

## 6 Key Features of the Internal Control and Risk Management System

### Accounting-Related Risk Management System and Internal Control System

The overriding objective of the Nemetschek Group's accounting-related internal control and risk management system is to ensure the correctness of financial reporting in the sense of ensuring that the consolidated financial statements comply with all relevant regulations. In addition, there is the reliability of the financial reporting.

In general, the risk management system and the internal control system also include the accounting-related organizational structure and process organization as well as all risks and controls with regard to accounting. The aim of the risk management system with regard to the accounting processes is to identify and assess risks that could conflict with the conformity of the consolidated financial statements vis-a-vis the applicable regulations. Identified risks are assessed with regard to their impact on the consolidated financial statements and risk-minimizing activities are implemented accordingly. The aim of the internal control system is to establish sufficient security through controls in accounting-relevant processes so that the consolidated financial statements comply with the applicable regulations despite the identified risks.

Both the risk management system and the internal control system relate to Nemetschek SE and all subsidiaries relevant to the consolidated financial statements.

The assessment of the materiality of misstatements is based on the probability of occurrence and the effect on revenue, net income and comprehensive income as well as total assets. A misstatement is considered material if it would bring about a change in the above parameters to such an extent that would lead an investor to make a different investment decision if they were aware of it.

Key elements of risk management and control in financial reporting include the allocation and distribution of responsibilities, preventative and downstream controls in the accounting and preparation of financial statements, Group-wide policies for accounting policies and the preparation of financial statements, and appropriate rules for access to IT systems. The principle of dual control and the separation of functions are also key principles in the financial-reporting process for the Nemetschek Group. Reducing manual process steps and focusing on automated interfaces and controls further increases process reliability. Every quarter, all reporting units declare their compliance with the centralized requirements, including accounting policies and controls defined at global level.

### General Risk Management and Internal Control System\*

For the executive board and supervisory board of the Nemetschek Group, the internal control system and risk management are a fundamental element of corporate management. Dealing with risks arising from both business activities is of fundamental importance for entrepreneurial success and sustainable corporate development and management.

As with the risk management system, the internal control system also consists of centralized and decentralized components. Some areas are subject to Group-wide requirements regarding controls, which are to be implemented on a decentralized basis. Group-wide controls are also in place, particularly within the financial reporting control system.

The internal control system is process-oriented and consists of the identification of risks, the definition of upstream and downstream controls, their implementation within the process organization, and the monitoring of the system to ensure appropriateness and effectiveness.

Based on the system monitoring, the internal control system is continuously improved. In addition to adjusting processes, including through the use of system-supported automation, this also involves revising how controls are designed and implemented.

The assessment of the effectiveness and efficiency of internal controls is regularly reviewed by Internal Audit. The results of audits performed by Internal Audit, as well as the regular risk inventory, in turn serve as input to Internal Audit's audit planning.

The executive board has no indication that the internal control and risk management system was not adequate or effective as of December 31, 2022. The elements of the existing internal control system are also continuously developed to adapt them to the changing legal and economic conditions of the business.

\* This information is not part of the management report and therefore unaudited.