



RIB
running together

INTERIM REPORT

JANUARY - MARCH 2018

RIB OVERVIEW

COMPANY PROFILE

RIB Software SE is an innovator in construction business. The company creates, develops, and offers iTWO³ – 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 almost 900 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	1st quarter 2018	1st quarter 2017	change
Revenue	31.5	26.2	20.2%
Software licenses	8.8	6.5	35.4%
Software as a Service / Cloud	4.2	4.3	-2.3%
Maintenance	9.9	8.1	22.2%
Consulting	6.4	5.7	12.3%
e-Commerce	2.2	1.6	37.5%
EBITDA	9.8	15.7	-37.6%
as % of revenue	31.1%	59.9%	
Operating EBITDA and adjusted for Y TWO*	10.9	7.7	41.6%
as % of revenue	34.6%	29.4%	
EBT	5.9	12.1	-51.2%
as % of revenue	18.7%	46.2%	
Operating EBT and adjusted for Y TWO*	7.0	4.2	66.6%
as % of revenue	22.2%	16.0%	
Expenses from purchase price allocations (PPA amortisation)	1.0	0.9	11.1%
Cash flows from operating activities	25.8	25.3	2.0%
Cash flows from operating activities adjusted for Y TWO**	25.8	20.6	25.2%
Group liquidity***	278.9	134.8	106.9%
Equity ratio****	84.1%	80.5%	
Average number of employees	890	785	13.4%

* EBITDA and EBT adjusted by currency effects (Q1 2018: € -0.6 million; Q1 2017: € -0.1 million) and one-off / special effects (Q1 2018: € -0.5 million; Q1 2017: € +0.4 million). Previous year adjusted for one-off other operating income: Software delivery Y TWO (Q1 2017: € 7.6 million)

** Previous year adjusted by one-time software licence payments from Y TWO (Q1 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

RIB SHARE PRICE PERFORMANCE JANUARY - MARCH 2018

The RIB share started the 2018 financial year at a price of € 25.00 on January 2nd. The RIB Software SE share closed the first quarter of 2018 on March 29, 2018 at a closing price of € 17.29. The current price of the RIB share is € 21.16 (as of 26 April 2018). The current market capitalization is thus around € 1.1 billion.

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 € 18.50 and € 40.00.

BERENBERG BUY € 40.00	KEPLER CHEUVREUX BUY € 35.00	EQUINET BUY € 25.00
HAUCK & AUFHÄUSER HOLD € 21.50	WARBURG HOLD € 18.50	UBS SELL € 19.25

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 March 2018	€ 51,530,222.00
Number of shares on 23 March 2018	51,530,222
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
Transparency level	Prime Standard
Market segment	Regulated Market

INTERIM GROUP MANAGEMENT REPORT

REPORT ON EARNINGS, FINANCIAL POSITION AND NET WORTH

SOFTWARE LICENCE REVENUES GROW BY 35.4% TO € 8.8 MILLION

GROUP REVENUES INCREASE BY 20.2% TO € 31.5 MILLION

The RIB Group started successfully in the first quarter 2018. Software license revenues grew by 35.4% to € 8.8 million (previous year: € 6.5 million). Group revenues rose by 20.2% to € 31.5 million (previous year: € 26.2 million). Adjusted for currency effects, Group sales increased by 24.8% to € 32.7 million (previous year: € 26.2 million). Sales in Germany grew by 14.0% to € 15.5 million (previous year: € 13.6 million). International sales increased by 27.0% to € 16.0 million (previous year: € 12.6 million). Adjusted for acquisitions, Group revenues increased by 12.2% to € 29.4 million.

Deferred maintenance revenues increased by 22.2% from € 8.1 million to € 9.9 million and continue to make up a large share of recurring revenues. In total, recurring revenues (maintenance and SaaS) rose by 13.7% to € 14.1 million (previous year: € 12.4 million). Consulting revenues increased by 12.3% to € 6.4 million (previous year: € 5.7 million).

In the high-margin iTWO segment, revenues rose by 19.0% from € 24.7 million to € 29.4 million. In the Ytwo segment (formerly xTwo), there were no transaction revenues from the Ytwo joint venture in the reporting period. In the xTwo (e-Commerce) business segment, revenues grew by 37.5% to € 2.2 million (previous year: € 1.6 million). In our newly launched MTWO segment (see also note 14 in the notes to the interim report), no revenues were realized in the reporting period.

OPERATING EBITDA AND ADJUSTED FOR Ytwo* INCREASES BY 41.6% TO € 10.9 MILLION

At € 9.8 million, EBITDA was significantly lower than in the previous year (€ 15.7 million). The reason for this was mainly the other operating income from the software delivery to the joint venture Ytwo in Q1 2017 in the amount of € 7.6 million. At € 5.9 million, EBT was also significantly lower than in the previous year (€ 12.1 million). Operating EBITDA adjusted for this software delivery to Ytwo (adjusted operating EBITDA^{*)} increased by 41.6% year-on-year to € 10.9 million (previous year: € 7.7 million). The adjusted operating EBITDA margin was 34.6% (previous year: 29.4%). Adjusted operating EBT^{*} rose by 66.6% to € 7.0 million in the reporting period (previous year: € 4.2 million). Driven by sales growth in high-margin business areas, the gross margin increased by around 3 percentage points to 61.6% (previous year: 58.4%). At € 1.0 million, expenses from purchase price allocations (PPA amortisation) were at the level of the previous year (€ 0.9 million). At 38.2%, the tax rate was slightly above the previous year's level (34.9%). Adjusted for companies with unrecognized loss carryforwards and expenses from one-off and special effects, the tax rate in the first quarter of 2018 is around 31.0%.

At € 3.7 million, R&D expenses were at the level of the previous year (€ 3.3 million). Administrative expenses increased from € 2.7 million to € 3.1 million. Expenses for sales and marketing reached € 5.2 million (previous year: € 4.6 million). Adjusted for acquisitions, R&D expenses, administrative expenses and expenses for sales and marketing are at the previous year's level.

The average number of employees changed by 13.4% to 890 (previous year: 785 employees).

CASH FLOWS FROM OPERATING ACTIVITIES ADJUSTED FOR Ytwo** GROW BY 25.2% TO € 25.8 MILLION

The RIB Group generated cash flows from operating activities adjusted for Ytwo** of € 25.8 million in the first quarter of 2018 (previous year: € 20.6 million), which corresponds to an increase of 25.2%.

Net cash flow from operating activities reached € 23.5 million (previous year: € 23.8 million). At -€ 4.7 million, net cash flow from investing activities was significantly lower than in the previous year (-€ 13.1 million). This is essentially due to significantly higher payments of short-term financial assets in the amount of € 27.2 million in the previous year.

*) EBITDA and EBT adjusted by currency effects (Q1 2018: € -0.6 million; Q1 2017: € -0.1 million) and one-off / special effects (Q1 2018: € -0.5 million; Q1 2017: € +0.4 million). Previous year adjusted for one-off other operating income: Software delivery Ytwo (Q1 2017: € 7.6 million)

**) Previous year adjusted by one-time software licence payments from Ytwo (Q1 2017: € 4.7 million)

Net cash flow from financing activities of € 126.8 million was significantly higher than in the previous year (€ 6.0 million). This is essentially due to the payments from the capital increase in the amount of € 131.2 million.

As of March 31, 2018, the Group had cash and cash equivalents, including available-for-sale securities and time deposits, of € 278.9 million (December 31, 2017: € 134.8 million). Equity amounted to € 435.1 million (31.12.2017: € 294.5 million). The equity ratio improved to 84.1% (31.12.2017: 80.5%).

Trade payables rose by 17.4% to € 2.7 million (December 31, 2017: € 2.3 million). Trade receivables increased to € 25.2 million (December 31, 2017: € 24.1 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 2017.

FORECAST REPORT

Due to the positive development in the first quarter 2018 and the assumption based on otherwise stable framework conditions in the market, RIB Group confirms the guidance for 2018, with sales between € 117 million and € 127 million and an EBITDA between € 33 million and € 43 million.

For the MTWO segment, we continue to expect additional startup costs of up to € 3 million, particularly from new hiring of staff.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the period: 01.01.2018 to 31.03.2018

figures in € thousand, unless otherwise indicated	Note	3 months 2018	3 months 2017
Revenue	(5)	31,537	26,218
Cost of sales		-12,178	-10,939
Gross profit		19,359	15,279
Other operating income	(6)	957	8,512
Marketing and distribution costs		-5,161	-4,622
General administrative expenses		-3,049	-2,674
Research and development expenses		-3,652	-3,344
Other operating expenses	(7)	-1,613	-110
Financial income		81	28
Finance costs		-88	-48
Profit shares from investments accounted for using the equity method		-920	-918
Profit before tax		5,914	12,103
Income taxes		-2,261	-4,227
Profit after tax		3,653	7,876
Loss attributable to non-controlling interests		0	-18
Profit attributable to owners of the parent company		3,653	7,894
Result per share on the basis of the share earnings of the shareholders of RIB Software SE:			
basic	(9)	0.08 €	0.18 €
diluted	(9)	0.08 €	0.17 €

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period: 01.01.2018 to 31.03.2018

	Figures in € thousand	3 months 2018	3 months 2017
Profit after tax		3,653	7,876
Components reclassified with no effect on profit and loss:			
Revaluations		40	-46
Other consolidated comprehensive income after taxes for components reclassified with no effect on profit and loss		40	-46
Components reclassified in subsequent periods with an effect on profit and loss:			
Exchange differences		-3,137	-1,256
Changes in value of available-for-sale securities		0	0
Other consolidated comprehensive income after taxes for components reclassified with an effect on profit and loss		-3,137	-1,256
Other consolidated comprehensive income after taxes		-3,097	-1,302
Total consolidated comprehensive income		556	6,574
of which attributable to non-controlling interests		0	-18
of which attributable to owners of the parent company		556	6,592

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31.03.2018 AND 31.12.2017

Figures in € thousand	Note	31 March 2018	31 December 2017
Goodwill	(10)	86,772	84,993
Other intangible assets		58,558	54,712
Property, plant and equipment		17,398	17,266
Investment properties		7,003	7,036
Investments accounted for using the equity method	(11)	29,099	31,226
Prepaid land use lease payments		928	926
Other financial assets		413	418
Deferred tax assets		2,198	2,019
Total non-current assets		202,369	198,596
Inventories		2,499	2,303
Trade receivables		25,186	24,071
Income tax assets		2,411	2,278
Other financial assets		35,500	35,145
Other non-financial assets		4,948	3,107
Cash and cash equivalents		244,580	100,459
Total current assets		315,124	167,363
Total assets		517,493	365,959

Figures in € thousand	Note	31 March 2018	31 December 2017
Subscribed capital		51,530	46,846
Capital reserves		318,599	187,168
Retained earnings		76,605	72,982
Other equity components		-6,553	-3,456
Treasury shares		-6,717	-9,015
Equity attributable to owners of the parent company		433,464	294,525
Non-controlling interests	(13)	1,634	0
Total equity		435,098	294,525
Pension provisions		3,501	3,569
Bank liabilities		5,100	5,200
Other provisions		350	299
Other financial liabilities		1,984	1,934
Deferres tax liabilities		14,231	12,926
Total non-current liabilities		25,166	23,928
Bank liabilities		400	400
Trade payables		2,744	2,273
Income tax liabilities		3,279	3,454
Other provisions		1,434	1,775
Deferred liabilities		4,427	5,701
Deferred income		36,342	19,681
Other financial liabilities		1,514	8,669
Other liabilities		7,089	5,553
Total current liabilities		57,229	47,506
Total liabilities		82,395	71,434
Total equity and liabilities		517,493	365,959

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: 01.01.2018 to 31.03.2018

Figures in € thousand	Subscribed capital	Capital reserves	Retained earnings
As of 1 January 2017	46,846	182,284	62,021
Profit after tax	-	-	7,894
Other comprehensive income	-	-	-
Total comprehensive income	0	0	7,894
Other changes	0	0	-6
Share-based remuneration	-	301	-
As of 31 March 2017	46,846	182,585	69,909
As of 1 January 2018	46,846	187,168	72,982
Profit after tax	-	-	3,653
Other comprehensive income	-	-	-
Total comprehensive income	0	0	3,653
Disposal of treasury shares	-	7,637	-
Capital increase	4,684	123,522	-
Transactions with non-controlling interests	-	-	-
Other changes	-	-	-30
Share-based remuneration	-	272	-
As of 31 March 2018	51,530	318,599	76,605

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	
-	-	-	-	7,894	-18	7,876	
-	-1,256	-46	-	-1,302	-	-1,302	
0	-1,256	-46	0	6,592	-18	6,574	
-	-	-	-	-6	-	-6	
-	-	-	-	301	-	301	
0	10,669	-619	-10,597	298,793	-141	298,652	
0	-3,093	-363	-9,015	294,525	0	294,525	
-	-	-	-	3,653	0	3,653	
0	-3,137	40	-	-3,097	-	-3,097	
0	-3,137	40	0	556	0	556	
-	-	-	2,298	9,935	-	9,935	
-	-	-	-	128,206	-	128,206	
-	-	-	-	-	1,634	1,634	
-	-	-	-	-30	-	-30	
-	-	-	-	272	-	272	
0	-6,230	-323	-6,717	433,464	1,634	435,098	

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period: 01.01.2018 to 31.03.2018

	Figures in € thousand	3 months 2018	3 months 2017
Cash flows from operating activities:			
Profit before tax		5,914	12,103
Adjustments for:			
Depreciation of property, plant and equipment		265	222
Amortisation of intangible assets		2,633	2,309
Depreciation of investment property		41	34
Changes in valuation allowances for trade receivables		60	18
Other non-cash items		4,286	7,450
Interest expense and other finance cost		88	48
Financial income		-81	-28
		13,206	22,156
Working capital adjustments:			
Increase/decrease(-) in provisions and deferred liabilities		-1,958	473
Increase(-)/decrease in receivables and other assets		-3,103	-2,304
Increase/decrease(-) in received prepayments		841	-15,782
Increase/decrease(-) in liabilities from trade payables and other liabilities		16,802	20,718
Cash generated from operations		25,788	25,261
Interest paid		-59	-13
Interest received		54	3
Income taxes paid		-2,296	-1,500
Net cash flows from operating activities		23,487	23,751
Proceeds from the disposal of non-current assets		0	2
Purchase of property, plant and equipment		-92	-115
Purchase/production of intangible assets		-2,248	-1,753
Payments made for the acquisition of consolidated companies less cash acquired		-2,450	0
Disposal of consolidated companies less cash disposed		0	2,878
Payments received from financial investments as part of current treasury management		16,400	13,142
Payments made for financial investments as part of current treasury management		-16,306	-27,220
Net cash flows from investing activities		-4,696	-13,066
Payments received from capital increase		131,167	0
Payments made for capital increase expense		-4,263	0
Payments received from taking out bank loans		0	6,000
Payments made for the repayment of bank loans		-100	-100
Dividends received from companies accounted for using the equity method		0	97
Net cash flows used in financing activities		126,804	5,997
Change in cash and cash equivalents impacting cash flow		145,595	16,682
Cash and cash equivalents at the beginning of the period		100,459	116,401
Currency-related change in cash and cash equivalents		-1,474	-806
Cash and cash equivalents at the end of the period		244,580	132,277
Composition of cash and cash equivalents:			
Liquid funds, unrestricted		241,231	128,644
Liquid funds, restricted		3,349	3,633
Total		244,580	132,277

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 31 March 2018 has changed as follows:

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.

In the reporting period, 75.1% of the shares in the associated company iTWO Baufabrik 4.0 G & 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

With a purchase and assignment agreement dated 23.02.2018, the company acquired 51% of the shares in Datengut GmbH i.Gr. (hereinafter: Datengut), see also our comments in Note (8 B) of our Consolidated Financial Statements as at 31.12.2017. Due to the short time interval between the balance sheet date of these interim financial statements and the acquisition described below, the fair values attributable to identifiable assets and liabilities could only be determined on a provisional basis. 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.

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	4,356
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	5,317
Deferred income		248	248
Other liabilities		449	449
Deferred tax liabilities		3	1,285
		700	1,982
Net assets		268	3,335

The goodwill has been recognised as follows:

	Figures in € thousand
Consideration transferred	4,750
Non controlling interests	1,634
Subtotal	6,384
Less net assets	-3,335
Goodwill	3,049

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 € 4,356 thousand mainly relate to the technology acquired (€ 1,651 thousand) as well as existing customer contracts and the associated customer relationships (€ 2,698 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.

5. REVENUE

Revenue breaks down as follows:

	Figures in € thousand	3 months 2018	3 months 2017
Software licences		8,821	6,482
Software as a service / cloud		4,199	4,346
Total software licences and software as a service / cloud		13,020	10,828
Maintenance		9,907	8,149
Consulting		6,438	5,683
e-Commerce		2,172	1,558
Total revenue		31,537	26,218

The total software licence revenue is subdivided as follows:

	Figures in € thousand	3 months 2018	3 months 2017
iTWO Key Account		695	621
iTWO Mass Market		4,409	3,949
SaaS / Cloud		4,199	4,346
Legacy Products		3,717	1,912
Total software licences and software as a service / cloud		13,020	10,828

6. OTHER OPERATING INCOME

Other operating income mainly includes income from the reversal of provisions in the amount of around € 414 thousand and rental income from investment property in the amount of € 224 thousand. The prior-year period included income from the software delivery to Ytwo in the amount of € 7,601 thousand and income from the subsequent valuation of purchase price liabilities in the amount of € 380 thousand.

7. OTHER OPERATING EXPENSES

Other operating expenses mainly include foreign currency expenses from cash and cash equivalents in the amount of around € 611 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	3 months 2018	3 months 2017
Wages and salaries		11,744	10,352
Social security and pension costs		1,933	1,793
Total		13,677	12,145

Average number of employees

	3 months 2018	3 months 2017
General administration	115	99
Research & development	367	317
Sales & marketing	159	149
Support & consulting	249	220
Total	890	785

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	3 months 2018	3 months 2017
Profit share of the shareholders of RIB Software SE – basic and diluted		3,653	7,894

	figures in thousand shares	3 months 2018	3 months 2017
Weighted average of shares in circulation - basic		47,126	44,973
Dilution effect		705	490
Weighted average of shares in circulation - diluted		47,831	45,463

	Results per share in €	3 months 2018	3 months 2017
basic		0.08	0.18
diluted		0.08	0.17

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	31 March 2018	31 March 2017
<i>Licence/software business segment</i>		57,870	58,465
<i>SaaS/Cloud business segment</i>		16,519	15,308
<i>Consulting business segment</i>		7,712	6,572
iTWO reporting segment		82,101	80,345
xTWO (e-Commerce) business segment		689	689
YTWO reporting segment		689	689
GZ TWO development entity		3,088	3,065
Arriba Finance		894	894
Total		86,772	84,993

The change in carrying amounts by € 1,779 thousand was attributable to the addition of € 3,049 thousand from the initial consolidation of Datengut and € -1,270 thousand from currency translation effects of goodwill held in local currency, which were recognised outside profit or loss.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Figures in € thousand	YTWO	Others	Total
Carrying amounts as of 31 March 2017	31,226	0	31,226
Profit/loss attributable to the group recognized in the consolidated income statement	-920	0	-920
Profit/loss attributable to the group recognized in the consolidated comprehensive income	-1,207	0	-1,207
Carrying amounts as of 31 March 2018	29,099	0	29,099

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 of Datengut GmbH, Zwenkau.

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 well

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 € 915 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:

Figures in € thousand	3 months 2018			
	iTWO	Ytwo	MTWO	Total
Revenue, external	29,364	2,173	0	31,537
License / Software	18,728	-	-	18,728
SaaS / Cloud	4,199	-	-	4,199
Consulting	6,437	-	-	6,437
xTwo (e-Commerce)	-	2,173	-	2,173
Production costs	-10,330	-1,838	-10	-12,178
License / Software	-5,346	-	-	-5,346
SaaS / Cloud	-746	-	-10	-756
Consulting	-4,238	-	-	-4,238
xTwo (e-Commerce)	-	-1,838	-	-1,838
Research and development expenses	-3,570	0	-82	-3,652
License / Software	-2,741	-	-	-2,741
SaaS / Cloud	-829	-	-82	-911
Consulting	-	-	-	0
xTwo (e-Commerce)	-	-	-	0
Distribution and marketing costs	-4,802	-327	-32	-5,161
General administrative expenses	-2,906	-143	0	-3,049
Other operating income and expenses	-686	30	0	-656
EBIT Segment	7,070	-105	-124	6,841
Financial result				-927
thereof profit shares from investments accounted for using the equity method	-	-920	-	-920
Income taxes				-2,261
Consolidated net profit				3,653
EBITDA Segment	9,975	-69	-124	9,782
EBITDA-margin	34.0%	-3.2%		31.0%
Other segment information:				
Segment amortisation and adjustments	2,905	36	0	2,941
Carrying amount of participation in the joint venture Ytwo accounted for using the equity method	0	29,099	0	29,099

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

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	3 months 2018	3 months 2017
EMEA (Europe, Middle East and Africa)	24,136	21,785
APAC (Asia Pacific)	3,389	889
North America	4,012	3,544
Total revenue	31,537	26,218

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 31 March 2018						
Measured at fair value through profit or loss						
Cash market and investment funds	-	85	85	-	-	85
Corporate Bonds	-	6	6	-	-	6
Total	-	91	91	-	-	91
Measured at amortized cost						
Trade receivables	25,186	-	-	-	-	-
Other receivables	1,495	-	-	-	-	-
Time deposit	34,189	-	-	-	-	-
Other financial assets	138	-	-	-	-	-
Cash and cash equivalents	244,580	-	-	-	-	-
Total	305,588	-	-	-	-	-

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	-	-	-	-	-

II. Financial liabilities

Figures in € thousand	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
As of 31 March 2018					
Measured at fair value through profit or loss					
Derivatives	1,979	-	0	1,979	1,979
Measured at amortized cost					
Trade payables	2,744	-	-	-	-
Other financial liabilities	1,519	-	-	-	-
Bank loans*	5,500	-	-	-	-
Other liabilities**	671	-	-	-	-
Total	12,413	-	0	1,979	1,979

* 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 € 6,418 thousand, which are not financial liabilities.

Figures in € thousand	Carrying amount	Fair value			
		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 are the liability under the option agreement in connection with the acquisition of the company RIB SAA.

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 € 45 thousand. The compounding of financial liabilities resulted in an interest expense of € 8 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.

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 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		
Derecognition		-7,642
		-7,642
Changes with effect on profits		
Expense from the subsequent valuation of purchase price liabilities (other operating income)		487
Personnel expenses from the accumulation of purchase price liabilities (production costs)		45
Expenses from the interest accrued on purchase price liabilities (finance expenses)		8
		540
As of 31 March		1,979

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 € 1,979 thousand:

	Figures in € thousand	Sensitivity	Carrying amount
Discounting interest rate used for the discounting period		+ 1 %-point	1,935
Discounting interest rate used for the discounting period		- 1 %-point	2,024
Growth rate in the budgeted revenues in the budget period		+ 10.0 %	2,415
Growth rate in the budgeted revenues in the budget period		- 10.0 %	1,617

Stuttgart, 30 April 2018

RIB Software SE


The Managing Directors



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Michael Sauer



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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

<p>30 April 2018</p> <p>Interim Report (January - March 2018) Analyst Conference Call</p>	<p>15 May 2018</p> <p>Annual General Meeting</p>
<p>31 July 2018</p> <p>Interim Report (January - June 2018) Analyst Conference Call</p>	<p>31 October 2018</p> <p>Interim Report (January - September 2018) Analyst Conference Call</p>

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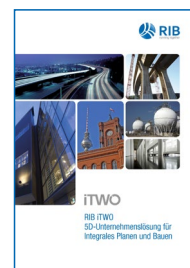
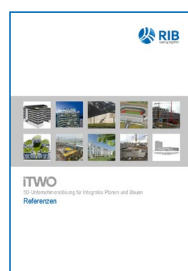
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Product information and References

www.rib-software.com/itwo-references

www.rib-software.com/itwo-broschuere



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