RIB
running together

INTERIM REPORT

JANUARY - SEPTEMBER 2018

RIB OVERVIEW

COMPANY PROFILE

RIB Software SE is an innovator in construction business. The company creates, develops and offers cutting-edge digital technologies for construction enterprises and projects across various industries worldwide. Its flagship product iTWO 4.0 is the world's first 5D BIM enterprise cloud solution with AI integration for construction companies, industrial companies, developers and project owners, etc. 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 1000 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.

CONSOLIDATED FIGURES - OVERVIEW

€ million unless otherwise indicated	3rd quarter 2018	3rd quarter 2017	change	9 months 2018	9 months 2017	change
Revenue	32.5	28.4	14.4%	94.9	81.7	16.2%
Software licenses	9.2	10.8	-14.8%	27.8	26.6	4.5%
Software as a Service / Cloud	3.1	3.0	3.3%	10.3	10.4	-1.0%
Maintenance	9.9	8.1	22.2%	29.2	24.0	21.7%
Consulting	8.1	4.6	76.1%	20.8	15.2	36.8%
e-Commerce	2.2	1.9	15.8%	6.8	5.4	25.9%
EBITDA	**12.3**	**11.2**	**9.8%**	**31.1**	**36.1**	**-13.9%**
as % of revenue	37.8%	39.4%		32.8%	44.2%	
Operating EBITDA and adjusted for YTWO*	**9.7**	**11.2**	**-13.4%**	**28.6**	**28.3**	**1.1%**
as % of revenue	29.8%	39.4%		30.1%	34.6%	
EBT	**8.0**	**7.3**	**9.6%**	**18.9**	**25.2**	**-25.0%**
as % of revenue	24.6%	25.7%		19.9%	30.8%	
Operating EBT and adjusted for YTWO*	**5.4**	**7.2**	**-25.0%**	**16.5**	**17.4**	**-5.2%**
as % of revenue	16.6%	25.4%		17.4%	21.3%	
Expenses from purchase price allocations (PPA amortisation)	1.3	0.9	44.4%	3.5	2.7	29.6%
Cash flows from operating activities				21.4	25.3	-15.4%
Cash flows from operating activities adjusted for YTWO**				21.4	20.6	3.9%
Group liquidity***				251.4	134.8	86.5%
Equity ratio****				85.5%	80.5%	
Average number of employees				980	815	20.2%

* EBITDA and EBT adjusted by income from the reversal of deferred revenue from software sales to YTWO (Q3 2018: € 2.0 million) / (9M 2018: € 2.0 million), currency effects (Q3 2018: € 0.6 million; Q3 2017: € 0.0 million) / (9M 2018: € 0.9 million; 9M 2017: € -0.2 million) and one-off / special effects (Q3 2018: € 0.0 million; Q3 2017: € 0.0 million) / (9M 2018: € -0.5 million; 9M 2017: € +0.4 million). Previous year adjusted for one-off other operating income: Software delivery YTWO (9M 2017: € 7.6 million)

** Previous year adjusted by one-time software licence payments from YTWO (9M 2018: € 0.0 million; 9M 2017: € 4.7 million)

*** Cash and cash equivalents, time deposits and available-for-sale securities. Previous year as of 31 December 2017

**** Previous year as of 31 December 2017

RIB ON THE CAPITAL MARKET

SHARE PRICE PERFORMANCE JANUARY - SEPTEMBER 2018

The RIB share started the 2018 financial year at a price of € 25.00 on January 02, 2018. The RIB Software SE share closed the third quarter of 2018 on September 28, 2018 at a closing price of € 18.27. The market capitalization at the end of the third quarter was thus around € 940 million.

EVALUATION OF THE ANALYSTS

Shares in RIB have received a buy recommendation from the analysts Berenberg, Kepler Cheuvreux and Equinet, while the share was assessed as "hold" by Hauck & Aufhäuser and Warburg Research and as "sell" by UBS. Experts and analysts have allocated shares in RIB a target price of between €17.80 and € 40.00.

Analyst	Recommendation	Target price
BERENBERG	BUY	€ 40.00
KEPLER CHEUVREUX	BUY	€ 32.00
EQUINET	BUY	€ 25.00
HAUCK & AUFHÄUSER	HOLD	€ 21.50
WARBURG	HOLD	€ 18.50
UBS	SELL	€ 17.80

SHARE FACTS

RIB Software SE is registered with the commercial register of the District Court of Stuttgart (Amtsgericht Stuttgart), Germany under registration number HRB 760459. Since 07 January 2016 RIB Software SE has been listed under the ticker symbol RIB (formerly RSTA).

Share capital on 23 August 2018	€ 51,610,022.00
Number of shares on 23 August 2018	51,610,022
Class of shares	Ordinary shares
Initial trading	08 February, 2011
International Securities Identification Number ISIN:	DE000A0Z2XN6
German Securities Identification Number WKN	A0Z2XN
Ticker symbol	RIB
Ticker symbol Reuters	RIB.DE
Ticker symbol Bloomberg	RIB:GR
Index Membership since 22 September 2014	TecDAX
Index Membership since 24 September 2018	SDAX
Transparency level	Prime Standard
Market segment	Regulated Market

INTERIM GROUP MANAGEMENT REPORT

REPORT ON EARNINGS, FINANCIAL POSITION AND NET WORTH

CURRENCY-ADJUSTED REVENUES GROW BY 18.1%
REVENUES IN THE iTWO-SEGMENT RISE BY 15,1% TO € 87.8 MILLION
RECURRING REVENUES GROW BY 14.8%

The RIB Group increased its consolidated revenues as of September 30, 2018 by 16.2% to € 94.9 million (previous year: 81.7 million). Adjusted for currency effects, revenue growth as of September 30, 2018 would have been 18.1%. Despite a strong prior-year period in the key account area with three Phase-III-deals and the time spent by top management in three acquisitions, an organic revenue growth of 4.0% was achieved in the current reporting period. In the EMEA region, a growth impulse of 12.4% to € 72.7 million was achieved (previous year: € 64.7 million).

Deferred maintenance revenues increased by 21.7% from € 24.0 million to € 29.2 million and continue to account for a large share of recurring revenues. In total, recurring revenues (maintenance and SaaS) increased by 14.8% to € 39.5 million (previous year: € 34.4 million). Sales in the iTWO Mass Market segment increased by 9.5% to € 10.4 million (previous year: € 9.5 million).

In the high-margin segment iTWO, revenues rose by 15.1% from € 76.3 million to € 87.8 million. As planned, the YTWO segment did not generate any transaction revenues from the YTWO joint venture in the reporting period. In the xTWO (e-commerce) business segment, revenues increased by 25.9% to € 6.8 million in the first nine months of 2018 (previous year: € 5.4 million). Revenues of € 0.3 million are reported in the MTWO reporting segment.

OPERATING EBITDA AND ADJUSTED FOR SPECIAL INCOME FROM YTWO INCREASES TO € 28.6 MILLION
STRONG OPERATING EBITDA MARGIN OF 30.1%
OPERATING EBITDA MARGIN IN THE iTWO SEGMENT OF 34.6 %

Despite start-up costs for the MTWO segment of around € 2.0 million, Operating Earnings Before Interest, Taxes, Depreciation and Amortisation (operating EBITDA*) increased to € 28.6 million (previous year: € 28.3 million), which corresponds to an operating EBITDA margin of 30.1% (previous year: 34.6%). Operating Earnings Before Taxes (operating EBT*) reached € 16.5 million in the reporting period (previous year: € 17.4 million). Depreciation from purchase price allocations (PPA-Afa) increased significantly by 29.6% to € 3.5 million (previous year: € 2.7 million). The operating EBITDA* margin in the iTWO segment was 34.6%.

R&D-EXPENSES INCREASE BY 19.2% TO € 11.8 MILLION

R&D expenses rose by 19.2% to € 11.8 million in the reporting period (previous year: € 9.9 million). The increase was mainly due to the strengthening of our development teams in iTWO 4.0 and in the MTWO segment as well as € 1.7 million through company acquisitions. Administrative expenses rose to € 9.5 million, of which € 1.3 million resulted from acquisitions (previous year: € 7.7 million). Sales and marketing expenses increased by 24.8% to € 17.1 million, of which € 2.5 million resulted from acquisitions (previous year: € 13.7 million). The average number of employees changed by 20.2% to 980 (previous year: 815).

CASH FLOW FROM OPERATING ACTIVITIES RISES TO € 21.4 MILLION

The net cash flow from operating activities reached € 21.4 million in the reporting period and exceeded the previous year's figure adjusted for YTWO by 3.9% (previous year: € 20.6 million, adjusted for one-time software license payment of YTWO in the amount of € 4.7 million).

At € -21.8 million, net cash flow from investing activities was below the prior-year figure (€ -18.2 million). During the reporting period, payments of € 15.4 million were included in connection with company acquisitions.

At € 116.8 million, net cash flow from financing activities was significantly higher than in the previous year (€ -1.5 million). This is mainly attributable to the proceeds from the capital increase in the amount of € 131.2 million.

*) EBITDA and EBT adjusted by income from the reversal of deferred revenue from software sales to YTWO (Q3 2018: € 2.0 million) / (9M 2018: € 2.0 million), currency effects (Q3 2018: € 0.6 million; Q3 2017: € 0.0 million) / (9M 2018: € 0.9 million; 9M 2017: € -0.2 million) and one-off / special effects (Q3 2018: € 0.0 million; Q3 2017: € 0.0 million) / (9M 2018: € -0.5 million; 9M 2017: € +0.4 million). Previous year adjusted for one-off other operating income: Software delivery YTWO (9M 2017: € 7.6 million).

As of September 30, 2018, the Group had cash and cash equivalents including available-for-sale securities and time deposits of € 251.4 million (December 31, 2017: € 134.8 million). Equity amounted to € 441.9 million (31.12.2017: € 294.5 million). The equity ratio improved to 85.5% (31.12.2017: 80.5%).

Trade payables increased by 43.5% to € 3.3 million, of which € 0.4 million resulted from acquisitions (31.12.2017: € 2.3 million). Trade receivables increased to € 31.3 million, thereof from acquisitions € 2.6 million (31.12.2017: € 24.1 million).

FURTHER INFORMATION ON BUSINESS DEVELOPMENT AND MAJOR EVENTS DURING THE REPORTING PERIOD

I. RIB Administrative Board / Dr. Rüdiger Grube

Dr. Rüdiger Grube, one of Germany's most recognized leaders, has decided to join the RIB Administrative Board as a non-executive Director. The Administrative Board of RIB will submit the nomination to the authorities and is expected to get approval in Q4 2018.

Dr. Rüdiger Grube served as the CEO and Chairman of Management Board of Deutsche Bahn AG (DB), the largest European infrastructure company, from 2009 to 2017. Today he is the Chairman of Lazard Germany and supports leading companies in building up international business leadership within the highest standards. He served as a Board Member of Daimler AG and was responsible for corporate development and is currently serving as the Chairman of the Supervisory Board of Hamburger Hafen and Logistik AG, HHLA which is among Europe's leading port logistics companies. Dr. Grube is also the member of the Joint Advisory Council of the Allianz companies, Allianz SE and the member of the Advisory Council of Deutsche Bank Stuttgart as well as a member of the Presiding Board of the International Chamber of Commerce (ICC).

RIB's strategic target is to integrate world class top manager into the RIB Administrative Board to comply with the highest standards and ensure that the right decisions are made in an even faster changing world.

II. RIB Share Price

RIB's EV/revenue multiple is currently at around 4x, while the construction software companies acting globally are reaching an average multiple of 12x EV/revenue. Even RIB's EBIT/DA margin in iTWO Software is over 30%, investors are waiting for clear signals to see if the transformation strategy announced and introduced in 2018, which is to be a leading cloud platform for the construction, infrastructure and real estate industries, will lead to a fast-growing iTWO user base in 2019. Based on the signals we have from the market so far, the RIB Board strongly believes that RIB can deliver positive results which can lead to a comparable EV/revenue multiple with the mentioned companies. Transformation strategies often lead to a high volatility in the share price at an early stage, but we hope we can satisfy our shareholder community soon.

III. 9 months strategic investments related to MTWO and iTWO Technology

RIB is running its international business with approval from the German tax authorities within the 100% owned RIB Ltd. in Hong Kong and the German speaking business within the RIB SE. The RIB Group has invested in over 15 strategic and high profitable software business units with EBIT/DA margins of up to 60% (9 months margin excluding e-Commerce: **35.2%**). Further profits out of cost cutting up to EUR 10 million could be reached easily but we would put our mid-term and long-term strategy to win up to 2 million users with EUR 500 EBIT/DA per user per year on risk because we expect a higher user growth rate in H2 2019 after the 2018 transformation year. To achieve the ultimate target, we will have to keep the organisation ready in advance to ensure a stable delivery.

RIB Group has successfully signed 6 investment deals (Exactal 100%, Datengut 51%, IMS 80%, ICS 40%, A2K 40%, and a Take-over agreement with a leading European MSP-Provider for at least 75%) in the first 9 months of 2018. The profitable companies are generating with **400 employees a yearly revenue of over EUR 80 million in 2018. Based on RIB's investment of EUR 45.8 Million, EBIT/DA margin in MSP by mid-term could reach 20-30%**, which is similar to software vendors according to Microsoft research. MSP business is growing on a high double-digit level. If RIB takes over the majority in all MSPs, then an additional investment will be between EUR 10-20 million. Our target is to execute the investment program as planned in 2018/19.

RIB has successfully signed strategic MSP investments and partnership agreements in August, September and October. We will continue these strategic investments out of the 2018 capital increase funding as introduced on the AGM in the following months.

The total investment will be around EUR 50-100 million in 2018.

iTWO Comeptence Center for Mobility in Leipzig

In February 2018, RIB has acquired **51% of the shares in DATENGUT GmbH**, an innovative German provider of mobile solutions for the construction industry. The company focuses on innovative mobile solutions connected to the iTWO core technology, which are specially tailored to the construction industry. Through this investment, RIB intends to establish a Competence Center for Mobility within RIB.

iTWO FM (Facility Management) / iTWO TCO (Total Cost of Ownership)

At the end of July 2018, the RIB Group announced the acquisition of **80% of the shares in IMS Gesellschaft für Informations und Managementsysteme mbH**. By integrating IMS Facility Management solutions with the cloud-based technology iTWO 4.0, RIB will be able to improve efficiency throughout the entire life cycle of buildings and infrastructures. Through the consistency of the solution, from design and planning, construction through hand over, and operation, RIB will be able to provide its customers with **Total Cost of Ownership** (TCO) information supporting data driven decision making in the early stage and use this for simulations.

MTWO West America (Redmond, USA)

In August 2018, RIB signed the **first MTWO MSP Partner Agreement with ICS**, a Microsoft profitable certified MSP and Dynamics ERP partner headquartered in Redmond, USA. ICS is the first MTWO partner to promote the spread of MTWO technology on the US West Coast with the goal of managing 10,000 MTWO users in 2019. Today ICS already has the capacity to manage such an amount of users and is a leading regional MSP, not in size but in experience to run combined MSP, CS and ERP enterprise solutions successfully. Microsoft, who also has its global headquarter in Redmond, MTWO team from RIB and ICS, will team up to sign the target user base in the region.

MTWO Australia / New Zealand (ANZ)

In September 2018, RIB has signed the **second MTWO MSP partnership agreement with A2K,** a Microsoft certified partner headquartered in Brisbane, Australia. As part of the investment, A2K will build up a sizable team focused solely on delivering MTWO to their existing 100,000 user base which includes SME and major construction industry clients throughout Australia and New Zealand. The target is also to win 10,000 MTWO users within one to two years.

MTWO Europe

In October, a Take-over agreement for at least 75% with the **third MTWO MSP-partner** has been signed. The Microsoft-certified partner, headquartered in Europe, will use its existing network to attract 10,000 MTWO users in the first period. The partner is the first MSP provider headquartered in Europe with international offices in several countries. The partner is supporting next to its direct business over 100 certified Microsoft Partners in the MSP and Cloud business and will develop a MTWO expert team to support as a technical backbone of SI, VAR and CSP who want to invest into the MTWO business.

IV. Accounting and auditing of financial statements

The German Financial Reporting Enforcement Panel (*Deutsche Prüfstelle für Rechnungslegung*; hereafter: "DPR") has examined the annual financial statements and the consolidated financial statements of RIB Software SE for the year ended 31 December 2016 and the related management reports as part of a regular, independent random examination. In addition to management reporting in general, the audit focused in particular on reporting on the establishment of the joint venture YTWO Ltd. and on business transactions between the RIB Group and this Joint Venture. The DPR audit was completed in August 2018 - as was the previous DPR audit in 2012 - without any findings of errors.

Our auditor, BW PARTNER Bauer Schätz Hasenclever Partnerschaft mbB, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart (hereafter: "BW PARTNER"), informed us that in the third quarter of 2018 they were subjected to a regular, non-event inspection by the auditor supervisory authority at the Federal Office of Economics and Export Control (*Abschlussprüferaufsichtsstelle beim Bundesamt für Wirtschaft und Ausfuhrkontrolle*; hereafter: "APAS"), during which, among other things, the proper performance of the audit of the financial statements of the RIB Group for the 2017 fiscal year was examined. BW PARTNER also informed us that the APAS audit was completed without any objections in September 2018, as were the two previous audits by the Supervisory Commission for Auditors (predecessor of APAS).

With around 280 employees, the BW PARTNER Group is one of the largest independent auditing and tax consulting firms in Baden-Wuerttemberg.

OPPORTUNITY AND RISK REPORT

Please refer to the opportunities and risks described in the Management Report as of December 31, 2017 and at the Annual General Meeting for information on the main opportunities and risks associated with the expected development of the RIB Group. Beside the reported risks, we see some new growing risks in the "America First" policy for international companies like RIB. Such risks can also have negative impacts on strategic and technology partnerships / JVs, supply agreements and client relationships.

FORECAST REPORT

I. Guidance

Based on the positive development in the first 9 months of 2018 and assuming otherwise stable market conditions, the RIB Group raises its sales guidance for fiscal year 2018 to a range of € 124 million to € 130 million (previously: € 117 million to € 127 million). The EBITDA Guidance of € 33 to € 43 million remains unchanged. To reach the Guidance, no Phase-III-deal is needed (In Financial year 2017, 3 Phase-III-deals were closed).

II. McTWO / R&D Organisation

We will present **McTWO**, the leading Artificial Intelligence Engineer (AIE) on iTWO World on November 6th, 2018. McTWO is the most advance AI engine for the building and construction industry. It provides the most comprehensive and smartest machine learning, Chatbot, and virtual assistant all in one solution. We are working on BIM design and planning, safety and quality, material, labour and equipment resource management, risk monitoring and maintenance, post-construction and scheduling in different languages like English, German and Chinese. With McTWO, engineers can just talk about daily reports, schedules, forecasts, daily progress, material procurement, etc.

AI's market size was USD 4.8 Billion in 2016 and is expected to grow to USD 90 Billion by 2025. McTWO will follow the trend of AI and gradually grows to a remarkable product for the construction and real estate industry.

RIB is working with an agile methodology R&D team with regional CTOs in Asia, Europe and America. Each regional CTO reports to the regional CEO. All projects and products such as iTWO 4.0 are led by the global experienced R&D leaders. A global VP R&D/Controller reports monthly to the Board about the progress of different product lines and global R&D centres.

III. YTWO Cloud platform (xTWO)

YTWO targets the real estate and housing companies in 3 regions (Asia/Pac, EMEA and America). YTWO Germany has signed a new YTWO platform agreement with a leading property developer in Berlin and has achieved certification of the platform with leading developers in Asia and Europe. In Q3 2018, the first orders were successful placed in Europe and America.

Our target for YTWO is to develop a successful profitable platform business with the combination of IT and SCM in the mid-term. The global YTWO team has successfully completed the brand positioning and RIB expects a total of 8 YTWO clients joining the platform in 2018. This market is seeking for more and more BIM technologies as the demand is growing fast.

Our JV partner Flex has announced that our YTWO Board member Mike McNamara will retire as the CEO of Flex in December this year. In the meantime, Flex and Nike has agreed to unwind the manufacturing operations in Mexico by the end of this year. As a Silicon Valley based manufacture with huge operations in China and Mexico, Flex could be affected by the America First policy and the related changed international trade relationships. Therefore, YTWO has invested additionally in more industrial partners such as Schneider Electric and has agreed with Flex to discuss a new shareholder structure in YTWO. If Flex or the new CEO for any reason decide to discontinue the Flex building group, RIB would be prepared to continue the YTWO Business by itself. The RIB related start-up costs into YTWO for 2018 will be in a range between € 4 million to € 6 million.

For the xTWO e-commerce unit, we are expecting a break-through as planned with a positive cash flow within the next 24 months. Here we are still considering a spin-off. The start-up costs in the xTWO segment will amount to around EUR 500,000 in 2018.

IV. MTWO Cloud platform

For MTWO project, our target is to execute the joined Microsoft and RIB go to market plan introduced at the AGM. We are targeting to build the world’s No.1 vertical cloud platform for the building and construction industry with 30,000 singed users in 2019 and a total of 100,000 signed users in 2020. We have announced the first two MTWO enterprise agreement (Phase-II-contracts) and expect to have over 1,000 iTWO 4.0 cloud users contracted by the end of 2018. In Q3 2018, Microsoft and RIB have successfully hosted several huge Hackathons and marketing events. The mid-term target is to win 2 million iTWO users over the MTWO and YTWO platform with an estimated EUR 500 EBIT/DA per user per year.

In 2018/19, we are building the MSP MTWO infrastructure to serve the 2 million users base in areas such as Data Security, AI, Bot services, Big Data, scalability, cloud resource optimization, data recovery and other related services. Investments in MTWO will amount to EUR 3 million as planned in 2018.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the period: 01.01.2018 to 30.09.2018

figures in € thousand, unless otherwise indicated	Note	3rd quarter 2018	3rd quarter 2017	9 months 2018	9 months 2017
Revenue	(5)	**32,519**	**28,372**	**94,949**	**81,681**
Cost of sales		-13,942	-10,337	-39,058	-31,831
Gross profit		**18,577**	**18,035**	**55,891**	**49,850**
Other operating income	(6)	3,259	868	5,926	10,155
Marketing and distribution costs		-5,941	-4,669	-17,072	-13,691
General administrative expenses		-3,106	-2,277	-9,463	-7,740
Research and development expenses		-4,112	-3,238	-11,802	-9,923
Other operating expenses	(7)	243	-134	-1,774	-461
Financial income		165	65	381	123
Finance costs		-44	-43	-205	-136
Profit shares from investments accounted for using the equity method		-1,010	-1,345	-2,946	-2,989
Profit before tax		**8,031**	**7,262**	**18,936**	**25,188**
Income taxes		-2,017	-3,323	-6,091	-9,079
Profit after tax		**6,014**	**3,939**	**12,845**	**16,109**
Profit/Loss attributable to non-controlling interests		16	-13	88	-40
Profit attributable to owners of the parent company		5,998	3,952	12,757	16,149
Result per share on the basis of the share earnings of the shareholders of RIB Software SE:					
basic	(9)	**0.12 €**	**0.09 €**	**0.26 €**	**0.36 €**
diluted	(9)	**0.11 €**	**0.09 €**	**0.25 €**	**0.35 €**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period: 01.01.2018 to 30.09.2018

Figures in € thousand	3rd quarter 2018	3rd quarter 2017	9 months 2018	9 months 2017
Profit after tax	**6,014**	**3,939**	**12,845**	**16,109**
Components reclassified in subsequent periods with no effect on profit and loss:				
Revaluations	16	-46	84	-137
Other consolidated comprehensive income after taxes for components that are reclassified with no effect on profit and loss	**16**	**-46**	**84**	**-137**
Components reclassified in subsequent periods with an effect on profit and loss:				
Exchange differences	-31	-3,765	2,569	-13,386
Changes in value of available-for-sale securities	0	0	0	0
Other consolidated comprehensive income after taxes for components that are reclassified with an effect on profit and loss	**-31**	**-3,765**	**2,569**	**-13,386**
Other consolidated comprehensive income after taxes	**-15**	**-3,811**	**2,653**	**-13,523**
Total consolidated comprehensive income	**5,999**	**128**	**15,498**	**2,586**
of which attributable to non-controlling interests	16	-13	88	-40
of which attributable to owners of the parent company	5,983	141	15,410	2,626

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30.09.2018 AND 31.12.2017

Figures in € thousand	Note	30 September 2018	31 December 2017
Goodwill	(10)	96,062	84,993
Other intangible assets		63,746	54,712
Property, plant and equipment		17,382	17,266
Investment properties		6,926	7,036
Investments accounted for using the equity method	(11)	36,538	31,226
Prepaid land use lease payments		894	926
Other financial assets		486	418
Deferred tax assets		2,042	2,019
Total non-current assets		**224,076**	**198,596**
Inventories		3,409	2,303
Trade receivables		31,346	24,071
Income tax assets		1,797	2,278
Other financial assets		33,896	35,145
Other non-financial assets		3,446	3,107
Cash and cash equivalents		218,728	100,459
Total current assets		**292,622**	**167,363**
Total assets		**516,698**	**365,959**

Figures in € thousand	Note	30 September 2018	31 December 2017
Subscribed capital		51,610	46,846
Capital reserves		315,762	187,168
Retained earnings		76,645	72,982
Other equity components		-803	-3,456
Treasury shares		-6,717	-9,015
Equity attributable to owners of the parent company		**436,497**	**294,525**
Non-controlling interests	(13)	5,440	0
Total equity		**441,937**	**294,525**
Pension provisions		3,365	3,569
Bank liabilities		4,900	5,200
Other provisions		343	299
Other financial liabilities		4,421	1,934
Deferred tax liabilities		15,068	12,926
Total non-current liabilities		**28,097**	**23,928**
Bank liabilities		400	400
Trade payables		3,271	2,273
Income tax liabilities		3,065	3,454
Other provisions		1,127	1,775
Deferred liabilities		5,787	5,701
Deferred income		21,832	19,681
Other financial liabilities		3,514	8,669
Other liabilities		7,668	5,553
Total current liabilities		**46,664**	**47,506**
Total liabilities		**74,761**	**71,434**
Total equity and liabilities		**516,698**	**365,959**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: 01.01.2018 to 30.09.2018

Figures in € thousand	Subscribed capital	Capital reserves	Retained earnings
As of 1 January 2017	**46,846**	**182,284**	**62,021**
Profit after tax	-	-	16,149
Other comprehensive income	-	-	-
Total comprehensive income	**0**	**0**	**16,149**
Disposal of treasury shares	-	-	-
Dividend payment	-	-	-7,196
Other changes	-	-	-160
Share-based remuneration	-	1,025	-
As of 30 September 2017	**46,846**	**183,309**	**70,814**
As of 1 January 2018	**46,846**	**187,168**	**72,982**
Profit after tax	-	-	12,757
Other comprehensive income	-	-	-
Total comprehensive income	**0**	**0**	**12,757**
Disposal of treasury shares	-	7,637	-
Dividend payment	-	-	-9,064
Capital increase	4,684	123,522	-
Transactions with non-controlling interests	-	-	-
Other changes	-	-3,692	-30
Share-based remuneration	80	1,127	-
As of 30 September 2018	**51,610**	**315,762**	**76,645**

Other equity components						
Fair value changes reserve	Currency translation reserve	Revaluation reserve	Treasury shares	Equity attributable to owners of the parent company	Non-controlling interests	Equity according to consolidated statement of financial position
0	**11,925**	**-573**	**-10,597**	**291,906**	**-123**	**291,783**
-	-	-	-	16,149	-40	16,109
-	-13,386	-137	-	-13,523	-	-13,523
0	**-13,386**	**-137**	**0**	**2,626**	**-40**	**2,586**
-	-	-	-	-	-	-
-	-	-	-	-7,196	-	-7,196
-	-	-	-	-160	-	-160
-	-	-	-	1,025	-	1,025
0	**-1,461**	**-710**	**-10,597**	**288,201**	**-163**	**288,038**
0	**-3,093**	**-363**	**-9,015**	**294,525**	**0**	**294,525**
-	-	-	-	12,757	88	12,845
0	2,569	84	-	2,653	-	2,653
0	**2,569**	**84**	**0**	**15,410**	**88**	**15,498**
-	-	-	2,298	9,935	-	9,935
-	-	-	-	-9,064	-	-9,064
-	-	-	-	128,206	-	128,206
-	-	-	-	-	5,352	5,352
-	-	-	-	-3,722	-	-3,722
-	-	-	-	1,207	-	1,207
0	**-524**	**-279**	**-6,717**	**436,497**	**5,440**	**441,937**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period: 01.01.2018 to 30.09.2018

Figures in € thousand	9 months 2018	9 months 2017
Cash flows from operating activities:		
Profit before tax	**18,936**	**25,188**
Adjustments for:		
Depreciation of property, plant and equipment	889	766
Amortisation of intangible assets	8,299	6,958
Depreciation of investment property	134	102
Changes in valuation allowances for trade receivables	160	37
Other non-cash items	2,053	12,589
Interest expense and other finance cost	205	136
Financial income	-381	-123
	30,295	**45,653**
Working capital adjustments:		
Increase/decrease(-) in provisions and deferred liabilities	-2,895	-60
Increase(-)/decrease in receivables and other assets	-6,017	-9,970
Increase/decrease(-) in received prepayments	1,954	-15,584
Increase/decrease(-) in liabilities from trade payables and other liabilities	3,017	9,470
Cash generated from operations	**26,354**	**29,509**
Interest paid	-88	-68
Interest received	272	53
Income taxes paid	-5,134	-4,180
Net cash flows from operating activities	**21,404**	**25,314**
Proceeds from the disposal of non-current assets	0	4
Purchase of property, plant and equipment	-409	-476
Purchase/production of intangible assets	-7,616	-5,922
Payments made for the aquisition of consolidated companies less cash acquired	-8,096	0
Payments made for the aquisition of at equity consolidated companies	-7,344	0
Disposal of consolidated companies less cash disposed	0	2,878
Purchase(-)/sale of available-for-sale securities	3	6
Payments received from financial investments as part of current treasury management	25,610	13,925
Payments made for financial investments as part of current treasury management	-23,915	-28,633
Net cash flows from investing activities	**-21,767**	**-18,218**
Payments received from capital increase	131,167	0
Payments made for capital increase expense	-4,263	0
Dividends paid	-9,064	-7,196
Payments received from taking out bank loans	0	6,000
Payments made for the repayment of bank loans	-300	-300
Payments made for redeeming other financial liabilities	-782	-150
Payments from the exercise of share options	80	0
Dividends received from companies accounted for using the equity method	0	97
Net cash flows used in financing activities	**116,838**	**-1,549**
Change in cash and cash equivalents impacting cash flow	**116,475**	**5,547**
Cash and cash equivalents at the beginning of the period	100,459	116,401
Currency-related change in cash and cash equivalents	1,794	-7,374
Cash and cash equivalents at the end of the period	**218,728**	**114,574**
Composition of cash and cash equivalents:		
Liquid funds, unrestricted	216,029	111,435
Liquid funds, restricted	2,699	3,139
Total	**218,728**	**114,574**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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 revenues 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 2017.

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 2017, with the exception of the new standards **IFRS 15 "Revenue from Contracts with Customers"** and **IFRS 9 "Financial Instruments"** which became mandatory on 01 January 2018. Please refer to our explanations in section (3) in the consolidated financial statement as of 31 December 2017.

IFRS 15 replaces the previous standards IAS 18 and IAS 11 as well as a series of revenue-related interpretations. The standard contains a five-step model whereby the revenue to be recorded is the amount that is expected in return for goods or services to the customer.

IFRS 9 replaces IAS 39 and deals with the classification and measurement of financial assets and financial liabilities as well as the regulations on "General Hedge Accounting". The first-time application has not had any significant effects on the the earnings-, financial-, and asset position.

3. CONSOLIDATED GROUP

Compared to the consolidated financial statements as of 31 December 2017, the scope of consolidation as of 30 September 2018 has changed as follows:

IMS Gesellschaft für Informations- und Managementsysteme mbH, Dinslaken, (hereinafter: IMS) was fully consolidated in the interim financial statements as of 30 September 2018 for the first time. Please see our disclosures in the following section (4).

Integrated Computer Systems Support, Inc., Redmond/USA, (hereinafter: ICS) was fully consolidated in the interim financial statements as of 30 September 2018 for the first time. Please see our disclosures in the following section (4).

Datengut GmbH, Zwenkau, (hereinafter: Datengut) was fully consolidated in the interim financial statements as of 31 March 2018 for the first time. Please see our disclosures in the following section (4) and section (8 B) of our Consolidated Financial Statements as of 31 December 2017.

CTWO Limited, Hong Kong/ People's Republic of China, which had previously not been consolidated due to its immateriality, was renamed MTWO Limited, Hong Kong/ People's Republic of China in the reporting period and included in the consolidated financial statements for the first time as of September 30, 2018 using the full consolidation method.

MTWO Limited, Cayman Islands, which had previously not been consolidated due to its immateriality, was renamed MTWO Holdings Limited, Cayman Islands, in the reporting period and included in the consolidated financial statements for the first time as of 30 September 2018 using the full consolidation method.

During the reporting period, 40.0% of the shares in the following companies were acquired: A2K Holdings Pty Ltd, Gatton/Australia, A2K Technologies Limited, Newton/New Zealand and Phoenx PLM Pty Ltd, Gatton/Australia. We refer to our comments in the following Note (11).

In the reporting period, 75.1% of the shares in the associated company iTWO Baufabrik 4.0 F&E GmbH, Stuttgart, were acquired and the stake increased to 100%. The company is now fully consolidated again.

Williams International Group LLC, Dubai / United Arab Emirates, was deconsolidated during the reporting period.

4. BUSINESS COMBINATIONS

a) Datengut

With a purchase and assignment agreement dated 23.02.2018, the company acquired 51% of the shares in Datengut GmbH (hereinafter: Datengut), see also our comments in Note (8 B) of our Consolidated Financial Statements as at 31.12.2017. The company was entered in the commercial register on 08.03.2018. The consideration for the acquisition of the shares amounts to approx. € 4,750 thousand. This amount includes a fixed purchase price component in the amount of € 2,500 thousand, which was paid by transferring liquid funds (hereinafter: cash purchase price). In addition, RIB Software SE was obliged to transfer a fixed number of its own shares (94,442) to the sellers at short notice after the purchase and assignment agreement had come into effect. At the time of the transfer on 23.03.2018, the market value of the shares totalled approx. € 2,250 thousand. The acquisition date was 23.03.2018. For reasons of simplification, the purchase price allocation was based on the value ratios as at 31.03.2018. Transactions between 24.03.2018 and 31.03.2018 were of minor importance. Furthermore, no significant changes in the value ratios occurred during this period.

Compared to the interim report from January to March 2018, the fair values have changed slightly since the reported figures as of 31.03.2018 were only provisional. The fair values of the identifiable assets and liabilities of Datengut at the acquisition date and the related carrying amounts immediately prior to the acquisition date are as follows:

Figures in € thousand	**Carrying amount**	**Fair value**
	31 March 2018	**31 March 2018**
Intangible assets	7	4,431
Property, plant and equipment	155	155
Other financial assets	62	62
Other non-financial assets	94	94
Trade receivables	600	600
Cash and cash equivalents	50	50
	968	**5,392**
Deferred income	248	248
Other liabilities	449	449
Deferred tax liabilities	3	1,307
	700	**2,004**
Net assets	**268**	**3,388**

The goodwill has been recognised as follows:

Figures in € thousand	
Consideration transferred	4,750
Non controlling interests	1,660
Subtotal	6,410
Less net assets	-3,388
Goodwill	**3,022**

The non-controlling interest components were measured using the present portion of the ownership instruments in the amounts recognised for the identifiable net assets of the acquired company.

At the time of acquisition, there was no difference between the gross amount of the contractual trade receivables and their fair value.

Datengut is one of Germany‘s leading providers of mobile solutions for the construction industry. The software that Datengut develops and distributes for medium-sized and large construction companies takes data from any existing data sources and merges it into its own web application.

The existing software by Datengut should complement the iTWO 4.0 platform by way of so-called app developments. Furthermore, it is our intention to use the investment to establish the “Mobility” competence centre for the DACH region within the RIB Group.

The intangible assets totaling € 4,431 thousand mainly relate to the technology acquired (€ 1,709 thousand) as well as existing customer contracts and the associated customer relationships (€ 2,715 thousand).

Overall, the goodwill is not deductible for tax purposes. The goodwill, in particular, reflects the projected synergy effects arising from the acquisition of the company as well as the know-how of the acquired employee base.

If the transaction had been completed as of 01.01.2018, the revenues in the reporting period would have increased by approx. € 965 thousand, whereas the Group earnings would have risen by approx. € 271 thousand.

b) IMS

With the purchase and assignment agreement dated 27 July 2018, the Company acquired 80% of the shares in IMS Gesellschaft für Informations- und Managementsysteme mbH, Dinslaken (hereinafter: IMS). The consideration for the acquisition of the shares amounts to € 8,000 thousand and was met by transferring cash and cash equivalents. The acquisition date was 27 July 2018. Due to the proximity of the acquisition to the reporting date of these interim financial statements, the fair values attributable to the identifiable assets and liabilities could only be determined provisionally. For reasons of simplification, the purchase price allocation was based on the value ratios as of 31 July 2018. The transactions between 28 July and 31 July 2018 were of minor importance. Furthermore, there were no material changes in the value ratios during this period.

In addition, additional agreements have been made in the share purchase agreement on the acquisition of the outstanding shares of 20%. Accordingly, the Company has a purchase 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 agreed formula as a multiplier of the average EBITDA of IMS in fiscal years 2020 and 2021. In addition, a lower and upper price limit has been agreed. The exercise price for this option can be paid in cash, in treasury shares or a combination of both, at the Company‘s discretion.

The non-controlling interests continue to bear economic opportunities and risks, as the option price depends on the economic development of IMS up to the time of exercise and cannot be fixed or determined in advance. The Company currently has no access to the return associated with the ownership interest from the remaining 20% of the shares, so that the share of profit and loss is limited to the existing ownership interests and potential voting rights are not taken into account. It is therefore not assumed that the shares will be acquired in anticipation, which is why an adjustment item for non-controlling interests is reported. The valuation was made at fair value, which corresponds to the financial liability from the written put option in the amount of € 2,333 thousand. The recognition of the liability resulted in a corresponding reduction of the capital reserve. With regard to the valuation technique and significant input factors, please refer to the explanations on financial instruments in Note (15) of these interim financial statements.

The fair values of the identifiable assets and liabilities of IMS at the acquisition date and the related carrying amounts immediately prior to the acquisition date are as follows:

Figures in € thousand	**Carrying amount**	**Fair value**
	31 July 2018	**31 July 2018**
Intangible assets	42	3,860
Property, plant and equipment	192	192
Financial assets	25	25
Other financial assets	66	66
Other non-financial assets	1,433	1,103
Trade receivables	810	920
Cash and cash equivalents	2,465	2,465
	5,033	**8,631**
Deferred income	994	994
Other liabilities	3,239	2,512
Deferred tax liabilities	0	1,511
	4,233	**5,017**
Net assets	**800**	**3,614**

The goodwill has been recognised as follows:

Figures in € thousand	
Consideration transferred	8,000
Non controlling interests	2,333
Subtotal	10,333
Less net assets	-3,614
Goodwill	**6,719**

The non-controlling interests are measured as the proportion of the current ownership instruments of the amounts recognised for the identifiable net assets of the acquiree.

At the time of acquisition, there was no difference between the gross amount of the contractual trade receivables and their fair value.

IMS is one of the leading software and consulting companies in the fields of real estate, cable and network management in German-speaking countries. The core product, IMSWARE, supports customers in a wide range of complex facility management tasks. The software can be used as a license and as a SaaS solution.

IMS' existing software is designed to extend the iTWO 4.0 platform's consistency with the Total Cost of Ownership (TCO), which means that maintenance costs can also be taken into account at the planning stage.

The intangible assets totaling € 3,860 thousand mainly relate to the technology acquired (€ 1,021 thousand) as well as existing customer contracts and the associated customer relationships (€ 2,797 thousand).

Overall, the goodwill is not deductible for tax purposes. The goodwill, in particular, reflects the projected synergy effects arising from the acquisition of the company as well as the know-how of the acquired employee base.

If the transaction had been completed as of 01.01.2018, the revenues in the reporting period would have increased by approx. € 4,383 thousand, whereas the Group earnings would have risen by approx. € 824 thousand.

c) ICS

By agreement dated August 22, 2018, the Company acquired 40% of the shares in Integrated Computer Systems Support, Inc., Redmond/USA, (hereinafter: ICS). In addition, the Company is contractually obliged to acquire the outstanding 60% of the shares within a period of 36 months after the acquisition date. The outstanding shares may be acquired at any time during this period at the discretion of the Company. The unconditional purchase obligation results in substantial potential voting rights, so that the Company has already obtained control of ICS prior to the acquisition of the outstanding shares.

The acquisition date was 30 August 2018. Due to the proximity of the acquisition to the reporting date of these interim financial statements, the fair values attributable to the identifiable assets and liabilities could only be determined provisionally. For reasons of simplification, the purchase price allocation was based on the value ratios as of 31 August 2018. The transactions on 31 August 2018 were of minor significance. Furthermore, there were no material changes in the value ratios during this period.

The consideration for the acquisition of the shares amounts to € 2,217 thousand. Of this amount, a partial amount of € 858 thousand is attributable to the acquisition of 40% of the shares, which was settled by transferring cash and cash equivalents. The remaining amount of €1,359 thousand is attributable to the remaining 60% of the shares and was recognised as a financial liability. The purchase price for the remaining 60% (hereinafter: "Purchase Price II") is calculated according to a contractually agreed formula as a multiplier of the EBITDA of ICS for the past twelve months up to the end of the month preceding the share purchase. In addition, a price floor and upper price limit have been agreed. Of the purchase price II, a partial amount of up to USD 2,000 thousand (approx. € 1,723 thousand) is to be paid by transfer of liquid funds. Any remaining amount may, at the Company's discretion, be paid in cash, in treasury shares or a combination of both.

The non-controlling interests continue to bear economic opportunities and risks, as the amount of the purchase price II depends on the economic development of the ICS up to the time of exercise and cannot be fixed or determined in advance. Therefore, an adjustment item for non-controlling interests is reported. The valuation was made at fair value, which corresponds to the financial liability from the purchase obligation in the amount of € 1,359 thousand. The recognition of the liability led to a corresponding reduction in the capital reserve. With regard to the valuation technique and significant input factors, please refer to the explanations on financial instruments in Note (15) of these interim financial statements.

The fair values of the identifiable assets and liabilities of ICS at the acquisition date and the related carrying amounts immediately prior to the acquisition date are as follows:

Figures in € thousand	**Carrying amount**	**Fair value**
	31 August 2018	**31 August 2018**
Intangible assets	18	1,214
Property, plant and equipment	50	50
Other non-financial assets	24	24
Trade receivables	239	239
Cash and cash equivalents	747	747
	1,078	**2,274**
Deferred income	63	63
Other liabilities	317	317
Deferred tax liabilities	0	239
	380	**619**
Net assets	**698**	**1,655**

The goodwill has been recognised as follows:

Figures in € thousand	
Consideration transferred	858
Non controlling interests	1,359
Subtotal	2,217
Less net assets	-1,656
Goodwill	**561**

At the time of acquisition, there was no difference between the gross amount of the contractual trade receivables and their fair value.

ICS is an established managed services provider on the West Coast of the USA with a proven business concept in the field of digital transformation based on technology trends. As the first MTWO partner, ICS will drive the spread of MTWO technology on the US West Coast with the goal of rapidly attracting MTWO users.

The intangible assets totaling € 1,214 thousand mainly relate to existing customer contracts and the associated customer relationships (€ 1,196 thousand).

Overall, the goodwill is not deductible for tax purposes. The goodwill, in particular, reflects the projected synergy effects arising from the acquisition of the company as well as the know-how of the acquired employee base.

If the transaction had been completed as of 01.01.2018, the revenues in the reporting period would have increased by approx. € 2,336 thousand, whereas the Group earnings would have risen by approx. € 205 thousand.

5. REVENUE

Revenue breaks down as follows:

Figures in € thousand	9 months 2018	9 months 2017
Software licences and software as a service / cloud	38,167	37,053
Maintenance	29,196	24,016
Consulting	20,800	15,249
e-Commmerce	6,786	5,363
Total revenue	**94,949**	**81,681**

The total software revenue is subdivided as follows:

Figures in € thousand	9 months 2018	9 months 2017
iTWO Key Account	6,168	12,746
iTWO Mass Market	10,408	9,543
SaaS / Cloud	10,349	10,404
Software Applications	11,242	4,360
Total software licences and software as a service / cloud	**38,167**	**37,053**

6. OTHER OPERATING INCOME

Other operating income mainly includes income from the reversal of deferred revenue in the amount of € 2,032 thousand, income from currency translation in the amount of € 1,419 thousand and rental income from investment property in the amount of € 751 thousand.

The income from the reversal of deferred revenue relates to deferred income from software sales to the joint venture YTWO Ltd. The deferred income is based on a contractual obligation to supply additional software licenses free of charge under certain conditions. On the basis of newly gained valuation-relevant findings, the estimate was updated while fundamentally retaining the methodology. This led to a reduction of the deferred revenue shown as liabilities by around € 4,065 thousand, as it can be assumed that the volume of licenses to be supplied free of charge will be lower. Of the reversal amount, a partial amount of € 2,032 thousand was deducted from the carrying amount of the interest in the joint venture YTWO Ltd. as part of the elimination of intercompany profits from “downstream sales”. The remaining amount of € 2,032 thousand is included in other operating income. For further information on existing estimation uncertainties in connection with deferred revenue, please refer to Note 6 (f) of the Notes to the Consolidated Financial Statements for fiscal year 2017.

7. OTHER OPERATING EXPENSES

Other operating expenses mainly include foreign currency expenses from cash and cash equivalents in the amount of around € 513 thousand and expenses from the subsequent valuation of purchase price liabilities in the amount of € 487 thousand.

8. EXPENSES FOR EMPLOYEE BENEFITS AND NUMBER OF EMPLOYEES

Expenses for employee benefits

Figures in € thousand	9 months 2018	9 months 2017
Wages and salaries	38,703	31,870
Social security and pension costs	6,038	5,455
Total	**44,741**	**37,325**

Average number of employees

	9 months 2018	9 months 2017
General administration	126	108
Research & development	390	331
Sales & marketing	172	154
Support & consulting	292	222
Total	**980**	**815**

9. 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	9 months 2018	9 months 2017
Profit share of the shareholders of RIB Software SE – basic and diluted	12,757	16,149

figures in thousand shares	9 months 2018	9 months 2017
Weighted average of shares in circulation - basic	49,322	44,985
Dilution effect	905	705
Weighted average of shares in circulation - diluted	50,227	45,690

Results per share in €	9 months 2018	9 months 2017
basic	0.26	0.36
diluted	0.25	0.35

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.

10. GOODWILL

Figures in € thousand	30 September 2018	31 December 2017
Licence/software business segment	*62,840*	*58,465*
SaaS/Cloud business segment	*17,841*	*15,308*
Consulting business segment	*10,233*	*6,572*
iTWO reporting segment	90,914	80,345
xTWO (e-Commerce) business segment	*689*	*689*
YTWO reporting segment	689	689
MTWO reporting segment	562	0
GZ TWO development entity	3,003	3,065
Arriba Finance	894	894
Total	**96,062**	**84,993**

Of the total change in carrying amounts of € 11,069 thousand, € 10,302 thousand relates to additions from the business combinations described under Note (4) and to currency adjustments recognised outside profit and loss from the translation of goodwill of € 766 thousand carried in local currency.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Figures in € thousand	YTWO	MTWO	Others	**Total**
Carrying amounts as of 31.12.2017	31,226	0	0	**31,226**
Additions	0	8,767	25	**8,792**
Elimination of intercompany profits	-2,032	0	0	**-2,032**
Profit/loss attributable to the group recognized in the consolidated income statement	-2,946	0	0	**-2,946**
Profit/loss attributable to the group recognized in the consolidated comprehensive income	1,498	0	0	**1,498**
Carrying amounts as of 30 September 2018	**27,746**	**8,767**	**25**	**36,538**

By agreement dated 18 September 2018, the Group acquired 40% of the shares in A2K Holdings Pty Ltd, Gatton/Australia, A2K Technologies Limited, Newton/New Zealand and Phoenx PLM Pty Ltd, Gatton/Australia. For the Group, these are strategic investments with Microsoft-certified partners in order to promote the spread of MTWO technology. The shares are accounted for using the equity method and are allocated to the MTWO reporting segment.

12. CAPITAL INCREASE

With the consent of the company's Administrative Board, RIB Software SE's Managing Directors on 22 March 2018 decided on a share capital increase from authorised capital of 10%. The company's subscribed capital was increased by € 4,684 thousand, from € 46,846 thousand to € 51,530 thousand, under exclusion of existing shareholders' subscription rights. On 23 March 2018, the 4,684,565 new shares were placed in an accelerated bookbuilding by way of a private placement to qualified investors within the meaning of Section 2 No. 6 of the German Securities Prospectus Act (WpPG) outside the United States of America, subject to Rule 903 or Rule 904 of Regulation S of the U.S. Securities Act of 1933, as amended respectively (the "Securities Act"), as well as to qualified institutional buyers in the United States of America as defined in Rule 144A of the Securities Act.

All the shares from the capital increase were placed at a price of € 28.00 per new share.

As a result of the capital increase, the subscribed capital of RIB Software SE increased by € 4,684 thousand in the reporting period. The premium from the capital increase was transferred to the capital reserve after deduction of transaction costs (€ 4,263 thousand) as well as taking into account the tax benefits arising in this connection (€ 1,301 thousand). The capital reserves therefore increased by € 123,522 thousand in the reporting period.

The company plans to use the net proceeds from the placement amounting to approx. € 127 million to support the Company's acquisition strategy and to do significant investments in Managed Services Providers (MSPs).

13. NON-CONTROLLING INTERESTS

The non-controlling interests relates to 49% of the shares in Datengut GmbH, Zwenkau, 20% of the shares in IMS Gesellschaft für Informations- und Managementsysteme mbH, Dinslaken and 60% of the shares in ICS Integrated Computer Systems Support, Inc., Redmond/USA.

14. SEGMENT INFORMATION

Please refer to section (9) of our consolidated financial statements for the 2017 financial year for information on the basis of our segment reporting and notes on the segments.

During the reporting period a third reporting segment **"MTWO"** was established:

MTWO is designed as a cloud-based BIM 5D software platform (vertical cloud solution), based on software-as-a-service and built on iTWO 4.0 technology. This will be augmented by Microsoft solutions such as Office 365, a Platform-as-a-Service (PaaS) for the development of additional applications by certified companies, as an Infrastructure-as-a-Service (IaaS), based on Microsoft's Azure. In addition, other technologies such as mixed reality applications will be offered with technology. It is proposed to offer MTWO to construction industry customers as an end-to-end enterprise solution based on Microsoft's Azure cloud platform. The essence of the business model is that subscription fee will be collected for the software and data services made available in the cloud by Microsoft and RIB.

The revenues shown are mainly sales to external customers. The iTWO License / Software revenues contain € 3,375 thousand for maintenance services to the joint venture YTWO Ltd.

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

	9 months 2018			
Figures in € thousand	iTWO	YTWO	MTWO	Total
Revenue, external	**87,839**	**6,786**	**324**	**94,949**
License / Software	57,014	-	-	57,014
SaaS / Cloud	10,062	-	287	10,349
Consulting	20,763	-	37	20,800
xTWO (e-Commerce)	-	6,786	-	6,786
Production costs	**-32,819**	**-5,804**	**-435**	**-39,058**
License / Software	-16,982	-	-	-16,982
SaaS / Cloud	-2,383	-	-401	-2,784
Consulting	-13,454	-	-34	-13,488
xTWO (e-Commerce)	-	-5,804	-	-5,804
Research and development expenses	**-11,134**	**0**	**-668**	**-11,802**
License / Software	-8,564	-	-	-8,564
SaaS / Cloud	-2,570	-	-668	-3,238
Consulting	-	-	-	0
xTWO (e-Commerce)	-	-	-	0
Distribution and marketing costs	**-15,223**	**-934**	**-915**	**-17,072**
General administrative expenses	**-8,731**	**-426**	**-306**	**-9,463**
Other operating income and expenses	**3,734**	**329**	**89**	**4,152**
EBIT segment	**23,666**	**-49**	**-1,911**	**21,706**
Financial result				-2,770
thereof profit shares from investments accounted for using the equity method	-	-2,946	-	-2,946
Income taxes				-6,091
Consolidated net profit				**12,845**
EBITDA segment	**32,890**	**70**	**-1,894**	**31,066**
EBITDA-margin	37.4%	1.0%	-584.6%	32.7%
Other segment information:				
Segment amortisation and adjustments	**9,224**	**119**	**17**	**9,360**
Carrying amounts of investments accounted for using the equity method	**25**	**27,746**	**8,767**	**36,538**

	9 months 2017		
Figures in € thousand	iTWO	YTWO	Total
Revenue, external	**76,318**	**5,363**	**81,681**
License / Software	50,665	-	50,665
SaaS / Cloud	10,404	-	10,404
Consulting	15,249	-	15,249
xTWO (e-Commerce)	-	5,363	5,363
Production costs	**-27,197**	**-4,634**	**-31,831**
License / Software	-13,161	-	-13,161
SaaS / Cloud	-1,994	-	-1,994
Consulting	-12,042	-	-12,042
xTWO (e-Commerce)	-	-4,634	-4,634
Research and development expenses	**-9,915**	**-8**	**-9,923**
License / Software	-7,242	-	-7,242
SaaS / Cloud	-2,673	-	-2,673
Consulting	-	-	0
xTWO (e-Commerce)	-	-8	-8
Distribution and marketing costs	**-12,824**	**-867**	**-13,691**
General administrative expenses	**-7,220**	**-520**	**-7,740**
Other operating income and expenses	**9,671**	**23**	**9,694**
EBIT segment	**28,833**	**-643**	**28,190**
Financial result			-3,002
thereof profit shares from investments accounted for using the equity method	210	-3,199	-2,989
Income taxes			-9,079
Consolidated net profit			**16,109**
EBITDA segment	**36,623**	**-543**	**36,080**
EBITDA-margin	48.0%	-10.1%	44.2%
Other segment information:			
Segment amortisation and adjustments	**7,790**	**100**	**7,890**
Carrying amount of participation in the joint venture YTWO accounted for using the equity method	**0**	**32,534**	**32,534**

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	9 months 2018	9 months 2017
EMEA (Europe, Middle East and Africa)	72,738	64,706
APAC (Asia and Pacific region)	9,439	6,646
North America	12,770	10,329
Total revenue	**94,949**	**81,681**

15. 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.

I. Financial assets

Figures in € thousand			Fair value			
Business model	**Hold**	**Hold and Sell**	**Level 1**	**Level 2**	**Level 3**	**Total**
As of 30 September 2018						
Measured at fair value through profit or loss						
Cash market and investment funds	-	85	85	-	-	85
Corporate Bonds	-	4	4	-	-	4
Total	**-**	**89**	**89**	**-**	**-**	**89**
Measured at amortized cost						
Trade receivables	31,346	-	-	-	-	-
Other receivables	1,558	-	-	-	-	-
Time deposit	32,588	-	-	-	-	-
Other financial assets	147	-	-	-	-	-
Cash and cash equivalents	218,728	-	-	-	-	-
Total	**284,367**	**0**	**-**	**-**	**-**	**-**

Figures in € thousand			Fair value			
Business model	**Hold**	**Hold and Sell**	**Level 1**	**Level 2**	**Level 3**	**Total**
As of 31 December 2017						
Measured at fair value through profit or loss						
Cash market and investment funds	-	86	86	-	-	86
Corporate Bonds	-	6	6	-	-	6
Total	**-**	**92**	**92**	**-**	**-**	**92**
Measured at amortized cost						
Trade receivables	24,071	-	-	-	-	-
Other receivables	1,065	-	-	-	-	-
Time deposit	34,283	-	-	-	-	-
Other financial assets	123	-	-	-	-	-
Cash and cash equivalents	100,459	-	-	-	-	-
Total	**160,001**	**0**	**-**	**-**	**-**	**-**

II. Financial liabilities

	Carrying amount	Fair value			
Figures in € thousand		**Level 1**	**Level 2**	**Level 3**	**Total**
As of 30 September 2018					
Measured at fair value through profit or loss					
Derivatives	5,780	-	0	5,780	5,780
Measured at amortized cost					
Trade payables	3,271	-	-	-	-
Other financial liabilities	2,155	-	-	-	-
Bank loans*	5,300	-	-	-	-
Other liabilities**	1,307	-	-	-	-
Total	**17,813**	**-**	**0**	**5,780**	**5,780**

* Banks loans have a remaining term of 14 years and are to be repaid in equal quarterly instalments.

** This item does not include other liabilities in the amount of € 6,361 thousand, which are not financial liabilities.

	Carrying amount	Fair value			
Figures in € thousand		Level 1	Level 2	Level 3	Total
As of 31 December 2017					
Measured at fair value through profit or loss					
Derivatives	9,081	-	7,155	1,926	9,081
Measured at amortized cost					
Trade payables	2,273	-	-	-	-
Other financial liabilities	1,522	-	-	-	-
Bank loans*	5,600	-	-	-	-
Other liabilities**	984	-	-	-	-
Total	**19,460**	**-**	**7,155**	**1,926**	**9,081**

* Banks loans have a remaining term of 14 years and are to be repaid in equal quarterly instalments.

** This item does not include other liabilities in the amount of € 4,569 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 assigned to level 3 relate to liabilities from option agreements in connection with the acquisitions of RIB SAA and IMS and the purchase price liability from the ICS business combination.

In the financial year 2015, the Group acquired 75% of the shares in **RIB SAA**. At the same time, mutual call and put option agreements were concluded with the sellers regarding the transfer of the outstanding shares of 25%. The writer position under the put option agreement results in a financial liability for the Group with a fair value of € 2,632 thousand as calculated at the time of acquisition. Of this amount, a partial amount of € 1,582 thousand was allocated to the company acquisition and a partial amount of € 1,050 thousand to a separate transaction in the form of a compensation agreement.

Based on our updated calculations in the financial year 2017, we assume that the operating profit after taxes of RIB SAA at the time of the option will be in the range of between approx. € 0.5 million and approx. € 0.8 million. Taking into account the estimated probabilities of the occurrence of alternative future scenarios and the contractual upper and lower price limits, we assume that, at the date of the option, a purchase price of € 2,580 thousand will be payable for the currently outstanding 25% of the shares. Of this, a partial amount of € 1,491 thousand is attributable to the company acquisition. This financial liability is measured by discounting this partial amount to the balance sheet date using a term-appropriate, risk-adjusted interest rate of 1.25%. The personnel expenses attributable to the reporting period amount to € 136 thousand. The compounding of financial liabilities resulted in an interest expense of € 23 thousand.

With a contract dated 13.11.2017, the Group acquired a further 50% of the shares in **Exactal**. The acquisition date was 20.11.2017. At the same time, the parties to the contract of 13.11.2017 granted each other buy and sell options regarding the remaining 25% of the shares. Accordingly, the options could be exercised over a period starting on 1 January 2019 and / or 1 January 2020 and ending 30 days after completion of the audit of the subgroup financial statements for the respective previous year of the exercise period. Please refer to our comments on the company acquisitions in Note (38) to our Consolidated Financial Statements as at 31.12.2017. By way of derogation from this option agreement, the parties agreed on the early takeover of the outstanding 25% of the shares by means of a contract dated 04.01.2018, whereby the call and put options were not actually exercised. The obligation to acquire the outstanding shares resulted in a financial liability with a fair value of € 7,155 thousand as valued on 31.12.2017.

With a contract dated 04.01.2018, the parties agreed that RIB would take over the outstanding shares against the surrender of 290,000 treasury shares. The financial liability was therefore derecognised in January 2018. The subsequent measurement of the financial liability until the point of derecognition resulted in an expense of € 487 thousand, occasioned by the change in the stock price of RIB shares in the period between the balance sheet date of 31.12.2017 and the derecognition. The obligation to transfer a fixed number of treasury shares was accounted for as an equity instrument.

The Company acquired 80% of the shares in **IMS** Gesellschaft für Informations- und Managementsysteme mbH (hereinafter: IMS) by way of a purchase and assignment agreement dated 27 July 2018. The acquisition date was 27 July 2018.

Furthermore, additional agreements have been made in the share purchase agreement regarding the acquisition of the outstanding shares of 20%. Accordingly, the Company has a purchase option for the remaining shares and the sellers have been granted a put option. For both options, the exercise price is calculated according to a contractually agreed formula as the multiplier of the average EBITDA of IMS in fiscal years 2020 and 2021. In addition, a price floor and upper limit have 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, in 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. The recognition of the liability resulted in a corresponding reduction of the capital reserve. The financial liability is measured by discounting the expected exercise price of € 2,408 thousand at the balance sheet date using a risk-commensurate interest rate of 0.85% commensurate with the term to maturity. The compounding of the financial liability results in an interest expense of € 3 thousand. The expected value of the purchase price obligation was determined taking into account the estimated probabilities of occurrence of alternative future scenarios as well as the contractual lower and upper price limits.

By agreement dated August 22, 2018, the Company acquired 40% of the shares in Integrated Computer Systems Support, Inc., Redmond/USA, (hereinafter: **ICS**). In addition, the Company is contractually obliged to acquire the outstanding 60% of the shares within a period of 36 months. The outstanding shares may be acquired at any time during this period at the discretion of the Company. The acquisition date was 30 August 2018.

The purchase price for the acquisition of the outstanding shares amounts to approximately € 1,376 thousand. It is calculated according to a contractually agreed formula as a multiplier of the EBITDA of ICS for the past twelve months until the end of the month preceding the share purchase. In addition, a lower and upper price limit has been agreed so that the exercise price of the option will range between USD 1,500 thousand (approx. € 1,292 thousand) and USD 3,000 thousand (approx. € 2,585 thousand). Of the purchase price, a partial amount of up to USD 2,000 thousand (approx. € 1,723 thousand) is to be paid by transferring liquid funds. Any remaining amount may be paid in cash, in treasury shares or a combination of both, at the discretion of the Company.

The financial liability was valued at € 1,359 thousand as of the balance sheet date by discounting the expected purchase price to the balance sheet date using a risk-commensurate interest rate of 0.85 % commensurate with the term to maturity. 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 price caps and floors.

For a description of the techniques used in the assessment of this liabilities as well as the input factors used in the calculation of the fair values, please refer to our explanations in section (38) in the consolidated financial statement as of 31 December 2017.

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	2018
As of 1 January	**9,081**
Changes without effect on profits	
Acquisition of company shares	3,692
Repayments	-7,642
	-3,950
Changes with effect on profits	
Expense from the subsequent valuation of purchase price liabilities (other operating expenses)	487
Personnel expenses from the accumulation of purchase price liabilities (production costs)	136
Expenses from the interest accrued on purchase price liabilities (finance expenses)	26
	649
As of 30 September	**5,780**

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 € 5,780 thousand:

Figures in € thousand

Valuation parameter	Sensitivity	Carrying amount
Discounting interest rate used for the discounting period	+ 1 %-point	5,634
Discounting interest rate used for the discounting period	- 1 %-point	5,929
Growth rate in the budgeted revenues in the budget period	+ 10.0 %	6,393
Growth rate in the budgeted revenues in the budget period	- 10.0 %	5,241

16. MATERIAL EVENTS AFTER THE BALANCE SHEET DATE

At the end of October, the Group signed a Take-over agreement with 75% of the shareholders of a leading European MSP provider with the aim of acquiring 100% of the shares in the company. The investment volume of the shares will amount to around € 13.5 million on a debt-free basis.

Stuttgart, 31 October 2018

RIB Software SE

The Managing Directors

Thomas Wolf | Michael Sauer | 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 2018

30 April 2018	15 May 2018
Interim Report (January - March 2018) Analyst Conference Call	Annual General Meeting

31 July 2018	31 October 2018
Interim Report (January - June 2018) Analyst Conference Call	Interim Report (January - September 2018) Analyst Conference Call

CONTACT

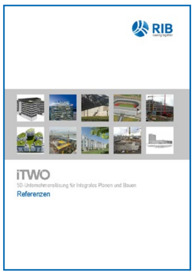
RIB Software SE
Vaihinger Straße 151
70567 Stuttgart

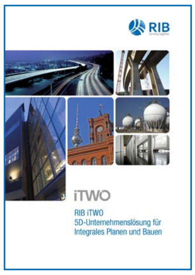
Investor Relations
Phone: +49 (0) 711 7873-191
Fax: +49 (0) 711 7873-311

E-Mail: **investor@rib-software.com**
Internet: **www.rib-software.com/en/group/home/**

Careers
Internet: **www.rib-software.com/en/group/career/**

Product information and References





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RIB Software SE

Investor Relations
Vaihinger Straße 151
70567 Stuttgart

Phone: +49 711 7873-191
Fax: +49 711 7873-311

E-Mail: investor@rib-software.com
Internet: www.rib-software.com/en/group/investor-relations/