects and became the forerunner of BIM. The BIM solutions enable a high degree of design freedom and guarantee a smooth and efficient work flow through all planning phases of a building project. The solutions portfolio also includes BIMcloud and BIM server products, which introduce a shift in paradigm for the joint planning in the project team. Thus, teams of any size can work together on projects of any scope in real time, independent of location. Furthermore, with BIMx Graphisoft offers an innovative and interactive presentation tool that is also suitable for the use of mobile end devices. In addition to its head office in Budapest Graphisoft now has eleven branches worldwide. The solutions, which are available in 25 languages, were sold around the globe in over 100 countries.

The American company **Vectorworks** develops and sells CAD and BIM solutions for drafting and execution planning and offer a broad spectrum of specific industry solutions for architects, interior designers, landscape planners, product designers as well as for lighting, stage design and event planners. The specific sector solutions of Vectorworks for Design, Architecture, Country and interior design have been specifically developed and tailored to these professional groups. Vectorworks is the most used CAD program on the Apple Macintosh in the world and is one of the leading programs for Windows. With Vectorworks Cloud Services users can additionally centrally save, share, call up and process data from any place – whether from the office or whilst travelling. Customers include large design offices as well as small trade businesses. With its flexible and intuitive solutions, the company counts as one of the leading suppliers worldwide in the field of 3D design technology. Today, designers and planners in over 85 countries work with Vectorworks technology.

The three globally leading brands Allplan, Graphisoft and Vectorworks, focused on architecture, have different key areas: Vectorworks is thus the choice software if design tasks are relevant. Graphisoft is the contact partner for interdisciplinary Open BIM projects and Allplan is preferred for the realization of very complex buildings.

In addition to the Allplan construction engineering product line Data Design Systems, Scia, Frilo Software, Glaser and Nemetschek engineering are also part of the focus on construction engineering. Solutions are offered for all areas of construction engineering for BIM, CAD, structural analysis, logistics and project management – from easy-to-learn starter products through to high-end solutions.

The **Data Design System (DDS)** located in Norway developed innovative CAD software solutions for the intelligent planning of technical building equipment (TGA). Leading with regard to innovation and functionality DDS offers solutions for the technical areas of electrical engineering, sanitary engineering, heating, ventilation and climate control technology as well as for photovoltaic systems. Furthermore, DDS develops and sells special software for the architecture and construction of wooden frame prefabricated houses in the Scandinavian building style. All DDS-CAD products support the Open BIM planning method. In addition to design offices and trade businesses DDS's customers include industrial companies and facility administration companies. With branches in Germany, Austria and in the Netherlands DDS mainly sells its solutions in the European market.

Scia, located in Belgium, is one of the leading global developers of software for industrial engineering, plant construction and civil engineering, for aluminum and steel construction as well as for the pre-fabricated concrete sector which supports the Open-BIM process.

The solutions portfolio comprises above all structural design, CAD engineering and interoperability solutions. With the high performance software solutions the company supports its customers in designing and manufacturing all types of constructions – from complex buildings to bridges and infrastructure through to challenging industrial buildings and energy plants. Scia is also represented successfully beyond Europe. The software translated in eight languages is sold worldwide in over 50 countries and is adjusted to the relevant building norms.

Frilo Software is one of the leading suppliers of calculation programs for structural construction tasks and structural engineering. With over 80 statistic programs Frilo Software covers a large area of statistical calculations in practice. Intuitive operation, quick results and constant alignment to current norms are decisive for the success of customers. Frilo Software prioritizes just this and offers solutions which are focused on the needs of customers and state of the art technology and norms. With functionality oriented towards the practical requirements of the daily routine of the engineer, the software is predominantly used in the German speaking world. Furthermore, an English-speaking version for international use is being made available.

GLASER -isb cad- is a leading producer of CAD building software for constructive engineering and the building supplies industry. Civil engineers, architects, draughtsmen and design engineers value the solutions of GLASER based on their simple, quick to learn and, above all, practice-oriented operating philosophy. Their fields of application reach to formwork and reinforcement planning as well to steel and wood building. In addition to the DACH region Glaser also aims at markets such as Italy, Russia or the Czech Republic.

Nemetschek Engineering develops and markets software for the pre-fabricated concrete industry. The advantages of the prefabricated production – such as quality, improved ability to plan in the building process and cost efficiency – are leading to the increased use of prefabricated concrete parts in several areas in the world. Nemetschek Engineering's solutions offer a highly efficient and highly-automated planning for prefabricated parts – from the

serial production to complete architectural elements and special parts. In the DACH region where prefabrication plants have been highly automated for years the Nemetschek planning solutions are the leading ones. With branches in Singapore and Shanghai these solutions are, however, also sold successfully beyond Europe.

BUILD

In the Build segment the Nemetschek Group offers commercial and technical software solutions for all phases of building planning and implementation. The solutions portfolio comprises cost and performance accounting, volume determination, deadline planning as well as solutions for tender, assignment and invoicing (AVA) of construction work. These are supplemented by PDF-based workflow solutions for digital working processes and collaboration.

The transition from the planning to the construction phase is seamless here based on won and third party 3D/CAD files. Thus, the customers receive concrete and valid measures and volume information for the reliable implementation, cost and time planning for quite simple or highly complex building projects. As a result the interests of the planners are reconciled with the needs of the implementers and users. Through the Nemetschek solutions portfolio existing 3D models can already today be supplemented by the dimensions time (4D) and costs (5D). On the realization of complex projects costs and efficiency benefits of up to 25 percent can be achieved in this way. The companies Nemetschek Bausoftware and the Austrian Auer belong to the business segment Build. Since its acquisition on October 31, 2014 Bluebeam Software Inc. has been allocated to the Build segment.

Nemetschek Bausoftware offers software solutions for building. With its programs Building for Windows and Building financials construction companies of all sizes in Germany, Austria and in Switzerland are addressed with primarily commercial, but also technical industry solutions. Its core products are integrated, solutions modularly established for the main and secondary construction industries. The customers from civil engineering and road construction, special, plant and turnkey construction receive optimal support in all areas – in obtaining contracts, in CRM, calculation, preparing offers, invoicing, financial accounting, cost accounting, controlling, material and equipment administration, surveying as well as payroll accounting. Special solutions for document management as well as invoicing for transport concrete and for gravel supplement the range. The company has a strong position in Germany and is the leader among the target group of larger medium-sized construction companies in Switzerland.

With its headquarters in Austria, **Auer** develops and sells commercial and technical software solutions for construction which is now available in 15 languages. Under the development management of Auer, together with Nemetschek Bausoftware and Nemetschek Allplan the continuous process oriented AVA and building software NEVARIS was developed. In combination with established 3D-CAD-Software NEVARIS enables the preparation of an intelligent building model. The areas 3D modeling, planning (AVA) and building technology solutions (calculation, invoicing, controlling) are united in just one software. Thus, the cost reliable, punctual processing of building measures was guaranteed. The perfect interaction of the NEVARIS product family leads to a comprehensive BIM-5D solution of the highest quality. As software of the newest generation NEVARIS also supports use in the cloud. The data filed in the cloud can be accessed from everywhere and at any time, even via mobile end devices. NEVARIS is offered as an on-premise and as a software-as-a-service solution.

New to the Build segment is the US American **Bluebeam Software, Inc.**, which was purchased on October 31, 2014 via the newly founded subsidiary Nemetschek US Inc., Delaware/USA. Bluebeam develops PDF based workflow and collaboration solutions which enable sectors that are document intensive to work more effectively. According to internal calculations the use of Bluebeam solutions increases productivity by 60 %, reduces the costs for paper and allocation by up to 85 % and leads to a time saving of 40 %. Through the provision of digital and paperless working processes the platform technology called „Bluebeam Revu“ substantially improves the collaboration of all those involved in the building. Today, the award-winning PDF preparation, mark-up and processing solutions are used by over 650,000 users worldwide. According to the study „Deloitte's Technology Fast 500“ of the consultancy company Deloitte, Bluebeam counts as one of the 500 strongest growing North American companies from the areas of technology, media, telecommunication, life science and environmentally friendly technologies. According to the industry ranking of the sector magazine Engineering News-Record more than 74 % of the top US companies are in the construction industry. Furthermore, Bluebeam increasingly addresses a large market potential of companies from the areas of oil and gas, supply, from manufacturing as well as authorities.

With this acquisition the Nemetschek Group not only extends its offer of solutions strategically but also strengthens its international market presence, above all in North America. At the same time through Bluebeam additional customer potential is opened for the strong CAD brands from the Plan segment. Bluebeam will, on the other hand, benefit from the stronger presence of Nemetschek in Europe and Asia.

The company fits perfectly to the strategy of the Nemetschek Group, to cover solutions along the complete life cycle in the AEC industry and to the obligation of open standards in the building process. All Nemetschek Group solutions can be integrated into the workflow of Bluebeam using the simple PDF conversion.

MANAGE

Property administrators are dependent today on commercial and technical solutions for the management of their properties in order to do justice to the increasing requirements. The solutions help to bridge the gap between cost pressure on the one hand and, increasingly demanding users and owners on the other hand. An important customer benefit arises from the fast implementation of the current changes to the law and elaborate and intelligent reporting.

The focus in the Use segment is on the IT solutions for the administration of complex commercial properties. Additionally, Nemetschek offers software solutions for the management of housing associations and large property management as well as comprehensive solutions for the computer-aided-facility-management (CAFM).

Crem Solutions belongs to the Manage segment – Crem stands for „Corporate Real Estate Management“. Crem Solutions is a leading German supplier of software solutions for commercial and technical property management. The core product iX house offers flexible and efficient instruments to administer property and covers the exact range of modern commercial property management.

Currently Crem Solutions is operatively used by companies from all areas of the administration of properties. These range from smaller administrators via widely diversified property and asset managers through to well-known capital and funding companies as well as globally operating property companies.

MEDIA & ENTERTAINMENT

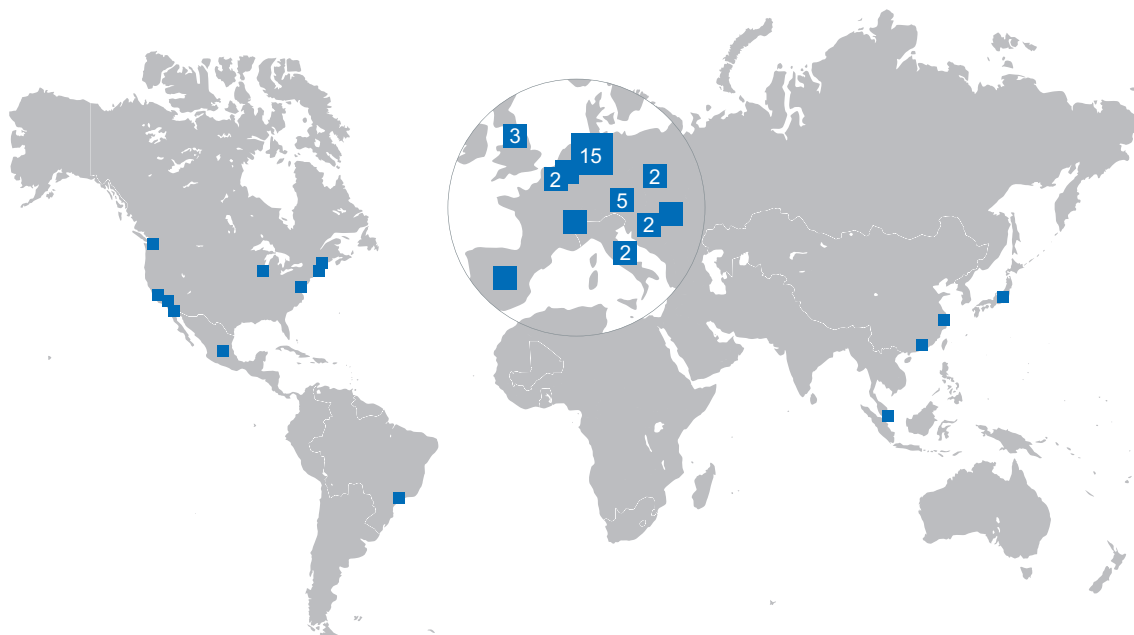
Architects, designers and, in particular the entertainment & media industries use the solutions from this segment in order to develop virtual buildings from plans, to create „tangible“ items from outline drawings and to create perfect illusions. Maxon Computer belongs to the Media & Entertainment segment.

Maxon solutions for professional 3D modeling, painting, animation and rendering have won several awards. They are used in film and television productions, in advertising or in creating complex computer games as well as in the visualization of architecture, medicine, product design or information graphics. Until now the company has developed worldwide to one of the leading producer in the 3D graphics area. Its original field of activity was the production of technical computer journals and the development of hardware and software. Over time its field of activity shifted to pure software production with a specialization in 3D graphic applications. Its main products are the software family around CINEMA 4D, the leading animation system for the media production as well as body paint 3D, the revolutionary 3D painting program. The products are characterized by their high working speed, absolute reliability and use of pioneering technologies.

Thanks to diverse areas of application and the resulting heterogeneous customer structure, the Media & Entertainment segment is relatively independent of industries and country borders. The software solutions are distributed via 150 sales partners in more than 80 countries worldwide. The company, located in Germany, maintains branches and representations in the USA, Great Britain, France, Japan and Singapore.

MAIN LOCATIONS

The Nemetschek Group has its headquarters in Munich and is represented with its 13 brands at more than 50 locations worldwide. The Nemetschek Group solutions are sold around the globe.



SIGNIFICANT SALES MARKETS AND COMPETITIVE POSITION

The complete AEC sector has consolidated increasingly over the past few decades. Nemetschek was actively involved in this process through acquisitions. Today, there are few globally operative suppliers like the Nemetschek Group. It is faced with a multitude of smaller, locally active companies. Competition occurs in extremely heterogeneous markets, which are characterized by numerous disciplines participating in the building process, various philosophies and different regional requirements and standards.

Unlike other large competitors in the market, with its software solutions the Nemetschek Group concentrates almost exclusively on the AEC market. In all four segments that the Nemetschek group addresses it is in competition with different companies. In its target markets in the Plan segment, which accounts for about 80.2 % of revenues, the Nemetschek Group is market leader in Europe and second worldwide. In other segments there are several local and international competitors.

The strong specialized brands in the Nemetschek Group understand that their solutions should be aligned to the needs of the customers and that they need to react quickly to market changes. Each brand is constantly working on improvements which are incorporated in the annually published releases of the individual software solutions. To meet the wide range of customer needs, the Nemetschek Group thus offers a broad range of solutions that are tailored to the special working requirements and local guidelines and norms. The direct proximity to the customers and the transformation of customer requirements into the solutions are part of the Group's philosophy.

Regionally the Nemetschek Group has its roots in Europe. In particular in the DACH region Nemetschek has a strong base and secures sustainable growth. Meanwhile, however, around 46 % of revenues are generated outside of the DACH region. North and South America, with the focus on Brazil and Mexico, and Asia, including in particular Japan, count above all as the growth markets of the future for Nemetschek. In Japan Nemetschek holds, in the meantime, a leading position with its BIM software solutions. The worldwide structure is reinforced by numerous branches. The Nemetschek Group is, among other locations, represented with its own offices in Brazil, Mexico, Japan, China and Singapore. The brand companies have their own distribution which is organized worldwide via their own sales teams. Additionally, the brands cooperate with distribution partners and retailers who exclusively sell brand solutions globally.

1.2 CORPORATE MANAGEMENT AND CONTROL

Nemetschek AG, with its registered office in Munich, acts as a strategic holding company. It holds majority shares in nationally and internationally operating brand companies which act with a high degree of autonomy in their relevant markets. The operational and strategic management of the group is performed via the four segments Design, Build, Manage and Media & Entertainment. The secret of the success of the 13 brands lies in the relationship of group membership and synergies on the one hand, and flexibility and independence on the other.

The corporate management of the group is based on the group strategy jointly approved by the executive and supervisory boards. This covers the strategic positioning of the Nemetschek Group and its solutions portfolio in the global sales markets, as well as its concrete, medium-term revenue and income projections. Corporate management is performed at the level of reportable segments. The group specifications and annual targets for the brand companies and their subsidiaries are derived from the strategic objectives. In the annual planning process at profit center level these company targets are agreed with the brand companies, are substantiated by them and assigned individual quantitative and qualitative targets for marketing, sales and development. The reconciliation of annual planning, individual targets and medium-term planning is performed in agreement with the general managers of the relevant brands and with the executive and supervisory boards.

During the year, the group targets are monitored on the basis of a group-wide management information system with detailed reporting of the key performance indicators for revenue, growth, earnings and risk. The central controlling indicators for the Nemetschek Group are revenues and growth as well as the operating result (EBITDA) per segment. Non-financial performance indicators as control measures do not exist at holding level. Non-financial performance indicators such as, e.g., customer satisfaction are measured at brand level. The measurement of customer satisfaction occurs at brand level through external surveys, feedback via direct sales, selling or reselling partners or via service. The results of the customer satisfaction survey represent an important source of information for future solutions, product improvements, marketing and selling activities.

The strategic and operative corporate management is performed by the executive board. Discussions on business development and expected to actual comparisons of the individual brand companies are performed regularly with the relevant management. Furthermore, there are regular cross-company reconciliation processes in all functional areas of the holding company.

1.3 OBJECTIVES AND STRATEGY

Nemetschek follows a firm growth strategy and focuses on the AEC and media & entertainment markets worldwide. The brand companies are constantly working on further expanding the strategic direction chosen and the related successful development with regard to growth, profitability and market leadership.

The major growth drivers are internationalization, innovations and new strategic growth fields which result from technological trends. Furthermore, Nemetschek builds on non-organic growth through intelligent and value-adding acquisitions. The growth strategy is aimed at growing organically quicker than the market average and to accelerate this growth through acquisitions. For acquisition projects the focus is on growth along the life cycle in the AEC market, the rounding off of the product portfolio and on internationalization.

INTERNATIONALIZATION

The globally represented Nemetschek Group follows a global growth strategy. In the past few years it constantly extended its market position, above all in the USA and Asia and, at the same time, reinforced and expanded its position in existing sales markets. In the meantime, in total 60.2 % of revenues are generated outside of Germany. This enables on the one hand the perception of additional regional growth opportunities and, on the other hand, leads to a better allocation of risks. The global distribution network, consisting of in-house selling, in particular in the core markets, as well as distributors and resellers, ensures close proximity to customers in all markets. The constant expansion of a worldwide service and sales business is a central concern and an important growth driver for the next years.

INNOVATIONS – ADDRESSING TECHNOLOGICAL TRENDS

With forward-looking solutions the Nemetschek Group addresses technological trends such as Building Information Modeling (BIM), five-dimensional building, collaboration, mobile solutions and cloud computing. These trends will strongly change industry and customer demands and influence future growth. Transparency, costs, the increasing complexity of projects and a comprehensive project management are topics with which the building sector has to deal with. Software for architecture, engineering and construction as well as the administration of buildings contributes decisively to mastering these requirements.

The success of the Nemetschek Group is based on innovations. The brand companies follow this philosophy.

With their solutions they set new benchmarks in the AEC and media & Entertainment markets and establish standards. The Nemetschek Group is constantly working on being a reliable and sought after partner for customers and on developing tailor-made solutions for them. The feedback from customers is thus significant for the further development of solutions. High customer satisfaction forms a decisive basis for a successful and sustainable corporate development.

The Nemetschek Group is the pioneer and brand owner of Open BIM and one of the first providers overall who can serve all five dimensions in the building process from one source. Five-dimensional building is attainable with the help of Nemetschek solutions. Nemetschek is, however, also an important trendsetter and opinion leader and, with the help of its solutions, it contributes to changing the working methods of the sector. The ultimate objective is to make available to customers the most appropriate and best possible tools for their projects in order that they can master the challenges with regard to design, costs, time and quality in the best possible way. This should also be ensured for the future. Around a quarter of the revenues generated therefore flow regularly into research and, thus, into new and further development of the solutions portfolio. Further information on innovation activity can be found in the section „Research and development“.

ACQUISITIONS

With regard to its size, long-term growth perspective, continuing technological changes and strong positioning of the brands, the AEC market is attractive for the Nemetschek Group. This basic situation couples with the solid balance sheet structure of the Nemetschek Group opens acquisition possibilities in order to generate further growth. Here the Nemetschek Group focuses on growth along the lifecycle in the AEC industry (horizontal expansion) and along end customer segments such as, for example, infrastructure or town planning (vertical expansion). Further areas of priority are on the rounding off of the solutions portfolio and expansion through new trends such as cloud, collaboration or mobile solutions and the internationalization of business activities. Basically there are three types of acquisition possible: Firstly, directly under the umbrella of the Nemetschek Group. The prerequisite here is that the target companies are of a certain size and generate final consumer revenues of at least EUR 10 million. Since, the more brands there are under the Nemetschek Group umbrella, the more complex management is. Further parameters are strong management, technological competence, international orientation and profitability. Secondly, the brand companies can acquire interesting target companies directly to the extent that the framework conditions such as the expansion of technology, sales and a healthy financial structure are available. Thirdly, the Nemetschek Group can invest in innovative and young companies – so-called incubators – in order to position itself early within a future topic such as 5D or Cloud. In this way the Nemetschek Group pools its many years of experience in the BIM market with new innovative ideas and principles.

The Nemetschek Group is highly attractive as a strategic purchaser for potential companies. In addition to the solid financial situation, the holding structure with its own brands is perceived as very positive by potential target companies. Through a sale the founders thus have the possibility of their company becoming part of a strong group, at the same time however, the requirements are created to maintain the company and to develop it independently.

With a view to the stable cash flows and the high net liquidity the Nemetschek Group is well positioned to secure external funds, also in future, at very attractive conditions for larger acquisitions.

Through investments in research and development, through strategically intelligent acquisitions, through global partnerships and sector-wide commitment the Nemetschek Group will defend and further expand its place at the technological peak of the AEC sector.

1.4 EMPLOYEES

The company employs an annual average of 19 staff over the year (previous year: 18). All employees receive appropriate compensation as well as various special benefits, for example offers of company pensions, company car rules and subsidies for canteen meals. In most companies there is additionally a performance-related remuneration, which is crucial to high employee motivation. The development of revenues and earnings of the relevant company, as well as the achievement of personal targets, are usually the criteria for measuring this. In some cases, a differentiation is made such that managers and sales employees are primarily measured based on the overall success of the company, whereas the variable remuneration for the other employees depends on the achievement of individual or team targets.

1.5 RESEARCH AND DEVELOPMENT

Nemetschek Group is a leading provider of software solutions for the digitalization of building processes and a pioneer with regard to innovation. Nemetschek's objective is to gradually expand its portfolio of solutions and to constantly improve those solutions already present in the market and to implement innovations in the market.

Innovative products are the basis for the success of the Group. Approximately one quarter of the revenues generated therefore flow regularly into product and process innovations. The high importance of research and development is also highlighted by the fact that the majority of the employees work in this area. On average for the year in 2014 in research and development the Nemetschek Group employed 605 staff (previous year: 575). That is around 44 % of the total number of employees (previous year: 45 %).

The focus of the development activities is on the releases of the individual software solutions of the relevant brands published annually. Close cooperation with customers is unavoidable with a view to the continued development of solutions, in order to commit customers and to be able to meet their requirements. In addition to the release for the 30-year anniversary of Allplan – the Allplan 30 Year Edition – all other brands also brought out new releases in the market. The three large 3D-CAD brands Graphisoft, Vectorworks and Allplan integrated the Cinema 4D Rendering Engine in their solutions as joint development work with Maxon. In this way photo-realistic renderings are possible directly from their CAD solution. The seamless data export of the CAD solutions in Cinema 4D allows planners to present their drafts with the help of high-end animation and demanding visualizations.

The adjustment of national norms is a central topic for internationalization. Scia, for example, issued the local version of its structural software in 2014, including the newest version of the Brazilian design codes for steel and concrete. In the same release the norms necessary for the USA were also integrated.

With regard to topics like Open BIM, 5D, Cloud, software-as-a-service (SaaS), collaboration or mobile application possibilities, Nemetschek is working on new tailor-measured solutions.

As a pioneer of Building Information Modeling, Nemetschek is counting on Open BIM as the basis for co-operations between manufacturers independent of software. Open BIM is the future of building and for Nemetschek part of the comprehensive brand Group strategy. Thus, today Nemetschek is already the leading provider of Open BIM solutions such as, for example with, Allplan, ArchiCAD or Vectorworks. Together with partners, and also as part of global BuildingSMART initiative, Nemetschek is intensively committed to the continued development and implementation of the appropriate standards, in particular of the Industry-Foundation-Classes (IFC). IFC is a manufacturer-independent and freely-available data exchange format that has proved particularly powerful for the exchange of 3D building-oriented planning data in the construction industry – regardless of which software the other project partners use. The brand companies are constantly working on improving, testing and certifying their data connections for the seamless exchange with other open BIM solutions. Furthermore, the brand companies are working on the development of collaborative additional functions – for example in order to follow which project participant received, read and potentially changed or approved which detailed information and when.

Reputable research institutes such as Gartner und Forrester Research deal with: Cloud computing solutions, the topic of mobility and flexible forms of use will experience strong growth in the future. Competitive building software providers will therefore be required to serve these customer needs. It is important here to attach the utmost attention to the topic of data security. The support of software on mobile end devices such as iPad, iPhone or Android equipment is consequently an obligation for a new software product.

In the fiscal year 2014 the Nemetschek Group invested across the group in research and development EUR 55.3 million (previous year: EUR 47.4 million). This represents as in the prior year around 25 % of Group revenue.

1.6 SUSTAINABLE AND RESPONSIBLE BEHAVIOUR

Sustainable economy is the basic prerequisite for long-term success. Sustainability means preparing the company to be secure in the future and to create conditions for a successful future. The Nemetschek Group has established itself as leading worldwide software company and provides its customers with innovative software solutions along the life cycle of buildings in the AEC industry and in the media & entertainment industries. Simultaneously, Nemetschek adopts social and ecological responsibility. Here the focus is on three aspects: The environment, employees and society.

ENVIRONMENT

The Nemetschek Group is constantly working on linking innovation and commercial success with the highest quality expectations and careful treatment of resources and the environment. The building sector plays a significant role in the discussion on the global climate change the building sector. The submission of an energy pass on renting or selling a building is meanwhile obligatory in Europe. Any additional costs for energy efficient design and building have usually been amortized within a few years. Against this background the pressure on the designers has intensified. Building owners today expect more than a good design – they want to know what effects the planning has on future energy consumption and place value on using environmentally friendly materials. Not „only“ the aesthetic and functional requirements of a building have to be implemented, it is even more important to harmonize these criteria with a positive ecological assessment of a building. Energy efficiency, absence of pollutants, recycling capability of building materials all play a significant role in the planning process. That is a challenge, above all, for architects, engineers or in-house technicians.

With the software solutions of the Nemetschek Group the philosophy of sustainability is maintained and efficient and environmentally friendly building encouraged, that is the careful use of scarce resources is enabled. The solution portfolio of Nemetschek supports architects and engineers in designing energy-efficient buildings and in minimizing material consumption. Almost all brands under the umbrella of the Nemetschek Group have the appropriate solutions in their solutions portfolio. ArchiCAD from Graphisoft, for example, has an integrated energy assessment with which the architects can perform a reliable and dynamic assessment of the energy requirement of the building model in order to decisively optimize the energy behavior of their designs. Allplan also focuses on energy-efficient building and refurbishing. With the optionally available energy pass module energy and ecology assessments of buildings can be performed from the Allplan model. Furthermore, Vectorworks offers an independent simulation and analysis tool for determining the thermal energy and thermal balance. And finally, the trend to „just-in-time“ implementation of precisely manufactured prefabricated concrete units also serves the environment. As a result of this the use of materials and transport to the building site are reduced. The Allplan Precast solution enables the comprehensive planning of the relevant processes in the prefabrication plants – through to the logistics at the building site.

The idea of environmental protection also has a high priority internally: For example, almost all brand companies use telephone and video conferences in order to reduce business trips to a minimum. Furthermore, innovative training methods such as e-learning and learning videos are used instead of printed manuals and operating instructions which significantly reduce paper consumption. These include, e.g., the compliance training. Also, download possibilities from the internet are successively replacing the sending of DVDs – a further component in protecting the environment.

EMPLOYEES AND WORKING ENVIRONMENT

A high degree of motivation and identification of the employees is a core element for the global success of the Nemetschek Group. The company promotes this by creating attractive working conditions and a positive working environment.

The brand companies are also keen to enable their employees to reconcile work and family. This is guaranteed among other things by flexible working time rules. The concrete structure for this varies and is also dependent on regulations specific to the country. The same applies to part-time work, for example, in the context of parental leave.

Of course, a comprehensive further education program with internal and external training also forms part of the best possible working conditions. The choice of training events ranges from specific technical training to foreign-language and IT courses through to management training and seminars.

As a result of the international orientation the topic of corporate compliance is increasing in importance. The Nemetschek Group places particular significance on the integrity in their dealings with stakeholders and on good relations with one another within the Nemetschek Group. To this end Nemetschek has defined a „Code of Conduct“ – a compass for the behavior of all employees of the Nemetschek Group worldwide. The relevant principles, which are also visible on the website of Nemetschek Group under „The Company“, are made accessible to the employees as part of special internal training courses.

COMPANY

Nemetschek has its roots in the university environment and has been present there for many decades with its software solutions. The brand companies provide free software licenses and on-line training materials to students and professors as part of their so-called campus programs. In addition to the core markets in Europe this is, in the meantime, also applicable for many further markets, above all the USA. Furthermore, Nemetschek also supports university projects on a regular basis: Thus, student competitions for promoting young talent in the areas of architecture and engineering are supported.

In Germany Allplan grants a student scholarship. It is aimed at graduates of vocational schools who are starting a course of study at a German university or college and who intend to obtain a „Diploma“ or „Bachelor“ degree in the field of architecture or civil engineering. The scholarship is for Euro 300 per month and is granted for a year. In addition there is close cooperation with universities and colleges. Nemetschek supports, for example, as a partner the Leonhard-Obermeyer-Center of the Technical University Munich, a think tank, in order to launch marketable digital processes for the construction industry. In this way the company promotes the young generation in architecture and engineering and, at the same time, secures itself a high affinity of potential future customers for its own software solutions. For the first time Nemetschek also awarded a doctorate post.

In the area of research diverse projects are supported. Here ArchiCAD training courses are offered in varying channels: either as part of free workshops for beginners and advanced students or also lecturers which are performed in each semester at numerous technical colleges and universities with regularly held webinars or with a fixed established tutoring program at many colleges and universities.

The US subsidiary Vectorworks awarded, for example, a scholarship in 2014 for which the students of all architectural and design institutions worldwide submit their best work and can win prizes worth USD 10,000 in total. All prize winners are nominated for the Richard Diehl Award, a prize which was named after the founder and now Chairman of Vectorworks. The winner receives a prize of USD 7,000.

Creative young talent is also considered: As sponsor of the new special category computer animation at the German Multimedia Prize mb21 MAXON does a great deal for young talent. This special prize is targeted specially at children from the age of 11, teenagers and young adults. Digital animation which is convincing through its aesthetic, its unusual story or its professionalism is distinguished. MAXON equips the winner here to a CINEMA 4D Prime software package.

Every two years Allplan and Scia hold a user competition for engineers. The topic of this years' international user competition, which is already being held for the ninth time, is 'The Art of Structural Design'. A technical jury nominated from the submission of extraordinary engineer building projects with Allplan, Frilo, Glaser or Scia Bezug, which distinguishes itself through originality, level of difficulty and special prestige. The use of Information Modeling (BIM) as an integrated planning method is a material aspect.

2 ECONOMIC REPORT

2.1 OVERALL CONDITIONS*

In 2014 the cyclical development of the world economy remained below expectations. The main causes were, above all, the weak economy in the Euro region and a rather restrained growth in the emerging countries. The German Council of Economic Experts forecasts in its current expert report a slightly increased growth in the global gross domestic product (GDP) from 2.6 % for 2014 after 2.5 % in the year 2013.

The Euro region suffered a lasting economic downturn but, after a decline in GDP of -0.5 % in the year 2013 managed in 2014 to increase by 0.8 %. The Euro region thus remains behind the other industrial countries which is, partially due to the fact that the deleveraging process of the private sector, in particular domestic households, scarcely made progress. After a good start in the year 2014 the economy in Germany clearly dampened from the middle of the year which was caused by the geopolitical risks and the unfavorable development in the Euro region. Overall, the GDP was able to grow by 1.2 % in Germany in 2014 after only 0.1 % in the prior year.

In the USA and in the United Kingdom there was an internal recovery which was predominantly supported by inland demand and had a positive effect on the employment markets. The USA was able to slightly increase its GDP from 2.2 % in 2013 to 2.3 % in the year 2014, the United Kingdom significantly from 1.7 % in the year 2013 to 3.0 % in 2014.

Although the Japanese economy is experiencing a slight upturn, the domestic demand is still fragile and dependent on fiscal political impulses. After a plus 1.5 % in the year 2013, Japan's GDP only achieved slight growth in 2014 of 0.8 %.

The emerging countries show subdued growth compared to the previous years. Their GDP grew by 4.6 % in 2014 after achieving 5.1 % in 2013. In the largest emerging market China, growth rates declined further during the course of 2014. Overall, GDP managed to increase by 7.4 % in 2014 after 7.7 % in the prior year. In Brazil growth only reached 0.2 % compared to 2.5 % in the year 2013. In individual countries the economic decline was stronger than expected which was caused by country specific factors, such as, e.g., the crisis in Eastern Europe.

* Source: Annual report 2014/15; German Council of Economic Experts on its appraisal of overall economic development;
<http://www.sachverstaendigenrat-wirtschaft.de/index.html>

CONSTRUCTION SECTOR SITUATION**

The European construction sector managed to recover in 2014 after two weaker years. In accordance with the forecast of the industry experts from EuroConstruct the construction volume in Europe showed growth of 1.0% after suffering a decline of 2.7% in 2013. In Germany the situation was more positive overall: After a slight decline of 0.3% construction volume grew again in 2014 by 2.4%. In 2014 further larger growth impulses in Europe were generated from the United Kingdom, Austria, Norway, Hungary, Poland, Sweden, Ireland and Denmark. On the other hand there was a decline in construction volume in the southern countries such as France, Italy, Spain and Portugal.

In addition to Europe the USA and also South America, including Brazil, are further important sales markets for the Nemetschek Group. In the United States the building investments managed to rise in the first half year of 2014 by 7.8% compared to the prior year according to the experts from Germany Trade & Invest. Similar growth is expected for the whole year. Construction of private housing however, which has been the main motor of the recovery in building since 2012, lost significantly in terms of impetus. On the other hand, commercial construction was able to gain momentum, profiting from a better overall economy.

Towards the end of 2014 the Brazilian construction industry cooled off and will only grow marginally by 0.4% in the year 2014 according to the professional association Sinduscon-SP. The sector index of the CNI association showed sector activity continuing at levels clearly below normal in November 2014. In accordance with Germany Trade & Invest the property market is undergoing an alignment phase.

The Nemetschek Group generates a major portion of its revenue in Asia in Japan. Here, in 2014 the construction industry was not able to continue the good results of the prior year. In accordance with experts from Germany Trade & Invest in 2014 there was a slight decline of 0.5%. This was, however, not unexpected since, in the private housing construction sector, the increase in excise duties meant that many projects had been brought forward to the year 2013.

The performance indicators of the construction sector presented here represent only some of many indications for the development of the Nemetschek Group markets. The AEC sector, which Nemetschek addresses with its software solutions, is currently experiencing very strong changes. Technological trends such as Building Information Modeling (BIM), 5D, digitalization, networking, collaboration, cloud computing or mobile solutions for tablets and smart phones change work flows and processes from scratch and will substantially influence the growth of the whole sector in the coming years.

In the digitalization of the added value chain in the construction sector and the use of BIM 5D, political circles in Germany foresee a substantial area for catching up. Abroad, digital building is already partially commonplace. With the passing of the directive for the EU Public Procurement Law, by 2016 all 28 member states of the European Union are obliged to use BIM in the realization of publicly financed construction and building infrastructure projects.

Germany is also catching up. The driving force for the introduction of BIM are software companies, colleges and universities, associations such as buildingSMART and, not least of all, political circles. The reform commission for large project construction established in 2013 by the Federal Ministry of Transport and Digital Infrastructure in Germany demanded halfway through 2014 an extensive digitalization of the AEC sector as a mandatory requirement for large public projects. Large-scale projects should be planned in the minutest detail before the first excavator arrives. As a result, timetables, costs and risks can be determined earlier and more precisely. Quality and efficiency improves. Currently, for example, „Bauen Digital GmbH“, is being established and shall substantially promote BIM working methods in Germany. Now the foundations are being laid for BIM 5D to establish itself increasingly strongly globally in the coming years and to develop as the basis for optimizing the planning, execution and use of buildings in the construction process. Thus, for software solution providers the potential and opportunities are excellent.

** Sources: Euroconstruct Summary Report, Nov 2014
Construction Industry (Structural/Building Construction) USA, Germany Trade & Invest, September 2014
Economic Trends Brazil: Year end 2014/15; Germany Trade & Invest
Economic Trends Japan: Year end 2014/15; Germany Trade & Invest

2.2 REPORT ON EARNINGS, FINANCIAL POSITION AND NET ASSETS

EARNINGS SITUATION

Revenues of Nemetschek Aktiengesellschaft amounting to EUR 1.2 million (previous year: EUR 2.1 million) result from income from trademark license fees. The decline compared to the prior year is mainly due to the transfer of the brand licenses to the development company as of June 30 2014. Other operating income of EUR 2.7 million (previous year: EUR 8.0 million) includes write ups to financial assets amounting to EUR 2.0 million. The write-up is the result of a permanent improvement in results for a subsidiary. Furthermore, it includes rental income and allocations within the Nemetschek Group. Operating expenses of EUR 7.4 million (previous year: EUR 6.5 million) include personnel expenses, consultancy fees and, for the most part, other operating expenses that can be re-charged to subsidiaries.

Income from investments amounting to EUR 26.3 million (previous year: EUR 14.4 million) relates to distributions by the subsidiary companies. Income from profit and loss transfer agreements amounting to EUR 14.5 million (previous year: EUR 11.7 million) result from profit transfers by Nemetschek Allplan Systems GmbH, Nemetschek Allplan Deutschland GmbH and Frilo Software GmbH (previously Nemetschek Frilo GmbH). Overall, net income amounted to EUR 34.5 million (previous year: EUR 27.3 million).

NET ASSETS

Within fixed assets the balance sheet of Nemetschek Aktiengesellschaft is characterized by the financial assets amounting to EUR 245.8 million (EUR 161.5 million). Of these EUR 207.2 million (previous year: EUR 157.5 million) relate to shares in affiliated companies. The increase mainly results from the capital contribution of EUR 46.2 million in the newly founded Nemetschek US Inc., Delaware/USA. Furthermore, a long-term loan was granted to Nemetschek US Inc. amounting to EUR 34.7 million. Both capital measures were performed to finance the acquisition of Bluebeam Software, Inc., Pasadena/USA.

Current assets include amounts due from affiliated companies for trading as well as profit/loss transfer agreements amounting to EUR 1.2 million (previous year: EUR 0.6 million).

Liquid funds fell from EUR 8.4 million to EUR 3.2 million. The cause of this were the payments in connection with the capitalization of Nemetschek US Inc.

The equity and liabilities of the company are characterized by the adoption of a bank loan of EUR 60 million for financing the purchase of Bluebeam Software Inc. and, in comparison to the previous year, equity is higher by EUR 22 million. The net income for the current fiscal year of EUR 34.5 million is matched by dividend payments of EUR 12.5 million. The equity ratio of Nemetschek Aktiengesellschaft amounts to 68.7 % (previous year: 88 %) at the closing date.

The amounts due to affiliated companies mainly result from cash pooling and other financing activities within the Nemetschek Group.

In the fiscal year 2014 there were profit and loss transfer agreements with the following subsidiaries: Nemetschek Allplan Systems GmbH, Nemetschek Allplan Deutschland GmbH and Nemetschek Frilo GmbH. Furthermore, there was a brand licensing agreement with Nemetschek Allplan Systems GmbH until June 30, 2014. This was transferred to Nemetschek Allplan Systems with effect from July 1, 2014. Nemetschek AG provides services to various subsidiaries in the group as set out in service agreements.

FINANCIAL POSITION

In the fiscal year 2014 the investment activity of Nemetschek Aktiengesellschaft was mainly focused on the capitalization of Nemetschek US Inc. for the purposes of acquiring Bluebeam Software, Inc. Overall, financial funds totaling EUR 80.9 million were invested in the form of a capital contribution and a long-term loan.

The financing activity of Nemetschek Aktiengesellschaft primarily consists of the taking up of a bank loan amounting to EUR 60.0 million and the dividend payment amounting to EUR 12.5 million (previous year: EUR 11.1 million).

Cash outflows of EUR 1.1 million (previous year: EUR 1.5 million) resulted from the servicing of the interest swap. Within the financing activities cash inflows to the company primarily arose from financial funds from cash pooling transactions as well as distributions from selected subsidiaries.

The liquid funds amount to EUR 3.2 million (previous year: EUR 8.4 million) at the closing date.

3 OPPORTUNITY AND RISK REPORT

OPPORTUNITY AND RISK MANAGEMENT

The corporate activity of the Nemetschek Group involves both opportunities and risks which are, above all, characterized by the diversity of the business of the Nemetschek Group. A risk management and control system is implemented for early detection, assessment and the correct management of business opportunities and risks. The risk policy is characterized by the basic principle of avoiding inappropriate risks and orientates itself to attempt to grow sustainably and profitably and to increase the company value. The risk and opportunity management is an integral part of all decisions and business processes in the group and thus supports the sustainable securing of future company success.

The aim is to analyze the risk profile of potential factors, detect changes in risk conditions and counteract negative developments in advance. An additional objective is to recognize and benefit from possible opportunities.

Responsibility for detecting risks at an early stage and dealing with them generally rests with the executive board. In performing its duties in this area, the board is assisted by the general managers of the subsidiaries, the defined risk owners, and the risk managers of the subsidiaries and of Nemetschek AG. The responsibilities of the risk manager include the summary, appraisal and reporting of risks and related counter-measures. The so-called risk owners are responsible for continuously identifying, assessing and managing risks in their respective strategic and operational areas. The internal auditor is also a key element of the risk management system and, in the course of his activities, he continually monitors the functional diligence and effectiveness of the processes.

To improve comparability, risks are valued across the whole group based on uniform quantitative and qualitative criteria. As part of a risk inventory, the current risk status of the Nemetschek Group is updated and documented.

ACCOUNTING-RELATED RISK MANAGEMENT SYSTEM AND INTERNAL CONTROLLING SYSTEM

The risk management system and internal controlling system generally also cover the accounting processes as well as all risks and checks with regard to accounting. This relates to all parts of the risk management system and internal controlling system that could have a significant impact on the consolidated financial statements.

The aim of risk management with regard to the accounting processes is to identify and assess risks that could prevent the consolidated financial statements from complying with the applicable regulations. The impact of identified risks on the consolidated financial statements must be assessed and evaluated. The aim of the internal controlling system is to establish sufficient security through the set-up of controls so that the consolidated financial statement complies with the relevant regulations, despite identified risks.

Both the risk management system and the internal controlling system cover Nemetschek AG and all subsidiaries relevant for the consolidated financial statements with all processes relevant for preparation of the financial statements. The controls relevant for accounting primarily concern the risk of a significant misstatement in the consolidated financial statements.

An evaluation of the significance of misstatements is based on the probability of occurrence and the effects on revenue, EBITDA and the balance sheet total.

Significant elements of risk controlling and management in accounting are the assignment of responsibilities and controls during the preparation of the financial statements, group-wide requirements in the form of guidelines on accounting and the preparation of the financial statements, and appropriate rules for accessing the IT systems. The principle of dual control and functional separation are also important control principles in the accounting process.

An evaluation of the effectiveness of internal controls with regard to accounting is an integral part of the checks carried out in 2014 by the internal audit department. Four times a year, the supervisory board is informed about the significant identified risks in the Nemetschek Group and the efficiency of the risk management system and accounting-relevant internal controlling system.

OPPORTUNITIES AND RISKS

The Nemetschek Group is faced with strategic risks of a medium to long-term nature. These are related to changes in environmental and market factors, competitive conditions, technological progress and management processes such as, for example, development and marketing, organizational or leadership processes. On the other hand, there are also operating risks that tend to be of a more short-term nature, and that can arise from changes in the market environment, inadequate and erroneous internal processes, systems or external factors as well as human error. As a result, the efficiency of the organization and the recoverable value of assets can be impaired.

The Nemetschek Group's factors for success are based on its decades of experience in the development and marketing of software solutions in the AEC environment (Architecture, Engineering, Construction) and the media & entertainment industries, its well-qualified, innovative and highly motivated employees at all levels, as well as stringent and efficient business processes. Opportunities for further development of the business base and for expansion of the portfolio are systematically identified and exploited where possible.

RISK EVALUATION

In order to undertake appropriate measures for risk management, in particular potential going concern risks, the risks identified are assessed with regard to their estimated probability of occurrence and, on occurrence, the expected scale of their effect on the earnings, net assets and financial situation, the share price and reputation of the Nemetschek Group and subsequently classified as „low“, „medium“ or „high“.

RISK POTENTIAL PROBABILITY OF OCCURRENCE

Level	Probability of occurrence
Very low	≤ 10 %
Low	>10 % ≤ 25 %
Medium	>25 % ≤ 50 %
High	>50 % ≤ 75 %
Very high	>75 % ≤ 100 %

RISK POTENTIAL DEGREE OF DAMAGE

Level	Potential degree
Very low	EUR 0.0 ≤ 0.25 Million
Low	>EUR 0.25 ≤ 0.75 Million
Medium	>EUR 0.75 ≤ 2.0 Million
High	>EUR 2.0 ≤ 4.5 Million
Very high	>EUR 4.5 Million).

MARKET RISKS

ECONOMIC RISKS (POLITICAL AND REGULATORY RISKS, SOCIAL CONFLICTS, INSTABILITIES, NATURAL CATASTROPHES)

The demand by customers for software, services and solutions from the Nemetschek company depends on their order situation and financing conditions. These could be influenced by the current situation and future expectations of the underlying conditions for the sector and the economy generally.

Nemetschek is active in various markets the economies of which can go into a recession and crisis due to potential cuts in state spending, new financial laws on spending and debt limitations, high unemployment, as well as natural catastrophes or conflicts. There is basically the possibility that, as part of a rapid change in the economic situation or state regulation in individual countries or in economic communities, conditions arise that threaten our existing business models or market opportunities in its substance. Such changes can in turn also have a negative influence on the sales, the financial and earnings situation and the existing assets of the company.

Nemetschek constantly follows the development of the important economies and their construction industries using generally available early warning indicators and an analysis of its own marketing situation. Thanks to its international sales orientation the company has the possibility of spreading risk. The markets which are, in particular, addressed intensively by the Nemetschek Group such as the EU, the USA and/or Japan, are focused on constantly by the company. Economic or political changes can affect the business activities of the Nemetschek Group. The conflict between Russia and the Ukraine has burdened the development of the world economy since 2014 and causes uncertainty. Subsidiaries of the Nemetschek Group also address this market and are, thus, currently exposed to high risks in the case that the political situation leads to a further economic downturn in Russia or to a trade embargo. The conflict in Syria, which endangers the stability of the economic region, represents a potential risk. Further effects could set off the recently reignited discussion about the withdrawal of Greece from the European Monetary Union. This could lead to great insecurity on the financial markets and to a higher volatility. However, it cannot be ruled out that the economic conditions in central markets can have lasting negative influence on the business activities, financial position and results of operations or on means of payment. However, the continued promotion of internationalism in Asia or in emerging countries such as Brazil, offers growth potential.

INDUSTRY SECTOR RISKS

The main opportunities and risks, which could lead to a significant change to the Nemetschek Group's economic situation, lie in the market and industry environments.

The AEC market is characterized by high-speed innovation speed. The significance of information technology and digitalization is growing constantly. Therefore, in the markets addressed by us there is still a great and continually increasing growth potential. The Nemetschek Group has a leading competitive position and is able to react quickly and flexibly due to its decentralized structure and to realize additional revenue potential. Conversely, a fall in demand can negatively impact the earnings situation at short notice due to a delay in aligning costs.

Revenue from Nemetschek Group solutions is distributed, however, geographically across several countries. Moreover, no individual customers account for a major share of revenues and, thus, there is no cluster risk. Consequently, the risks described above have not yet had any significant impact on Nemetschek's earnings situation. As a leading company in the AECM industry and thanks to its size and expertise Nemetschek has a good chance of continuing to expand its market share and to benefit from technological trends such as Building Information Modeling (BIM), 5D, collaboration, cloud computing and mobile solutions and the progressing digitalization and networking.

The success of the Nemetschek Group mainly hinges on the economic development in the construction and real estate industries. The order situation and financial strength of the construction industry and its players influence the industry's investments in software, and, in turn, the development of the group's business.

The fundamental willingness of private and institutional building clients to invest also plays an important role in future development. The general conditions of the economies in which Nemetschek is active can thus permanently impair the purchasing power of our target groups.

In addition, the negative expectation as regards further economic development could lead to a decline in investment.

The Nemetschek Group tracks such trends by regularly analyzing the significant early key indicators. Additionally, there is a particular focus on growth opportunities in the emerging countries which Nemetschek would also like to use consistently, as well as the demand for new innovative solutions.

Risks are diversified at Nemetschek additionally through involvement in markets in different countries, which are generally also characterized by different economic and competition risks. In addition, risk is spread by maintaining a broad client base and a wide product portfolio, while the large portion of revenue from maintenance work leading to recurring revenue, also serves to mitigate risk. Risk of default, namely the risk of contractual parties defaulting, is managed by means of credit approvals, the setting of limits, monitoring procedures and regular debt reminder cycles.

RISKS FROM THE COMPETITIVE ENVIRONMENT

The competitive situation also has a substantial impact on the opportunities and risk profile. The Nemetschek Group is active in an extremely intensely competitive and technologically fast-moving market. Apart from Nemetschek, there are not many large vendors active in the global AEC market. Future risks may arise in this context as a result of the pace of technological change, competitors' innovations or the appearance of new companies in the market.

Nemetschek, however, considers these risks manageable. The company invests substantially in research and development in order to further develop the solutions portfolio and to bring out innovations. About 25% of revenue is invested annually in research and development and, thus, to secure the leading market position. The Nemetschek Group sees itself as a competence provider which is prepared to go to special lengths to accommodate the needs of its customers. With its business segments Design, Build and Manage Nemetschek covers the whole life cycle of the buildings process. In addition to these the Media & Entertainment segment, which is mainly not dependent on a sector, has made good progress over the last few years. Thus, Nemetschek is exposed to lower risks than the other market participants.

Despite this, the risk exists that competitors offer software solutions with less functionality but at substantially lower prices in order to win over existing customers from the Nemetschek Group. In order to meet this risk the subsidiaries are constantly working on fulfilling customer wishes, offering innovative solutions and being convincing with comprehensive service and support services.

With regard to the current market situation we assess the occurrence of the economic risks from instabilities in particular in Russia as „high“. We estimate the extent as „medium“. The occurrence of risks from the competitive environment is assessed as „medium“, the extent of their occurrence is assessed as „low“. For all risks described here we currently see no effects on the financial, economic and earnings situation.

Risk category	Probability of occurrence	Scale
Economic risk with regard to Russia	high	medium
Further economic risks	very low	very low
Sector risks	very low	very low
Risks from the competitive environment	medium	low

OPERATIVE RISKS

CORPORATE STRATEGY

Risks can also result from corporate decisions which change the opportunity and risk profiles in the short and long terms.

Furthermore, the demand of customers for products, solutions and services is generally subject to constant change. The measures introduced for the continued development of the business for further product development, for expansion of business fields or marketing measures initiated could prove not to be successful. The risk also exists that the corporate decisions met and the allocation of resources for the permanent securing of the company are not adequate and jeopardize the substance of the company.

In order to control these risks there is a close cooperation between development and marketing of products and the requirements of the markets and of our target groups. The competitive situation is regularly analyzed with regard to technology, market participants and business models. Furthermore, as part of various sector forums the brand companies are continuously in close dialogue on the development of the AECM and Media & Entertainment segments with cooperation partners, analysts and key customers.

SALES RISKS

The varying sales models of the group are based on the approach of technically reliable sales partners and highly qualified employees with special knowledge. These contribute to the optimal processing of the customer segments and to ensuring high customer satisfaction and guarantee sustainability of the earnings situation. The brand companies administer the various markets as part of differing sales and business models. As a result of the partially high complexity of the solutions, marketing them is very demanding. Knowledge of the technologies and products is subject to constant change due to fast technical progress.

The loss of sales partners or of parts of sales personnel could negatively influence the earnings situation of the Nemetschek Group. The brand companies meet this risk through careful selection and training, as well as management, of the sales partners and personnel through incentive and performance systems. The sales employees are also paid performance-related variable premiums and provisions in addition to their fixed remuneration.

Sales risks also exist if the subsidiaries decide to establish their own selling team or own sales location in regions if a sales partner was previously operative there. Disputes could arise here with the current sales partners as well as customer dissatisfaction due to the change.

MARKETING RISKS

The Nemetschek Group generally generates revenues from software license sales and income from maintenance contracts from clients in the global AEC and Media & Entertainment segments. In addition to these two forms the trend is going more towards software as a service (SaaS) or rental models (so-called subscription). Already today some of the software solutions, for example NEVARIS, are offered as SaaS, however only to a limited extent. Large software houses have already converted their models from the classical desktop use to SaaS and subscription or they are in the process of doing so. In the USA in particular this conversion is being pushed. The risk is that the market moves faster in this direction than assumed by Nemetschek which could lead to negative effects on the financial situation, net assets and earnings.

PRODUCT RISKS

The market for software solutions is characterized by high speed technological progress and a resulting continual change. There is a basic risk that the innovative advantage achieved by the Nemetschek Group might be lost through innovations from competitors as well as through failure to acknowledge and adapt, at all or in time, to changing customer requirements and technological innovation. Thus, the future business success depends above all on our ability to offer innovative products which are tailored to the needs of the customers. Nemetschek counters this risk by generally offering annual release cycles for its software products. This is an opportunity to win additional market shares, thanks to the extensive products range tailored to local customer requirements. Nemetschek has, additionally, the

possibility of reacting quickly to changed conditions through its 13 independent and autonomous brand companies. Only through a constant optimization of our product range are we able to hold our edge compared to the competitors. As a result of its close proximity to customers and its innovative solutions the Nemetschek Group has good chances of future profitable growth.

Potential risks are attached to the process of developing software products in that they might fail to sufficiently fulfill customers' needs and internal quality standards. These include, for example the provision of content or so-called product libraries in the relevant software solutions which enable customers to easily prepare models by „drag and drop“. The trend here goes to open formats, such that along the value added chain these contents are available for import to and export from other software solutions without any problems.

The technology of third-parties is partly included in the software products of the brand companies. Where this is lost or there is a lack of quality in technology, this can lead to delays in own software supply, as well as to increased expenses for the procurement of replacement technology or for quality improvement. The brand companies account for this risk through careful selection of suppliers and an appropriate quality assurance.

PROJECT RISKS

To a limited extent Nemetschek generates revenues as part of project contracts with customers in various countries. This type of business has a different risk profile from a traditional software license business since, in order to provide the services, Nemetschek has to partially use staff with key knowledge and external personnel and is reliant on the support of the customers for project realization and on an exact documentation for provision of the service (systems specification).

It is possible that, due to inadequate service provision, compensation for damages can be claimed from the brand companies. For example, as a consequence of country-specific varying legal requirements Nemetschek may only meet contractual claims to a limited extent. To avoid such risks Nemetschek has issued guidelines on the awarding of contracts which require a legal and commercial examination of such projects.

TECHNOLOGY RISKS

The risk exists that technology used is no longer „state of the art“. This can relate to both existing and also future products. The product portfolio-strategy currently followed including Open BIM and 5D solutions, the provision of cloud solutions and use via mobile end devices should help the company to develop new markets and to secure market position.

Should the expected market demand for Open BIM and 5D solutions be weaker, or should completely different web technologies prevail, the situation could arise in which income does not cover the investments made.

Nemetschek bears this risk by constantly evaluating technology and by regularly updating market estimates, as well as focusing the product portfolio strategy on current market conditions. Overall, Nemetschek is convinced that new business opportunities will arise from the trend to Open BIM and 5D.

Risks arise if technologies such as the cloud are demanded quicker than expected and the matching solutions do not yet have the degree of market maturity expected by the customer. Nemetschek meets this risk through quick alignment and by intensifying the development activities.

LITIGATION RISKS

The core processes of software development, marketing and organization in the Nemetschek Group are subject to continuous checks and improvements by management. The performance and goal orientation of these processes is put to the test and optimized during strategic and operational planning. Nevertheless, the fundamental risks still exist that, due to inadequate availability of resources or changed underlying conditions, the required and planned process results might not meet customer requirements in terms of timing and content, and therefore might lead to loss of capital.

Further risk potential exists in the restructuring of the product lines. Thus, the migration of a product which has been on the market for a long time to a new solution can bring with it the risk of losing customers even if the migration takes place within the group. In such cases the Nemetschek Group makes sure that the communication between the brands is strengthened and a comprehensive marketing shows the advantages of migration.

EMPLOYEES

Recruiting and permanently retaining highly qualified employees is a key success factor for the Nemetschek Group. If managers or other qualified employees leave the Nemetschek Group and suitable replacements are not found, this may adversely affect business development. This issue is particularly sensitive if it also means losing knowledge and specific company data. To prevent this risk, the Nemetschek Group offers attractive working conditions and continually improves knowledge management processes. The debate on the skills shortage presents a challenge to the Nemetschek Group. In order to win young employees, the Nemetschek Group works very closely together with universities, awards scholarships and grants doctorate jobs.

ACQUISITION AND INTEGRATION RISKS

therefore, also strengthen and expand its own market position in future through acquisition. Acquisitions are carefully and systematically checked before contracts are signed. A standardized process for M&A with a particular emphasis on post merger integration and due diligence has been established.

In looking for appropriate acquisition objects Nemetschek is in competition with other companies. Additionally, with acquisitions there is also the corporate risk that the company acquired does not develop economically as expected. After the acquisition the companies are rapidly integrated in the reporting, controlling and risk management system of the Nemetschek Group.

Goodwill is subject to an annual impairment test. There was and is no requirement for impairment. However, impairment in the future cannot be fully excluded.

With regard to the current market situation we estimate the probability of occurrence of sales and product risks as „medium“ and their scale as „very low“. For marketing risks we classify their probability of occurrence as „very low“ and their scale as „low“. For technology risks we estimate the probability of occurrence and scale as „very low“. For litigation risks we assess the probability of occurrence as „low“ and their scale as „very low“. For all risks described here we currently see no effects on the financial, economic and earnings situation.

Risk category	Probability of occurrence	Scale
Corporate strategy	very low	very low
Sales risks	medium	very low
Marketing risks	very low	low
Product risks	medium	very low
Project risks	very low	very low
Technology risks	very low	very low
Litigation risks	low	very low
Employees	very low	very low
Acquisition and integration risks	very low	very low

LEGAL, TAX AND COMPLIANCE RISKS

TAX RISKS

With its branches worldwide the Nemetschek Group is subject to local tax laws and regulations. Changes to these regulations could lead to a high tax expense and to cash outflows related to this. Furthermore, changes would have an impact on the deferred tax assets and liabilities set up. However, it is also possible that changes in tax regulations have a positive effect on the earnings of the company. The Nemetschek Group has no influence on changes to the tax environment.

COMPLIANCE AND GOVERNANCE RISKS

The regulatory environment of Nemetschek AG, listed in the German TecDAX, is complex and has a high concentration of regulations. Any potential infringement of the existing regulations can have a negative effect on the net assets, financial situation and results of operations, the share price and the reputation of the company.

Customers of the Nemetschek Group are, to a limited extent, also governments or companies publicly owned and the business activities in the engineering area are partially influenced by contracts with large volumes. The prevalence of corruption or also only appropriate accusations can impede participation in public tendering and have negative effects on further economic activity, net assets, financial situation and results of operations, the share price and reputation. In light of this Nemetschek has, together with the implementation of the Code of Conduct for all employees, instituted an anti-corruption program. Compliance and corporate responsibility have always been important components of the corporate culture at the Nemetschek Group. In order to communicate the issue efficiently, sustainably and across the Group we use a modern training tool. The learning objective of this is that our employees recognize and correctly react to potentially critical situations.

LEGAL RISKS

In the software sector developments are increasingly protected by patents. The patent activities mainly relate to the American market, whereby protection of software by patents is also steadily increasing in other markets. The infringement of patents can have a negative effect on the net assets, financial situation and results of operations, the share price and the reputation of the company. The Nemetschek Group performs regular monitoring of patent activities of competitors.

The Nemetschek Group works in sales not only with its own sales force body but also with external service providers and several cooperation partners. Hereby, in particular for the external sales bodies, the risk is naturally that the sales agreements can be influenced by external influences with the appropriate loss potential in new business and portfolio erosion. The risk exists that sales partners do not renew their contracts with us at all, or not at conditions acceptable to us, or existing sales agreements are cancelled causing subsequent legal disputes and, thus, having a negative effect on our business activities, our financial situation and earnings position or cash flow.

With regard to the current market situation we assess the occurrence of legal risks as „medium“. The scale we assess as „low“. For all risks described here we currently see no effects on the financial, economic and earnings situation.

Risk category	Probability of occurrence	Scale
Tax risks	very low	very low
Compliance and governance risks	very low	very low
Legal risks	medium	low

FINANCE RISKS

Where there are high financial liabilities there is basically a liquidity risk where the earnings situation of the group worsens. Currently the Nemetschek Group has loan liabilities of EUR 60 million. However, Nemetschek generated clearly positive cash flows which enable the possibility of continuing to invest in organic growth as well as in acquisitions. The availability of decentralized funds is ensured by Nemetschek AG using a centralized cash pooling system. The objective of the Nemetschek Group with regard to financial risk management is to mitigate the risks presented below by the methods described. Nemetschek generally pursues a conservative, risk-averse strategy.

CURRENCY RISKS

The increasing international activity of the Nemetschek Group generally harbors foreign exchange risks. In the course of ordinary operations the Nemetschek Group is particularly exposed to exchange rate fluctuations due to its business activities especially in the USA, in Japan, in Hungary and, due to the current situation, also in Switzerland. The company's strategy is to eliminate or reduce these risks by entering into hedging transactions. The currency risks of the group occur due to the fact that the group operates and has production sites and sales establishments in different countries worldwide. All hedging measures are centrally agreed and coordinated with Group Treasury. Exchange rate fluctuations only have a limited effect at ultimate group level because the operating subsidiaries outside of the Euro region record revenue as well as cost of materials, personnel expenses and other expenses predominantly in their local currencies.

The brand companies enter into various types of forward exchange contracts, if required, to manage their foreign exchange risk resulting from cash flows from (anticipated) business activities and financing arrangements (in foreign currencies), differing types of forward contracts. At the balance sheet date, there are no pending forward exchange contracts in the group.

DEFAULT RISK AND RISK MANAGEMENT

Risk of default, namely the risk of contractual parties defaulting, is managed by means of credit approvals, the setting of limits, monitoring procedures and regular debt reminder cycles. Where appropriate, the company obtains additional collateral in the form of rights to securities or arranges global netting agreements.

The company does not expect that any of its business partners, deemed highly creditworthy, will fail to meet their obligations. The Nemetschek Group has no significant concentration of credit risks with any single customer or specific customer group. From today's perspective, the maximum credit risk can be calculated from the amounts shown in the balance sheet.

The Nemetschek Group only does business with creditworthy third parties. All customers that wish to perform material trade with the company on credit terms are subject to credit verification procedures if materiality criteria are exceeded. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to default risks is not significant. If risks of default are identified, appropriate accounting precautions will be taken.

For transactions that do not occur in the country of the relevant operating unit, the group does not offer credit terms without the prior approval of the head of credit control. Within the group there is no material concentration of default risks from today's perspective. With respect to the other financial assets of the group, which comprise cash and cash equivalents, the group's maximum exposure to credit risk, arising from default of the counter-party, is equal to the carrying amount of these instruments.

INTEREST RISK

As a result of the current financing structure of the Nemetschek Group there is no material interest risk in the opinion of management.

With regard to the current market situation we assess the probability of occurrence of default risks and risk management as „high“. The scale we assess as „very low“. For all risks described here we currently see no effects on the financial, economic and earnings situation.

Risk category	Probability of occurrence	Scale
Currency risks	very low	very low
Default risk and risk management	high	very low
Interest risk	very low	very low

SUMMARY ASSESSMENT OF THE GROUP'S OPPORTUNITY AND RISK SITUATION

In summary, the management of Nemetschek is convinced that none of the main risks identified above, neither individually nor as a whole, threaten the going concern principle, and that the group will continue to successfully master challenges and opportunities, also in the future. Compared to the previous year there were no material changes in the overall risk position and the specific risks described. Management is convinced that the risks are limited and manageable. The financial basis of the company is solid. The equity ratio of 46.8% is good and the liquidity situation comfortable. We see opportunities until now, in particular, in a stronger market penetration of our solutions portfolio and the addressing of further vertical markets in the value added chain of the AEC industry. Nemetschek's chances of expanding market position as the leading supplier of integrated software solutions for the whole life cycle of buildings, result from stronger internationalization, as well as in the systematic exploitation of the potential within existing markets, supported by the consistent implementation of new technologies. The Nemetschek Group will use the opportunities for further development of the company without losing sight of the associated risks.

4 OTHER DISCLOSURES

REPORT ON ENTERPRISE CONTROLLING AND DECLARATION ON CORPORATE MANAGEMENT

With regard to the information on corporate management and corporate governance we refer to section 1.2 in the management report.

DECLARATION OF CONFORMITY IN ACCORDANCE WITH § 161 AKTG

The declaration of conformity in accordance with §161 AktG (Stock Corporation Act) is published within the section Corporate Governance of the annual report of Nemetschek AG (as well as on the website www.nemetschek.com).

WORKING PRACTICES OF THE SUPERVISORY BOARD

The supervisory board of Nemetschek AG performed its duties in the fiscal year 2014 with great care in accordance with the law, constitution, and rules of procedure. In managing the group the supervisory board supported the executive board closely, advised it regularly and monitored it carefully as well as performing its duties with great care in the fiscal year 2014 in accordance with the law, constitution and rules of procedure.

The executive board informed the supervisory board regularly, on a timely basis, comprehensively, both orally and in writing, with regard to corporate planning and strategy, development of revenues, earnings and liquidity, planned investments the fulfillment of planning of the group, the segments and the individual companies including opportunities and risks. The current quarterly development and short and long-term prospects, as well as the long-term growth and earnings strategy, were regularly discussed and, within the scope of regular meetings over the course of the year, checked and scrutinized. The supervisory board was closely involved in decisions of fundamental importance for the company and informed itself in-depth as to the background and context of issues. On the basis of the executive board's reports the supervisory board supported the executive board's work and made decisions on actions requiring approval. The cooperation between the supervisory and executive boards was always open and trusting and the dialogue constructive. Based on detailed information from the executive board and its own examinations the supervisory board was able to completely fulfill its supervisory and advisory function.

In the fiscal year 2014, four regular supervisory board meetings were held – in the months of March (closing meeting for the 2013 financial statements), July, October and December. The supervisory board was represented in full at the meetings. In addition to the meetings, the written circular procedure was used for further urgent resolutions on current topics.

The topics focused on included the strategic alignment of the Nemetschek Group, the continued globalization, the expansion of the segments and the further development of the portfolio of solutions. Detailed reports were also requested and discussed on the relevant brand companies in the Nemetschek Group. Business performance which deviated from the corresponding annual targets was openly discussed in detail and jointly analyzed at the supervisory board meetings. Regulatory measures were initiated, where required. Furthermore, the board formed its own picture of the brand companies. The supervisory board regularly discussed the business development of the group and the individual brands, the net assets and financial position, as well as the implementation of the corporate strategy. The executive board provided transparent insight and explained decisions and development in an understandable and comprehensive way.

The acquisition strategy and specific projects were presented by the executive board and agreed closely with the supervisory board. In advance of the business acquisition of Bluebeam Inc. located in Pasadena, California, USA, the target company was analyzed and valued extensively. Opportunities and risks were extensively debated and discussed with the supervisory board.

EXPLANATORY REPORT OF THE EXECUTIVE BOARD ON THE DISCLOSURES UNDER § 289 (4) HGB

(1) COMPOSITION OF THE SUBSCRIBED CAPITAL

The nominal capital of Nemetschek Aktiengesellschaft as of December 31, 2014 amounts, as in the prior year, to EUR 9,625,000.00 and is divided into 9,625,000 bearer shares.

(2) RESTRICTIONS RELATING TO THE VOTING RIGHTS OR TRANSFERABILITY OF SHARES

There are no restrictions relating to the voting rights or transferability of shares.

(3) INVESTMENTS IN CAPITAL EXCEEDING 10 % OF VOTING RIGHTS

Direct and indirect investments in subscribed capital (shareholder structure) which exceed 10% of the voting rights are presented in the notes to the financial statements or in the notes to the consolidated financial statements of Nemetschek Aktiengesellschaft.

(4) SHARES WITH SPECIAL RIGHTS GRANTING CONTROL

There are no shares with special rights granting control.

(5) TYPE OF VOTING RIGHT CONTROLS WHEN EMPLOYEES HOLD INTERESTS IN CAPITAL AND DO NOT EXERCISE THEIR CONTROL RIGHTS DIRECTLY

There are no voting right controls on employees with shareholdings.

(6) LEGAL PROVISIONS AND STATUTES ON THE APPOINTMENT AND DISMISSAL OF MEMBERS OF THE EXECUTIVE BOARD AND AMENDMENTS TO THE STATUTES

The appointment and dismissal of executive board members is governed by §§84 and 85 of the German Stock Corporation Act in connection with § 7 of the statutes of Nemetschek Aktiengesellschaft. Accordingly, executive board members are appointed by the supervisory board for a maximum of five years. Reappointment or extension of the term of office is allowed, for a term of up to five years each time.

The amendment to the statutes is subject to § 179 of the Stock Corporation Act in connection with §§ 18 and 13 of the statutes of Nemetschek Aktiengesellschaft. These stipulate that the annual general meeting must pass a resolution to amend the statutes by a simple majority of the voting rights represented – provided that the law does not require a greater majority. According to § 13 of the statutes of Nemetschek Aktiengesellschaft the supervisory board is authorized to resolve changes that only affect their wording of the statutes.

(7) AUTHORIZATION OF THE EXECUTIVE BOARD TO ISSUE OR REDEEM SHARES

According to § 71 (1) No. 8 AktG the company requires a special authorization by the annual general meeting to acquire and trade its treasury shares, to the extent not legally expressly permitted. An authorization resolution was presented to the annual general meeting on May 20, 2014 and resolved accordingly by the shareholders.

In accordance with the resolution on agenda item 6 of the annual general meeting dated May 20, 2014, the authorization is valid as follows:

„6.1 The company is empowered to purchase up to 962,000 treasury shares by May 19, 2019, once or several times, which is almost 10 % of the current nominal capital, in full or in part complying with the following conditions. At no time may the shares acquired on the basis of this authorization, together with other shares of the company that the company has already purchased and still holds, or which are attributable to it in accordance with §§ 71a et seq. AktG (Stock Corporation Act), constitute more than 10 % of its share capital. The authorization may not be used for the purpose of trading treasury shares.

This authorization replaces the authorization adopted by the annual general meeting of Nemetschek Aktiengesellschaft on May 26, 2010 as agenda item 6, concerning the acquisition of treasury shares, which is hereby cancelled to the extent it is not exercised.

6.2 The shares are purchased, as opted by the executive board, via the stock exchange or by way of public offer, addressed to all the company's shareholders.

a) If the shares are purchased on the stock exchange, the purchase price of a Nemetschek share (excluding incidental acquisition costs) may not exceed or fall below the average closing price in the last five days of trading prior to the obligation to purchase them on the electronic exchange (Xetra – or a separately functioning comparable system instead of the Xetra system) by more than 10%.

b) If a public purchase offer is made, the offer price for a Nemetschek share (excluding incidental acquisition costs) may not exceed or fall below the average closing price on the Xetra exchange over the five days of trading prior to publication of the purchase offer by more than 10%. If the total number of shares tendered exceeds the volume of the purchase offer, shares will be subscribed on the basis of the relative quotas. Preferential subscription to small numbers of shares may be allowed, up to a maximum of 100 shares in the company offered for sale per shareholder of the company.

6.3 The executive board is empowered to use the treasury shares purchased pursuant to this authorization for any legally permitted purpose, in particular also for the following purposes:

a) With authorization by the supervisory board the shares may be offered to third parties as consideration for the acquisition of entities, investments in entities or parts of entities.

b) The shares may be redeemed with the approval of the supervisory board, without any further resolution of the annual general meeting being required for the redemption to take effect. Redemption leads to a reduction in capital. The executive board may alternatively decide that the share capital remains unchanged on redemption and is increased instead by the inclusion of the proportion of other shares within share capital in accordance with §8 (3) AktG. The executive board is authorized in this case to adjust the number of shares in the statutes.

6.4 The subscription right of the shareholders on these treasury shares is excluded to the extent that these are exercised in accordance with the above-mentioned authorization under item 6.3 lit. a) of the agenda.“

(8) SIGNIFICANT AGREEMENTS THAT ARE SUBJECT TO A CHANGE IN CONTROL AS A RESULT OF A TAKEOVER BID

The company has not entered into any significant agreements that are subject to a change in control as a result of a takeover bid.

(9) COMPENSATION AGREEMENTS OF THE COMPANY WITH THE MEMBERS OF THE EXECUTIVE BOARD OR EMPLOYEES IN THE EVENT OF A TAKEOVER BID

The company has not entered into any compensation agreements with the members of the executive board or employees in the event of a takeover bid.

REMUNERATION REPORT

SUPERVISORY BOARD

In addition to a fixed component, the remuneration paid to members of the supervisory board contains a variable profit based component. The variable compensation component is based on the consolidated earnings (diluted earnings per share). It is the view of the executive board and the supervisory board that this important ratio constitutes a reliable benchmark for increasing the intrinsic value of the shares and, thus, the company's performance.

Remuneration of the supervisory board breaks down as follows:

SUPERVISORY BOARD REMUNERATION

2014	Thousands of €	Fixed components	Variable components	2014
Kurt Dobitsch		30.0	118.5	148.5
Prof. Georg Nemetschek		22.5	118.5	141.0
Rüdiger Herzog		15.0	118.5	133.5
Total		67.5	355.5	423.0

2013	Thousands of €	Fixed components	Variable components	2013
Kurt Dobitsch		30.0	79.5	109.5
Prof. Georg Nemetschek		22.5	79.5	102.0
Rüdiger Herzog		15.0	79.5	94.5
Total		67.5	238.5	306.0

EXECUTIVE BOARD

The remuneration of the members of the executive board consists of fixed compensation and the usual additional components, such as health and care insurance as well as a company car, and a variable, performance-based compensation. The variable compensation has a current and non-current component.

The current performance-based (variable) compensation mainly depends on corporate objectives achieved (revenue and earnings per share) which are agreed between the supervisory board and executive board at the beginning of each fiscal year.

The non-current performance-based (variable) executive board compensation – also known as Long-Term-Incentive-Plan (LTIP) – depends on the achievement of fixed corporate objectives with regard to the development of revenue and operative results (EBITA). The period to be observed is always three fiscal years. Participation of the executive board in the LTIP requires an appropriate nomination by the supervisory board at the annual balance sheet meeting of the supervisory board. The three executive board members Patrik Heider, Sean Flaherty and Viktor Várkonyi were nominated in 2014 for the LTIP. In the fiscal year 2014 no non-current variable component was paid but earned.

EXECUTIVE BOARD REMUNERATION – CASH FLOW VIEW

	Patrik Heider				Sean Flaherty				Viktor Várkonyi			
	Spokesman of the Executive Board since March 1, 2014				since November 1, 2013				since November 1, 2013			
Thousands of €	2013 Initial Value	2014 Initial Value	2014 Minimum	2014 Maximum	2013 Initial Value	2014 Initial Value	2014 Minimum	2014 Maximum	2013 Initial Value	2014 Initial Value	2014 Minimum	2014 Maximum
Fixed compensation	0	167	167	167	16	96	96	96	16	96	96	96
Fringe benefits	0	15	15	15	0	0	0	0	0	0	0	0
Total	0	182	182	182	16	96	96	96	16	96	96	96
One-year variable compensation	0	318	0	318	0	0	0	0	0	0	0	0
Multi-year variable compensation LTIP 2014 – 2016	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	500	182	500	16	96	96	96	16	96	96	96
Service cost	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	500	182	500	16	96	96	96	16	96	96	96

	Dr. Tobias Wagner				Tanja Tamara Dreilich			
	vom 29. August 2013 bis 31 März 2014				bis 26. August 2013			
alle Werte in Tausend €	2013 Aus- gangs- wert	2014 Aus- gangs- wert	2014 Mini- mum	2014 Maxi- mum	2013 Aus- gangs- wert	2014 Aus- gangs- wert	2014 Mini- mum	2014 Maxi- mum
Festvergütung	82	67	67	67	143	0	0	0
Nebenleistungen	2	2	2	2	0	0	0	0
Summe	84	69	69	69	143	0	0	0
Einjährige variable Vergütung	0	60	0	60	2	0	0	0
Mehrfährige variable Vergütung LTIP 2014 – 2016	0	0	0	0	0	0	0	0
Summe	84	129	69	129	145	0	0	0
Versorgungsaufwand	0	0	0	0	0	0	0	0
Summe	84	129	69	129	145	0	0	0

Members of the executive board of Nemetschek Aktiengesellschaft were granted remuneration for the fiscal year 2014 of EUR 1,097 k (previous year: EUR 261 k) with a fixed component of EUR 443 k (previous year: EUR 259 k) and a short-term variable component of EUR 654 k (previous year: EUR 2 k).

5 POST BALANCE SHEET EVENTS REPORT

There were no significant events after the end of the fiscal year 2014. With regard to the underlying conditions described, there were no further material changes after the end of the fiscal year.

6 FORECAST REPORT 2015

ECONOMIC CONDITIONS REMAIN SOLID*

A slight acceleration of global growth can be expected for the year 2015. The German Council of Economic Experts expects an increase in the global Gross Domestic Product of 2.9%, whereby the instrumental growth drivers are the USA and Asia. Global growth is therefore, expected to be slightly above that of the prior year at 2.6%.

The Euro region will develop more cautiously with 1.0% growth (previous year: 0.8%). The bank and financial debt crisis, as well as the macroeconomic environment, continue to burden the Euro region. Italy and France are, in particular, in decline. For Germany, an increase in the GDP of 1.0%, i.e. a slight decline compared to the prior year at 1.2%, is forecast as for the Euro region.

The development in the USA looks far more positive. Here, the recovery of the employment market continued and private consumption climbed significantly, since the private sector is showing lower debt in the meantime. The growth in GDP amounts to 3.1% compared to 2.3% in the prior year. Growth will also accelerate in Latin America. GDP growth in 2015 is estimated at 2.4% (previous year: 1.4%). A substantial increase is expected in Brazil where growth of 1.5% is forecast in 2015 (previous year: 0.2%).

Asia will show stable growth of 4.6% (previous year: 4.6%). With an expansion in gross domestic product of 7.0% the dynamic growth in China is due to subside slightly (previous year: 7.4%), whereby there could be dampening effects for other emerging countries. In Japan at 0.9% economic growth is expected to be only minimally higher than in the prior year (0.8%).

It remains to be seen how the events in Greece and the crisis in the Ukraine affect overall growth.

* Source: Annual report 2014/15; German Council of Economic Experts on its appraisal of overall economic development;
<http://www.sachverstaendigenrat-wirtschaft.de/index.html>

CONSTRUCTION INDUSTRY MAINLY ON THE UPTURN**

The economic situation of the construction industry is a decisive influencing factor for the economic framework conditions for the Nemetschek Group, since most of the customers are directly or indirectly part of the construction industry. Most European countries will be able to increase their building volumes for the year 2015 in the opinion of EuroConstruct. These include Germany at 1.8 %, the United Kingdom at 5.1 %, the Netherlands at 3.4 % and Norway at 3.9%. Italy, Spain, Portugal, Finland and the Slovak Republic are likely to achieve the trend reversal and then be able to grow again in 2015. However, French building volume will continue to decline. In Switzerland negative growth is also expected.

In the opinion of the experts from Germany Trade & Invest the prospects are good for structural engineering in the United States due to the improved economic prospects. The economic upturn is gaining momentum here, however the opportunities of contracts in the public sector continue to remain limited. The building economy in Brazil is not expected to gain momentum again until the 2nd half of the year 2015. Among other things, the enforced savings by the government are slowing down infrastructure projects. The property market is still undergoing an alignment phase. Positive signals are resulting from the macro-economic stability course announced. The forecast for the Japanese building economy are rather restrained for the year 2015, whereby the medium to long-term prospects are more positive.

Overall, market experts are expecting a favorable development in the construction industry in the year 2015. For the Nemetschek Group this means that the markets relevant to it are continuing to experience positive growth impulses.

ORGANIC AND NON-ORGANIC GROWTH

Based on the predominantly positive impulses of the construction industry and the assumption that the technological growth drivers in the AEC market, such as Building Information Modeling (BIM), 5D, collaboration, cloud computing and mobile solutions as well as the ongoing digitalization and networking of all those involved in the building, will provide for further growth, Nemetschek is again expecting successful business development for the year 2015. With acquisitions and investments the Nemetschek Group can also gain access to further regional markets and extend its technological competence in future. Thanks to the high cash flows and the solid balance sheet the Nemetschek Group has access to the necessary financial funds to finance the planned future growth, whether organic or through acquisitions.

INNOVATIONS AND FOCUS ON CUSTOMERS

The main drivers of future growth are innovations. Only the companies that offer innovative and customer-oriented solutions will be at the top of the AEC market. The objective of the Nemetschek Group is therefore to gradually expand its portfolio of solutions and to constantly improve those products and solutions already present in the market. For the brand companies the focus of the development activities is on the close proximity to customers in order to take advantage of market opportunities. The share of expenditure for research and development compared to revenues amounted to around 25 % in previous years. For 2015 this expenditure shall also remain at a this level in order to secure the innovation ability of the company in the long term.

INTERNATIONALIZATION

The Nemetschek Group follows a global growth strategy. In addition to its core markets in the DACH region the Nemetschek Group is attempting to grow further abroad. The focus is particularly on North and Latin America (Brazil and Mexico) as well as Asia. Nemetschek will continually extend its geographical presence to gain and support customers and drive forward the expansion of its worldwide selling and marketing activities. The solutions portfolio which covers the complete life cycle in the AEC industry, as well as the long-term know-how of the Nemetschek Group, is in demand worldwide.

** Sources: Euroconstruct Summary Report, Nov 2014
Construction Industry (Structural/Building Construction) USA, Germany Trade & Invest, September 2014
Economic Trends Brazil: Year end 2014/15; Germany Trade & Invest
Economic Trends Japan: Year end 2014/15; Germany Trade & Invest

FINANCING, INVESTMENTS AND LIQUIDITY

With an extremely strong balance sheet the Nemetschek Group views itself as being well positioned for the planned growth in 2015. As in the prior years a high operating cash flow will strengthen liquidity and offer enough scope for planned investments in development, sales and marketing. These also include investments in property, plant and equipment and potential acquisitions and investments.

Significant cost items within the Nemetschek Group are personnel expenses and other operating expenses. In 2015 the Nemetschek Group will also recruit additional experts globally and is, thus, planning a further moderate increase in personnel expenses. Other operating expenses include primarily selling expenses and are expected to also rise slightly in 2015 as a result of the unchanged international expansion.

DIVIDEND POLICY

The Nemetschek Group follows a sustained dividend policy and allows its shareholders to share appropriately in the company's development both now and in the future. The company will also propose a dividend payment for the fiscal year 2014 to the annual general meeting on May 20, 2015.

OVERALL EVALUATION OF THE EXPECTED DEVELOPMENT

Its excellent competitive position, strong market positioning, fundamental know-how and many years of experience along the life cycle in the AEC and Media & Entertainment markets are a sound basis for further profitable growth of the Nemetschek Group. Under the assumption of positive growth impulses through technological trends in the AEC and media industries, as well as with a view to planned activities in the individual brand companies, the Nemetschek Group looks forward positively to the year 2015. The Nemetschek Group will also continue its corporate policy aimed at sustained growth in the future and invest in new customers, innovative solutions and further internationalization. As an innovation driver the Nemetschek Group addresses topics such as BIM and 5D with its solutions, offers tools for collaboration and provides mobile and cloud solutions. Thus, the opportunities for a continued positive business development and the expansion of its position as the leading provider of solutions along the lifecycle within the AEC sector are available. In the next few years the Nemetschek Group will grow, organically and through targeted acquisitions, more strongly than the overall market of the building sector.

With its business model the Nemetschek Group views itself as very well prepared to master the future challenges in its relevant markets. With license sales the Nemetschek Group is steadily extending its customer base. Furthermore, it secures recurring income from service contracts. Depending on customer requirements Nemetschek also supplies solutions which can be used as software as a service. This secures Nemetschek overall a stable basis for a sustainable development. Based on new releases and innovations, further internationalization with a strong sales network and high customer satisfaction, Nemetschek expects an increase in revenues in all four segments.

In addition to organic growth the Nemetschek Group expects non-organic growth effects in the Build segment through the successful acquisition of Bluebeam Software Inc. Bluebeam addresses, on the one hand, the trend towards collaboration with innovative software solutions and, on the other hand, strengthens the positioning of the Nemetschek Group in the USA.

For the fiscal year 2015 Nemetschek plans an increase in revenue for the whole group ranging from EUR 262 million to EUR 269 million (+20% to +23%). EBITDA of between EUR 62 and 65 million is expected. Nemetschek expects pure organic growth (without Bluebeam Software Inc. which was acquired on October 31, 2014) in a corridor of between 6% and 9%.

On a segment basis the Nemetschek Group views itself as well positioned in the Design segment, based on the strong market positioning of its brands with BIM oriented solutions for the 3D planning and visualization of buildings. In the year 2015 growth in revenues is expected within the planned organic growth and this will be carried by the further development of the solutions portfolio and the continued internationalization.

The **Build** segment will promote the further development of the NEVARIS product family, the comprehensive BIM 5D solution, in order to guarantee an efficient and consistent model-based way of working in planning and execution. The focus is on the exact timing (4D) and cost reliable (5D) processing of building measures just as on their marketing. The Nemetschek Group is expecting a very strong development of the segment in the year 2015 due to the acquisition of Bluebeam. The pure organic percentage revenue growth of the Build segment is expected to be in the mid single-digit region.

In the **Manage** segment the focus in 2015 will be on selling activities and on the further extension of securing customers from property management. In the fiscal year 2015 the Nemetschek Group expects growth rates in the lower double-digit region.

In the **Media & Entertainment** segment investment will be increased in the solutions portfolio in order to expand the customer base and to grow even stronger internationally. In this segment growth rates are also expected in the lower double-digit region.

The development of many exchange rates important for the Nemetschek Group, in particular the euro to the US dollar, the Swiss franc, the Japanese yen and the Hungarian forint can influence the revenue and results forecast.

The future development of Nemetschek AG is significantly influenced by the forecasts for the Nemetschek Group described above. Nemetschek AG accordingly expects a continued positive development in earnings for the fiscal year 2015.

NOTE ON FORECASTS

This management report contains statements and information about transactions and processes that are in the future. These forward-looking statements are identified from formulations such as „expect“, „intend“, „plan“, „evaluate“ or similar terms. Such forward-looking statements are based on our expectations today and certain assumptions. They therefore involve a number of risks and uncertainties. Numerous factors, many of which are outside the Nemetschek Group's sphere of influence, affect the Nemetschek Group's business activity, success, business strategy, and its results. This can lead to the actual results, success, and performance of the Nemetschek Group materially deviating from the information on results, success, or performance explicitly or implicitly mentioned in these forward-looking statements.

Munich, March 11, 2015



Patrik Heider



Sean Flaherty



Viktor Várkonyi

BALANCE SHEET NEMETSCHKE AKTIENGESELLSCHAFT

as of December 31, 2014 and December 31, 2013

ASSETS	in €	Dec. 31, 2014	Dec. 31, 2013
A. FIXED ASSETS			
I. Intangible Assets			
Purchased franchises, industrial rights and similar rights and assets and licenses in such rights and assets		7,881.75	274,732.78
II. Property, plant and equipment			
1. Leasehold improvements		5,470.84	10,941.64
2. Fixtures, fittings and equipment		27,937.00	46,586.06
		33,407.84	57,527.70
III. Financial assets			
1. Shares in affiliated companies		207,178,347.16	157,526,231.57
2. Loans due from affiliated companies		36,643,786.81	1,950,000.00
3. Investments		2,025,303.93	2,025,303.93
		245,847,437.90	161,501,535.50
TOTAL FIXED ASSETS		245,888,727.49	161,833,795.98
B. CURRENT ASSETS			
I. Accounts receivable and other assets			
1. Accounts receivable from trading		3,286.78	3,232.04
2. Accounts due from affiliated companies		1,198,530.13	648,688.23
3. Other assets		940,859.33	171,736.47
		2,142,676.24	823,656.74
II. Cash and cash equivalents		3,217,720.91	8,439,152.35
TOTAL CURRENT ASSETS		5,360,397.15	9,262,809.09
C. DEFERRED AND PREPAID EXPENSES		106,561.62	59,852.00
D. Deferred tax asset		142,131.56	0.00
		251,497,817.82	171,156,457.07

EQUITY & LIABILITIES	in €	Dec. 31, 2014	Dec. 31, 2013
A. EQUITY			
I. Subscribed capital		9,625,000.00	9,625,000.00
II. Capital reserve		49,404,856.90	49,404,856.90
III. Revenue reserve		28,585,721.39	28,585,721.39
IV. Retained earnings		85,092,477.55	63,059,122.95
TOTAL EQUITY		172,708,055.84	150,674,701.24
B. PROVISIONS AND ACCRUED LIABILITIES			
1. Accrued tax liabilities		2,586,516.66	1,531,748.32
2. Other provisions and accrued liabilities		1,961,660.94	2,299,216.75
TOTAL PROVISIONS AND ACCRUED LIABILITIES		4,548,177.60	3,830,965.07
C. LIABILITIES			
1. Liabilities due to banks		60,000,000.00	0.00
2. Trade accounts payable		228,567.20	166,543.06
3. Accounts due to affiliated companies		12,093,583.70	15,694,082.79
4. Other liabilities		937,908.89	790,164.91
– thereof taxes: EUR 924,928.16 (previous year: EUR 774,561.93)			
TOTAL LIABILITIES		73,260,059.79	16,650,790.76
D. Deferred tax liability		981,524.59	0.00
		251,497,817.82	171,156,457.07

PROFIT AND LOSS ACCOUNT NEMETSCHKE AKTIENGESELLSCHAFT

for the period from January 1 to December 31, 2014 and 2013

in €	Jan. 1 – Dec. 31, 2014	Jan. 1 – Dec. 31, 2013
1. Revenues	1,168,783.46	2,069,439.55
2. Other operating income	2,689,072.48	8,034,138.44
Operating Income	3,857,855.94	10,103,577.99
3. Personnel expenses		
a) Wages and salaries	- 2,235,712.37	- 1,510,245.90
b) Social security, pension and other benefit costs – thereof for pension: EUR 2,907.41 (previous year: EUR 3,991.20)	- 214,967.42	- 218,336.80
4. Depreciation and amortization of intangible assets, property, plants and equipment	- 225,204.79	- 115,325.00
5. Other operating expenses	- 4,754,540.31	- 4,640,465.00
Operating expenses	- 7,430,424.89	- 6,484,372.70
Operating results	- 3,572,568.95	3,619,205.29
6. Income from investments – thereof from affiliated companies: EUR 26,300,919.84 (previous year: EUR 14,440,882.70)	26,300,919.84	14,440,882.70
7. Income from profit and loss transfer agreements	14,548,574.28	11,724,092.01
8. Income from marketable securities and loans	0.00	38,890.00
9. Other interest and similar income	399,284.74	413,177.31
10. Depreciation on financial assets	0.00	- 45,130.00
11. Interest and similar expenses – thereof from affiliated companies: EUR 35,691.49 (previous year: EUR 36,511.52)	- 157,393.09	- 41,943.74
12. Profit from ordinary operations	37,518,816.82	30,149,173.57
13. Taxes on income	- 2,972,962.22	- 2,875,460.32
14. Net income	34,545,854.60	27,273,713.25
15. Profit carried forward from previous year	50,546,622.95	35,785,409.70
16. Allocation to other Revenue Reserves according to Section 58 (IIa) AktG	0.00	0.00
17. Retained earnings	85,092,477.55	63,059,122.95

NOTES TO THE FINANCIAL STATEMENTS OF NEMETSCHKEK AG

ACCOUNTING POLICIES

The annual financial statements of the Nemetschek Aktiengesellschaft, Munich for the year ended December 31, 2014 have been prepared in accordance with §264 (1) HGB in connection with §267 (3) HGB on the basis of the provisions of the German Commercial Code on accounting for large capital companies and the Stock Corporation Act.

POLICIES

The accounting policies of the annual financial statements as at December 31, 2014 are based on the provisions of the German Commercial Code and the special regulations of the Stock Corporation Act.

Intangible fixed assets are capitalised at the lower of acquisition cost and fair value. They are amortized over a period of 3 to 5 years.

Property, plant and equipment is measured at the lower of acquisition cost and fair value. These are depreciated over normal useful lives (time-apportioned) on a straight-line basis as follows:

	Useful life in years
IT equipment	3
Motor vehicles	5
Factory equipment	3 – 10
Leasehold improvements	5 – 10

Additions to moveable assets are depreciated (time-apportioned) on a straight-line basis. Moveable fixed assets with acquisition costs of less than EUR 410.00 are depreciated in full in their year of addition.

Financial assets are generally measured at the lower of acquisition cost and fair value.

Non-current loans to affiliated entities with original due terms of more than one year are disclosed under the loans to affiliated companies. Similarly, at the same time non-current loans to third parties are disclosed under other loans.

Receivables and other assets are capitalized at their nominal amounts. Recognizable risks are covered by specific allowances; thus, in the year under review amounts due from Nemetschek Espana S.A. amounting to EUR 162 k and due from NEMETSCHKEK OOO amounting to EUR 10 k were provided for specifically. Non-interest bearing receivables or other assets are recorded at their present values.

Liquid funds are stated at their nominal values.

Prepaid and deferred items are disclosed as expenses prior to the balance sheet date insofar as they represent an expense item for a certain period after the qualifying date.

The **subscribed capital** is accounted for at its nominal value.

The **provisions** account for all recognizable risks and uncertain obligations. Provisions are stated at their necessary settlement amounts in accordance with reasonable business judgment. Non-current provisions are discounted.

The **liabilities** are stated at their settlement amounts.

Deferred tax is recognised for temporary differences between the German commercial balance sheet amounts for assets, liabilities and deferred income and expenses and their tax amounts, to the extent that these reverse in future years. Existing tax losses carried forward are recognised if the loss is expected to be offset within the next five years. To the extent that there is an excess deferred tax asset overall, deferred tax is not recognised.

The total cost method is used in the **profit and loss account**.

CURRENCY TRANSLATION

To the extent the financial statements include assets and liabilities in foreign currencies; these are translated into EUR on the basis of the rate at the time of transaction. At the closing date the assets and liabilities in foreign currency are translated at the average spot exchange rate.

NOTES TO THE BALANCE SHEET

FIXED ASSETS

The development of fixed assets is shown in a fixed asset movement schedule from which the depreciation and amortization for the year can be seen and which is presented on the last page of these notes to the financial statements.

INVESTMENTS HELD BY NEMETSCHEK AKTIENGESELLSCHAFT

Nemetschek Aktiengesellschaft holds at least 20 % directly or indirectly in the following companies. The disclosures on the companies represent the individual country financial statements at the time of the preparation of the annual financial statements of Nemetschek Aktiengesellschaft, translated into EUR thousand.

Name, registered office of the entity	Shareholding in %	Equity Dec. 31, 2014	Net income / loss for the year 2014
Nemetschek Aktiengesellschaft, Munich			
Direct equity investments			
Design segment			
Nemetschek Allplan Systems GmbH, Munich*	70.00	1,481	485
NEMETSCHEK Vectorworks Inc., Columbia, Maryland, USA	100.00	196	2,340
NEMETSCHEK OOO, Moskau, Russia	51.00	626	838
NEMETSCHEK DO BRASIL SOFTWARE LTDA, São Paulo, Brazil	100.00	17,795	7,817
Nemetschek Frilo GmbH, Stuttgart*	100.00	797	632
SCIA Group International nv, Herk-de-Stad, Belgium	100.00	159	- 17
Glaser isb cad Programmsysteme GmbH, Wennigsen	100.00	1,835	143
Graphisoft SE European Company Limited by Shares, Budapest, Hungary	99.90	- 595	- 262
DACODA GmbH, Rottenburg	100.00	36,920	12,369
Data Design System ASA, Klepp Stasjon, Norway	100.00	6,697	4,452
Build segment			
Nemetschek US, Inc. Delaware, USA	98.50	1,799	891
Nemetschek Bausoftware GmbH, Achim	49.90	5,075	1,290
AUER – Die Bausoftware GmbH, Mondsee, Austria	100.00	45,863	- 331
Manage segment			
Nemetschek CREM Solutions GmbH & Co. KG, Ratingen	100.00	1,993	972
Nemetschek CREM Verwaltungs GmbH, Munich	100.00	59	- 1
Media & Entertainment segment			
MAXON Computer GmbH, Friedrichsdorf	70.00	2,268	5,155
Other			
Nemetschek Austria Beteiligungen GmbH, Mondsee, Austria	100.00	6,049	1,898

Name, registered office of the entity	Shareholding in %	Equity Dec. 31, 2014	Net income / loss for the year 2014
Indirect equity investments			
Design segment			
via Nemetschek Allplan Systems GmbH, Munich:			
Nemetschek Allplan Deutschland GmbH, Munich*	100.00	2,500	7,789
Nemetschek Allplan France S.A.R.L., Asnières, France	93.33	1,387	840
Nemetschek Allplan Schweiz AG, Wallisellen, Switzerland	100.00	2,324	934
NEMETSCHKEK ESPANA S.A., Madrid, Spain	100.00	384	218
Nemetschek Allplan Česko s.r.o., Prag, Czech Republic	100.00	11	-369
Nemetschek Allplan Slovensko s.r.o., Bratislava, Slovakia	100.00	90	-36
Nemetschek Allplan Österreich Ges.m.b.H., Wals, Austria	100.00	370	14
Nemetschek Italia S.r.l., Trient, Italien	100.00	554	3
Nemetschek bim+ GmbH, München	76.00	-1,843	-394
via Nemetschek Vectorworks LLC, Columbia, Maryland, USA:			
Nemetschek Vectorworks Training LLC, Columbia, Maryland, USA	100.00	186	-16
via Nemetschek Austria Beteiligungen GmbH:			
Nemetschek Engineering GmbH, Wals, Austria	100.00	1,393	1,246
via Nemetschek Engineering GmbH, Wals, Austria:			
Nemetschek Engineering PTE LTD, Singapore, Malaysia	100.00	144	104
via Nemetschek Engineering PTE LTD, Singapore, Malaysia:			
Nemetschek Software Engineering Co., Ltd., Shanghai, China	100.00	115	-6
via SCIA Group International nv, Herk-de-Stad, Belgium:			
Nemetschek Scia nv, Herk-de-Stad, Belgium	100.00	2,310	839
Nemetschek Scia B.V., Arnhem, Netherlands	100.00	436	138
Nemetschek Scia sarl, Roubaix, France	100.00	330	0
Nemetschek Scia s.r.o., Brno, Czech Republic	100.00	719	238
Nemetschek Scia s.r.o., Zilina, Slovakia	100.00	205	62
Online Projects bvba, Herk-de-Stad, Belgium	70.00	-77	-3
via Graphisoft SE European Company Limited by Shares, Budapest, Hungary:			
Graphisoft Deutschland GmbH, Munich	100.00	2,509	2,330
Graphisoft USA Inc., Newton, Massachusetts, USA	100.00	-1,227	-301
Graphisoft Japan KK, Tokyo, Japan	100.00	-252	-6
Graphisoft UK Ltd., Surrey, UK	100.00	-549	66
Graphisoft Hong Kong Ltd., Victoria, Hong Kong	100.00	-2,866	-1,113
Graphisoft Mexico S.A. de C.V., Mexico, North America	100.00	-45	10
via Data Design System ASA, Klepp Stasjon, Norway:			
DDS Building Innovation AS, Klepp Stasjon, Norway	100.00	173	94
Data Design System UK Ltd., Wiltshire, Great Britain	100.00	-142	0
Data Design Systems GmbH, Ascheberg, Germany	100.00	2,019	512
Build segment			
via Nemetschek US, Inc., Delaware, USA:			
Bluebeam Software, Inc., Pasadena, USA	100.00	8,316	661
via Nemetschek Austria Beteiligungen GmbH			
AUER – Die Bausoftware GmbH, Mondsee, Austria	50.10	5,075	1,290
via AUER – Die Bausoftware GmbH, Mondsee, Austria			
hartmann technologies GmbH, Berlin, Germany	86.50	-398	-471
Media & Entertainment segment			
MAXON Computer Inc., Thousand Oaks, California, USA,			
via MAXON Computer GmbH	63.00	2,466	1,212
MAXON Computer Ltd., Bedford, UK via MAXON Computer GmbH	70.00		

* In fiscal year 2014, the entities exercised the exemptions of Sec. 264 (3) HGB as follows:

- Option not to prepare notes to the financial statements so that the annual financial statements comprise a balance sheet and income statement
- Option not to prepare a management report
- Option not to publish the annual financial statements

In the fiscal year 2014 the investments held directly in the Nemetschek Allplan distribution companies in the prior year were transferred at carrying amounts to Nemetschek Allplan Systems GmbH. These are therefore now shown in the list of shareholdings as indirect investments via Nemetschek Allplan Systems.

Furthermore, Nemetschek Aktiengesellschaft holds minority shareholdings at the balance sheet date in DocuWare GmbH, Germering, amounting to 22 % (equity at 31.12.2014: EUR 3,124 k; annual result 2014: EUR 793 k) and in NEMETSCHKEK EOOD, Sofia, Bulgaria, amounting to 20 % (equity as at 31.12.2014: EUR 2,489 k; annual result 2014: EUR 364 k).

LOANS TO AFFILIATED ENTITIES

Nemetschek Aktiengesellschaft granted non-current interest-bearing loans amounting to EUR 36,644 k (prior year: EUR 1,950 k) to affiliated entities. These include a loan to Nemetschek US Inc., Delaware/USA, newly founded in the fiscal year 2014, amounting to EUR 34,694 k for financing the purchase of Bluebeam Software Inc., Pasadena/USA. The loan is due for repayment, at 50 %, on October 31, 2021 and on October 31, 2024 respectively.

RECEIVABLES AND OTHER ASSETS

Receivables with a remaining term of more than one year included in other assets as of December 31, 2014 amounted to EUR 59 k (previous year: EUR 66 k). Furthermore, other assets mainly include tax receivables.

AMOUNTS DUE FROM AFFILIATED COMPANIES

The amounts due from affiliated companies relate exclusively to trade receivables.

SUBSCRIBED CAPITAL

Nemetschek Aktiengesellschaft's share capital as of December 31, 2014 stands at EUR 9,625,000.00 (unchanged compared to the prior year) and is divided into 9,625,000 no-par value bearer shares.

Each share is attributed with EUR 1.00 of share capital. The capital is fully paid up.

CAPITAL RESERVE

The capital reserve, still unchanged compared to the prior year, consists of the premium from the IPO (§272 (2) No. 1 HGB).

REVENUE RESERVES

The statutory reserves relate to other reserves in accordance with §266 (3A) III No. 4 HGB.

RETAINED EARNINGS

Retained earnings developed as follows:

	in €
As of December 31, 2013	63,059,122.95
Dividend	12,512,500.00
Net income 2014	34,545,854.60
As of December 31, 2014	85,092,477.55

PROVISIONS

The tax provisions mainly include provisions for trade tax (EUR 1,160 k) for the year under report. In addition to the additions for the current fiscal year the provision includes items for prior years (EUR 1,427 k).

PROVISIONS

Other provisions include the following items:

Thousands of €	As of Dec. 31, 2013	Reclassification	Utilization	Release	Addition	As of Dec. 31, 2014
Interest hedge	1,135	0	1,135	0	0	0
Outstanding invoices	605	0	585	20	1062	1062
Commission/bonuses for employees	147	0	112	35	521	521
Partial retirement	178	0	53	0	7	132
Legal and consulting fees	146	0	142	0	161	165
Other	88	0	58	0	51	81
Total	2,299	0	2,085	55	1,802	1,961

The interest hedge expired in 2014 and the provision set up in this connection for the negative market value was utilized completely.

LIABILITIES

Liabilities categorized by remaining terms comprise the following:

Thousands of €	Total	Less than 1 year	1 to 5 years	More than 5 years
Liabilities to banks	60,000	12,000	48,000	0
Dec. 31, 2013	0	0	0	0
Trade accounts payable	229	229	0	0
Dec. 31, 2013	167	167	0	0
Accounts payable to affiliated companies	12,094	12,094	0	0
Dec. 31, 2013	15,694	13,744	1,950	0
Tax liabilities	925	925	0	0
Dec. 31, 2013	775	775	0	0
Other liabilities	13	13	0	0
Dec. 31, 2013	15	15	0	0
Dec. 31, 2014	73,261	25,261	48,000	0
Dec. 31, 2013	16,651	14,701	1,950	0

The liabilities to banks include the loan taken up for financing the acquisition of Bluebeam Software Inc. amounting to EUR 60,000 k. The loan has a term of until December 31, 2019 and is charged interest at 1.03%. Repayment amounts to EUR 3,000 k once a quarter starting from March 31, 2015.

During the fiscal year 2014 deferred tax liabilities were set up amounting to EUR 982 k. The reason for these were the material differences between the commercial code and tax measurements of an investment in a partnership (EUR 5,946 k), to which a tax rate of 15.83% applies. The deferred tax assets set up predominantly for tax losses brought forward amounted to EUR 142 k as of December 31, 2014.

NOTES TO THE PROFIT AND LOSS ACCOUNT

Revenues amounting to EUR 1,169 k (previous year: EUR 2,069 k) consist exclusively of brand license income. The decline compared to the prior year is mainly due to the transfer of the brand licenses to the development company as of June 30 2014. Revenues were generated exclusively in Germany. Other operating income amounting to EUR 8,034 k is predominantly attributable to write-ups on financial assets of EUR 6,590 k. In the fiscal year 2014 other operating income amounts to EUR 2,689 k and this mainly includes material write-backs to financial assets amounting to EUR 2,000 k. Furthermore, it also includes service contracts with affiliated companies amounting to EUR 459 k (previous year: EUR 1,035 k), out of period income from the reversal of provisions amounting to EUR 55 k (previous year: EUR 308 k) as well as income from currency translation of EUR 141 k (previous year: EUR 25 k).

OTHER DISCLOSURES

CONTINGENCIES

Thousands of €	Dec. 31, 2014	Dec. 31, 2013
Bank guarantees	673	568

Contingencies primarily include surety guarantee for rental contracts as well as for guaranteeing a part-time early retirement agreement. Currently there are no indications for utilizing this, since Nemetschek AG has access to adequate liquid funds and, furthermore, no events can be foreseen which would lead to its utilization.

OTHER FINANCIAL COMMITMENTS

Thousands of €	Total	Less than 1 year	1 to 5 years	More than 5 years
Rental agreements	258	258	0	0
Leases	65	21	44	0
Total financial commitments as of December 31, 2014	323	279	44	0
Rental agreements	532	266	266	0
Leases	55	31	24	0
Total financial commitments as of December 31, 2013	587	297	290	0

Additionally, there is a financial contingency from the put option Dacoda GmbH amounting to EUR 1,543 k.

Profit/loss transfer agreements exist between Nemetschek Aktiengesellschaft and the following companies:

- III Frilo Software GmbH, Stuttgart (formerly Nemetschek Frilo GmbH, Stuttgart)
- III Nemetschek Allplan Deutschland GmbH, Munich
- III Nemetschek Allplan Systems GmbH, Munich

PERSONNEL

Nemetschek Aktiengesellschaft employed on average for the year 19 employees (previous year: 18), who work in administration. Of these, 4 employees (previous year: 4) are managers, 13 (previous year: 12) are white-collar workers and 2 (previous year: 2) are part-time employees.

INFORMATION ON THE GERMAN "CORPORATE GOVERNANCE CODE"

The declaration of conformity was submitted on March 20, 2014. The relevant current version is available to the shareholders on the website of Nemetschek Aktiengesellschaft (www.nemetschek.com).

EXECUTIVE BOARD

Members of the executive board of Nemetschek Aktiengesellschaft were granted remuneration for the fiscal year 2014 of EUR 1,097 k (previous year: EUR 261 k) with a fixed component of EUR 443 k (previous year: EUR 259 k) and a short-term variable component of EUR 654 k (previous year: EUR 2 k). The detailed summary of and explanations to executive board remuneration can be seen in the management report of the company.

SUPERVISORY BOARD

Members of the supervisory board of Nemetschek Aktiengesellschaft are granted remuneration in total for the fiscal year 2014 of EUR 423 k (previous year: EUR 306 k) with a fixed component of EUR 67.5 k (previous year: EUR 67.5 k) and a short-term variable component of EUR 355.5 k (previous year: EUR 238.5 k). The detailed summary of and explanations to supervisory board remuneration can be seen in the management report of the company.

AUDITORS' FEES

With regard to the auditors' fees disclosure has not been made in the single entity financial statements of Nemetschek AG in accordance with §285 No. 17 HGB. The information is shown in the consolidated financial statements of Nemetschek AG.

DISCLOSURE REQUIREMENTS UNDER § 21 (1) 1 WPHG

Voting rights declarations by Nemetschek AG

JULY 25, 2014

Allianz SE, Munich, Germany informed us in accordance with §21 (1) WpHG in connection with §24 WpHG on 23.07.2014 that, as a result of the merger of Allianz Global Investors France S.A. with Allianz Global Investors Europe GmbH, the voting right share of Allianz Global Investors Europe GmbH, Frankfurt am Main, Germany in Nemetschek Aktiengesellschaft, Konrad-Zuse-Platz 1, 81829 Munich, Deutschland, exceeded the threshold of 3 to 5 % on 21.07.2014, amounting to 6.60 % (635,325 voting rights from a total of 9,625,000 voting rights).

Of these, 5.87 % of the voting rights (565,407 voting rights from a total of 9,625,000 voting rights) are to be allocated to Alliance Global Investors Europe GmbH in accordance with §22 (1) sentence 1 No. 6 WpHG.

Voting rights are allocated to the company by the following shareholders whose voting right share in Nemetschek Aktiengesellschaft is 3 % or more respectively:

Allianz I.A.R.D. S.A.

FEBRUARY 18, 2014

Universal-Investment-Gesellschaft mbH, Frankfurt am Main, Germany, informed us in accordance with §21 (1) WpHG on 17.02.2014 that on 13.02.2014 its voting right share in Nemetschek AG, Munich, Germany fell short of the threshold of 3 % of the voting rights and, on this day, amounted to 2.95 % (that is equivalent to 283,595 voting rights).

0.29 % of the voting rights (that represents 27,500 voting rights) are to be allocated to the company in accordance with §22 (1), sentence 1, No. 6 WpHG.

JANUARY 08, 2014

Mr. Alexander Nemetschek, Germany, informed us in accordance with §21 (1) WpHG on 02.01.2014 that on 30.12.2013 his voting right share in Nemetschek AG, Munich, Germany fell short of the threshold of 25 %, 20 %, 15 %, 10 %, 5 % and 3 % of the voting rights and, on this day, amounted to 0 % (that is equivalent to 0 voting rights).

Dr. Ralf Nemetschek, Germany, informed us in accordance with §21 (1) WpHG on 02.01.2014 that on 30.12.2013 his voting right share in Nemetschek AG, Munich, Germany fell below the threshold of 25 %, 20 %, 15 %, 10 %, 5 % and 3 % of the voting rights and, on this day, amounted to 0 % (that is equivalent to 0 voting rights).

Mrs. Ingrid Nemetschek, Germany, informed us in accordance with §21 (1) WpHG on 02.01.2014 that on 30.12.2013 her voting right share in Nemetschek AG, Munich, Germany fell below the threshold of 25 %, 20 %, 15 %, 10 %, 5 % and 3 % of the voting rights and, on this day, amounted to 0 % (that is equivalent to 0 voting rights).

The Nemetschek Stiftung (Foundation), Munich, Germany, informed us in accordance with §21 (1) WpHG on 02.01.2014 that on 30.12.2013 its voting right share in Nemetschek AG, Munich, Germany fell below the threshold of 10 %, 5 % and 3 % of the voting rights and, on this day, amounted to 0 % (that is equivalent to 0 voting rights).

Nemetschek Vermögensverwaltungs GmbH & Co. KG, Grünwald, Germany, informed us in accordance with §21 (1) WpHG on 02.01.2014 that on 30.12.2013 its voting right share in Nemetschek AG, Munich, Germany exceeded the threshold of 3 %, 5 %, 10 %, 15 %, 20 %, 25 %, 30 % and 50 % of the voting rights and, on this day, amounted to 53.57 % (that is equivalent to 5,155,732 voting rights).

Of these 5.19 % (that is equivalent to the 500,000 voting rights) are to be allocated to the company in accordance with §22 (2) WpHG by Prof. Georg Nemetschek (shareholder whose voting right share amounts to more than 3 % in Nemetschek AG).

Nemetschek Verwaltungs GmbH, Grünwald, Germany, informed us in accordance with §21 (1) WpHG on 02.01.2014 that on 30.12.2013 its voting right share in Nemetschek AG, Munich, Germany exceeded the threshold of 3 %, 5 %, 10 %, 15 %, 20 %, 25 %, 30 % and 50 % of the voting rights and, on this day, amounted to 53.57 % (that is equivalent to 5,155,732 of the voting rights). Of these, 5.19 % (that is equivalent to the 500,000 voting rights) are to be allocated to the company in accordance with §22 (2) WpHG by Prof. Georg Nemetschek (shareholder whose voting right share amounts to more than 3 % in Nemetschek AG). A further 48.37 % (that is equivalent to 4,655,732 voting rights) are to be allocated to the company in accordance with §22 (1) sentence 1 No. 1 WpHG from Nemetschek Vermögensverwaltungs GmbH & Co. KG as its controlled company.

Professor Georg Nemetschek, Germany, informed us in accordance with §21 (1) WpHG on 02.01.2014 that on 30.12.2013 his voting right share in Nemetschek AG, Munich, Germany exceeded the threshold of 30% and 50% of the voting rights and, on this day, amounted to 53.57% (that is equivalent to 5,155,732 voting rights).

Of this a further 48.37% (that is equivalent to 4,655,732 voting rights) are attributable to the company in accordance with §22 (1) sentence 1 No. 1 WpHG from Nemetschek Vermögensverwaltungs GmbH & Co. KG as its respective controlled company.

48.37% (that is equivalent to 4,655,732 voting rights) are to be allocated to Mr. Prof. Georg Nemetschek also in accordance with §22 (2) WpHG from Nemetschek Vermögensverwaltungs GmbH & Co. KG (shareholder, whose voting right share in the Nemetschek AG exceeds 3%).

OCTOBER 10, 2013

The direct and indirect voting rights of the following persons/institutions in Nemetschek Aktiengesellschaft as of December 31, 2014 were as follows:

- III Professor Georg Nemetschek, Munich: 53.57% (previous year: 53.57%)
- III Nemetschek Vermögensverwaltungs GmbH & Co. KG, Grünwald: 53.57%
- III Nemetschek Verwaltungs GmbH, Grünwald: 53.57%
- III Allianz SE, Munich: 6.60% (previous year: 5.08%)
- III Universal-Investment-Gesellschaft mbH, Frankfurt am Main: 2.95% (previous year: 3.00%)

The disclosures are based on the information reported to Nemetschek Aktiengesellschaft in accordance with §§21 ff. WpHG. The actual number of shareholder voting rights can deviate from the number disclosed due to interim, non-reportable or unreported trading.

SUPERVISORY BOARD

Mr. Kurt Dobitsch (independent businessman)

Chairman

Member of the following supervisory boards:

III United Internet AG, Montabaur (Chairman)

Companies related to the same group:

– United Internet Ventures AG, Montabaur (Chairman)

– United Internet Mail & Media SE, Montabaur, since December 04, 2014

– United Internet Service SE, Montabaur, since December 04, 2014

– 1&1 Internet AG, Montabaur

– 1&1 Telecommunication AG, Montabaur

– 1&1 Telecommunication AG Holding SE, Montabaur, since February 21, 2014

– GMX & WEB.de Mail & Media SE, Montabaur, since February 20, 2014

III Nemetschek AG, Munich (Chairman)

Companies related to the same group:

– Graphisoft SE, Budapest, Hungary

– Vectorworks Inc., Columbia, USA, since June 11, 2014

III Bechtle AG, Gaildorf

III Singhammer IT Consulting AG, Munich

Prof. Georg Nemetschek (Degree in engineering, independent businessman)

Deputy Chairman

Mr. Rüdiger Herzog (lawyer)

Member of the following supervisory boards:

III DF Deutsche Finance Holding AG (Chairman)

III Kaufhaus Ahrens AG (Chairman)

EXECUTIVE BOARD

Mr. Patrik Heider

(Business degree FH)
CFOO and spokesman of the board
(from March 01, 2014)

Mr. Sean Flaherty

Member of the executive board
(since November 01, 2013)
CEO Nemetschek Vectorworks, Inc.

Member of the following supervisory boards:

III Vectorworks, Inc., USA

Mr. Viktor Várkonyi

Member of the executive board
(since November, 01, 2013)
CEO Graphisoft SE

Member of the following supervisory boards:

III Graphisoft SE, Hungary
III Data Design System ASA, Norway
(since February 17, 2014)

Mr. Dr. Tobias Wagner

(Philosophy degree, business degree)
Member of executive board (until March 31, 2014)

Member of the following supervisory boards:

III AIS Energy Advisors AG, Munich (chairman)
III mapolis AG, München
III DF Deutsche Finance Holding AG, Munich
(from January 01, 2014)

Munich, March 11, 2015
Nemetschek Aktiengesellschaft

Patrik Heider

Sean Flaherty

Viktor Várkonyi

STATEMENT OF FIXED ASSETS NEMETSCHKE AKTIENGESELLSCHAFT

as of December 31, 2014 and as of December 31, 2013

2014	in €	Development of historic costs			As of Dec. 31, 2014
		As of Jan. 1, 2014	Additions	Disposal	
I. Intangible assets					
1. Purchased franchises, industrial rights and similar rights and assets and licenses in such rights and assets	441,825.00	7,750.00	400,600.00	300,600.00	349,575.00
2. Prepayments on intangible assets	300,600.00	0	0	-300,600.00	0
	742,425.00	7,750.00	400,600.00	0	349,575.00
II. Property, plant and equipment					
1. Leasehold improvements	295,383.90	0	0	0	295,383.90
2. Fixtures, fittings and equipment	685,530.09	10,297.74	9,842.00	0	685,985.83
	980,913.99	10,297.74	9,842.00	0	981,369.73
III. Financial assets					
1. Shares in affiliated companies	166,050,435.69	47,676,137.63	0	495,560.00	214,222,133.32
2. Loans due from affiliated companies	2,283,559.74	34,855,787.07	0	-495,560.00	36,643,786.81
3. Other loans	1,086,174.53	0	0	0	1,086,174.53
4. Investments	3,169,566.46	0	0	0	3,169,566.46
	172,589,736.42	82,531,924.70	0	0	255,121,661.12
Total fixed assets	174,313,075.41	82,549,972.44	410,442.00	0	256,452,605.85

Development of accumulated depreciation/ amortization					Carrying amount		
As of Jan. 1, 2014	Additions	Attributions	Disposal	Cross entry	As of Dec. 31, 2014	As of Dec. 31, 2014	As of Dec. 31, 2013
342,092.22	193,648.71	0	319,647.68	125,600.00	341,693.25	7,881.75	99,732.78
125,600.00	0	0	0	- 125,600.00	0.00	0.00	175,000.00
467,692.22	193,648.71	0	319,647.68	0.00	341,693.25	7,881.75	274,732.78
284,442.26	5,470.80	0	0	0	289,913.06	5,470.84	10,941.64
638,944.03	26,085.28	0	6,980.48	0.00	658,048.83	27,937.00	46,586.06
923,386.29	31,556.08	0	6,980.48	0.00	947,961.89	33,407.84	57,527.70
8,524,204.12	24,022.04	2,000,000.00	0	495,560.00	7,043,786.16	207,178,347.16	157,526,231.57
333,559.74	162,000.26	0	0	- 495,560.00	0.00	36,643,786.81	1,950,000.00
1,086,174.53	0	0	0	0	1,086,174.53	0	0
1,144,262.53	0	0	0	0	1,144,262.53	2,025,303.93	2,025,303.93
11,088,200.92	186,022.30	2,000,000.00	0	0	9,274,223.22	245,847,437.90	161,501,535.50
12,479,279.43	411,227.09	2,000,000.00	326,628.16	0.00	10,563,878.36	245,888,727.49	161,833,795.98

DECLARATION OF THE LEGAL REPRESENTATIVES

“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 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 of the anticipated development of the group.”

Munich, March 11, 20145



Patrik Heider



Sean Flaherty



Viktor Várkonyi

AUDIT OPINION

We have issued the following opinion on the financial statements and management report:

“We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Nemetschek AG, Munich, for the fiscal year from 1 January 2014 to 31 December 2014. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company’s management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB [“Handelsgesetzbuch”: “German Commercial Code”] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company’s position and suitably presents the opportunities and risks of future development.”

Munich, 11 March 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Bostedt
Wirtschaftsprüfer
[German Public Auditor]

Heiduczek
Wirtschaftsprüferin
[German Public Auditor]

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NEMETSCHKEK GROUP

NEMETSCHKEK Aktiengesellschaft
Konrad-Zuse-Platz 1
81829 Munich, Germany
Tel. +49 89 92793-0
Fax +49 89 92793-5200
investorrelations@nemetschek.com
www.nemetschek.com

NEMETSCHEK Aktiengesellschaft
Konrad-Zuse-Platz 1
81829 Munich, Germany
Tel. +49 89 92793-0
Fax +49 89 92793-5200
investorrelations@nemetschek.com
www.nemetschek.com