



# Interim Report

January - June 2017



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**RIB**  
running together

# LETTER TO OUR SHAREHOLDERS



Thomas Wolf, Chairman of the Administrative Board, CEO

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

The RIB Group achieved strong growth in revenues and software licensing sales in the second quarter of 2017. In addition, **five Phase-II-contracts were signed** as well as **one Phase-III-contract** with the Willemen Group. Furthermore, the **second contract for the usage of the Ytwo platform** was concluded with the Myhome Group, a further milestone for the joint venture Ytwo Formative. RIB has also signed a co-operation agreement with the City of Heidelberg for **the world's first IT research project for the complete virtual planning of a district** using the iTWO City technology.

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 Ytwo 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, Ytwo 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

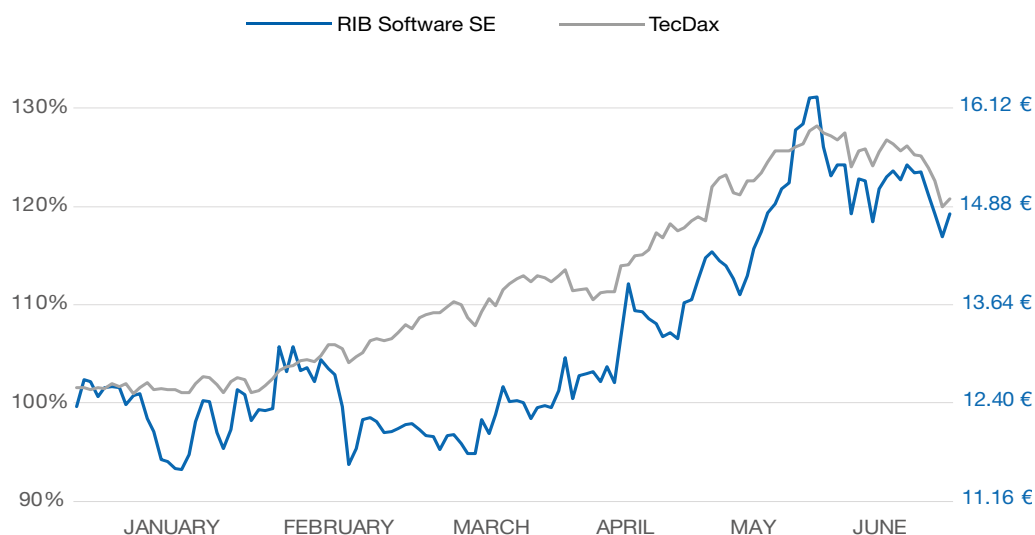
€ million unless otherwise indicated	2 <sup>nd</sup> quarter 2017	2 <sup>nd</sup> quarter 2016	change	6 months 2017	6 months 2016	change
Revenue	27.1	24.5	10.6%	53.3	49.9	6.8%
Software licenses	9.3	7.1	31.0%	15.8	14.8	6.8%
Software as a Service / Cloud	3.0	3.1	-3.2%	7.4	6.9	7.2%
Maintenance	7.8	6.8	14.7%	16.0	13.5	18.5%
Consulting	5.0	5.8	-13.8%	10.7	11.0	-2.7%
e-Commerce	1.9	1.7	11.8%	3.5	3.7	-5.4%
<b>Operating EBITDA*</b>	<b>9.3</b>	<b>6.5</b>	<b>43.1%</b>	<b>24.7</b>	<b>13.6</b>	<b>81.6%</b>
as % of revenue	34.3%	26.5 %		46.3%	27.3%	
<b>Operating EBT*</b>	<b>6.0</b>	<b>4.1</b>	<b>46.3%</b>	<b>17.8</b>	<b>9.0</b>	<b>97.8%</b>
as % of revenue	22.1%	16.7 %		33.4%	18.0 %	
Write-downs from purchase price allocations (PPA amortisation)	0.9	1.0	-10.0%	1.8	2.1	-14.3%
Net cash flows from operating activities				24.8	11.6	113.8%
Cash incl. available-for-sale securities**				152.5	135.4	12.6%
Equity ratio**				80.0%	82.1%	
Average number of employees				805	759	6.1%

\* EBITDA and EBT adjusted for currency effects (Q2 2017: € -0.1 million; Q2 2016: € +2.0 million) / (6M 2017: € -0.2 million; 6M 2016: € -0.9 million) and one-off / special effects (Q2 2017: € 0.0 million; Q2 2016: € 0.0 million) / (6M 2017: € +0.4 million; 6M 2016: € 0.0 million)

\*\* Previous year as of 31 December 2016

## RIB ON THE CAPITAL MARKET

### RIB SHARE PRICE PERFORMANCE JANUARY - JUNE 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 €18.00.

### SHAREHOLDER STRUCTURE

As of 28 July 2017

Shareholder	Shares in %
Thomas Wolf & Family	18.65
Capital Group Companies, Inc.	7.90
RIB Software SE (Treasury Stock)	4.00
Lagoda Investment Management L.P.	3.19
Credit Suisse Fund Management S.A.	3.03
Schroder Investment Management Limited	2.99
Henderson Global Investors Limited	2.97
Hans-Joachim Sander & Family	2.88
Ameriprise Financial, Inc.	2.79

Shares outstanding: 46,845,657

# INTERIM GROUP MANAGEMENT REPORT

## REPORT ON EARNINGS, FINANCIAL POSITION AND NET WORTH

### SALES INCREASE BY 10.6% IN THE SECOND QUARTER TO € 27.1 MILLION SOFTWARE LICENCE REVENUES RISE BY 31.0% IN Q2 2017 TO € 9.3 MILLION OPERATIVE EBITDA INCREASES BY 43.1% IN THE SECOND QUARTER

In the second quarter of 2017, the RIB Group generated sales growth of 10.6%, achieving € 27.1 million (previous year: € 24.5 million), thereby making strong gains compared to the growth in sales in the first quarter of 2017. Software licence revenues increased by 31.0% in the second quarter of 2017 to € 9.3 million (previous year: € 7.1 million). The iTWO key account revenues increased by 152.4% in Q2 2017 to € 5.3 million (previous year: € 2.1 million).

The positive earnings performance of the first quarter continued through the second quarter. In the second quarter of 2017, the operative earnings before interest, taxes and amortisation on tangible fixed assets and intangible assets (operative EBITDA\*) exceeded the previous year's figure by 43.1%, increasing to € 9.3 million (previous year: € 6.5 million). In the second quarter the operative EBT\* increased by 46.3% to € 6.0 million (previous year: € 4.1 million).

### HALF-YEARLY SALES RISE TO € 53.3 MILLION - INTERNATIONAL SHARE OF SALES AT 53.0% ITWO KEY ACCOUNT SALES INCREASE BY 18.0% TO € 5.9 MILLION OVER THE HALF-YEAR

In the first half-year of 2017, the RIB Group registered improvements in practically every significant group key figures in comparison to the first six months of 2016. Sales within the group increased by 6.8% in the first half-year of 2017 to € 53.3 million (previous year: € 49.9 million). The international positioning of the RIB Group enabled sales to grow by 10.5% to € 28.3 million (previous year: € 25.6 million). The international share of sales amounted to 53.0%, compared to 51.3% in the same period of the previous year.

The licence revenue in the iTWO key account increased by 18.0% over the half-year, increasing to a volume of € 5.9 million (previous year: € 5.0 million). The iTWO software sales in the mass market increased by 8.2% in the first six months to € 6.6 million (previous year: € 6.1 million). In addition, over the half-year the recurring revenues (SaaS and Maintenance) increased by 14.7% to € 23.4 million (previous year: € 20.4 million). This included revenue in the Maintenance area with Ytwo amounting to € 2.1 million (previous year: € 0.0 million). Consulting revenue amounted to € 10.7 million in the first six months, almost on a par with the level of last year (previous year: € 11.0 million).

Sales in the high-margin iTWO segment rose by € 3.7 million to € 49.8 million (previous year: € 46.1 million). Sales in e-Commerce in the xTWO segment amounted to € 3.5 million, on a similar level to the same period for the previous year (previous year: € 3.7 million). In the xTWO segment, no transaction revenue from the Ytwo Joint Venture has yet been recorded during the reporting period.

### OPERATIVE EBITDA\* INCREASES IN THE FIRST HALF OF THE YEAR BY 81.6% TO € 24.7 MILLION OPERATIVE EBT\* INCREASES IN THE FIRST SIX MONTHS BY 97.8% TO € 17.8 MILLION

In the first six months the operative EBITDA\* increased overproportionally compared to sales, rising in the first half-year by 81.6% to € 24.7 million compared to the same period of the previous year (previous year: € 13.6 million), corresponding to an operative EBITDA margin of 46.3% (previous year: 27.3%). In this respect, the operative EBIT\* increased by 115.6% to € 19.4 million (previous year: € 9.0 million). The operative earnings before taxes (operative EBT\*) increased by 97.8% to € 17.8 million to the end of the half-year (previous year: € 9.0 million). The significant increase is largely attributable to the sale of software licences to the Ytwo joint venture during the first quarter of 2017. The resulting effect amounting to € 7.6 million was recognised under the other operating income (see also Note 5 to the Interim Report of RIB Software SE).

Bolstered by the growth in sales in the high-margin business areas and an improvement in distribution efficiency, the Group succeeded in increasing the gross margin by around 4 percentage points to 59.7% (previous year: 55.3%).

\*) EBITDA, EBIT and EBT adjusted for currency effects (Q2 2017: € -0.1 million; Q2 2016: € +2.0 million) / (6M 2017: € -0.2 million; 6M 2016: € -0.9 million) and one-off / special effects (Q2 2017: € 0.0 million; Q2 2016: € 0.0 million) / (6M 2017: € +0.4 million; 6M 2016: € 0.0 million)

R&D expenditure increased to € 6.7 million during the first half-year of 2017 (previous year: € 5.0 million). The increase was mainly due to the strengthening of our iTWO 4.0 development team and a reduced capitalization of development costs. Administration costs increased slightly from € 5.0 million to € 5.5 million. Despite the increase in revenues, the costs for sales and marketing were only marginally higher than the previous year's figure of € 9.0 million (previous year: € 8.9 million).

At 31.8% the tax rate was clearly below that of the previous year (43.2%). The primary reason for this is that, in comparison to the previous year, foreign companies with lower income tax rates achieved better results during the reporting period.

The average number of employees increased by 6.1% to 805 (previous year: 759 employees).

### NET CASH FLOWS FROM OPERATING ACTIVITIES INCREASE BY 113.8% TO € 24.8 MILLION

The net cash flows from operating activities totalled € 24.8 million in the first half-year of 2017, and exceeded the previous year's figure by 113.8% (previous year: € 11.6 million). Of this € 13.2 million increase, € 4.6 million concerned the sale of software licences to Y TWO, which resulted in a funds inflow totalling € 4.6 million during the reporting period.

The net cash flows from investing activities amounted to € -1.1 million compared to € -2.2 million in the same period of the previous year. During the reporting period, incoming payments were mainly received through the sale of MAC International to the Y TWO joint venture company for a fee of € 2.9 million, as well as disbursements in the amount of € -3.6 million through the acquisition and production of intangible assets.

The net cash flows used in financing activities in the amount of € -1.4 million (previous year: € -13.6 million) largely comprised incoming payments from bank liabilities in connection with the acquisition of the office building in Stuttgart (€ 6.0 million) as well as the dividend payment (€ -7.2 million). In the same period for the previous year, this comprised the dividend payment (€ -7.3 million), disbursements for the acquisition of treasury shares (€ -3.5 million), as well as payments for the redemption of financial liabilities (€ -2.6 million).

As of 30.06.2017, the Group held liquid funds in the amount of € 152.5 million including available-for-sale securities (31.12.2016: € 135.4 million). The equity capital amounted to € 287.6 million (31.12.2016: € 291.8 million). The equity ratio fell slightly to 80.0% (31.12.2016: 82.1%).

Trade payable fell slightly to € 2.1 million (31.12.2016: € 2.5 million). Trade receivables increased by € 3.8 million to € 22.2 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.

Following a strong first half-year in 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 30.06.2017

figures in € thousand, unless otherwise indicated	Note	2 <sup>nd</sup> quarter 2017	2 <sup>nd</sup> quarter 2016	6 months 2017	6 months 2016
<b>Revenue</b>	(4)	<b>27,091</b>	<b>24,529</b>	<b>53,309</b>	<b>49,874</b>
Cost of sales		-10,555	-11,054	-21,494	-22,283
<b>Gross profit</b>		<b>16,536</b>	<b>13,475</b>	<b>31,815</b>	<b>27,591</b>
Other operating income	(5)	775	2,330	9,287	402
Marketing and distribution costs		-4,400	-4,383	-9,022	-8,918
General administrative expenses		-2,789	-2,602	-5,463	-4,970
Research and development expenses		-3,341	-2,642	-6,685	-5,034
Other operating expenses	(6)	-217	-15	-327	-937
Financial income		30	123	58	218
Finance costs		-45	-261	-93	-330
Profit shares from investments accounted for using the equity method		-726	39	-1,644	42
<b>Profit before tax</b>		<b>5,823</b>	<b>6,064</b>	<b>17,926</b>	<b>8,064</b>
Income taxes		-1,529	-2,635	-5,756	-3,460
<b>Profit after tax</b>		<b>4,294</b>	<b>3,429</b>	<b>12,170</b>	<b>4,604</b>
Loss attributable to non-controlling interests		-9	-61	-27	-110
Profit attributable to owners of the parent company		4,303	3,490	12,197	4,714
Result per share on the basis of the share earnings of the shareholders of RIB Software SE:					
<b>basic</b>	(8)	<b>0.09 €</b>	<b>0.07 €</b>	<b>0.27 €</b>	<b>0.10 €</b>
<b>diluted</b>	(8)	<b>0.10 €</b>	<b>0.07 €</b>	<b>0.27 €</b>	<b>0.10 €</b>



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period: 01.01.2017 to 30.06.2017

Figures in € thousand	2 <sup>nd</sup> quarter 2017	2 <sup>nd</sup> quarter 2016	6 months 2017	6 months 2016
<b>Profit after tax</b>	<b>4,294</b>	<b>3,429</b>	<b>12,170</b>	<b>4,604</b>
Components reclassified with no effect on profit and loss:				
Revaluations	-45	8	-91	16
<b>Other consolidated comprehensive income after taxes for components reclassified with no effect on profit and loss</b>	<b>-45</b>	<b>8</b>	<b>-91</b>	<b>16</b>
Components reclassified in subsequent periods with an effect on profit and loss:				
Exchange differences	-8,365	519	-9,621	-1,124
Changes in value of available-for-sale securities	0	0	0	0
<b>Other consolidated comprehensive income after taxes for components reclassified with an effect on profit and loss</b>	<b>-8,365</b>	<b>519</b>	<b>-9,621</b>	<b>-1,124</b>
<b>Other consolidated comprehensive income after taxes</b>	<b>-8,410</b>	<b>527</b>	<b>-9,712</b>	<b>-1,108</b>
<b>Total consolidated comprehensive income</b>	<b>-4,116</b>	<b>3,956</b>	<b>2,458</b>	<b>3,496</b>
of which attributable to non-controlling interests	-9	-61	-27	-110
of which attributable to owners of the parent company	-4,107	4,017	2,485	3,606

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30.06.2017 AND 31.12.2016

Figures in € thousand	Note	<b>30.06.2017</b>	<b>31.12.2016</b>
Goodwill	(9)	65,717	67,166
Other intangible assets		48,881	50,005
Property, plant and equipment		15,646	16,185
Investment properties		4,925	5,272
Investments accounted for using the equity method	(10)	38,566	52,166
Prepaid land use lease payments		942	1,006
Other assets		16	16
Deferred tax assets		2,763	1,541
<b>Total non-current assets</b>		<b>177,456</b>	<b>193,358</b>
Inventories		1,793	1,432
Trade receivables		22,235	18,420
Gross amounts due from customers for contract work		91	136
Available-for-sale securities		92	98
Other assets		5,611	6,650
Cash and cash equivalents		152,437	135,323
<b>Total current assets</b>		<b>182,259</b>	<b>162,059</b>
<b>Total assets</b>		<b>359,715</b>	<b>355,417</b>

Figures in € thousand	Note	30.06.2017	31.12.2016
Subscribed capital		46,846	46,846
Treasury shares		-10,597	-10,597
Capital reserves		182,867	182,284
Legal reserves		95	95
Other retained reserves		144	0
Accumulated other consolidated comprehensive income		1,640	11,352
Retained earnings		66,783	61,926
<b>Equity attributable to owners of the parent company</b>		<b>287,778</b>	<b>291,906</b>
Non-controlling interests	(11)	-150	-123
<b>Total equity</b>		<b>287,628</b>	<b>291,783</b>
Pension provisions		3,926	3,840
Bank loans		5,399	0
Other provisions		311	286
Other finance liabilities		1,964	1,882
Deferred tax liabilities		11,612	12,116
<b>Total non-current liabilities</b>		<b>23,212</b>	<b>18,124</b>
Bank loans		401	0
Trade payables		2,133	2,456
Provisions for income taxes		8,679	4,337
Other provisions		1,158	1,153
Accruals		4,221	4,496
Deferred revenue		29,278	12,817
Other financial liabilities		50	579
Other liabilities		2,955	19,672
<b>Total current liabilities</b>		<b>48,875</b>	<b>45,510</b>
<b>Total liabilities</b>		<b>72,087</b>	<b>63,634</b>
<b>Total equity and liabilities</b>		<b>359,715</b>	<b>355,417</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: 01.01.2017 to 30.06.2017

Figures in € thousand	Issued capital	Capital reserves	Legal reserves	Other retained reserves
<b>As of 1 January 2016</b>	<b>46,846</b>	<b>181,396</b>	<b>95</b>	<b>0</b>
Profit after tax	-	-	-	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Purchase of treasury shares	-	-	-	-
Dividend payment	-	-	-	-
Capital increase	-	-	-	-
Other changes	-	-	-	-
Share-based remuneration	-	524	-	-
<b>As of 30 June 2016</b>	<b>46,846</b>	<b>181,920</b>	<b>95</b>	<b>0</b>
<b>As of 1 January 2017</b>	<b>46,846</b>	<b>182,284</b>	<b>95</b>	<b>0</b>
Profit after tax	-	-	-	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Purchase of treasury shares	-	-	-	-
Dividend payment	-	-	-	-
Capital increase	-	-	-	-
Other changes	-	-	-	144
Share-based remuneration	-	583	-	-
<b>As of 30 June 2017</b>	<b>46,846</b>	<b>182,867</b>	<b>95</b>	<b>144</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>	
-	-	-	-	4,714	4,714	-110	4,604	
-	-1,124	16	-	-	-1,108	-	-1,108	
<b>0</b>	<b>-1,124</b>	<b>16</b>	<b>0</b>	<b>4,714</b>	<b>3,606</b>	<b>-110</b>	<b>3,496</b>	
-	-	-	-3,466	-	-3,466	-	-3,466	
-	-	-	-	-7,291	-7,291	-	-7,291	
-	-	-	-	-	0	-	0	
-	-	-	-	-	0	-	0	
-	-	-	-	-	524	-	524	
<b>1</b>	<b>7,208</b>	<b>-374</b>	<b>-8,294</b>	<b>52,080</b>	<b>279,482</b>	<b>-277</b>	<b>279,205</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>	
-	-	-	-	12,197	12,197	-27	12,170	
<b>0</b>	<b>-9,621</b>	<b>-91</b>	<b>-</b>	<b>-</b>	<b>-9,712</b>	<b>-</b>	<b>-9,712</b>	
<b>0</b>	<b>-9,621</b>	<b>-91</b>	<b>0</b>	<b>12,197</b>	<b>2,485</b>	<b>-27</b>	<b>2,458</b>	
-	-	-	-	-	-	-	0	
-	-	-	-	-7,196	-7,196	-	-7,196	
-	-	-	-	-	-	-	0	
-	-	-	-	-144	-	-	0	
-	-	-	-	-	583	-	583	
<b>0</b>	<b>2,304</b>	<b>-664</b>	<b>-10,597</b>	<b>66,783</b>	<b>287,778</b>	<b>-150</b>	<b>287,628</b>	

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the period: 01.01.2017 to 30.06.2017

Figures in € thousand	6 months 2017	6 months 2016
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	<b>17,926</b>	<b>8,064</b>
Adjustments for:		
Depreciation of property, plant and equipment	492	337
Amortisation of intangible assets	4,590	4,047
Depreciation of investment property	68	68
Changes in valuation allowances for trade receivables	7	114
Other non-cash items	9,966	997
Interest expense and other finance cost	93	330
Financial income	-58	-218
	<b>33,084</b>	<b>13,739</b>
<b>Working capital adjustments:</b>		
Increase/decrease(-) in provisions and deferred liabilities	1,107	-288
Increase(-)/decrease in receivables and other assets	-5,956	-2,436
Increase/decrease(-) in received payments	-15,858	-220
Increase/decrease(-) in liabilities from trade payables and other liabilities	15,266	8,908
<b>Cash generated from operations</b>	<b>27,643</b>	<b>19,703</b>
Interest paid	-35	-19
Interest received	43	155
Income taxes paid	-2,818	-8,252
<b>Net cash flows from operating activities</b>	<b>24,833</b>	<b>11,587</b>
Proceeds from the disposal of non-current assets	3	0
Purchase of property, plant and equipment	-297	-472
Purchase/production of intangible assets	-3,648	-4,264
Disposal of consolidated companies less cash disposed	2,878	0
Purchase(-)/sale of available-for-sale securities	6	2,566
<b>Net cash flows from investing activities</b>	<b>-1,058</b>	<b>-2,170</b>
Dividends paid	-7,196	-7,291
Payments to non-controlling interests	0	-200
Payments made for the acquisition of treasury shares	0	-3,466
Payments made for redeeming other financial liabilities	-150	-2,602
Dividend received from investments accounted for using the equity method	97	0
Cash received from bank loans	6,000	0
Repayment of bank loans	-200	0
<b>Net cash flows used in financing activities</b>	<b>-1,449</b>	<b>-13,559</b>
<b>Change in cash and cash equivalents impacting cash flow</b>	<b>22,326</b>	<b>-4,142</b>
Cash and cash equivalents at the beginning of the period	135,323	174,335
Currency-related change in cash and cash equivalents	-5,212	-1,304
<b>Cash and cash equivalents at the end of the period</b>	<b>152,437</b>	<b>168,889</b>
<b>Composition of cash and cash equivalents:</b>		
Liquid funds, unrestricted	148,638	167,888
Liquid funds, restricted	3,799	1,001
<b>Total</b>	<b>152,437</b>	<b>168,889</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 30 June 2017 also includes RIB COE Europe GmbH, Stuttgart. The company was founded on 19 April 2017. The sole shareholder is RIB Software SE.

### 4. REVENUE

Revenue breaks down as follows:

	Figures in € thousand	6 months 2017	6 months 2016
Software licences		15,810	14,769
Software as a service / cloud		7,384	6,896
<b>Total software licences and software as a service / cloud</b>		<b>23,194</b>	<b>21,665</b>
Maintenance		15,966	13,486
Consulting		10,650	10,981
e-Commerce		3,499	3,742
<b>Total revenue</b>		<b>53,309</b>	<b>49,874</b>

The total software licence revenue is subdivided as follows:

Figures in € thousand	<b>6 months 2017</b>	<b>6 months 2016</b>
iTWO Key Account	5,887	5,029
iTWO Mass Market	6,613	6,051
SaaS / Cloud	7,384	6,896
Legacy Products	3,310	3,689
<b>Total software licences and software as a service / cloud</b>	<b>23,194</b>	<b>21,665</b>

## 5. OTHER OPERATING INCOME

Other operating income primarily include income from the software delivery to Ytwo of € 7,601 thousand, income from purchase price liabilities adjustments of € 380 thousand and income from receivables written down of € 294 thousand.

## 6. OTHER OPERATING EXPENSES

Other operating expenses include foreign exchange expenses arising from cash and cash equivalents amounting to around € 218 thousand.

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

### Expenses for employee benefits

Figures in € thousand	<b>6 months 2017</b>	<b>6 months 2016</b>
Wages and salaries	21,172	19,881
Social security and pension costs	3,609	3,436
<b>Total</b>	<b>24,781</b>	<b>23,317</b>

### Average number of employees

	<b>6 months 2017</b>	<b>6 months 2016</b>
General administration	103	98
Research & development	327	298
Sales & marketing	152	133
Support & consulting	223	230
<b>Total</b>	<b>805</b>	<b>759</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	6 months 2017	6 months 2016
Profit share of the shareholders of RIB Software SE – basic and diluted		12,197	4,714

	figures in thousand shares	6 months 2017	6 months 2016
Weighted average of shares in circulation - basic		44,973	45,565
Dilution effect		494	335
Weighted average of shares in circulation - diluted		45,467	45,900

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	30.06.2017	31.12.2016
<i>Licence/software business segment</i>		42,890	43,730
<i>SaaS/Cloud business segment</i>		12,497	12,770
<i>Consulting business segment</i>		5,656	5,815
iTWO reporting segment		61,043	62,315
YTWO (SCM) business segment		0	0
xTWO (e-Commerce) business segment		689	689
xTWO reporting segment		689	689
GZ TWO development entity		3,091	3,268
Arriba Finance		894	894
<b>Total</b>		<b>65,717</b>	<b>67,166</b>

The change in carrying amounts by € -1,449 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
Additions	0	0	39	39
Elimination of unrealized profits from "downstream sales"	-7,601	0	0	-7,601
Dividend paid to the group	0	-97	0	-97
Profit/loss attributable to the group recognized in the consolidated income statement	-1,822	178	0	-1,644
Profit/loss attributable to the group recognized in the consolidated comprehensive income	-4,186	-111	0	-4,297
<b>Carrying amounts as of 30.06.2017</b>	<b>35,561</b>	<b>2,862</b>	<b>143</b>	<b>38,566</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:

Figures in € thousand	6 months 2017		
	iTWO	xTWO	Total
<b>Revenue, external</b>	<b>49,810</b>	<b>3,499</b>	<b>53,309</b>
License / Software	31,776	-	31,776
SaaS / Cloud	7,384	-	7,384
Consulting	10,650	-	10,650
xTWO (e-Commerce)	-	3,499	3,499
<b>Production costs</b>	<b>-18,473</b>	<b>-3,021</b>	<b>-21,494</b>
License / Software	-8,988	-	-8,988
SaaS / Cloud	-1,334	-	-1,334
Consulting	-8,151	-	-8,151
xTWO (e-Commerce)	-	-3,021	-3,021
<b>Research and development expenses</b>	<b>-6,679</b>	<b>-6</b>	<b>-6,685</b>
License / Software	-4,800	-	-4,800
SaaS / Cloud	-1,879	-	-1,879
Consulting	0	-	0
xTWO (e-Commerce)	-	-6	-6
<b>Distribution and marketing costs</b>	<b>-8,469</b>	<b>-553</b>	<b>-9,022</b>
<b>General administrative expenses</b>	<b>-5,111</b>	<b>-352</b>	<b>-5,463</b>
<b>Other operating income and expenses</b>	<b>8,938</b>	<b>22</b>	<b>8,960</b>
<b>EBIT Segment</b>	<b>20,016</b>	<b>-411</b>	<b>19,605</b>
Financial result			-1,679
thereof profit shares from investments accounted for using the equity method	178	-1,822	-1,644
Income taxes			-5,756
<b>Consolidated net profit</b>			<b>12,170</b>
<b>EBITDA Segment</b>	<b>25,197</b>	<b>-347</b>	<b>24,850</b>
EBITDA-margin	50.6%	-9.9%	46.6%
<b>Other segment information:</b>			
Segment amortisation and adjustments	5,181	64	5,245
Carrying amount of participation in the joint venture YTWO accounted for using the equity method	-	35,561	35,561

Figures in € thousand	6 months 2016		
	iTWO	xTWO	Total
<b>Revenue, external</b>	<b>46,132</b>	<b>3,742</b>	<b>49,874</b>
License / Software	28,255	-	28,255
SaaS / Cloud	6,896	-	6,896
Consulting	10,981	-	10,981
xTWO (e-Commerce)	-	3,742	3,742
<b>Production costs</b>	<b>-18,681</b>	<b>-3,602</b>	<b>-22,283</b>
License / Software	-9,241	-	-9,241
SaaS / Cloud	-887	-	-887
Consulting	-8,553	-	-8,553
xTWO (e-Commerce)	-	-3,602	-3,602
<b>Research and development expenses</b>	<b>-5,005</b>	<b>-29</b>	<b>-5,034</b>
License / Software	-3,713	-	-3,713
SaaS / Cloud	-1,292	-	-1,292
Consulting	-	-	0
xTWO (e-Commerce)	-	-29	-29
<b>Distribution and marketing costs</b>	<b>-8,169</b>	<b>-749</b>	<b>-8,918</b>
<b>General administrative expenses</b>	<b>-4,472</b>	<b>-498</b>	<b>-4,970</b>
<b>Other operating income and expenses</b>	<b>-604</b>	<b>69</b>	<b>-535</b>
<b>EBIT Segment</b>	<b>9,201</b>	<b>-1,067</b>	<b>8,134</b>
Financial result			-70
thereof profit shares from investments accounted for using the equity method	0	0	0
Income taxes			-3,460
<b>Consolidated net profit</b>			<b>4,604</b>
<b>EBITDA Segment</b>	<b>13,748</b>	<b>-1,017</b>	<b>12,731</b>
EBITDA-margin	29.8%	-27.2%	25.5%
<b>Other segment information:</b>			
Segment amortisation and adjustments	4,547	50	4,597
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>6 months 2017</b>	<b>6 months 2016</b>
EMEA (Europe, Middle East and Africa)	44,371	40,315
APAC (Asia Pacific)	2,378	2,231
North America	6,560	7,328
<b>Total revenue</b>	<b>53,309</b>	<b>49,874</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 30 June 2017</b>						
<b>Financial assets at fair value</b>						
Cash market and investment funds	86	-	86	-	-	86
Corporate Bonds	6	-	6	-	-	6
<b>Total</b>	<b>92</b>	<b>-</b>	<b>92</b>	<b>-</b>	<b>-</b>	<b>92</b>
<b>Financial assets not measured at fair value</b>						
Accounts receivable trade	-	22,235	-	-	-	-
Other Assets*	-	1,839	-	-	-	-
Cash and cash equivalents	-	152,437	-	-	-	-
<b>Total</b>	<b>-</b>	<b>176,511</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	1,971	-	-	-	1,971	1,971
<b>Financial liabilities not measured at fair value</b>						
Bank liabilities	-	5,800	-	-	-	-
Accounts payable trade	-	2,133	-	-	-	-
Other financial liabilities	-	43	-	-	-	-
Other liabilities**	-	855	-	-	-	-
<b>Total</b>	<b>1,971</b>	<b>8,831</b>	<b>-</b>	<b>-</b>	<b>1,971</b>	<b>1,971</b>

\* This item does not include other assets in the amount of € 3,788 thousand, which are not financial assets.

\*\* This item does not include other liabilities in the amount of € 2,100 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 € 357 thousand in the financial liabilities. The personnel expenses attributable to the reporting period amount to € 95 thousand. The interest on financial liabilities resulted in an interest expense of € 17 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)		95
Expenses from the interest accrued on purchase price liabilities (finance expenses)		17
		<b>-268</b>
<b>As of 30 June</b>		<b>1,971</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 € 1,971 thousand:

	Figures in € thousand	Sensitivity	Carrying amount
Discounting interest rate used for the discounting period		+ 1 %-point	1,847
Discounting interest rate used for the discounting period		- 1 %-point	2,004
Growth rate in the budgeted revenues in the budget period		+ 10.0 %	2,161
Growth rate in the budgeted revenues in the budget period		- 10.0 %	1,622



## 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, 31 July 2017

**RIB Software SE**

**The Managing Directors**



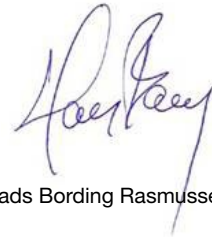
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Michael Sauer



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Mads Bording Rasmussen

## 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 October 2017

Publication Interim Report (January - September 2017)

Analyst Conference Call

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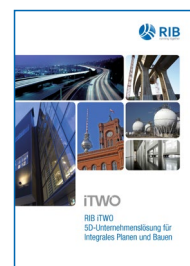
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Internet: [group.rib-software.com](http://group.rib-software.com)

### 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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