

RIB Group shows stable revenue development with strong operating margin in the first half of 2021

- Group revenue grows by 8.6% to € 138.7 million in the first half of the year, despite the global impact of Covid-19 (previous year adjusted for e-commerce: € 127.7 million)
- Adjusted for the Phase III deal included in the previous year (€ 7.9 million), Group revenue grows by 15.8%
- Recurring revenues (ARR) grow by 9.2% to € 37.9 million in Q2 (previous year: € 34.7 million)
- International revenues increase by 15.5% to € 91.6 million (previous year: € 79.3 million)
- International share of revenue rises to 66.1% (previous year: 62.1%)
- Operating EBITDA margin remains high at 29.5%

CONSOLIDATED FIGURES - OVERVIEW

€ million unless otherwise indicated	2nd quarter 2021	2nd quarter 2020*	change	6 months 2021	6 months 2020*	change
Revenue	69.9	64.9	7.7%	138.7	127.7	8.6%
ARR	37.9	34.7	9.2%	77.8	75.1	3.6%
NRR	14.3	18.1	-21.0%	25.0	26.9	-7.1%
Services	17.8	12.1	47.1%	35.9	25.8	39.1%
EBITDA	16.3	31.0	-47.4%	38.9	46.7	-16.7%
as % of revenue	23.3%	47.8%		28.0%	36.6%	
Operating EBITDA**	20.1	25.4	-20.9%	40.9	41.2	-0.7%
as % of revenue	28.8%	39.1%		29.5%	32.3%	
Amortization from purchase price allocations (PPA)	5.3	3.9	35.9%	10.6	7.9	34.2%
Cash flows from operating activities				34.8	38.8	-10.3%
Group liquidity***				196.3	224.0	-12.4%
Equity ratio****				69.2%	71.7%	
Average number of employees				2,541	1,794	41.6%

* Previous year's figures were adjusted for the amounts of the discontinued business unit xTWO (e-commerce).

** EBITDA adjusted for currency effects and one-off/special effects.

*** Cash and cash equivalents, time deposits and available-for-sale securities. Previous year as of December 31, 2020.

**** Previous year as of December 31, 2020.

INTERIM GROUP MANAGEMENT REPORT

REPORT ON EARNINGS, FINANCIAL POSITION AND NET WORTH

- GROUP REVENUE GROWS BY 8.6% TO € 138.7 MILLION IN THE FIRST HALF OF THE YEAR, DESPITE THE GLOBAL IMPACT OF COVID-19 (PREVIOUS YEAR ADJUSTED FOR E-COMMERCE: € 127.7 MILLION)
- ADJUSTED FOR THE PHASE III DEAL INCLUDED IN THE PREVIOUS YEAR (€ 7.9 MILLION), GROUP REVENUE INCREASES BY 15.8%
- RECURRING REVENUES (ARR) ROSE BY 9.2% TO € 37.9 MILLION IN Q2 (PREVIOUS YEAR: € 34.7 MILLION)
- INTERNATIONAL REVENUES GROW BY 15.5% TO € 91.6 MILLION (PREVIOUS YEAR: € 79.3 MILLION)
- INTERNATIONAL SHARE INCREASES TO 66.1% (PREVIOUS YEAR: 62.1%)

Despite the global economic impact of the Covid-19 pandemic, we can look back on a successful first half of the year. Group revenues, adjusted for the e-commerce revenues still included in the previous year, increased by 8.6% to € 138.7 million (previous year: € 127.7 million). Organic revenue growth, adjusted for the Phase III deal included in the previous year, was around 7.0%. Software revenues grew by 0.8% to € 102.8 million (previous year: € 102.0 million). Adjusted for the Phase III deal included in the prior-year period, software revenues grew by 9.2%. As in the first quarter of 2021, service revenues developed very positively due to the high number of projects and increased by 39.1% to € 35.9 million (previous year: € 25.8 million).

- OPERATING EBITDA MARGIN REMAINS HIGH AT 29.5%

EBITDA fell by 16.7% year-on-year to € 38.9 million (previous year: € 46.7 million), resulting in an EBITDA margin of 28.0% (previous year: 36.6%). At € 40.9 million, operating EBITDA remained at the previous year's level (previous year: € 41.2 million). Adjusted for the Phase III deal in the previous year, operating EBITDA increased by 22.8%. At € 10.6 million, depreciation and amortization from purchase price allocation (PPA-amortization) was higher than in the previous year (€ 7.9 million). Adjusted operating EBITA increased by 3.8% to € 30.3 million (previous year: € 29.2 million). At 21.8%, adjusted operating EBITA margin remained essentially at the level of the previous year (previous year: 22.9%).

R&D expenses increased by € 3.8 million to € 15.2 million in the first half of 2021 (previous year: € 11.4 million). General and administrative expenses rose from € 15.1 million to € 21.5 million, while sales and marketing expenses rose to € 30.7 million (previous year: € 25.7 million). The cost increases in general and administrative expenses are mainly due to one-time special effects related to the stock options in the amount of € 5.4 million. The rise in R&D expenses as well as in sales and marketing expenses mainly results from the acquisition of new companies, which were acquired in the second half of 2020. In addition, depreciation and amortization from purchase price allocations included in sales and marketing expenses enhanced as a result of the acquisitions made.

The average number of employees changed by 41.6% to 2,541 (previous year: 1,794 employees).

- CASH FLOW FROM OPERATING ACTIVITIES AMOUNTS TO € 34.8 MILLION

The net cash flow from operating activities amounts to € 34.8 million (previous year: € 38.8 million). The main reason for the decline is the increase in income taxes paid to € 7.0 million (previous year: € 3.7 million), which includes back payments from the previous year and enhanced advance payments. The net cash flow from investing activities was € -7.9 million lower than in the previous year (€ -19.2 million). This is essentially due to the higher payments for the acquisition of consolidated companies in the same period of the previous year. The net cash flow from financing activities of € -56.7 million was significantly below the previous year (€ -2.4 million) due to the dividend of € -51.0 million distributed in the reporting period. In the previous year, the dividend payment was not made until the second half of 2020 due to the postponement of the Annual General Meeting as a result of the Covid-19 pandemic.

As of June 30, 2021 the Group had cash and cash equivalents, including available-for-sale securities and time deposits, of € 196.3 million (December 31, 2020: € 224.0 million). Equity amounted to € 472.0 million (December 31, 2020: € 506.5 million). The equity ratio thus decreased slightly to 69.2% (December 31, 2020: 71.7%).

Trade payables declined to € 20.1 million (December 31, 2020: € 24.6 million). Trade receivables increased to € 61.9 million (December 31, 2020: € 54.8 million).

- DEVELOPMENT OF THE SEGMENTS

iMTWO

Growth course continued (8.6%)

Total revenue in the iMTWO segment rose by 8.6% to € 138.4 million (previous year: € 127.4 million). Organic revenue growth adjusted for the Phase III deal of the previous year amounts to 6.9%. Software revenues grew by 0.8% to € 102.5 million (previous year: € 101.7 million). Adjusted for the Phase III deal included in the previous year's period, software revenues increased by 9.3%. The segment EBITDA fell by 16.7% to € 38.8 million (previous year: € 46.6 million), reducing the EBITDA margin to 28.0% (previous year: 36.6%). The operating EBITDA in the segment remained slightly below the previous year's level at € 40.7 million (previous year: € 41.1 million), which corresponds to an operating EBITDA margin of 29.4% (previous year: 32.3%).

Y TWO

In the Y TWO segment, total revenue of € 0.3 million (previous year: € 0.3 million) was at a very low level, as in the previous year. The segment EBITDA was also € 0.1 million, as in the previous year.

- REVENUE DEVELOPMENT IN THE REGIONS

International revenues grew by 15.5% to € 91.6 million (previous year: € 79.3 million). In contrast, domestic revenues fell by 2.7% to € 47.1 million (previous year: € 48.4 million) due to the Phase III deal included in the previous year. Adjusted for this, domestic revenues rose by 16.3%. The international share of total revenues thus amounted to 66.1% (previous year: 62.1%).

In the EMEA region (Europe, Middle East and Africa, excl. Germany), revenues increased by 29.5% to € 34.0 million (previous year: € 26.2 million), in North America by 5.9% to € 35.7 million (previous year: € 33.7 million) and in the APAC region (Asia Pacific) by 13.4% to € 21.9 million (previous year: € 19.3 million).

REPORT ON OPPORTUNITIES AND RISKS

Regarding to the material opportunities and risks of the expected development of the RIB Group, we refer to the opportunities and risks described in the Group Management Report as of 31 December 2020 and at the Annual General Meeting and published on the RIB website.

OUTLOOK – FISCAL YEAR 2021

- SCHNEIDER ELECTRIC PLANS SQUEEZE-OUT UNDER STOCK CORPORATION LAW

On July 5, 2021, Schneider Electric Investment AG, Düsseldorf, submitted to RIB Software SE the formal request pursuant to Section 327a (1) sentence 1 AktG that the General Meeting of RIB Software SE should resolve to transfer the shares of the remaining shareholders (minority shareholders) to Schneider Electric Investment AG in return for an appropriate cash compensation (so-called squeeze-out under stock corporation law).

Schneider Electric Investment AG holds approximately 96.41% of the registered share capital of RIB Software SE and is therefore its main shareholder within the meaning of section 327a para. 1 sentence 1 AktG. The resolution on the transfer shall be passed at an extraordinary General Meeting of RIB Software SE which is supposed to take place in the fourth quarter of 2021. The amount of the appropriate cash compensation that Schneider Electric Investment AG, as the main shareholder, will pay to the minority shareholders of RIB Software SE for the transfer of the shares has not yet been determined.

- FURTHER BUSINESS DEVELOPMENT

Due to the uncertainties caused by Covid-19 and in the context of further cost reductions and preservation of liquidity, we have continued to strongly reduce investments in new business areas, such as Y TWO, and are focusing on the successful expansion of the iMTWO segment.

On this basis and considering the further likely impact of the Covid-19 pandemic, provided it does not intensify during the year, we maintain the RIB Group's guidance for the 2021 financial year, according to which the company plans to generate revenue of between € 280 million and € 310 million and operating EBITDA of between € 65 million and € 75 million.

FURTHER INFORMATION

We invite our shareholders to visit our Investor Relations website, in particular to keep an eye on our presentations to investors and our updated definitions to understand our current strategy.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the period: January 1, 2021 to June 30, 2021

figures in € thousand, unless otherwise indicated	Note	2nd quarter 2021	2nd quarter 2020	6 months 2021	6 months 2020
Revenue	(4)	69,908	66,959	138,700	131,942
Cost of sales		-28,676	-27,755	-57,530	-57,111
Gross profit		41,232	39,204	81,170	74,831
Other operating income	(5)	1,936	7,385	5,093	8,481
Sales and marketing expenses		-16,165	-10,606	-30,694	-26,219
General administrative expenses		-13,133	-7,733	-21,546	-15,487
Research and development costs		-7,631	-5,772	-15,153	-11,384
Other operating expenses	(6)	-3,860	-327	-4,689	-1,434
Financial income		386	200	468	328
Financial costs		-172	-354	-574	-771
Share of earnings from investments accounted for using the equity method		95	-68	95	-44
Profit before tax		2,688	21,929	14,170	28,301
Income tax expenses		-499	-3,558	-5,005	-6,609
Consolidated net profit		2,190	18,371	9,165	21,692
Profit attributable to non-controlling interests		1,038	88	701	655
Profit attributable to the owners of the parent company		1,151	18,283	8,464	21,037
Earnings per share based on the profit attributable to the shareholders of RIB Software SE:					
basic	(8)	0.10 €	0.38 €	0.16 €	0.44 €
diluted	(8)	0.10 €	0.37 €	0.16 €	0.43 €

For the period: January 1, 2021 to June 30, 2021

Figures in € thousand	2nd quarter 2021	2nd quarter 2020	6 months 2021	6 months 2020
Consolidated net profit	2,190	18,371	9,165	21,692
Components reclassified in subsequent periods with no effect on profit and loss:				
Revaluations	-3	-144	0	-144
Other consolidated comprehensive income after taxes for components that are reclassified with no effect on profit and loss	-3	-144	0	-144
Components reclassified in subsequent periods with an effect on profit and loss:				
Exchange differences	-1,152	-5,032	4,167	-8,503
Other consolidated comprehensive income after taxes for components that are reclassified with an effect on profit and loss	-1,152	-5,032	4,167	-8,503
Other consolidated comprehensive income after taxes	-1,155	-5,176	4,167	-8,647
Total consolidated comprehensive income	1,035	13,195	13,332	13,045
of which attributable to non-controlling interests	814	360	1,369	-1,712
of which attributable to owners of the parent company	221	12,835	11,963	14,757

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2021 AND DECEMBER 31, 2020

Figures in € thousand	Note	June 30, 2021	December 31, 2020
Goodwill	(9)	181,710	179,034
Other intangible assets		166,631	176,473
Property, plant and equipment		16,055	16,209
Rights of use		13,406	13,990
Investment properties		6,717	6,544
Investments accounted for using the equity method		5,305	5,886
Other financial assets		4,943	4,725
Deferred tax assets		1,402	1,351
Total non-current assets		396,168	404,213
Inventories		2,618	2,573
Trade receivables		61,948	54,834
Income tax assets		1,916	1,738
Other financial assets		3,070	4,476
Non-current assets held for sale		2,273	2,201
Other non-financial assets		19,219	14,778
Cash and cash equivalents		195,011	221,879
Total current assets		286,054	302,479
Total assets		682,222	706,692

Figures in € thousand	Note	June 30, 2021	December 31, 2020
Subscribed capital		52,091	52,091
Capital reserves		327,091	323,916
Retained earnings		53,855	95,040
Other components of equity		-6,466	-9,964
Equity attributable to owners of the parent company		426,572	461,083
Non-controlling interests	(11)	45,400	45,453
Total equity		471,972	506,536
Pension provisions		3,532	3,610
Bank liabilities		4,151	6,973
Other provisions		303	303
Other financial liabilities		49,052	45,848
Leasing liabilities		8,931	9,619
Deferres tax liabilities		25,409	29,124
Total non-current liabilities		91,378	95,476
Bank liabilities		413	419
Trade payables		20,148	24,593
Income tax liabilities		7,504	5,718
Other provisions		2,181	2,099
Accruals		19,204	15,980
Deferred income		45,603	25,340
Other financial liabilities		2,176	9,075
Lease liabilities		4,854	5,000
Other liabilities		16,790	16,455
Total current liabilities		118,872	104,680
Total liabilities		210,250	200,156
Total equity and liabilities		682,222	706,692

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: January 1, 2021 to June 30, 2021

Figures in € thousand	Subscribed capital	Capital reserves	Retained earnings	Other components of equity
				Currency translation reserve
As of December 31, 2019 / January 1, 2020	51,899	304,721	84,780	4,546
Consolidated net profit	-	-	21,037	-
Other comprehensive income	-	-	-	-6,136
Total comprehensive income	0	0	21,037	-6,136
Sale of treasury shares	-	1,145	-	-
Transactions with non-controlling interests	-	-	-	-
Acquisition of non-controlling interests without a change of control	-	6,931	-	-
Other changes	-	-	-1,025	-
Share-based remuneration	-	1,051	-	-
As of June 30, 2020	51,899	313,848	104,792	-1,590
As of December 31, 2020 / January 1, 2021	52,091	323,916	95,040	-9,328
Consolidated net profit	-	-	8,464	-
Other comprehensive income	-	-	-	3,499
Total comprehensive income	0	0	8,464	3,499
Dividend payment	-	-	-51,049	-
Acquisition of non-controlling interests without a change of control	-	1,327	-	-
Other changes	-	-	1,400	-
Share-based remuneration	-	1,848	-	-
As of June 30, 2021	52,091	327,091	53,855	-5,829

		Equity attributable	Non-controlling	Equity according
ments of		to owners of the	interests	to consolidated
valuation	Treasury	parent company		balance sheet
serve	shares			
-647	-37,134	408,165	31,802	439,967
-	-	21,037	655	21,692
-144	-	-6,280	-2,367	-8,647
-144	0	14,757	-1,712	13,045
-	1,155	2,300	-	2,300
-	-	-	1,246	1,246
-	-	6,931	-11,628	-4,697
-	-	-1,025	-	-1,025
-	-	1,051	-	1,051
-791	-35,979	432,179	19,708	451,887
-636	0	461,083	45,453	506,536
-	-	8,464	701	9,165
-	-	3,499	668	4,167
0	0	11,963	1,369	13,332
-	-	-51,049	-	-51,049
-	-	1,327	-1,422	-95
-	-	1,400	-	1,400
-	-	1,848	-	1,848
-636	0	426,572	45,400	471,972

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period: January 1, 2021 to June 30, 2021

	Figures in € thousand	6 months 2021	6 months 2020
Cash flows from operating activities:			
Profit before tax		14,170	28,301
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of rights of use from leases		3,647	4,024
Amortisation of intangible assets		17,008	13,842
Depreciation of investment property		195	125
Impairment of self generated software		3,739	0
Changes in valuation allowances for trade receivables		1,848	175
Other non-cash items		-3,502	-2,837
Share of profit(-)/loss from associates		95	44
Interest expense and other financial expenses		574	771
Financial income		-468	-328
		37,306	44,117
Changes in working capital:			
Increase/decrease(-) in provisions and accruals		3,278	1,766
Increase(-)/decrease in receivables and other assets		-13,249	-8,267
Increase/decrease(-) in advanced payments received		-201	-19
Increase/decrease(-) in trade payables and other liabilities		14,815	5,369
Cash inflows from operating activities		41,949	42,966
Interest paid		-574	-797
Interest received		392	291
Income taxes paid		-6,984	-3,668
Net cash flows from operating activities		34,783	38,792
Acquisition of property, plant and equipment		-609	-626
Acquisition/production of intangible assets		-6,457	-7,088
Cash outflow from the acquisition of consolidated companies less cash acquired		0	-1,410
Cash outflow from the acquisition of non-controlling interests without a change of control		-1,657	-9,447
Purchase(-)/sale of available-for-sale securities		0	-3
Cash outflow from credits and loans granted		0	-1,244
Cash inflow from financial investments as part of short-term treasury management		835	1,006
Cash outflow from financial investments as part of short-term treasury management		-8	-430
Net cash flows from investing activities		-7,896	-19,242
Cash outflow from the repayment of bank loans		-200	-213
Cash outflow dividend payment		-51,049	0
Cash outflow from the repayment of other financial liabilities		-2,157	-1,297
Cash inflow from bank loans taken out		0	2,270
Cash outflow from lease liabilities		-3,257	-3,178
Net change in cash and cash equivalents		-56,663	-2,418
Cash and cash equivalents at the beginning of the period		-29,776	17,132
Currency-related change in cash and cash equivalents		221,879	123,821
Cash and cash equivalents at the end of the period		2,908	-976
Cash and cash equivalents at the end of the period		195,011	139,977
Composition of cash and cash equivalents:			
Liquid funds, unrestricted		189,346	115,989
Liquid funds, restricted		5,665	23,988
Total		195,011	139,977

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF CONSOLIDATION

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".

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 December 31, 2020. Due to the representation of the numbers in € thousands, rounding differences may arise in individual items.

2. ACCOUNTING AND REPORTING PRINCIPLES

In drawing up the consolidated interim financial statement the same accounting and reporting principles and calculation methods were used as in the consolidated financial statements as of December 31, 2020.

3. CONSOLIDATED GROUP

The scope of consolidation as of June 30, 2021, has not changed compared to the consolidated financial statements as of December 31, 2020.

4. REVENUE

Revenue breaks down as follows:

	Figures in € thousand	6 months 2021	6 months 2020
ARR		77,750	75,096
NRR		25,015	26,857
Services		35,934	25,763
Revenue from continuing operations		138,700	127,716
Revenue from discontinued operations (E-Commerce)		0	4,226
Total revenue		138,700	131,942

5. OTHER OPERATING INCOME

Other operating income mainly includes income from public grants amounting to around € 2,320 thousand and income from exchange rate gains amounting to € 1,505 thousand. This position also includes rental income from investment property of around € 565 thousand, income from the subsequent measurement of purchase price liabilities of around € 19 thousand and other income of around € 684 thousand.

6. OTHER OPERATING EXPENSES

Other operating expenses mainly include an impairment of internally generated software of one of our subsidiaries in the amount of approximately € 3,739 thousand as well as foreign currency expenses from cash and cash equivalents in the amount of approximately € 431 thousand. In order to continue the successful further development and marketing of the iMTWO 4.0 software, the development and distribution of the C5 software was discontinued. This resulted in the aforementioned value adjustment.

7. EXPENSES FOR EMPLOYEE BENEFITS AND NUMBER OF EMPLOYEES

Expenses for employee benefits

	Figures in € thousand	6 months 2021	6 months 2020
Wages and salaries		65,591	54,767
Social security and pension costs		8,164	7,176
Total		73,755	61,943

Average number of employees

	6 months 2021	6 months 2020
General administration	314	258
Research & development	668	459
Sales & marketing	390	338
Support & Consulting	1,169	739
Total	2,541	1,794

8. EARNINGS PER SHARE – BASIC AND DILUTED

	figures in € thousand	6 months 2021	6 months 2020
Profit share of the shareholders of RIB Software SE – basic and diluted		8,464	21,037

	figures in thousand shares	6 months 2021	6 months 2020
Weighted average of shares in circulation - basic		52,091	48,296
Dilution effect		819	1,098
Weighted average of shares in circulation - diluted		52,910	49,394

	Results per share in €	6 months 2021	6 months 2020
basic		0.16	0.44
diluted		0.16	0.43

The average fair value of the Company's shares used to calculate the dilutive effect of existing stock options is based on quoted market prices for the period in which the options were outstanding.

9. GOODWILL

Figures in € thousand	June 30, 2021	December 31, 2020
iMTWO reporting segment	177,699	175,158
GZ TWO development entity	3,117	2,982
Arriba Finance	894	894
Total	181,710	179,034

The change in carrying amounts by a total of € 2,676 thousand is mainly the result of currency adjustments from the translation of goodwill carried in local foreign currencies, which were recognized directly in equity.

10. SEGMENT INFORMATION

For internal management control purposes, the Group is organized into business units according to its products and services. The segment reporting distinguishes between the two reporting segments iMTWO and YTWO. The reporting segment iMTWO comprises the software business and the segment YTWO the business activities in connection with the web-based execution of procurement processes.

iMTWO reporting segment

In the iMTWO reporting segment, we provide our customers with non-exclusive, perpetual software usage rights („license model“) or make software available for use for a limited period of time („subscription model“) on the basis of license agreements.

Revenues from the marketing of software rights are divided into recurring revenues (ARR for Annual Recurring Revenue) and non-recurring revenues (NRR for Non Recurring Revenue).

YTWO reporting segment

In the YTWO reporting segment, we bundle our business activities in the area of web-based execution of procurement processes. In previous years, we divided the reporting segment xYTWO into the two business segments YTWO (SCM) and xTWO (e-commerce). As the xTWO operating segment was not part of our core business, we divested this segment in August 2020 and sold the business segment as a whole. Thus, there will be no further subdivision of the YTWO reporting segment into operating segments in the future.

The sales and earnings of the Group's reporting segments are presented below:

Figures in € thousand	6 months 2021		
	iMTWO	YTWO	Total
Revenue, external	138,436	264	138,700
ARR	77,487	264	77,750
Subscription	45,685	264	45,949
Support	29,159	0	29,159
Managed Services	2,642	0	2,642
NRR	25,015	0	25,015
Licenses	25,015	0	25,015
Services	35,934	0	35,934
Cost of sales	-56,129	-1,401	-57,530
ARR / NRR	-32,801	-1,401	-34,202
Services	-23,328	0	-23,328
Research and development expenses	-15,134	-19	-15,153
ARR / NRR	-15,134	-19	-15,153
Services	0	0	0
Sales and marketing costs	-30,694	-1	-30,694
General administrative expenses	-21,507	-39	-21,546
Other operating income and expenses	507	-103	404
Segment EBIT	15,479	-1,298	14,181
Financial result			-11
thereof share of earnings from investments accounted for using the equity method	95	0	95
Income tax expenses			-5,005
Consolidated net profit			9,165
Segment EBITDA	38,754	114	38,868
EBITDA-margin	28.0%	43.2%	28.0%
Further segment information:			
Depreciation and amortisation / impairment losses of the segments	-23,275	-1,412	-24,687

	6 months 2020*		
	iMTWO	xYTWO	Total
Figures in € thousand			
Revenue, external	127,444	4,498	131,942
ARR	74,824	272	75,096
Subscription	46,145	272	46,417
Support	26,310	0	26,310
Managed Services	2,369	0	2,369
NRR	26,857	0	26,857
Licenses	26,857	0	26,857
Services	25,763	0	25,763
E-Commerce	0	4,226	4,226
Cost of sales	-51,910	-5,201	-57,111
ARR / NRR	-30,961	-1,534	-32,495
Services	-20,949	0	-20,949
E-Commerce	0	-3,667	-3,667
Research and development expenses	-11,359	-25	-11,384
ARR / NRR	-11,359	-25	-11,384
Services	0	0	0
E-Commerce	0	0	0
Sales and marketing costs	-25,693	-526	-26,219
General administrative expenses	-15,073	-414	-15,487
Other operating income and expenses	7,033	14	7,047
Segment EBIT	30,442	-1,654	28,788
Financial result			-487
thereof share of earnings from investments accounted for using the equity method	14	-58	-44
Income tax expenses			-6,609
Consolidated net profit			21,692
Segment EBITDA	46,595	58	46,653
EBITDA-margin	36.6%	1.3%	35.4%

Further segment information:

Depreciation and amortisation / impairment losses of the segments	-16,153	-1,712	17,865
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*) The information on the reporting segment xYTWO contains figures generated in the discontinued business area of xTWO (E-commerce) in fiscal year 2020.

REVENUE BY GEOGRAPHIC AREA

	Figures in € thousand	6 months 2021	6 months 2020
Germany		47,093	49,303
(therof discontinued operation)		0	897
Remaining EMEA Region (Europe, Middle East and Africa)		33,982	28,382
(therof discontinued operation)		0	2,139
EMEA Region		81,075	77,685
(therof discontinued operation)		0	3,035
APAC Region		21,909	20,515
(therof discontinued operation)		0	1,187
North America		35,716	33,742
(therof discontinued operation)		0	3
Total		138,700	131,942
(therof discontinued operation)		0	4,226

11. ACQUISITION OF NON-CONTROLLING INTERESTS

In February 2021, the Group acquired additional shares of 60% in Integrated Computer Systems Support, Inc. (hereinafter ICS). The shareholding thus increased from 40% to 100%. The carrying amount of the total net assets of ICS in the Group amounted to €2,211 thousand at the acquisition date.

The Group acquired the 40% interest existing prior to the increase in fiscal year 2018 and thus gained control over ICS. As part of this acquisition, the Group has committed to purchase the now acquired 60% interest within 36 months of the original purchase. For the written put option, the Group recognized a financial liability of approximately €1,359 thousand (\$1,583 thousand) at the acquisition date, the recognition of which resulted in a reduction of additional paid-in capital. For further details on the acquisition completed in the financial year 2018 and the financial liability recognized in this context, please refer to notes (7.C.) and (38) of our consolidated financial statements as of December 31, 2018.

The purchase price paid for the non-controlling interests acquired amounted to approximately €1,657 thousand (\$2,008 thousand). Due to the subsequent measurement of the financial liability at the acquisition date, there was a positive effect on earnings in the amount of the difference between the amortized carrying amount of the financial liability and the actual purchase price to be paid. This income in the amount of €19 thousand was recognized under other operating income in these financial statements. The disposal of the carrying amount of the non-controlling interests was recognized directly in equity and is presented as follows:

	€ Thousands
Carrying amount of non-controlling interests acquired	1,327
Purchase price liabilities	1,676
Income from difference between amortized carrying amount of purchase price liability and actual purchase price to be paid	-19
Purchase price paid for non-controlling interests	-1,657
Increase in equity of the owners of the parent company	1,327

In May 2021, the Group acquired additional shares of 15% in RIB SAA Software Engineering GmbH, Vienna/Austria (hereinafter RIB SAA). The shareholding thus increased from 75% to 90%.

The Group acquired the interest of 75% existing prior to the increase in the financial year 2015 and thus gained control over RIB SAA. In the course of the acquisition of the company in the 2015 financial year, the Group concluded reciprocal call and put options with the sellers for the transfer of the outstanding shares of 25%. The options were generally exercisable by both parties in the period from January 1, 2021 to March 31, 2021. For the written put option, the Group had recognized a financial liability of approximately €2,632 thousand at the acquisition date. For further details on the acquisition completed in the 2015 financial year and the financial liability recognized in this context, please refer to the comments in Notes (8) and (40) of our consolidated financial statements as of December 31, 2015.

In the course of the share acquisition in May 2021, the Group again entered into mutual call and put options with the sellers to transfer the outstanding shares of 10%. The options are generally exercisable by both parties in the period from January 1, 2023 to March 31, 2023.

The purchase price paid for the acquired non-controlling interests amounted to approximately €2,157 thousand. The disposal of the carrying amount of the non-controlling interests was recognized directly in financial liabilities and is presented as follows:

	€ Thousands
Purchase price liability for outstanding 25%	3,571
Fair value of the consideration paid for 15% of the shares	-2,157
Purchase price liability for outstanding 10% as of 06/30/2021	1,414

12. FINANCIAL INSTRUMENTS - FAIR VALUE

Classifications and fair values

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

I. Financial assets

Figures in € thousand			Fair value			
Business model	Hold	Hold and Sell	Level 1	Level 2	Level 3	Total
As of 30/06/2021						
At fair value through profit or loss						
Money market and investment funds	-	86	86	-	-	86
Corporate bonds	-	14	14	-	-	14
Convertible loans	1,347	-	-	1,347	-	1,347
Total	1,347	100	100	1,347	0	1,447
Measured at amortised cost						
Trade receivables	61,948	-	-	-	-	0
Other receivables	4,790	-	-	-	-	0
Time deposits	1,158	-	-	-	-	0
Other financial assets	617	-	-	-	-	0
Cash and cash equivalents	195,011	-	-	-	-	0
Total	263,524	0	0	0	0	0

Figures in € thousand			Fair value			
Business model	Hold	Hold and Sell	Level 1	Level 2	Level 3	Total
As of 31/12/2020						
At fair value through profit or loss						
Money market and investment funds	-	86	86	-	-	86
Corporate bonds	-	15	15	-	-	15
Convertible loans	1,327	-	-	1,327	-	1,327
Total	1,327	101	101	1,327	0	1,428
Measured at amortised cost						
Trade receivables	54,834	-	-	-	-	0
Other receivables	4,949	-	-	-	-	0
Time deposits	1,971	-	-	-	-	0
Other financial assets	853	-	-	-	-	0
Cash and cash equivalents	221,879	-	-	-	-	0
Total	284,486	0	0	0	0	0

II. Financial liabilities

Figures in € thousand	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
As of 30/06/2021					
At fair value through profit or loss					
Derivatives	46,193	-	1,414	44,779	46,193
Measured at amortised cost					
Trade payables	20,148	-	-	-	0
Other financial liabilities	5,035	-	-	-	0
Liabilities to banks*	4,565	-	-	-	0
Other liabilities**	744	-	-	-	0
Total	76,684	0	1,414	44,779	46,193

*The bank liabilities have a remaining term of 10 years and are to be repaid in equal quarterly instalments..

**Not included are other liabilities in the amount of € 16,047 thousand, which do not represent financial liabilities.

Figures in € thousand	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
As of 31/12/2020					
At fair value through profit or loss					
Derivatives	47,963	-	5,179	42,784	47,963
Measured at amortised cost					
Trade payables	24,589	-	-	-	0
Other financial liabilities	6,959	-	-	-	0
Liabilities to banks*	7,392	-	-	-	0
Other liabilities**	721	-	-	-	0
Total	87,624	0	5,179	42,784	47,963

*The bank liabilities have a remaining term of 11 years and are to be repaid in equal quarterly instalments.

**Not included are other liabilities in the amount of € 15,734 thousand, which do not represent 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 allocated to Level 3 are liabilities from option agreements as part of the acquisitions of RIB IMS and Bochao.

In fiscal year 2018, the Group acquired 80% of the shares in **RIB IMS**. Furthermore, additional agreements on an acquisition of the outstanding shares of 20% have been made in the share purchase agreement. Accordingly, the Company has a call option for the remaining shares and the sellers have been granted a put option. The exercise price for both options is calculated according to a contractually defined formula as a multiplier of the average EBITDA of the IMS Group in the fiscal years 2020 and 2021. In addition, a lower and upper price limit has been agreed, so that the exercise price of the option will range between €1,600 thousand and €3,200 thousand. The exercise price for this option can be paid in cash, treasury shares or a combination of both, at the Company's discretion.

A financial liability of €2,333 thousand was recognized for the written put option at the acquisition date. The recognition of the liability resulted in a reduction of additional paid-in capital in the corresponding amount. The financial liability was revalued as of the balance sheet date. The planning period relevant to the valuation covers the financial years 2020 and 2021. In the earnings planning, starting from the base year 2020, sales growth of between around 3% p.a. and 5% p.a. is assumed, combined with a slight improvement in earnings.

Based on our updated calculations, we assume that the consolidated EBITDA of RIB IMS at the exercise date will be in a range between around € 1.6 million and around € 1.7 million. Taking into account the estimated probabilities of occurrence of the alternative future scenarios as well as the contractual price floors and price caps, we assume that a purchase price of € 3,012 thousand will have to be paid for the currently outstanding share of 20% at the option date. This financial liability is measured at fair value of €2,993 thousand by discounting this partial amount to the balance sheet date using a risk-adjusted interest rate of 0.85% appropriate to the term. The compounding of the financial liability resulted in an expense of €12 thousand in the reporting period.

The expected value of the purchase price obligation was determined taking into account the estimated probabilities of occurrence of alternative future scenarios and the contractual lower and upper price limits. In the period up to the maturity of the financial liability, expenses of max. €207 thousand may still arise from this.

By agreement dated June 9, 2020, the Group acquired 51% of the shares in **Beijing Bochao Software Co., Ltd**, Beijing/People's Republic of China (hereinafter referred to as „Bochaosoft“ or „Bochao“). The acquisition date was July 06, 2020. With regard to the remaining 49% of the shares, conditional purchase obligations and rights were agreed with the remaining shareholders. Accordingly, the Group is obligated to acquire these shares in 2022 if Bochaosoft does not fall short of agreed earnings targets in 2020 and 2021. The purchase price of the additional shares is based on the enterprise value of Bochaosoft, which is calculated using a multiplier method on the basis of Bochaosoft's earnings. If the minimum earnings targets are just achieved, this results in a relevant enterprise value of around €83.3 million (CNY 660 million) and a purchase price for the 49% stake of around €40.8 million (CNY 323 million). In the agreement on the acquisition of the additional shares, the relevant enterprise value was limited to a maximum amount of approximately €88.4 million (CNY 700 million), so that a maximum purchase price of approximately €43.3 million (CNY 343 million) can result for the 49% shares. We assume that the agreed target values can be achieved with sufficient probability, so that a financial liability in the amount of the present value of the exercise price of around €40,115 thousand (CNY 319,320 thousand) was recognized at the acquisition date and reclassified from equity. This financial liability was measured at fair value of €41,786 thousand as of the balance sheet date by discounting the amount using a risk-adjusted interest rate of 0.85% appropriate to the term. The compounding of the financial liability resulted in an expense of € 175 thousand in the reporting period.

In addition, as of the balance sheet date December 31, 2020, there were still financial liabilities from the outstanding purchase price installments for the acquisition of Bochaosoft, which were due for payment in 2021 and 2022. Of this, a partial amount of € 2,050 thousand was settled in June 2021. Non-current financial liabilities include a partial amount of €1,080 thousand as of June 30, 2021.

For a description of the techniques used in measuring these liabilities and the inputs used in measuring fair value, please refer to Note 40 to our consolidated financial statements as of December 31, 2020.

There were no reclassifications between Levels 1 and 2 and no reclassifications into or out of Level 3 in the reporting period.

Financial liabilities measured at fair value developed as follows in the reporting year:

	Figures in € thousand	2021
As of 01/01/2021		47,963
Changes with no effect on earnings		
Amortisation payment		-3,833
Foreign currency differences		1,808
		-2,025
Changes with an effect on earnings		
Expenses from the subsequent measurement of purchase price liabilities (other operating expenses)		68
Expenses from the compounding of interest on purchase price liabilities (financial expenses)		187
		255
As of 30/06/2021		46,193
Gains/losses(-) from the measurement of financial liabilities		-255

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 € 44,779 thousand:

	Figures in € thousand	Sensitivity	Carrying amount
Discounting interest rate used for the discounting period		+ 1 %-point	44,156
Discounting interest rate used for the discounting period		- 1 %-point	45,377
Growth rate in the budgeted revenues in the budget period		+ 10.0 %	44,798
Growth rate in the budgeted revenues in the budget period		- 10.0 %	44,778

13. DIVIDENDS

At the Annual General Meeting on May 11, 2021, the dividend proposal of € 0.98 per share was adopted. The distribution to the shareholders of € 51,049 thousand was on May 18, 2021. A dividend of € 0.12 per share was paid in the previous year.

DECLARATION OF THE LEGAL REPRESENTATIVES

“We hereby confirm that to the best of our knowledge, the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and the interim Group management report gives a true and fair view of the business performance, including the results of operations and the situation of the Group, and describes the main opportunities and risks and anticipated development of the Group in the remaining financial year, in accordance with the applicable framework for interim financial reporting.”

Stuttgart, July 30, 2021

RIB Software SE

The Managing Directors



Thomas Wolf



Michael Sauer



Mads Bording Rasmussen



Michael Voitag



Tobias Hamacher

FURTHER INFORMATION

The Interim Report and all information contained therein are unaudited.

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 2021

<p>April 30, 2021</p> <p>Quarterly Statement (January - March 2021)</p>	<p>May 11, 2021</p> <p>Annual General Meeting</p>
<p>July 30, 2021</p> <p>Interim Report (January - June 2021)</p>	<p>October 29, 2021</p> <p>Quarterly Statement (January - September 2021)</p>

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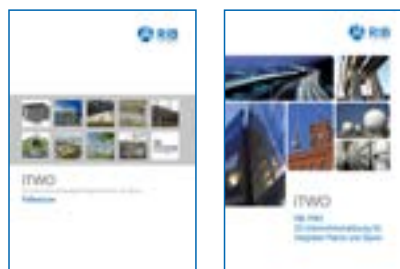
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Product information and References



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