

# Nemetschek on the Capital Market

## Review of 2022

Following historically low interest rates, continued expansionary monetary and fiscal policies, and a significant improvement in the tense pandemic situation, which led to a series of new highs in stock market indices worldwide in 2021, especially for growth stocks, this trend largely reversed in 2022.

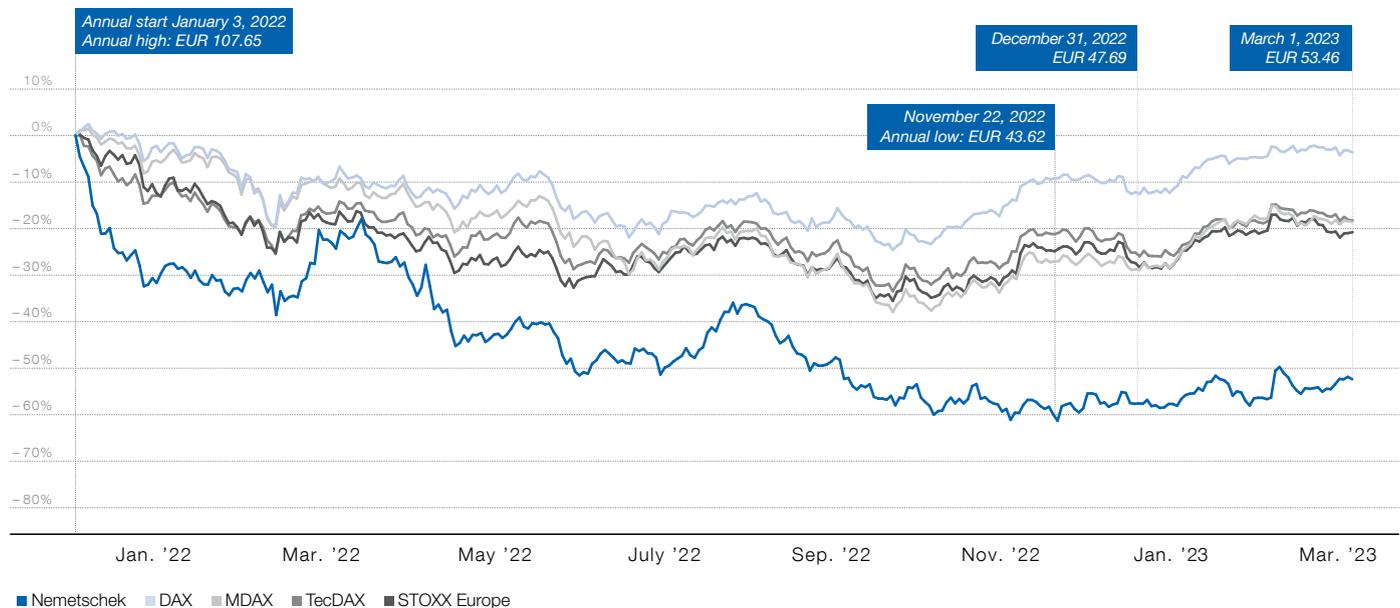
Despite encouraging progress in overcoming the global Covid-19 pandemic, 2022 was burdened by various crises and an economic slowdown in the second half of the year. This development was mainly fueled by rising inflation and Russia's war of aggression against Ukraine, which not only exacerbated geopolitical tensions, but also led to a severe energy crisis – especially in Europe – which ultimately increased inflationary pressures. As a result, the normalization of monetary policies turned out to be faster and stronger than initially expected, which – together with the higher interest rates – led to a massive reallocation of capital in the international capital markets. Consequently, this led to a rotation out of equities in general, but also in particular out of growth and technology stocks and into value stocks.

Overall, in light of these developments, the global equity markets recorded a partially very negative performance in 2022. The global MSCI World, for example, fell by –19.6%, the most since the financial crisis of 2008. The leading German index, the DAX, also recorded a sharp decline of –12.4%. The benchmark indices that are most relevant for Nemetschek, such as the MDAX (–28.5%), Nasdaq (–33.4%) or the STOXX Europe Total Market Software & Computer Services (–28.4%), fell even more sharply in some cases.

## Nemetschek shares: Significant decline in 2022 after record highs in the previous year

In 2022, the shares of Nemetschek SE were also not able to avoid the impact of the macroeconomic and geopolitical developments described above. After a very strong price increase of 86.8% in 2021, significantly outperforming all benchmark indices as well as European and US competitors, the Nemetschek SE share price fell disproportionately strongly in the course of 2022.

### PRICE DEVELOPMENT OF NEMETSCHKEK SHARES FROM BEGINNING OF 2022 TO BEGINNING OF 2023 COMPARED TO SELECTED INDEXES (INDEXED)

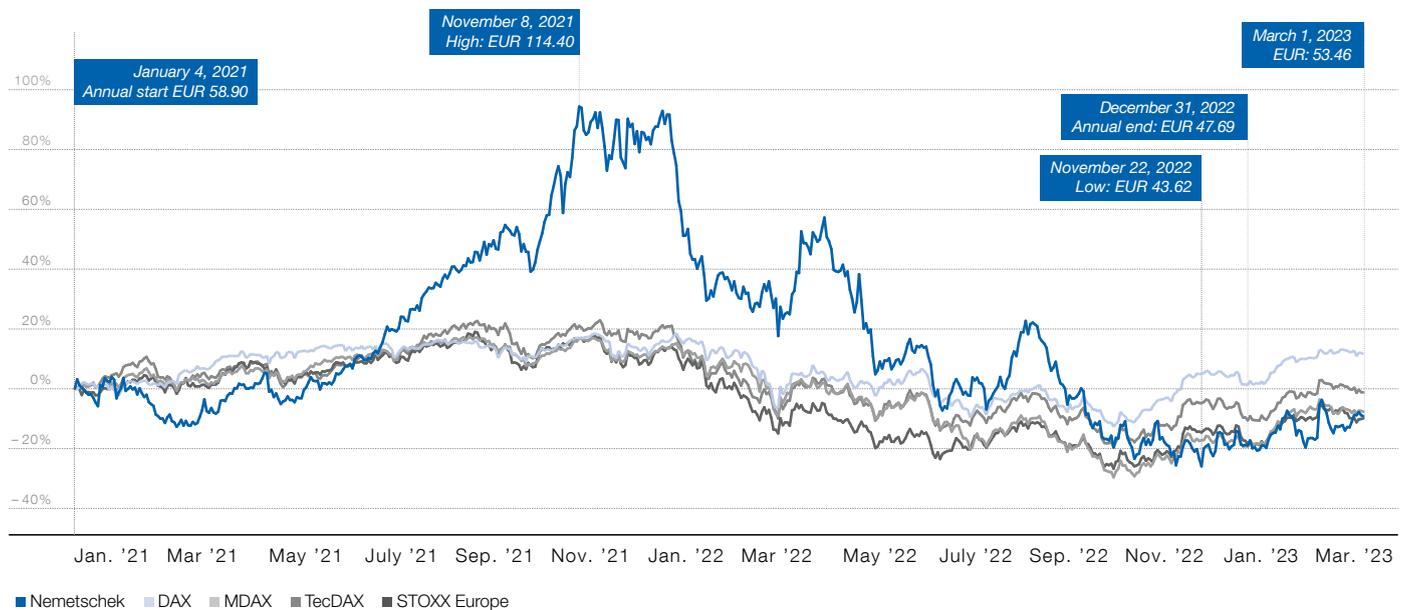


After the record highs in company valuation and share price in the previous year, Nemetschek SE shares started the new year on January 3, 2022 with a price of EUR 107.65, which also marked the highest price of the company's shares for the year. In the first few months, the share price developed significantly weaker than the prices of most major share indices as well as the shares of most of Nemetschek's competitors. In addition to the political and macroeconomic challenges described above as well as the rotation from growth to value stocks, this development was also partly driven by investors' uncertainty regarding the upcoming transition of the Nemetschek Group's business model to subscription offerings. In addition, the negative development of most indicators for the construction industry, especially in Nemetschek's most important end market Europe, weighed on investor sentiment. However, the very strong business results of the first and second quarters, together with the presentation of the new CEO Yves Padrines, led to a stabilization of the share price from the middle of the second quarter onward. Due to the slowdown of the global economy as well as the scheduled start of the transition of the business model of the group's largest brand Bluebeam

to subscription and SaaS offerings in the third quarter and the associated accounting-related decline in growth and margin of the Nemetschek Group, the company's share price weakened again from the end of the third quarter. As a result, the lowest price was recorded on November 22 at EUR 43.62, before the company's shares subsequently stabilized and ended the year at a price of EUR 47.69.

Due to the historically strong change in the interest rate levels and the accompanying massive shifts in capital, by which Nemetschek SE shares in particular were strongly impacted in the last two years, it makes sense to also look at the development of the company's securities over this entire two-year period (2021-2022). It can be seen that the strong outperformance of the share in 2021 was followed by a partial normalization in 2022. The performance of Nemetschek SE shares over the entire 2-year period was therefore in line with the performance of most competitors as well as the most important benchmark indices MDAX, TecDAX and STOXX Europe Total Market Software & Computer Services.

**PRICE DEVELOPMENT OF NEMETSCHEK SHARES FROM BEGINNING OF 2021 TO BEGINNING OF 2023 COMPARED TO SELECTED INDEXES (INDEXED)**



### Nemetschek shares in the MDAX and TecDAX rankings

In the Deutsche Börse ranking, Nemetschek was ranked 57th (previous year: 44th) in the MDAX and 9th (previous year: 7th) in the TecDAX in terms of market capitalization (based on free float) as of 31 December 2022.

In the financial year 2022, an average of 162,273 shares were traded daily via the Xetra electronic trading system (previous year: 176,720 shares). The average daily turnover on Xetra was EUR 10.48 million (previous year: EUR 12.79 million).

### Market development in the current financial year

At the beginning of 2023, global share prices, and in particular the securities of technology and growth companies, recovered slightly. The Nemetschek SE shares, in line with most of its direct competitors and the most important sector indices, also showed a positive development in the course of the first quarter. Consequently, a provisional high for the year 2023 was reached on February 3 with a price of EUR 56.55 per share.

## Overview of Nemetschek shares

### KEY FIGURES ON SHARES

	2022	2021
Closing price in €	47.69	112.80
High in €	107.65	114.40
Low in €	43.62	51.40
Market capitalization in € million	5,508.19	13,028.40
Earnings per share in €	1.40	1.17
Price/earnings ratio	34.06	96.40
Average number of shares traded per day (Xetra)	162,273	176,720
Average number of outstanding shares	115,500,000	115,500,000

Nemetschek SE currently has no rating from a rating agency that assesses its creditworthiness.

### Dividend policy and dividend proposal for the 2022 financial year

The Nemetschek Group pursues a sustainable dividend policy, which provides for a distribution of around 25% of its operating cash flow. The dividend policy takes into account the overall economic development, the economic and financial situation of the company as well as the interests of the shareholders.

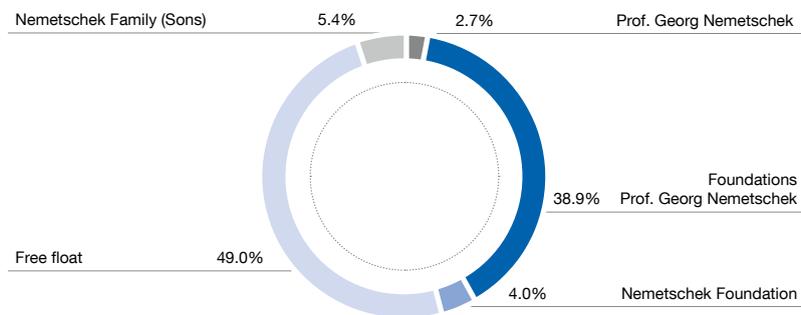
Despite the continued challenging environment, Nemetschek continued its very positive operating development in 2022. The targets set for the 2022 financial year were achieved and the solid financial situation was further strengthened. Based on these developments, Nemetschek SE plans to continue its sustainable and reliable dividend policy, despite the tense geopolitical and economic environment. The Supervisory Board as well as the Executive Board have therefore decided to propose an appropriate dividend increase of 15.4% to EUR 0.45 per share (previous year: EUR 0.39 per share) to the annual general meeting on May 23, 2023. With 115.5 million shares, this would correspond to a total payout of EUR 52.0 million (previous year: EUR 45.0 million) and would result in a payout ratio – in relation to the operating cash flow – of around 24% (previous year: around 20%).

### Shareholder structure

As of December 31, 2022, the free float stood at 49.0%. It was spread across a regionally widely diversified shareholder base with a high proportion of international investors, primarily from the USA, Germany, France, Great Britain, Switzerland and Scandinavia.

With its directly or indirectly held shares, the Nemetschek family remained with around 51.0% of all outstanding shares the majority shareholder of the company in the 2022 fiscal year.

#### SHAREHOLDER STRUCTURE\*



\* Direct shareholdings as of December 31, 2022.

### Virtual annual general meeting

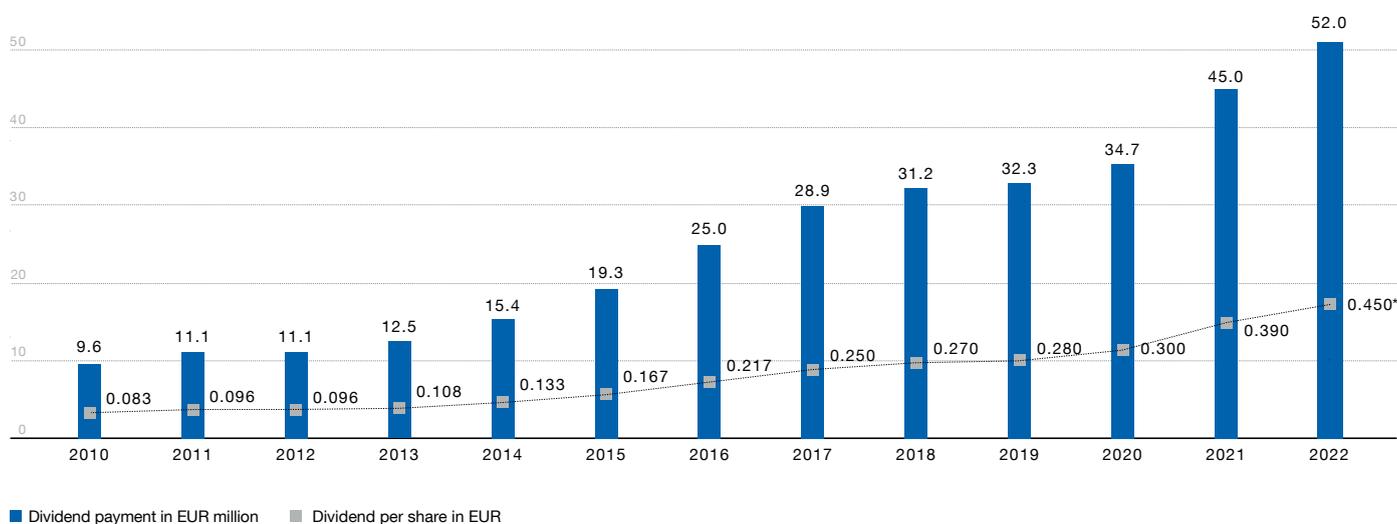
Based on the positive experience of the last two virtual AGMs as well as the ongoing global Covid-19 pandemic, the Nemetschek Group decided to hold its ordinary AGM in the fiscal year 2022 also on a purely virtual basis. The software company thus reacted to the restrictions on public life caused by the Covid-19 pandemic and at the same time took advantage of the opportunity created by the legislator to hold a purely virtual AGM. At the Annual General Meeting on May 12, 2022, the company's shareholders approved all items on the agenda.

### Dividend for the financial year 2021

For the financial year 2021, the shareholders approved a dividend increase for the ninth time in a row to EUR 0.39 per share (previous year: EUR 0.30 per share). The total dividend payout amounted to EUR 45.0 million (previous year: EUR 34.7 million). The payout ratio

for the 2021 financial year – based on the operating cash flow – was around 20% and was thus within the long-term target payout ratio of around 25% of the operating cash flow. The dividend was distributed to the shareholders after the Annual General Meeting on May 12, 2022.

#### DIVIDEND PER SHARE AND TOTAL PAYOUT IN YEAR-ON-YEAR COMPARISON



\* Proposal to the annual general meeting on May 23, 2023.

### Additional agenda items

In addition to the dividend, other agenda items were also voted on. In particular, the shareholders focused on the expansion of the Supervisory Board, the regular Supervisory Board elections, decisions in connection with the remuneration system for the Executive Board, and the provisions governing the Supervisory Board remuneration. All agenda items and voting results are available at [ir.Nemetschek.com/agm](https://ir.Nemetschek.com/agm).

### Extensive communication with the capital market

Nemetschek SE is committed to open, transparent, and reliable communication with all stakeholders. The goal is to strengthen the trust in the Nemetschek Group by timely publications as well as a continuous dialogue with shareholders.

In the financial year 2022, the relationship with existing and potential investors of the Nemetschek Group was therefore again maintained and further expanded through a large number of contacts and discussions. In addition to purely a virtual participation, after a two-year interruption due to the global Covid-19 pandemic, the opportunity to meet investors in person at investor conferences and roadshows was also used again during the year.

As part of the regular publication of the annual, half-year and quarterly results, telephone conferences were again held. These conferences provided not only a platform for the Executive Board to report on the current and expected future business development, but also offered the opportunity for analysts and investors to pose questions directly to the Executive Board. Nemetschek SE also maintained a close and continuous exchange with relevant trade and business media.

In addition, the Nemetschek Group is currently covered by 18 analysts from various global banks and research houses, who regularly publish independent reports and comments on the current development of the company. An overview of the current price targets of the analysts can be found on the company website at [ir.Nemetschek.com/analysts](https://ir.Nemetschek.com/analysts).