

to operating performance. Because of their importance for the financial success of the business, the key performance indicators of revenues, EBITDA and (since the 2022 financial year) the ARR are also essential components of the performance management system.

The achievement of corporate targets is also assessed based on the development of financial performance indicators that are set for the purposes of managing the company and that also form part of the short and long-term remuneration of the Executive Board. Information on the remuneration of members of the Executive Board and Supervisory Board is provided in a separate remuneration report that is available on Nemetschek SE's website at [ir.Nemetschek.com/en/corporate-governance](https://ir.Nemetschek.com/en/corporate-governance).

Information on the detailed development of the Nemetschek Group and its segments in the 2022 financial year and in comparison to the previous year can be found under [« 3.3 Results of Operations, Financial Position and Net Assets of the Nemetschek Group »](#). In addition, a comparison of current and forecast business development can be found under [« 4 Comparison of Actual and Forecast Business Performance of the Nemetschek Group »](#).

In addition to the performance indicators described above, Nemetschek SE is also controlled with regard to the liquidity required in the company. This ensures that Nemetschek SE can meet its obligations at all times, in particular to pay the dividend and repay the loan.

The key financial performance indicators (core management ratios) of the Nemetschek SE are as follows:

	FY 2022	FY 2021
Net income	X	X
Net liquidity	X	X

Net liquidity comprises cash and cash equivalents at banks.

## 1.4 Research and Development

Research and development are of very high priority for Nemetschek. In the 2022 financial year, EUR 182.6 million (previous year: EUR 148.9 million) were invested in research and development.

Around 23% of Group revenues thus flowed into research and development in the 2022 financial year (previous year: around 22%) and thus into new and further developments of the solution portfolio. Moreover, around 40% (previous year: 39%) of employees work in research and development, again underlining the high importance of this area for the Nemetschek Group.

Through its research and development activities, the Nemetschek Group is pursuing the aim of further expanding its innovative

strength in the AEC/O and Media markets, and identifying technological trends at an early stage, developing them into marketable solutions and establishing them on the market. Proximity to and cooperation with customers is a key component of this. Ideas and potential for improvement are identified in close dialog with customers and then evaluated by the brands in the respective segments.

In addition, there are cross-brand development projects in the respective segments designed to leverage synergies, address new customer segments and expand the portfolio. Key strategic and cross-brand projects are managed by the respective Segment Manager and developed further in cooperation with the brands. In foreign markets, adapting solutions to national standards and regulations remains important.

All brands focusing on the AEC/O markets contribute to the OPEN BIM approach with their solutions and support open interfaces to promote the exchange of information and data along the construction process value chain. Together with partners in the global buildingSMART initiative promoting the further development and standardization of open exchange standards – including software solutions from external companies – in BIM projects, Nemetschek is involved in the further development and implementation of corresponding standards, in particular the Industry Foundation Classes (IFC). IFC is a manufacturer-independent, freely available and particularly powerful format for the exchange of 3D component-oriented design data in the construction industry. The brand companies are continuously working to improve and certify their interfaces for seamless exchange with other OPEN BIM solutions. In addition, the brand companies are working on the development of collaborative additional functions, such as tracing which project participant has received, read, possibly changed or already released which detailed information and when.

### Innovation Focus

All brands are continually developing their existing solutions. In their respective segments, the brands have focused on issues such as improving the user-friendliness of their solutions, process optimizations and integrated interfaces and connections for a smooth OPEN BIM workflow. The focus in the year under review was also on improvements aimed at minimizing the time required, increasing efficiency and productivity in the planning and construction process, and optimizing workflows. At the same time, all brands are working to constantly enlarge and expand their existing portfolio of solutions to reflect technological trends and changing customer requirements and thus secure their innovation leadership in their markets. Across all segments, development activities also focused in particular on subscription and SaaS offerings.

The product portfolios of all four segments were characterized by numerous innovations in 2022.

In the **Design** segment, the annual updates to the solutions of the individual brands focused primarily on innovations to improve coordination of BIM workflows so as to increase efficiency as well as to enable more sparing use of resources. These functions are steadily gaining in importance due to the continuing high level of prices for raw materials and the ever-increasing demands for sustainability and energy efficiency in buildings. In particular, the two design brands Allplan and Solibri deepened their collaboration in the year under review by developing a real-time workflow for problem management. Furthermore, Allplan qualified for the final of the German Innovation Award in 2022 with its solution for bridge construction. The Frilo brand was also able to significantly strengthen its portfolio even further by acquiring DC-Software in the field of foundation engineering.

The Nemetschek brand Solibri announced the launch of a new cloud-based service offering in 2022 called Solibri Inside. The SaaS (software as a service) solution offers users of Allplan, Graphisoft Archicad and Vectorworks the ability to check models directly in the design phase and thus significantly enhance the quality of digital building and collaboration.

In the **Build** segment, the company pressed ahead with cloud technology in particular: In the year under review, the Bluebeam brand released its “Bluebeam Cloud,” a software suite of mobile and browser-based solutions for working from anywhere using any device, which is available for the first time only as a SaaS offering. With Bluebeam Cloud, project teams at the building site have access to the flagship product Bluebeam Revu and can thus access all data and work from anywhere, even using their mobile devices. That makes workflows even more efficient and enables seamless connectivity as well as better collaboration and optimized data availability.

In the **Manage** segment, the Spacewell brand responded to the energy crisis by further developing Spacewell Energy. This is a software as a service (SaaS) solution that helps detect, monitor and reduce energy consumption in buildings by combining IoT sensors, real-time data and artificial intelligence. As a result, buildings can be operated and managed more sustainably, resource-efficiently and smartly. Furthermore, synergies were created by merging Axserion and Cobundu into “Spacewell Workplace” to provide customers with even more tailored support for building management and the implementation of hybrid workplace models.

In the **Media** segment, the integration of ZBrush, the solution from the acquired US company Pixologic, Inc. into the Maxon ONE suite, which bundles all the brand’s offerings, was completed. That gives all Maxon ONE users access to the ZBrush sculpting software. In the year under review, Maxon also became a founding member of the “Metaverse Standards Forum,” a body that has set itself the goal of promoting an open metaverse – i.e. the merging of virtual reality and actual reality – by establishing interoperability standards. Together with Adobe, Epic Games, Meta, Microsoft, and NVIDIA as well as other founding members,

Maxon thus wants to contribute to developing and building an open, inclusive Metaverse – and also to advancing the open standards in the virtual space that have been part of the Nemetschek Group’s DNA for 60 years.

Contact with research and teaching has also been an important concern of the Nemetschek Group since it was founded in 1963. Nemetschek has its roots in the university environment and has been present there for decades with its software solutions. The brand companies provide students and professors with free software licenses and online training materials as part of their campus programs. In addition to the core markets in Europe, this now also takes place in many other markets, above all the USA.

In addition, Nemetschek regularly supports university programs through its involvement in student contests to promote young architecture and engineering talents. For example, Nemetschek supports the Leonhard Obermeyer Center of the Technical University of Munich as a partner. At the same time, close cooperation with universities and colleges of technology also ensures the Nemetschek Group’s ability to innovate, as it is close to new innovations, topics and trends thanks to its strong ties with higher education institutions.

Across all segments, the topic of the “digital twin” was of great importance for the Nemetschek Group in 2022. To this end, a new executive was recruited in the middle of the year in the person of César Flores Rodríguez as Chief Division Officer for the Manage segment, who also heads the newly created Digital Twin business unit. The objective of this Business Unit is to act as a binding element that links the entire AEC/O portfolio. The focus of the development work is on a digital twin platform as an open and horizontal cloud solution that provides a common cloud infrastructure. The aim of that is to better leverage the synergies between the individual brands of the Nemetschek Group in order to create a shared platform with which workflows in the building life-cycle can be networked even better. The initial focus here is on customers from the field of building operation and management and helping them better manage and maintain their buildings. At the same time, customers have access to all relevant data for a building via an open cloud platform, from the design and construction phase to all processes in the buildings to real-time data by means of installed sensors. This platform thus represents an important/critical link between all brands and, in line with the company’s OPEN BIM philosophy, is also open to data based on third-party software solutions.

In the development of innovative solutions and the further development of proven ones, internal resources were mainly used, while the services of third parties were used only to a small extent. 90% of the expenses are attributable to internal R&D staff (including materials usage and amortization) and only 10% to external staff.

In addition to its own innovative strength, the Nemetschek Group intends to increasingly build on external innovative strength in the

future and therefore invest in smaller, still young and highly innovative companies, called start-up companies (see [<< 1.2 Targets and Strategy >>](#)). Further investments were thus made in several young and innovative companies in the 2022 financial year. The focus of these investments is on certain areas of innovation: artificial intelligence, reality capture, communication, and digitalization. Furthermore, cooperations and partnerships with colleges of technology and universities are part of the company's DNA and are thus being gradually developed further; see [<< 3.2 Business Performance in 2022 and Key Events Influencing the Company's Business Performance >>](#).

## 2 Nonfinancial Statement

### General Information

The Nemetschek Group has integrated its non-financial Group Statement into the Group's Annual Report. In accordance with Section 317(2) of the German Commercial Code (Handelsgesetzbuch, HGB), the non-financial Group Statement is not subject to a statutory audit. Auditing firm PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft (PwC), Munich, subjected the non-financial Group Statement of the Nemetschek Group to a limited-assurance audit. The Supervisory Board has also examined this statement and reached the conclusion that there are no grounds for reservations.

This section of the Group Management Commentary contains the Nemetschek Group's Group Nonfinancial Statement based on the German CSR Directive Implementation Act (CSR-RUG), which came into effect on January 1, 2017. Based on the requirements set forth in section 315c in conjunction with sections 289c to 289e of the HGB, a company must transparently describe in detail its key non-financial activities within the Nemetschek Group, in relation to five aspects specified in the law: respect for human rights, combating corruption and bribery, employee concerns, environmental concerns, and social concerns. In accordance with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of the European Union (EU Taxonomy Regulation) of June 18, 2020 on establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2020, the Nemetschek Group discloses in this non-financial statement whether and to what extent the Group's activities are associated with economic activities that qualify as environmentally sustainable. Information on this is included in section [<< 2.3 EU Taxonomy >>](#) of this Nonfinancial Statement.

The Nemetschek Group did not apply an external framework for the preparation of its Nonfinancial Statement for the 2022 fiscal year, for reasons including the major changes in the regulatory environment at present. Instead, the existing reporting structures were used like in previous years. Having said this, there is currently a general effort underway to align the Group's sustainability reporting with the standards of the Global Reporting Initiative (GRI Standards). For example, the materiality analysis carried out and also the implementation of the management approaches are based on the GRI standards. The Nemetschek Group will, in the future, use the European Sustainability Reporting Standards (ESRS) to meet the requirements of the Corporate Sustainability Reporting Directive (CSRD). The company has launched corresponding initiatives for their implementation and intends to have them completed by the 2024 reporting period.