



# Interim Report

January - March 2017



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running together

# LETTER TO OUR SHAREHOLDERS



Thomas Wolf, Chairman of the Administrative Board, CEO

## DEAR SHAREHOLDERS, DEAR FRIENDS OF RIB SOFTWARE SE,

Despite a strong Q1 2016 with three Phase-II-contracts included, the RIB Group was able to achieve growth in sales and earnings in the first quarter of 2017 according to plan. In addition, a **Phase-III-contract** was signed with Carillion plc, a leading UK construction services company. Furthermore, the **first strategic partnership** for the usage of the Ytwo platform was concluded with CG Gruppe AG.

In recent years, from 2011 to 2016, our iTWO community and iTWO brand have reached a high level. For the new five year plan from 2017 to 2021, and the years thereafter until 2026, the outlook is positive throughout. Governments worldwide, the IT industry and clients are discovering the benefits of integrating two (iTWO) worlds, the virtual into the physical. iTWO stands for this MR (Mixed Reality) process in the construction industry.

1. **We are on a strong path** to reach our 2021 – 2026 targets: building up a community of 1,000 iTWO 5D technology partners and iTWO key account clients as the engine to transform the traditional building and infrastructure industry into one of the most advanced industries on the planet, keeping a **steady EBITDA margin of approx. 30%** in the software business.
2. **We are on a strong path** to support with iTWO<sup>3</sup> - New Thinking, New Working, New IT Technology - and the iTWO City Technology the development of the 21st century City and Infrastructure, also known as “Smart Cities”.
3. **We are on a strong path** to support with iTWO 4.0 the next generation of IT, the Internet of Things (IoT). With the new iTWO 4.0 platform **and Ytwo platform**, iTWO SP (smart production) and the xTwo platform, we have

developed exactly those solutions that the market is demanding and requiring for the digitalization and industrialization.

The global building and construction industry has reached a size of almost USD 9 trillion and will grow to USD 15 trillion by 2025. The IT spending can grow from around USD 90 billion (1%) today to around USD 500 billion (3.3%). **To position ourselves as a leading supplier tapping into this USD 500 billion market**, we will work hard on our organizational foundation.

Following RIB's philosophy, we consider ourselves an IT partner and enabler, which creates value to our clients, rather than just a software vendor. To achieve this goal, we have trained world-leading experts in the areas of business process management, technical enterprise resource planning & controlling. Our RIB top experts have deep practical knowledge in the macro- and micro-economic dynamics in the global made-to-order and process industry. Together with our clients, **we are determined** to halve their current and future risks and double their profits. **We are determined** to reduce up to 50% waste in different sectors and to achieve 30% benefits for the whole iTWO community, as well as a contribution to the greater society. **We are also determined** to support our industry by developing the next generation of talents together with the leading technology universities in the world, such as Georgia Institute of Technology in Atlanta, USA.

In 2016, we have completed the R&D work on the iTWO 4.0 Release 1.0, the next generation platform which will be the main RIB technology in 2017 - 2021. Consequently we are continuing the shift, which we started in the last year, from a more R&D driven organization into a stronger marketing driven organization. We are now able to offer standardized IT solutions based on global "best practices", which include industry-specific content. In 2016, we have also positioned iTWO in the market, the perfect IT platform and supply chain solution for real estate developers and construction materials suppliers.

In summary, with iTWO<sup>3</sup>, iTWO 4.0, iTWO Formative (SCM), iTWO SP (PPS and smart production), iTWO PCI (project cost insurance), iTWOtx (tender exchange platform), iTWO FM (facility management), iTWO City (project developer platform), iTWO World (communication platform), xTWOstore (e-commerce platform for sanitaryware), iTWOscm, iTWOcx (Collaboration Platform) and iTWO LAB (conceptual working environment), **we are working with maximum speed on the end-to-end construction process.**

The iTWO Technology development is done in close partnership and cooperation with our key iTWO Technology Partners, such as clients, enablers and universities. Here we have formed **together with our investors** one of the **strongest IT teams in the world.**

The world economy has slowed down in the last months and some sectors like Oil & Gas and regions like China have reduced their growth outlook for the next 12 months. But, based on the 4.0 (IoT) and mass customization opportunity for the process and made-to-order industry and on the infrastructure needs of a 4 billion strong middle class of consumers (today: 2 billion) in the next years, the fundamentals are extremely supportive for a strong business development in 2017 - 2026. Moreover, RIB also has a strong financial foundation, which enables it to win a significant stake of the expected USD 500 billion market opportunity in the future.

**Thanks for your trust and support.** I can promise the RIB team will not rest and work hard to reach the next record level and reach a real break-through for our technology, for our management and for our investors.

Kind regards



Thomas Wolf

# RIB OVERVIEW

## COMPANY PROFILE

RIB Software SE is an innovator in construction business. The company creates, develops, and offers iTWO<sup>3</sup> – new thinking, new working method and new technology - for construction projects across various industries worldwide. iTWO today is the world's first Cloud / License based Big Data 5D BIM enterprise solution for construction companies, industrial companies, developers and investors.

Since its inception in 1961, RIB Software SE has been the pioneer in construction innovation, exploring and bringing in new thinking, new working method and new technology to enhance construction productivity, and transforming the construction industry into the most advanced and digitalized industry in the 21st century.

RIB is headquartered in Stuttgart, Germany, and listed in Prime Standard Frankfurt Stock Exchange since 2011. With more than 750 talents located in over 30 offices worldwide, RIB is serving 100,000 clients including construction contractors, sub-contractors, developers, owners, investors and governments, in the field of building construction, infrastructure, EPC sector and more.

For more information visit [www.rib-software.com](http://www.rib-software.com)

## CONSOLIDATED FIGURES - OVERVIEW

€ million unless otherwise indicated	1 <sup>st</sup> quarter 2017	1 <sup>st</sup> quarter 2016	change
Revenue	26.2	25.3	3.6%
Software licenses	6.5	7.7	-15.6%
Software as a Service / Cloud	4.3	3.8	13.2%
Maintenance	8.1	6.6	22.7%
Consulting	5.7	5.2	9.6%
e-Commerce	1.6	2.1	-23.8%
<b>Operating EBITDA*</b>	<b>15.3</b>	<b>7.1</b>	<b>115.5%</b>
as % of revenue	58.4%	28.1%	
<b>Operating EBT*</b>	<b>11.8</b>	<b>4.9</b>	<b>140.8%</b>
as % of revenue	45.0%	19.4%	
Write-downs from purchase price allocations (PPA amortisation)	0.9	1.0	-10.0%
Cash generated from operations	25.3	15.9	59.1%
Cash incl. available-for-sale securities**	165.4	135.4	22.2%
Equity ratio**	79.5%	82.1%	
Average number of employees	785	741	5.9%

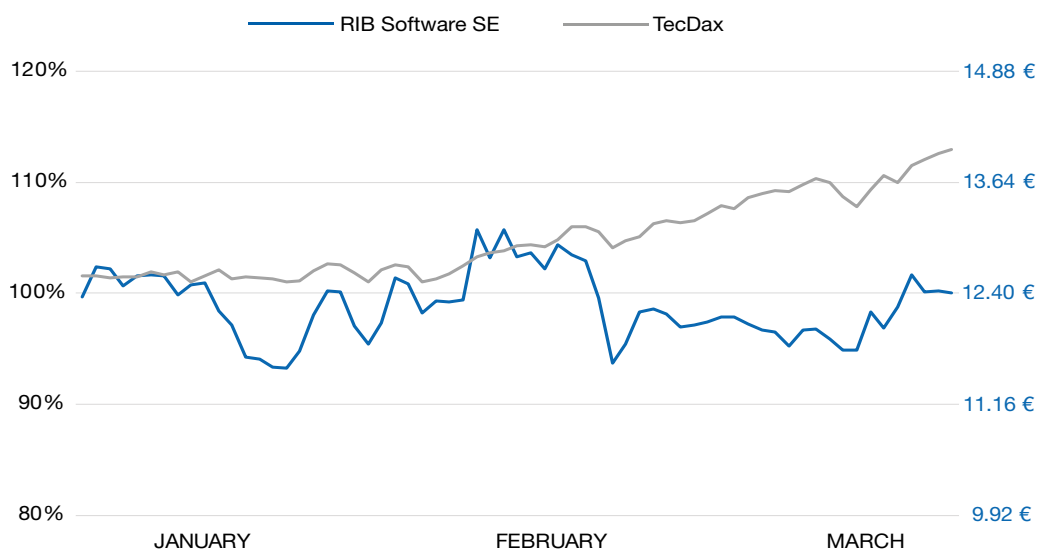
\* EBITDA and EBIT adjusted for currency effects (Q1 2017: € -0.1 million; Q1 2016: € -2.9 million) and one-time/special items (Q1 2017: € +0.4 million; Q1 2016: 0.0)

\*\* Previous year as of 31 December 2016



## RIB ON THE CAPITAL MARKET

### RIB SHARE PRICE PERFORMANCE JANUARY - MARCH 2017



### EVALUATION OF THE ANALYSTS

Shares in RIB have received a buy recommendation from the analysts Berenberg, Kepler Cheuvreux, Hauck & Aufhäuser and Equinet, while the share was assessed as “hold” by Warburg Research and as “neutral” by UBS. Experts and analysts have allocated shares in RIB a target price of between €11.00 and €16.50.

### SHAREHOLDER STRUCTURE

As of 27 April 2017

Shareholder	Shares in %
Thomas Wolf & Family	18.65
Capital Group Companies, Inc.	7.90
Ameriprise Financial, Inc.	4.54
RIB Software SE (Treasury stock)	4.00
Lagoda Investment Management L.P.	3.19
Credit Suisse Fund Management S.A.	3.03
Schroders Investment Management Limited	2.99
Henderson Global Investors Limited	2.97
Hans-Joachim Sander & Family	2.92

Shares outstanding: 46,845,657

# INTERIM GROUP MANAGEMENT REPORT

## REPORT ON EARNINGS, FINANCIAL POSITION AND NET WORTH

### SALES IN THE SEGMENT iTWO MASS MARKET INCREASES BY 39.3% TO € 3.9 MILLION MAINTENANCE AND SAAS INCREASES BY 19.2%

Despite a very strong prior-year quarter Q1 2016, the RIB Group was able to achieve rates of growth in sales and earnings.

Even though there were recognized two very large Phase II orders in the amount of € 2.9 million in the Key Account segment in the first quarter of 2016, the software licence sales amounted to € 6.5 million, only € 1.2 million below the previous year. This is mainly due to a gratifying growth in software licence sales in the Mass Market, which rose by 39.3% to € 3.9 million (previous year: € 2.8 million). The in Q1 2017 announced Phase-III-contract will be recognized as revenue in Q2 2017.

The accrued maintenance sales increased by 22.7% to € 8.1 million (previous year: € 6.6 million) and are continuing to account for a large proportion of recurring sales. In total, recurring sales (maintenance and SaaS) rose by 19.2% to € 12.4 million (previous year: € 10.4 million). Sales of the consulting services increased by 9.6% to € 5.7 million (previous year: € 5.2 million).

Taking the aforementioned effects into account the high-margin iTWO segment sales rose from € 23.3 million by € 1.4 million to € 24.7 million. During the reporting period, no transaction revenues were generated in the xTWO segment from the YTWO joint venture. In the e-Commerce segment the focus was furthermore on increasing output and consolidating the service range. Accordingly, sales in the period were under review amounted to € 1.6 million (previous year: € 2.1 million) at the level planned for Q1 2017 (FY: € 6-7 million). Group sales rose by 3.6% to € 26.2 million (previous year: € 25.3 million).

### OPERATING EBITDA\* INCREASES BY 115.5% TO € 15.3. MILLION OPERATING EBT\* INCREASES BY 140.8% TO € 11.8 MILLION

The operating earnings before interest, taxes, depreciation and amortisation (operating EBITDA\*) increased by 115.5% to € 15.3 million compared with the previous year (previous year: € 7.1 million). The operating EBITDA-margin amounted to 58.4% (previous year: 28.1%). The operating earnings before taxes (operating EBT\*) rose during the reporting period by 140.8% to € 11.8 million (previous year: € 4.9 million). The main reason for that is the sale of software licences to the joint venture YTWO in the amount of € 7.6 million (please see also Note 5 Appendix Interim Report RIB Software SE).

The tax rate amounted to 34.7% and was significant lower than in the previous year (40.0%). The main reason for this is that in the reporting period, higher results of foreign companies with lower income tax rates were achieved compared to the previous year.

The gross margin increased about 3 percentage points to 58.4% (previous year: 55.7%).

\*) EBITDA and EBT adjusted for currency effects (Q1 2017: € -0.1 million; Q1 2016: € -2.9 million) and one-time/special items (Q1 2017: € +0.4 million; Q1 2016: 0.0)

R&D expenditure increased by 37.5% to € 3.3 million during the reporting period (previous year: € 2.4 million). The increase essentially occurred on the basis of the boost to our iTWO 4.0 development team and a lower capitalization of development costs. The administrative costs have increased from € 2.4 million to € 2.7 million. The expenditure of marketing and distribution amounted to € 4.6 million (previous year: € 4.5 million).

The average number of employees changed by 5.9% to 785 (previous year: 741 employees).

### CASH GENERATED FROM OPERATIONS INCREASES BY 59.1% TO € 25.3 MILLION

The RIB Group generated pre-tax cash flow from operating activities of € 25.3 million (previous year: € 15.9 million), which equates to an increase of 59.1% compared with the last year. The cash flow from operating activities reached € 23.8 million (previous year: € 11.2 million). The cash flow from investing activities was with € 1.0 million significant higher than in the previous year (€ 0.2 million). The main reason for that are the receipt of payments through the sale of the MAC International to the joint venture Y TWO in the amount of € 2.9 million. The cash flow from financing activities in the amount of € 6.0 million includes mainly receipt of payments of bank loans in the context of the sale of our office building in Stuttgart (€ 6.0 million). In the previous year, no payments were made or received.

As at 31.03.2017, the Group held liquid assets, including securities available-for-sale, of € 165.4 million (31.12.2016: € 135.4 million). Total equity amounted to € 298.7 million (31.12.2016: € 291.8 million). The equity ratio decreased slightly to 79.5% (31.12.2016: 82.1%).

Trade payables decreased by 32.0% to € 1.7 million (31.12.2016: € 2.5 million). Trade receivable increased to € 19.4 million (31.12.2016: € 18.4 million).

## OPPORTUNITY AND RISK REPORT

With regard to the important opportunities and risks of the expected development of the RIB Group, please refer to the opportunities and risks described in the management report of 31 December 2016.

## FORECAST REPORT

Due to the clearly increased demand for our software and SaaS/Cloud solutions in the last few years, we continue to see good growth opportunities for 2017 for the RIB Group. The market roll-out of our new cloud-based iTWO 4.0 software platform opens the possibility of opening new markets outside the DACH region significantly more efficiently and addressing individual customer wishes without significant development expenditures.

The new area Y TWO (SCM) offers a fully integrated cloud-based supply chain management solution, based on the iTWO 4.0 software platform, with which we will tap into new customer segments and give existing customers the possibility to digitally plan, manage, and monitor their complete material and service needs.

Due to the positive development in the first quarter 2017 and the assumption based on otherwise stable framework conditions in the market, RIB Group confirms the guidance for the fiscal year 2017, with sales between € 98 million and € 108 million and an EBITDA of between € 28 million and € 38 million.

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

For the period: 01.01.2017 to 31.03.2017

figures in € thousand, unless otherwise indicated	Note	3 months 2017	3 months 2016
<b>Revenue</b>	(4)	<b>26,218</b>	<b>25,345</b>
Cost of sales		-10,939	-11,229
<b>Gross profit</b>		<b>15,279</b>	<b>14,116</b>
Other operating income	(5)	8,512	116
Marketing and distribution costs		-4,622	-4,535
General administrative expenses		-2,674	-2,368
Research and development expenses		-3,344	-2,392
Other operating expenses	(6)	-110	-2,966
Financial income		28	95
Finance costs		-48	-69
Share of profit and losses of associates		-918	3
<b>Profit before tax</b>		<b>12,103</b>	<b>2,000</b>
Income taxes		-4,227	-825
<b>Profit after tax</b>		<b>7,876</b>	<b>1,175</b>
Loss attributable to non-controlling interests		-18	-49
Profit attributable to owners of the parent company		7,894	1,224
Result per share on the basis of the share earnings of the shareholders of RIB Software SE:			
<b>basic</b>	(8)	<b>0.18 €</b>	<b>0.03 €</b>
<b>diluted</b>	(8)	<b>0.17 €</b>	<b>0.03 €</b>



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period: 01.01.2017 to 31.03.2017

Figures in € thousand	<b>3 months 2017</b>	<b>3 months 2016</b>
<b>Profit after tax</b>	<b>7,876</b>	<b>1,175</b>
Components reclassified with no effect on profit and loss:		
Revaluations	-46	8
<b>Other consolidated comprehensive income after taxes for components reclassified with no effect on profit and loss</b>	<b>-46</b>	<b>8</b>
Components reclassified in subsequent periods with an effect on profit and loss:		
Exchange differences	-1,256	-1,643
Changes in value of available-for-sale securities	0	0
<b>Other consolidated comprehensive income after taxes for components reclassified with an effect on profit and loss</b>	<b>-1,256</b>	<b>-1,643</b>
<b>Other consolidated comprehensive income after taxes</b>	<b>-1,302</b>	<b>-1,635</b>
<b>Total consolidated comprehensive income</b>	<b>6,574</b>	<b>-460</b>
of which attributable to non-controlling interests	-18	-49
of which attributable to owners of the parent company	6,592	-411

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31.03.2017 AND 31.12.2016

Figures in € thousand	Note	<b>31.03.2017</b>	<b>31.12.2016</b>
Goodwill	(9)	67,268	67,166
Other intangible assets		49,417	50,005
Property, plant and equipment		16,035	16,185
Investment properties		5,208	5,272
Investments accounted for using the equity method	(10)	42,705	52,166
Prepaid land use lease payments		996	1,006
Other assets		16	16
Deferred tax assets		2,700	1,541
<b>Total non-current assets</b>		<b>184,345</b>	<b>193,358</b>
Inventories		1,649	1,432
Trade receivables		19,443	18,420
Gross amounts due from customers for contract work		404	136
Available-for-sale securities		98	98
Other assets		4,602	6,650
Cash and cash equivalents		165,277	135,323
<b>Total current assets</b>		<b>191,473</b>	<b>162,059</b>
<b>Total assets</b>		<b>375,818</b>	<b>355,417</b>

Figures in € thousand	Note	<b>31.03.2017</b>	<b>31.12.2016</b>
Subscribed capital		46,846	46,846
Treasury shares		-10,597	-10,597
Capital reserves		182,585	182,284
Legal reserves		95	95
Accumulated other consolidated comprehensive income		10,050	11,352
Retained earnings		69,814	61,926
<b>Equity attributable to owners of the parent company</b>		<b>298,793</b>	<b>291,906</b>
Non-controlling interests	(11)	-141	-123
<b>Total equity</b>		<b>298,652</b>	<b>291,783</b>
Pension provisions		3,883	3,840
Bank loans		5,500	0
Other provisions		299	286
Other finance liabilities		1,922	1,882
Deferred tax liabilities		11,888	12,116
<b>Total non-current liabilities</b>		<b>23,492</b>	<b>18,124</b>
Bank loans		401	0
Trade payables		1,744	2,456
Provisions for income taxes		8,125	4,337
Other provisions		1,194	1,153
Accruals		3,866	4,496
Deferred revenue		35,394	12,817
Other financial liabilities		200	579
Other liabilities		2,750	19,672
<b>Total current liabilities</b>		<b>53,674</b>	<b>45,510</b>
<b>Total liabilities</b>		<b>77,166</b>	<b>63,634</b>
<b>Total equity and liabilities</b>		<b>375,818</b>	<b>355,417</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: 01.01.2017 to 31.03.2017

Figures in € thousand	Issued capital	Capital reserves	Legal reserves
<b>As of 1 January 2016</b>	<b>46,846</b>	<b>181,396</b>	<b>95</b>
Profit after tax	-	-	-
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>
Disposal of treasury shares	-	-	-
Dividend payment	-	-	-
Capital increase	-	-	-
Other changes	-	0	-
Share-based remuneration	-	268	-
<b>As of 31 March 2016</b>	<b>46,846</b>	<b>181,664</b>	<b>95</b>
<b>As of 1 January 2017</b>	<b>46,846</b>	<b>182,284</b>	<b>95</b>
Profit after tax	-	-	-
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>
Purchase of treasury shares	-	-	-
Dividend payment	-	-	-
Capital increase	-	-	-
Other changes	-	0	-
Share-based remuneration	-	301	-
<b>As of 31 March 2017</b>	<b>46,846</b>	<b>182,585</b>	<b>95</b>

Accumulated other comprehensive income								Total equity according to consolidated statement of financial position
Changes in value of available-for-sale securities	Foreign currency translation reserve	Revaluations	Treasury shares	Retained earnings	Equity attributable to owners of parent	Non-controlling interests		
<b>1</b>	<b>8,332</b>	<b>-390</b>	<b>-4,828</b>	<b>54,657</b>	<b>286,109</b>	<b>-167</b>	<b>285,942</b>	
-	-	-	-	1,224	1,224	-49	1,175	
-	-1,643	8	-	-	-1,635	-	-1,635	
<b>0</b>	<b>-1,643</b>	<b>8</b>	<b>0</b>	<b>1,224</b>	<b>-411</b>	<b>-49</b>	<b>-460</b>	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	268	-	268	
<b>1</b>	<b>6,689</b>	<b>-382</b>	<b>-4,828</b>	<b>55,881</b>	<b>285,966</b>	<b>-216</b>	<b>285,750</b>	
<b>0</b>	<b>11,925</b>	<b>-573</b>	<b>-10,597</b>	<b>61,926</b>	<b>291,906</b>	<b>-123</b>	<b>291,783</b>	
-	-	-	-	7,894	7,894	-18	7,876	
-	-1,256	-46	-	-	-1,302	-	-1,302	
<b>0</b>	<b>-1,256</b>	<b>-46</b>	<b>0</b>	<b>7,894</b>	<b>6,592</b>	<b>-18</b>	<b>6,574</b>	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-6	-6	-	-6	
-	-	-	-	-	301	-	301	
<b>0</b>	<b>10,669</b>	<b>-619</b>	<b>-10,597</b>	<b>69,814</b>	<b>298,793</b>	<b>-141</b>	<b>298,652</b>	



## CONSOLIDATED STATEMENT OF CASH FLOWS

For the period: 01.01.2017 to 31.03.2017

	Figures in € thousand	3 months 2017	3 months 2016
<b>Cash flows from operating activities:</b>			
<b>Profit before tax</b>		<b>12,103</b>	<b>2,000</b>
Adjustments for:			
Depreciation of property, plant and equipment		222	176
Amortisation of intangible assets		2,309	2,025
Depreciation of investment property		34	38
Changes in valuation allowances for trade receivables		18	84
Other non-cash items		7,450	3,154
Interest expense and other finance cost		48	69
Financial income		-28	-95
		<b>22,156</b>	<b>7,451</b>
<b>Working capital adjustments:</b>			
Increase/decrease(-) in provisions and deferred liabilities		473	-399
Increase(-)/decrease in receivables and other assets		-2,304	-1,618
Increase/decrease(-) in received payments		-15,782	-34
Increase/decrease(-) in liabilities from trade payables and other liabilities		20,718	10,548
<b>Cash generated from operations</b>		<b>25,261</b>	<b>15,948</b>
Interest paid		-13	-17
Interest received		3	64
Income taxes paid		-1,500	-4,819
<b>Cash flow from operating activities</b>		<b>23,751</b>	<b>11,176</b>
Proceeds from the disposal of non-current assets		2	0
Purchase of property, plant and equipment		-115	-132
Purchase/production of intangible assets		-1,753	-2,190
Disposal of consolidated companies less cash disposed		2,878	0
Purchase(-)/sale of available-for-sale securities		0	2,561
<b>Cash flow from investing activities</b>		<b>1,012</b>	<b>239</b>
Dividend received from investments accounted for using the equity method		97	0
Cash received from bank loans		6,000	0
Repayment of bank loans		-100	0
<b>Cash flow from financing activities</b>		<b>5,997</b>	<b>0</b>
<b>Change in cash and cash equivalents impacting cash flow</b>		<b>30,760</b>	<b>11,415</b>
Cash and cash equivalents at the beginning of the period		135,323	174,335
Currency-related change in cash and cash equivalents		-806	-3,440
<b>Cash and cash equivalents at the end of the period</b>		<b>165,277</b>	<b>182,310</b>
<b>Composition of cash and cash equivalents:</b>			
Liquid funds, unrestricted		161,644	180,905
Liquid funds, restricted		3,633	1,405
<b>Total</b>		<b>165,277</b>	<b>182,310</b>

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

RIB Software AG has entered into a European Stock Company (Societas Europaea / SE) and is now trading as RIB Software SE. The new legal form has been registered in the commercial register on 3 April 2017.

This condensed consolidated interim financial statement of RIB Software SE (the “Company”) and its subsidiaries (collectively the “Group”) was drawn up according to the regulations of the International Financial Reporting Standards (IFRS). It complies in particular with the IAS 34 regulations “Interim reporting”.

The condensed consolidated interim financial statement has not been subjected to auditing inspection or a general audit.

Our business activity is in some respects subject to seasonal fluctuations.

In the past the revenue in the fourth quarter tended to be higher than in the individual preceding quarters. The interim results can therefore only be regarded as an indicator for the results of the entire financial year.

This condensed and unaudited consolidated interim financial statement should be read with the audited IFRS consolidated financial statements of RIB Software SE as of 31 December 2016.

Due to the representation of the numbers in € thousands, rounding differences may arise in individual items.

### 2. ACCOUNTING POLICIES

In drawing up the consolidated interim financial report the same accounting policies and calculation methods were used as in the consolidated financial statements as of 31 December 2016.

### 3. CONSOLIDATED GROUP

Compared to the consolidated financial statements as of 31 December 2016, the scope of consolidation as of 31 March 2017 remained unchanged.

### 4. REVENUE

Revenue breaks down as follows:

Figures in € thousand	<b>3 months 2017</b>	<b>3 months 2016</b>
Software licences	6,482	7,690
Software as a service / cloud	4,346	3,757
<b>Total software licences and software as a service / cloud</b>	<b>10,828</b>	<b>11,447</b>
Maintenance	8,149	6,643
Consulting	5,683	5,190
e-Commerce	1,558	2,065
<b>Total revenue</b>	<b>26,218</b>	<b>25,345</b>

The total software licence revenue is subdivided as follows:

	Figures in € thousand	<b>3 months 2017</b>	<b>3 months 2016</b>
iTWO Key Account		621	2,931
iTWO Mass Market		3,949	2,774
SaaS / Cloud		4,346	3,757
Legacy Products		1,912	1,985
<b>Total software licences and software as a service / cloud</b>		<b>10,828</b>	<b>11,447</b>

## 5. OTHER OPERATING INCOME

Other operating income primarily include income from the software delivery to Y TWO of € 7,601 thousand and income from purchase price liabilities adjustments of € 380 thousand.

## 6. OTHER OPERATING EXPENSES

Other operating expenses include foreign exchange expenses arising from cash and cash equivalents amounting to around € 71 thousand.

## 7. EXPENSES FOR EMPLOYEE BENEFITS AND NUMBER OF EMPLOYEES

### Expenses for employee benefits

	Figures in € thousand	<b>3 months 2017</b>	<b>3 months 2016</b>
Wages and salaries		10,352	9,688
Social security and pension costs		1,793	1,683
<b>Total</b>		<b>12,145</b>	<b>11,371</b>

### Average number of employees

	<b>3 months 2017</b>	<b>3 months 2016</b>
General administration	99	96
Research & development	317	290
Sales & marketing	149	123
Support & consulting	220	232
<b>Total</b>	<b>785</b>	<b>741</b>

## 8. EARNINGS PER SHARE – BASIC AND DILUTED

Earnings per share are calculated on the basis of the profit share of the shareholders in RIB Software SE as shown in the following table:

	figures in € thousand	3 months 2017	3 months 2016
Profit share of the shareholders of RIB Software SE – basic and diluted		7,894	1,224

	figures in thousand shares	3 months 2017	3 months 2016
Weighted average of shares in circulation - basic		44,973	45,645
Dilution effect		490	331
Weighted average of shares in circulation - diluted		45,463	45,976

The average commercial value of the Company's shares used to calculate the dilution effect of existing share options is based on the quoted market prices for the period in which the options were in circulation.

## 9. GOODWILL

	Figures in € thousand	31.03.2017	31.12.2016
<i>Licence/software business segment</i>		43,754	43,730
<i>SaaS/Cloud business segment</i>		12,898	12,770
<i>Consulting business segment</i>		5,785	5,815
iTWO reporting segment		62,437	62,315
YTWO (SCM) business segment		0	0
xTWO (e-Commerce) business segment		689	689
xTWO reporting segment		689	689
GZ TWO development entity		3,248	3,268
Arriba Finance		894	894
<b>Total</b>		<b>67,268</b>	<b>67,166</b>

The change in carrying amounts by € 102 thousand was attributable to currency translation effects of goodwill held in local currency, which were recognised outside profit or loss.

## 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	YTWO	Exactal	Others	Total
Carrying amounts as of 31.12.2016	49,170	2,892	104	52,166
Elimination of unrealized profits from "downstream sales"	-7,601	0	0	-7,601
Dividend paid to the group	0	-97	0	-97
Comprehensive income attributable to the group	-1,710	-53	0	-1,763
<b>Carrying amounts as of 31.03.2017</b>	<b>39,859</b>	<b>2,742</b>	<b>104</b>	<b>42,705</b>

## 11. NON-CONTROLLING INTERESTS

The non-controlling interests relates to 25% of the shares of xTWOmarket GmbH.

## 12. SEGMENT INFORMATION

Please refer to section (7) of our consolidated financial statements for the 2016 financial year for information on the basis of our segment reporting and notes on the segments.

The tables below show the segment revenue, segment results and reconciliations with the revenue shown in the consolidated income statement and comprehensive income.

Figures in € thousand	3 months 2017		
	iTWO	xTWO	Total
<b>Revenue, external</b>	<b>24,660</b>	<b>1,558</b>	<b>26,218</b>
License / Software	14,631	-	14,631
SaaS / Cloud	4,346	-	4,346
Consulting	5,683	-	5,683
xTWO (e-Commerce)	-	1,558	1,558
<b>Production costs</b>	<b>-9,575</b>	<b>-1,364</b>	<b>-10,939</b>
License / Software	-4,636	-	-4,636
SaaS / Cloud	-774	-	-774
Consulting	-4,165	-	-4,165
xTWO (e-Commerce)	-	-1,364	-1,364
<b>Research and development expenses</b>	<b>-3,339</b>	<b>-5</b>	<b>-3,344</b>
License / Software	-2,381	-	-2,381
SaaS / Cloud	-958	-	-958
Consulting	-	-	0
xTWO (e-Commerce)	-	-5	-5
<b>Distribution and marketing costs</b>	<b>-4,361</b>	<b>-261</b>	<b>-4,622</b>
<b>General administrative expenses</b>	<b>-2,483</b>	<b>-191</b>	<b>-2,674</b>
<b>Other operating income and expenses</b>	<b>8,389</b>	<b>13</b>	<b>8,402</b>
<b>EBIT Segment</b>	<b>13,291</b>	<b>-250</b>	<b>13,041</b>
Financial result			-938
thereof profit shares from investments accounted for using the equity method	51	-969	-918
Income taxes			-4,227
<b>Consolidated net profit</b>			<b>7,876</b>
<b>EBITDA Segment</b>	<b>15,879</b>	<b>-220</b>	<b>15,659</b>
EBITDA-margin	64.4%	-14.1%	59.7%
<b>Other segment information:</b>			
Segment amortisation and adjustments	2,588	30	2,618
Carrying amount of participation in the joint venture YTWO accounted for using the equity method	-	39,859	39,859



Figures in € thousand	3 months 2016		
	iTWO	xTWO	Total
<b>Revenue, external</b>	<b>23,280</b>	<b>2,065</b>	<b>25,345</b>
License / Software	14,333	-	14,333
SaaS / Cloud	3,757	-	3,757
Consulting	5,190	-	5,190
xTWO (e-Commerce)	-	2,065	2,065
<b>Production costs</b>	<b>-9,206</b>	<b>-2,023</b>	<b>-11,229</b>
License / Software	-4,592	-	-4,592
SaaS / Cloud	-444	-	-444
Consulting	-4,170	-	-4,170
xTWO (e-Commerce)	-	-2,023	-2,023
<b>Research and development expenses</b>	<b>-2,378</b>	<b>-14</b>	<b>-2,392</b>
License / Software	-1,855	-	-1,855
SaaS / Cloud	-523	-	-523
Consulting	-	-	0
xTWO (e-Commerce)	-	-14	-14
<b>Distribution and marketing costs</b>	<b>-4,148</b>	<b>-387</b>	<b>-4,535</b>
<b>General administrative expenses</b>	<b>-2,150</b>	<b>-218</b>	<b>-2,368</b>
<b>Other operating income and expenses</b>	<b>-2,885</b>	<b>35</b>	<b>-2,850</b>
<b>EBIT Segment</b>	<b>2,513</b>	<b>-542</b>	<b>1,971</b>
Financial result			29
thereof profit shares from investments accounted for using the equity method	3	-	3
Income taxes			-825
<b>Consolidated net profit</b>			<b>1,175</b>
<b>EBITDA Segment</b>	<b>4,760</b>	<b>-520</b>	<b>4,240</b>
EBITDA-margin	20.4%	-25.2%	16.7%
<b>Other segment information:</b>			
Segment amortisation and adjustments	2,247	22	2,269
Carrying amount of participation in the joint venture YTWO accounted for using the equity method	-	-	0

The Managing Directors as the chief operating decision-makers do not request submission of any regular details of segment assets and segment liabilities.

### Geographic information

Revenue by geographic area (based on the location of customers) breaks down as follows:

Figures in € thousand	<b>3 months 2017</b>	<b>3 months 2016</b>
EMEA (Europe, Middle East and Africa)	21,785	21,244
APAC (Asia Pacific)	889	760
North America	3,544	3,341
<b>Total revenue</b>	<b>26,218</b>	<b>25,345</b>

## 13. FINANCIAL INSTRUMENTS - FAIR VALUE

### Classifications and fair values

The following table shows the book values and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not contain any information on the fair value of financial assets and financial debts that are not assessed at fair value if the book value is an appropriate approximation of the fair value.

	Carrying amount		Fair value			
	Available for sale	Loans and receivables	Level 1	Level 2	Level 3	Total
Figures in € thousand						
<b>As of 31 March 2017</b>						
<b>Financial assets at fair value</b>						
Cash market and investment funds	86	-	86	-	-	86
Corporate Bonds	12	-	12	-	-	12
<b>Total</b>	<b>98</b>	<b>-</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>98</b>
<b>Financial assets not measured at fair value</b>						
Accounts receivable trade	-	19,443	-	-	-	-
Other Assets*	-	4,453	-	-	-	-
Cash and cash equivalents	-	165,277	-	-	-	-
<b>Total</b>	<b>-</b>	<b>189,173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Held for trading</b>	<b>Other financial liabilities</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial liabilities at fair value</b>						
Derivates	1,915	-	-	-	1,915	1,915
<b>Financial liabilities not measured at fair value</b>						
Accounts payable trade	-	1,744	-	-	-	-
Other financial liabilities	-	6,120	-	-	-	-
Other liabilities**	-	714	-	-	-	-
<b>Total</b>	<b>1,915</b>	<b>8,578</b>	<b>-</b>	<b>-</b>	<b>1,915</b>	<b>1,915</b>

\* This item does not include other assets in the amount of € 165 thousand, which are not financial assets.

\*\* This item does not include other liabilities in the amount of € 2,036 thousand, which are not financial liabilities.

	Carrying amount		Fair value			
	Available for sale	Loans and receivables	Level 1	Level 2	Level 3	Total
Figures in € thousand						
<b>As of 31 December 2016</b>						
<b>Financial assets at fair value</b>						
Cash market and investment funds	86	-	86	-	-	86
Corporate Bonds	12	-	12	-	-	12
<b>Total</b>	<b>98</b>	<b>-</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>98</b>
<b>Financial assets not measured at fair value</b>						
Accounts receivable trade	-	18,420	-	-	-	-
Other Assets*	-	4,594	-	-	-	-
Cash and cash equivalents	-	135,323	-	-	-	-
<b>Total</b>	<b>-</b>	<b>158,337</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Held for trading	Other financial liabilities	Level 1	Level 2	Level 3	Total
<b>Financial liabilities at fair value</b>						
Derivates	2,239	-	-	379	1,860	2,239
<b>Financial liabilities not measured at fair value</b>						
Accounts payable trade	-	2,456	-	-	-	-
Other financial liabilities	-	222	-	-	-	-
Other liabilities**	-	1,455	-	-	-	-
<b>Total</b>	<b>2,239</b>	<b>4,133</b>	<b>-</b>	<b>379</b>	<b>1,860</b>	<b>2,239</b>

\* This item does not include other assets in the amount of € 2,072 thousand, which are not financial assets.

\*\* This item does not include other liabilities in the amount of € 18,217 thousand, which are not financial liabilities.

## Determination of the fair values

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

### Level 1:

fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

### Level 2:

fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not observable, either directly or indirectly

### Level 3:

fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not observable, either directly or indirectly

In determining the time when re-groupings are to be deemed to have occurred between different levels, we refer to the date of the event or the change in the circumstances that caused the regrouping.

The financial liabilities measured at fair value are derivative financial liabilities from company acquisitions.

The derivatives classified as level 2 as of 31 December 2016 were liabilities from the acquisition of the subsidiary **RIB US Cost** whose amount depends in particular on the future share price development of the RIB Software SE. As of 31 March 2017 it was clear that the share price targets were no longer reached within the agreed period, the liability of € 380 thousand was charged to the income statement as of 31 March 2017.

The derivatives assigned to level 3 are the liability under the option agreement in connection with the acquisition of the company **RIB SAA**.

In the 2015 financial year, the group acquired 75% of the shares in **RIB SAA**. At the same time, purchase and sale options for the transfer of outstanding shares of 25% were concluded with the sellers. From the holding position within the scope of the sale option agreement, the group has a financial liability for which an amortized fair value of € 2,632 thousand was calculated. Of this, a partial amount of € 1,582 thousand was assigned to the company acquisition and a partial amount in the amount of € 1,050 thousand in a separate transaction in the form of a pay agreement.

The financial liability attributable to the acquisition of companies was estimated in full in the context of the accounting for the acquisition of the company. The financial liability assigned to the separate transaction is accrued over a period of 66 months at the charge of personnel expenses and is recognized as of the balance sheet date with an amount of € 306 thousand in the financial liabilities. The personnel expenses attributable to the reporting period amount to € 48 thousand. The interest on financial liabilities resulted in an interest expense of € 8 thousand.



For a description of the techniques used in the assessment of this liability as well as the input factors used in the calculation of the fair value, please refer to our explanations in section (38) in the consolidated financial statement as of 31 December 2016.

In the reporting period, there were no transfers between levels one and two and no transfers into or out of level three.

The financial liabilities valued at fair value developed as follows in the reporting period:

	Figures in € thousand	2017
<b>As of 1 January</b>		<b>2,239</b>
<b>Changes without effect on profits</b>		
		0
<b>Changes with effect on profits</b>		
Income from the subsequent valuation of purchase price liabilities (other operating income)		-380
Personnel expenses from the accumulation of purchase price liabilities (production costs)		48
Expenses from the interest accrued on purchase price liabilities (finance expenses)		8
		<b>-328</b>
<b>As of 31 March</b>		<b>1,915</b>

Material valuation parameters were subjected to a sensitivity analysis for measuring the financial liabilities on level three. The calculations carried out for this purpose by the Group were undertaken separately for the valuation parameters classified as material. An increase or decrease in the material assumptions would have had the following effects on the carrying amounts of the financial liabilities on level three of € 1,915 thousand:

	Figures in € thousand	Sensitivity	Carrying amount
Discounting interest rate used for the discounting period		+ 1 %-point	1,791
Discounting interest rate used for the discounting period		- 1 %-point	1,948
Growth rate in the budgeted revenues in the budget period		+ 10.0 %	2,105
Growth rate in the budgeted revenues in the budget period		- 10.0 %	1,566

Stuttgart, 28 April 2017

**RIB Software SE**

**The Managing Directors**



Thomas Wolf



Michael Sauer



Helmut Schmid



## FURTHER INFORMATION

### IMPRINT

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**Translation of the original German version:**

The English version of the Interim Report is a translation of the original German version; in the event of variances, the German version shall take precedence over the English translation.

## FINANCIAL CALENDAR

### 30 May 2017

Ordinary Annual General Meeting

### 31 July 2017

Publication Interim Report (January - June 2017)

Analyst Conference Call

### 30 October 2017

Publication Interim Report (January - September 2017)

Analyst Conference Call

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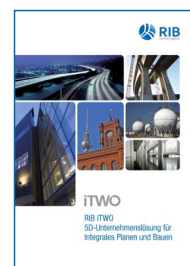
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### Careers

Internet: [group.rib-software.com/en/careers](http://group.rib-software.com/en/careers)

## Product information and References



[www.rib-software.com/itwo-references](http://www.rib-software.com/itwo-references)

[www.rib-software.com/itwo-broschuere](http://www.rib-software.com/itwo-broschuere)



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