

Joint Report corresponding to Sec. 293a AktG of the Managing Board of Nemetschek SE, Munich and the Managing Board of NEVARIS Bausoftware GmbH, Bremen, regarding the Domination and Profit Transfer Agreement dated March 28, 2019 between Nemetschek SE, Munich, and NEVARIS Bausoftware GmbH, Bremen

Note: This English version of the report is for information purposes only. Legally binding is only the German version of this report.

Preamble

On March 28, 2019 Nemetschek SE, with its registered office in Munich, registered with the Commercial Register at the Local Court of Munich under HRB 224638 (hereinafter “**Nemetschek SE**“), and NEVARIS Bausoftware GmbH, with its registered office in Bremen, registered with the Commercial Register at the Local Court of Bremen under HRB 33513 (hereinafter “**NEVARIS GmbH**”), entered into a Domination and Profit Transfer Agreement (hereinafter “**Agreement**”), under which NEVARIS GmbH places its management under the control of Nemetschek SE and undertakes to transfer its profits to Nemetschek SE. In turn, Nemetschek SE agrees to assume any losses incurred by NEVARIS GmbH.

The Agreement will be presented for approval to the annual general meeting of Nemetschek SE on 28 May 2019 pursuant to Sec. 293 AktG (Aktengesetz / Stock Corporation Act). The general meeting of shareholders of NEVARIS GmbH is scheduled to approve the Agreement in May/June 2019. For the information of the shareholders of Nemetschek SE and as preliminaries to the shareholders’ resolutions, the Managing Boards of Nemetschek SE and of NEVARIS GmbH give the following report according to Sec. 293a AktG regarding the Domination and Profit Transfer Agreement:

1. Parties to the Domination and Profit Transfer Agreement

The contracting parties are Nemetschek SE and NEVARIS GmbH.

1.1 Nemetschek SE

Nemetschek SE is a listed SE (Societas Europaea) and the parent company of the Nemetschek Group. Registered office of the company is Munich. The registered share capital of Nemetschek SE amounts to EUR 38,500,000.00 and is divided into 38,500,000 no-par-value bearer shares. The business year of the company is the calendar year.

Pursuant to the articles of incorporation of Nemetschek SE its registered object is to lead a group of companies which are in particular active in the field of con-

sulting, research, development, production, acquisition and sale and distribution of products and solutions of the information and communications technology in the area of planning, construction and utilization. Object of the company is further the founding, acquisition and administration of participations in enterprises, the provision of services including financing and financial management for enterprises in which the company holds participations. Excluded are services that require the admission pursuant to the German Banking Act (Kreditwesengesetz). Finally, object of the company is the administration and licensing of trademarks within the areas mentioned before.

Members of the managing board of Nemetschek SE are:

- Herr Patrik Heider,
- Herr Viktor Várkonyi,
- Herr Jon Elliott

The supervisory board of Nemetschek SE consists according to the articles of incorporation of four members, all of them elected by the general meeting. President of the supervisory board is Mr. Kurt Dobitsch.

As of 31 December 2018, the work force of Nemetschek SE amounts to a total of 43 employees. The overall work force of the Nemetschek Group amounts to 2.587.

In the 2018 fiscal year the consolidated sales of the Nemetschek Group amounted to EUR 461.298.882,48. The annual surplus in the 2018 fiscal year amounted to EUR 76.560.243,54. For further information regarding business development and performance reference is made to the consolidated financial statements of Nemetschek SE and the group report for the fiscal year 2018.

1.2 NEVARIS Bausoftware GmbH

Registered office of NEVARIS GmbH is Bremen. The company is registered with the Commercial Register at the Local Court of Bremen under HRB 33513. Registered object of NEVARIS GmbH is the development of information technologies, the production and marketing of software and hardware for the construction sector, the construction industry and comparable economic sectors, as well as other related services such as consulting services, training, seminars and individual counselling, and data processing for other companies.

The registered share capital of NEVARIS GmbH amounts to EUR 350.000,00. The business year of the company is the calendar year. All shares in NEVARIS GmbH are held by Nemetschek SE.

The managing director of NEVARIS GmbH is Mr. Daniel Csillag.

On 31 December 2018 the work force of NEVARIS GmbH amounted to a total of 107 employees. In the 2018 fiscal year the sales of NEVARIS GmbH amounted to EUR 15.706.693,80. The annual surplus in the 2018 fiscal year amounted to EUR 196.805,70. For further information regarding business development and performance reference is made to the financial statements of NEVARIS GmbH for the fiscal year 2018.

2. Legal and economic rationale for the conclusion of the Domination and Profit Transfer Agreement; effects of the Agreement

The aim of the Agreement is to establish a corporation and trade tax union between Nemetschek SE and NEVARIS GmbH from the beginning of the financial year 2019 and to establish the organizational integration of NEVARIS GmbH into Nemetschek SE, which is prerequisite for a sales tax union.

Owing to the corporation tax union between the companies, profits and losses of NEVARIS GmbH as the controlled company (Organgesellschaft) are directly attributed to Nemetschek SE as controlling company (Organträgerin) for tax purposes. This means that positive and negative earnings can be settled and offset against each other at the level of Nemetschek SE. Depending on the taxable earnings of the involved companies, this can lead to tax advantages. Without this Agreement, such profit and loss consolidation for tax purposes would not be possible.

In addition, under the corporation tax union, profits can be transferred to Nemetschek SE without an additional tax burden. Without the existence of a tax union, profits of NEVARIS GmbH could only be transferred to Nemetschek SE by way of a profit distribution; in this case, 5 % of the profit distribution at Nemetschek SE would be subject to corporation and trade tax in accordance with the current tax law.

The conclusion of the agreement does not entail any changes in the participation quotas of the contracting companies.

Other than the obligation of Nemetschek SE to assume losses of NEVARIS GmbH, the Agreement has no significant consequences as regards the shareholders, in particular because compensation and settlement for outside shareholders are not owed.

By this Agreement, NEVARIS GmbH places the management of its company under the control of Nemetschek SE. Accordingly, Nemetschek SE has the right to give instructions to the management of NEVARIS GmbH with regard to the company management of NEVARIS GmbH. The management of NEVARIS GmbH is obliged to follow the instructions. This organizational integration of NEVARIS GmbH into Nemetschek SE is required for purposes of establishing the sales tax union between Nemetschek SE and NEVARIS GmbH.

Due to the sales tax union between NEVARIS GmbH and Nemetschek SE, services attributable to the domestic market between NEVARIS GmbH and Nemetschek SE are considered non-taxable internal sales for which no value added tax is incurred. Nemetschek SE as the controlling company is considered the entrepreneur within the meaning of the German VAT Act. Nemetschek SE owes or is entitled to reimbursement claims regarding the sales tax of the companies consolidated under the tax union. Internally, a compensation in accordance with the cause will take place between Nemetschek SE and NEVARIS GmbH.

The sales tax union leads in particular to administrative simplifications. In addition, non-deductible input taxes may be avoided if the deduction input tax for services received between the companies fails without the existence of a sales tax union.

3. Alternatives to the conclusion of the Agreement

There is no economically reasonable alternative to the conclusion of the Agreement.

Pursuant to Sec. 14 para. 1 sentence 1 KStG (Körperschaftsteuergesetz / German Corporation Tax Act) in conjunction with Sec. 17 para. 1 KStG, the conclusion of the Agreement is a mandatory prerequisite for the corporate and trade tax consolidation between NEVARIS GmbH as the controlled company and Nemetschek SE as the controlling company, so that the associated tax benefits (cf. no. 2 above) can only be realized by the conclusion of the Agreement.

A change in the legal form of NEVARIS GmbH into a partnership does particularly not lead to a comparable result, as the income of a partnership would be subject to taxation for trade tax purposes, while in case of a tax union, the income of a partnership is liable for tax at the level of the controlling company and can be offset against positive or negative incomes of the controlling company.

The conclusion of a mere domination agreement in accordance with Sec. 291 para. 1 sentence 1 AktG is not an equivalent alternative, since without the obligation of NEVARIS GmbH to transfer profits, it is not possible to establish an integrated corporate or trade tax union with NEVARIS GmbH.

A merger of NEVARIS GmbH into Nemetschek SE is also not a favorable option, as NEVARIS GmbH would then lose its legal independence.

4. Explanatory Notes to the Agreement

The Agreement is a domination and profit transfer agreement and thus an inter-company agreement within the meaning of Sec. 291 para. 1 sentence 1 AktG. It requires the approval of the general meeting of Nemetschek SE and the share-

holders' meeting of NEVARIS GmbH and must be entered in the commercial register at the registered office of NEVARIS GmbH. The Agreement is expected to be presented for approval to the annual general meeting of Nemetschek SE on 28 May 2019 and to the shareholders' meeting of NEVARIS GmbH in May/June 2019.

The following should be noted with regard to the individual provisions of the Agreement:

4.1 Domination (Clause 1)

Pursuant to the Agreement NEVARIS GmbH puts its management under the control of Nemetschek SE. Nemetschek SE is therefore entitled to give instructions to the managing directors of NEVARIS GmbH regarding the management of NEVARIS GmbH (including the entire entrepreneurial sphere within the meaning of the German VAT Act). Instructions may be issued in general or on a case-by-case basis and must be given in text form. An instruction to maintain, modify or terminate the Agreement shall not be given. The management of NEVARIS GmbH is obliged to comply with the instructions within the framework of statutory regulations. Without prejudice to the right of instruction, the management and representation of NEVARIS GmbH shall continue to be incumbent upon the managing directors of NEVARIS GmbH.

4.2 Profit Transfer (Clause 2)

Pursuant to Sec. 2.1, NEVARIS GmbH is obliged to transfer its profits to Nemetschek SE in accordance with the provisions of Sec. 301 AktG. Subject to the creation or reversal of reserves, this means that the net income for the year arising without the profit transfer shall be transferred, less any losses carried forward from the previous year and the amount blocked against distribution in accordance with Sec. 268 para. 8 HGB (Handelsgesetzbuch / German Commercial Code). In addition, Clause 2.1 provides for a dynamic reference to Sec. 301 AktG ("as from time to time"). The profit transfer pursuant to Sec. 14 para. 1 sentence 1 in conjunction with Sec. 17 para. 1 KStG is mandatory in order to establish the tax union between NEVARIS GmbH and Nemetschek SE.

NEVARIS GmbH is entitled, with the consent of Nemetschek SE, to transfer amounts from the net income for the year to other revenue reserves in accordance with Sec. 272 para. 3 HGB insofar as this is permitted under commercial law and economically justified on a reasonable commercial assessment. Other revenue reserves formed during the term of the Agreement in accordance with Sec. 272 para. 3 HGB are to be dissolved at the request of Nemetschek SE and used to offset a net loss for the year or transferred as profit. The transfer of income from the dissolution of pre-contractual capital and revenue reserves is excluded. These are customary regulations within the framework of a domination and profit transfer agreement.

The obligation to transfer profits shall apply retroactively from the beginning of the financial year of NEVARIS GmbH in which the Agreement becomes effective upon entry in the commercial register at the registered office of NEVARIS GmbH.

4.3 Assumption of losses (Clause 3)

Pursuant to Clause 3 of the Agreement, Nemetschek SE is obliged to assume the losses incurred by NEVARIS GmbH in accordance with the provisions of Sec. 302 AktG. Accordingly, Nemetschek SE must compensate for any net loss incurred during the term of the Agreement – i.e. without taking into account the obligation to compensate for losses – insofar as such loss is not compensated by withdrawing amounts from the other revenue reserves that have been allocated to it during the term of the Agreement. In addition, Clause 3.1 also provides for a dynamic reference to Sec. 302 AktG ("as from time to time"). With regard to the tax union between NEVARIS GmbH and Nemetschek SE it is compulsory that Nemetschek SE, as the controlling company, undertakes to compensate for any loss incurred by NEVARIS GmbH as the controlled company (Sec. 17 KStG). Insofar, these are customary regulations within the framework of a domination and profit transfer agreement.

The obligation to assume losses shall apply retroactively from the beginning of the financial year in which the Agreement becomes effective upon entry in the commercial register at the registered office of NEVARIS GmbH.

4.4 Effectiveness and duration (Clause 4)

Clause 4.1 of the Agreement points out that the Agreement is entered into subject to the approval of the shareholders' meeting of NEVARIS GmbH and the annual general meeting of Nemetschek SE and becomes effective upon registration in the commercial register at the registered office of NEVARIS GmbH.

The Agreement is concluded for an indefinite period of time. It may be terminated with six (6) months' notice to the end of a financial year of NEVARIS GmbH, but for the first time to the end of that financial year of NEVARIS GmbH which ends at least five (5) years after the beginning of the financial year of NEVARIS GmbH in which the Agreement has become effective. In order for the tax union to be effective, the Agreement must be concluded in accordance with Sec. 14 para. 1 sentence 1 no. 3 in conjunction with Sec. 17 para. 1 KStG for a period of at least five (5) years and must actually be implemented during its entire term.

The right to terminate this Agreement without notice for good cause shall remain unaffected. Good cause are those events which are recognized as non-hazardous for tax purposes in accordance with Sec. 14 para. 1 no. 3 sentence 2 KStG (cf. e. g. R 14.5 para. 6 sentence 2 KStR 2015). In the event Nemetschek SE disposes of or contributes shares in NEVARIS GmbH, or Nemetschek SE or NEVARIS GmbH is merged, split or liquidated, or insolvency proceedings are initiated

against the assets of Nemetschek SE or NEVARIS GmbH, or Nemetschek SE holds no longer the majority of the voting rights in NEVARIS GmbH for other reasons, or an outside shareholder within the meaning of Sec. 307 AktG becomes a shareholder in NEVARIS GmbH for the first time, each of these events constitutes a good cause, as far as such event is recognized as non-hazardous for the tax union under applicable tax law.

Notice of termination must be given in writing.

4.5 Final provisions (Clause 5)

When interpreting individual provisions of the Agreement, §§ 14 and 17 KStG as from time to time shall be taken into account in accordance with Sec. 5.1 of the Agreement.

Changes and additions to the Agreement must be made in writing in order to become effective, unless a stricter formal requirement is mandatory by law. This shall also apply to any change of the written form requirement. In addition, amendments and additions to the Agreement require the approval of the annual general meeting of Nemetschek SE and the Managing Board of NEVARIS GmbH if legally required.

Clause 5.3 of the Agreement contains a customary so-called severability clause and is intended to ensure the continuation of the Agreement in the event that individual provisions should prove to be wholly or partly invalid, unenforceable or incomplete. Should a provision of the Agreement be or become invalid or unenforceable in whole or in part, or should the Agreement contain a gap, this shall not affect the validity of the remainder of the Agreement. Instead of the ineffective or unenforceable provision, the contracting parties shall agree on the effective or enforceable provision which comes closest to the economic result of the ineffective or unenforceable provision. In the event of a gap in the Agreement, the provision shall be agreed upon which would have been agreed in accordance with the meaning and purpose of the Agreement if the gap had been known.

5. No compensation or settlement claims; Agreement examination

Nemetschek SE is the sole shareholder of NEVARIS GmbH. Thus, stipulations regarding guaranteed dividends (Sec. 304 AktG) and compensation (Sec. 305 AktG) for outside shareholders of NEVARIS GmbH are not required. An audit of the Domination and Profit Transfer Agreement in accordance with Sec. 293b AktG is likewise not required.

A summary assessment of the Agreement shows that this Agreement is of advantage to both Nemetschek SE and NEVARIS GmbH for the reasons outlined above.

Munich, 4. April 2019

Nemetschek SE
The Managing Board



Patrik Heider



Viktor Várkonyi



Jon Elliott

NEVARIS Bausoftware GmbH
The Managing Director

Daniel Csillag