

# RIB Software SE with strong revenue and profit development in Q3 2019

## Recurring revenues (ARR) increase by 112.4% to € 25.7 million

- Group revenues (9 months) increase by 59.7% to € 151.6 million (previous year: € 94.9 million)
- iTWO 4.0/MTWO users grow by 113.9% to 44,325 users (Q2 2019: 20,726)
- Recurring revenues (9 months) grow by 95.0% to € 77.6 million (previous year: € 39.8 million)
- Revenues abroad (9 months) grow by 100.9% to € 92.6 million (previous year: € 46.1 million)
- The EBITDA margin Q3 2019 in the segment iMTWO is on a high level of 26.0% (Q2 2019: 20.6%)
- Group forecast (Guidance) for 2019 confirmed

### CONSOLIDATED FIGURES - OVERVIEW

€ million unless otherwise indicated	3rd quarter 2019	3rd quarter 2018	change	9 months 2019	9 months 2018	change
Revenue	59.0	32.5	81.5%	151.6	94.9	59.7%
Software ARR	25.7	12.1	112.4%	77.6	39.8	95.0%
Software NRR	14.5	10.3	40.8%	33.9	27.8	21.9%
Services	16.7	7.9	111.4%	33.3	20.6	61.7%
E-commerce	2.1	2.2	-4.5%	6.8	6.8	0.0%
<b>EBITDA</b>	<b>14.4</b>	<b>12.3</b>	<b>17.1%</b>	<b>35.9</b>	<b>31.1</b>	<b>15.4%</b>
as % of revenue	24.4%	37.8%		23.7%	32.8%	
<b>EBITDA adjusted for IFRS 16</b>	<b>12.9</b>	<b>12.3</b>	<b>4.9%</b>	<b>31.8</b>	<b>31.1</b>	<b>2.3%</b>
as % of revenue	21.9%	37.8%		21.0%	32.8%	
<b>EBT adjusted for PPA amortisation</b>	<b>10.2</b>	<b>9.3</b>	<b>9.7%</b>	<b>23.7</b>	<b>22.5</b>	<b>5.3%</b>
as % of revenue	17.3	28.6%		15.6%	23.7%	
Expenses from purchase price allocations (PPA amortisation)	3.9	1.3	200%	8.7	3.5	148.6%
Cash flows from operating activities				25.5	21.4	19.2%
Group liquidity*				132.6	238.2	-44.3%
Equity ratio**				73.6%	83.6%	
Average number of employees				1,524	980	55.5%

\* Cash and cash equivalents, time deposits and available-for-sale securities. Previous year as of 31 December 2018.

\*\* Previous year as of 31 December 2018.

# BUSINESS DEVELOPMENT

## THE RESULTS IN DETAIL - NINE MONTHS AND THIRD QUARTER 2019

- **GROUP REVENUES INCREASE BY 59.7% TO € 151.6 MILLION (PREVIOUS YEAR: € 94.9 MILLION)**
- **iTWO 4.0/MTWO USERS GROW BY 113.9% TO 44,325 USERS (Q2 2019: 20,726)**
- **RECURRING REVENUES (ARR) GROW BY 95.0% TO € 77.6 MILLION (PREVIOUS YEAR: € 39.8 MILLION)**
- **REVENUES ABROAD GROW BY 100.9% TO € 92.6 MILLION (PREVIOUS YEAR: € 46.1 MILLION)**
- **THE EBITDA MARGIN Q3 2019 IN THE SEGMENT iMTWO IS ON A HIGH LEVEL OF 26.0% (Q2 2019: 20.6%)**
- **GROUP FORECAST (GUIDANCE) FOR 2019 CONFIRMED**

### STRONG REVENUE AND PROFIT DEVELOPMENT IN THE THIRD QUARTER OF 2019

The RIB Group achieved a strong result in both revenues (plus 81.5%) and operating EBITDA (plus 23.9%). **Organic revenue growth in Q3 2019 was 24.6%**. In the third quarter, recurring revenues (ARR) amounted to € 25.7 million. This corresponds to an increase of 112.4% (previous year: € 12.1 million). Non-recurring revenues (NRR) increased by 40.8% year-on-year to € 14.5 million (previous year: € 10.3 million). At € 14.5 million, operating EBITDA in the third quarter was 23.9% up on the third quarter of the previous year (€ 11.7 million). This corresponds to an operating EBITDA margin of 24.6%.

### DYNAMIC GROWTH IN 2019 CONTINUES TO INCREASE

The dynamic growth during the investment phase is further boosted and is also reflected in the cumulative Group figures. Group revenues rose strongly by 59.7% to € 151.6 million (previous year € 94.9 million). **Organic Group revenue growth was 17.1% (H1 2019: 5.3%)**. Organic growth was influenced by the gradual shift in the business model from license sales to subscription. Adjusted for this effect, organic growth in the Group would have been 19.8%. Recurring revenues (ARR) grew very strongly by 95.0% to € 77.6 million (previous year: € 39.8 million). Non-recurring revenues (NRR) also increased by 21.9% to € 33.9 million (previous year: € 27.8 million). As in the first half of 2019, service revenues developed extremely positively by 61.7% to € 33.3 million (previous year: € 20.6 million) due to the high number of projects.

### OPERATING EBITDA INCREASES BY 13.7 % TO € 34.8 MILLION

Operating EBITDA rose by 13.7% year-on-year to € 34.8 million (previous year: € 30.6 million). The operating EBITDA margin of 23.0% during the investment phase was in the expected range of 20-30%, despite acquisition and start-up costs of € 4.5 million. Operating EBITDA, adjusted for one-off acquisition and start-up costs, rose by 28.8% to € 39.3 million (previous year: € 30.6 million). This corresponds to a margin of 25.9%.

### R&D EXPENSES INCREASE BY 22.9% TO € 14.5 MILLION

R&D expenses rose by € 2.7 million to € 14.5 million (previous year: € 11.8 million). This increase is mainly due to the inclusion of the companies acquired in the reporting period (€ 1.3 million) and a scheduled increase in personnel development capacities in the iTWO 4.0 area. Administrative expenses rose by € 5.6 million to € 15.1 million (previous year: € 9.5 million), of which € 4.3 million resulted from acquisitions. Sales and marketing expenses increased by € 18.7 million to € 35.8 million (previous year: € 17.1 million). The change was mainly due to the acquisition of new companies in the amount of € 11.6 million and increased depreciation from purchase price allocations (€ 3.8 million).

The average number of employees increased by 55.5% to 1,524 (previous year: 980 employees).

### CASH FLOW FROM OPERATING ACTIVITIES GROWS BY 19.2% TO € 25.5 MILLION

Net cash flow from operating activities rose by 19.2% to € 25.5 million (previous year: € 21.4 million). At € -67.4 million, net cash flow from investing activities was significantly lower than in the previous year (€ -21.8 million). This is mainly due to payments made for the acquisition of consolidated companies. At € -36.4 million, net cash flow from financing activities was significantly lower than in the previous year (€ 116.8 million) due to the capital increase of € 131.2 million carried out in the year before.

As of 30 September 2019, the Group had cash and cash equivalents including available-for-sale securities and time deposits of € 132.6 million (31 December 2018: € 238.2 million). Equity amounted to € 446.0 million (31.12.2018: € 445.8 million). The equity ratio decreased to 73.6% (31.12.2018: 83.6%).

Trade payables increased to € 16.1 million (31.12.2018: € 10.1 million). The increase was entirely due to the acquisition of new companies (approx. € 6.0 million). Trade receivables increased to € 52.6 million (31.12.2018: € 37.8 million) due to the fully consolidated acquisitions (approx. € 15 million).

## DEVELOPMENT OF THE SEGMENTS

### iMTWO

Total revenues in the iMTWO segment rose by 63.7% to € 144.4 million (previous year: € 88.2 million). Recurring revenues (ARR) increased by 94.7% to € 77.3 million (previous year: € 39.7 million). Non-recurring revenues (NRR) grew by 21.9% to € 33.9 million (previous year: € 27.8 million). Despite start-up costs, the segment EBITDA rose by 18.7% to € 36.8 million (previous year: € 31.0 million), the EBITDA margin reached 25.5% and thus met our expectations during the investment phase. The EBITDA margin in the third quarter reached 26.0%.

**The number of users of our new cloud-based MTWO and iTWO 4.0 platforms grew by 113.9% from 20,726 users to 44,325 users compared to the Q2 Interim Report 2019, thus exceeding our expectations and significantly outperforming our target of 30,000 users for fiscal year 2019.** For 2020 we plan to increase the total number of users to 100,000. The users will be won partly through new customer acquisition and partly through the migration of 500,000 existing users within our Group.

### xYTWO

In the xYTWO segment, total revenues grew by 4.4% to € 7.1 million (previous year: € 6.8 million). The increase is mainly due to the continued positive business development in the xTWO area.

The segment EBITDA amounted to € -0.9 million and continues to be characterized by start-up costs in the YTWO area.

## REVENUE DEVELOPMENT IN THE REGIONS

Revenues abroad grew by 100.9% to € 92.6 million (previous year: € 46.1 million). Domestic revenues increased by 20.9% to € 59.0 million (previous year: € 48.8 million). The international share of total revenues thus amounted to 61.1% (previous year: 48.6%).

In the EMEA region (Europe, Middle East and Africa) revenues grew by 39.2% to € 101.3 million (previous year: € 72.7 million), in North America by 102.4% and in the APAC region (Asia Pacific) by 158.9%.

## FORECAST - FISCAL YEAR 2019

The establishment of a leading vertical cloud platform MTWO for the construction industry in partnership with Microsoft and for the promotion of the iTWO 4.0 technology is on track. The goal is to increase revenues in 13 quarters by an average of 30-60% - after 4 quarters (Q4 2018 to Q3 2019) we have reached the upper end with 59% ((57%+47%+49%+82%) divided by 4). The foundation for a global roll-out of the iTWO 4.0 technology and MTWO in the IT core markets of the world was completed by 80%. The successful establishment of distribution networks in the USA, Australia, the United Kingdom and India will enable MTWO and iTWO 4.0 technology to attract massive numbers of users in key markets from 2020 onwards. In addition, our existing 500,000 users can be converted to the new cloud technology. With 11 out of 14 planned M&A deals as of October, we are on track and plan to continue our investment strategy in 2020. To this end, we assume that the switch from licenses to subscription will have a very positive effect on the EBITDA margin in the future.

We currently train the new sales and consulting teams worldwide and develop regional „out of the box solutions“ that can be implemented and go live within 48 hours. The test phase will be completed in December and in the first quarter of 2020 we will start with 100% more MTWO and iTWO 4.0 sales power in the new markets.

On the basis of the strong and high revenue and profit development in the 2019 financial year to date, we confirm the Group forecast for the 2019 financial year and, in line with the guidance, expect revenues of € 210 million to € 225 million and operating EBITDA of € 46 million to € 52 million.

# MAIN COMPONENTS OF THE FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

For the period: 01.01.2019 to 30.09.2019

figures in € thousand, unless otherwise indicated	3rd quarter 2019	3rd quarter 2018	9 months 2019	9 months 2018
<b>Revenue</b>	59,018	32,519	151,565	94,949
Cost of sales	-26,733	-13,942	-74,145	-39,058
<b>Gross profit</b>	<b>32,285</b>	<b>18,577</b>	<b>77,420</b>	<b>55,891</b>
Other operating income	1,394	3,259	4,503	5,926
Marketing and distribution costs	-15,768	-5,941	-35,777	-17,072
General administrative expenses	-5,429	-3,106	-15,141	-9,463
Research and development expenses	-5,263	-4,112	-14,498	-11,802
Other operating expenses	-1,098	243	-2,181	-1,774
Financial income	154	165	916	381
Finance costs	-103	-44	-345	-205
Profit shares from investments accounted for using the equity method	93	-1,010	58	-2,946
<b>Profit before tax</b>	<b>6,265</b>	<b>8,031</b>	<b>14,955</b>	<b>18,936</b>
Income taxes	-2,608	-2,017	-6,737	-6,091
<b>Profit after tax</b>	<b>3,657</b>	<b>6,014</b>	<b>8,218</b>	<b>12,845</b>
Profit/Loss attributable to non-controlling interests	-633	16	-460	88
Profit attributable to owners of the parent company	4,290	5,998	8,678	12,757
Result per share on the basis of the share earnings of the shareholders of RIB Software SE:				
<b>basic</b>	<b>0.09 €</b>	<b>0.12 €</b>	<b>0.18 €</b>	<b>0.26 €</b>
<b>diluted</b>	<b>0.09 €</b>	<b>0.11 €</b>	<b>0.18 €</b>	<b>0.25 €</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30.09.2019 AND 31.12.2018

Figures in € thousand	<b>30 September 2019</b>	<b>31 December 2018</b>
Goodwill	160,715	103,266
Other intangible assets	177,237	115,451
Property, plant and equipment	20,369	19,435
Rights of use	11,635	0
Investment properties	5,559	5,548
Investments accounted for using the equity method	6,469	0
Prepaid land use lease payments	896	899
Other financial assets	8,267	779
Deferred tax assets	1,760	620
<b>Total non-current assets</b>	<b>392,907</b>	<b>245,998</b>
Inventories	2,770	2,796
Trade receivables	52,637	37,773
Income tax assets	2,463	3,467
Other financial assets	3,745	34,014
Other non-financial assets	10,487	4,203
Cash and cash equivalents	130,693	205,245
<b>Total current assets</b>	<b>202,795</b>	<b>287,498</b>
<b>Total assets</b>	<b>595,702</b>	<b>533,496</b>

Figures in € thousand	<b>30 September 2019</b>	<b>31 December 2018</b>
Subscribed capital	51,748	51,741
Capital reserves	308,282	316,734
Retained earnings	83,681	85,246
Other equity components	6,186	2,635
Treasury shares	-37,134	-22,378
<b>Equity attributable to owners of the parent company</b>	<b>412,763</b>	<b>433,978</b>
Non-controlling interests	33,207	11,780
<b>Total equity</b>	<b>445,970</b>	<b>445,758</b>
Pension provisions	3,372	3,456
Bank liabilities	5,703	4,800
Other provisions	188	223
Other financial liabilities	17,367	5,381
Leasing liabilities	5,205	0
Deferred tax liabilities	33,541	18,772
<b>Total non-current liabilities</b>	<b>65,376</b>	<b>32,632</b>
Bank liabilities	453	400
Trade payables	16,103	10,137
Income tax liabilities	4,242	2,566
Other provisions	2,474	1,018
Deferred liabilities	12,276	10,858
Deferred income	31,018	12,532
Other financial liabilities	4,435	6,572
Leasing liabilities	4,926	0
Other liabilities	8,429	11,023
<b>Total current liabilities</b>	<b>84,356</b>	<b>55,106</b>
<b>Total liabilities</b>	<b>149,732</b>	<b>87,738</b>
<b>Total equity and liabilities</b>	<b>595,702</b>	<b>533,496</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the period: 01.01.2019 to 30.09.2019

	Figures in € thousand	9 months 2019	9 months 2018
<b>Cash flows from operating activities:</b>			
<b>Profit before tax</b>		<b>14,955</b>	<b>18,936</b>
Adjustments for:			
Depreciation of property, plant and equipment and rights of use		5,056	889
Amortisation of intangible assets		16,287	8,299
Depreciation of investment property		153	134
Changes in valuation allowances for trade receivables		110	160
Other non-cash items		-3,802	2,053
Share of profit and loss of associates		58	0
Interest expense and other finance cost		345	205
Financial income		-916	-381
		<b>32,246</b>	<b>30,295</b>
<b>Working capital adjustments:</b>			
Increase/decrease(-) in provisions and deferred liabilities		751	-2,895
Increase(-)/decrease in receivables and other assets		-4,615	-6,017
Increase/decrease(-) in received prepayments		-972	1,954
Increase/decrease(-) in liabilities from trade payables and other liabilities		4,403	3,017
<b>Cash generated from operations</b>		<b>31,813</b>	<b>26,354</b>
Interest paid		-33	-88
Interest received		740	272
Income taxes paid		-6,987	-5,134
<b>Net cash flows from operating activities</b>		<b>25,533</b>	<b>21,404</b>
Purchase of property, plant and equipment		-1,386	-409
Purchase/production of intangible assets		-8,264	-7,616
Payments made for the acquisition of consolidated companies less cash acquired		-75,621	-8,096
Payments made for the acquisition of at equity consolidated companies		-6,111	-7,344
Purchase(-)/sale of available-for-sale securities		-12	3
Payments made for credits and loans granted		-7,039	0
Payments received from financial investments as part of current treasury management		31,053	25,610
Payments made for financial investments as part of current treasury management		0	-23,915
<b>Net cash flows from investing activities</b>		<b>-67,380</b>	<b>-21,767</b>
Payments received from capital increase		0	131,167
Payments made for capital increase expense		0	-4,263
Dividends paid		-8,644	-9,064
Payment made for the acquisition of non-controlling interests		-443	0
Payments made for redeeming other financial liabilities		-1,495	-782
Payments made for the repayment of bank loans		-1,394	-300
Payments made for lease liabilities		-4,902	0
Payments made for the acquisition of treasury shares		-19,511	0
Payments received from the exercise of stock options		7	80
<b>Net cash flows used in financing activities</b>		<b>-36,382</b>	<b>116,838</b>
<b>Change in cash and cash equivalents impacting cash flow</b>		<b>-78,229</b>	<b>116,475</b>
Cash and cash equivalents at the beginning of the period		205,245	100,459
Currency-related change in cash and cash equivalents		3,677	1,794
<b>Cash and cash equivalents at the end of the period</b>		<b>130,693</b>	<b>218,728</b>
<b>Composition of cash and cash equivalents:</b>			
Liquid funds, unrestricted		127,497	216,029
Liquid funds, restricted		3,196	2,699
<b>Total</b>		<b>130,693</b>	<b>218,728</b>

## SEGMENT INFORMATIONEN

Figures in € thousand	9 months 2019		
	iMTWO	xYTWO	Total
<b>Revenue, external</b>	<b>144,447</b>	<b>7,118</b>	<b>151,565</b>
<b>SW-ARR</b>	<b>77,282</b>	<b>287</b>	<b>77,569</b>
Cloud	39,230	287	39,517
Support	35,174	0	35,174
Managed Services	2,878	0	2,878
<b>SW-NRR</b>	<b>33,879</b>	<b>0</b>	<b>33,879</b>
Licenses	33,879	0	33,879
<b>Services</b>	<b>33,286</b>	<b>0</b>	<b>33,286</b>
<b>E-commerce</b>	<b>0</b>	<b>6,831</b>	<b>6,831</b>
<b>Production costs</b>	<b>-65,615</b>	<b>-8,530</b>	<b>-74,145</b>
SW-ARR	-21,999	-2,258	-24,257
SW-NRR	-11,578	0	-11,578
Services	-32,038	-370	-32,408
E-commerce	0	-5,902	-5,902
<b>Research and development expenses</b>	<b>-14,312</b>	<b>-186</b>	<b>-14,498</b>
SW-ARR	-4,314	-186	-4,500
SW-NRR	-9,998	0	-9,998
Services	0	0	0
E-commerce	0	0	0
<b>Distribution and marketing costs</b>	<b>-34,744</b>	<b>-1,033</b>	<b>-35,777</b>
<b>General administrative expenses</b>	<b>-14,315</b>	<b>-826</b>	<b>-15,141</b>
<b>Other operating income and expenses</b>	<b>2,325</b>	<b>-3</b>	<b>2,322</b>
<b>EBIT segment</b>	<b>17,786</b>	<b>-3,460</b>	<b>14,326</b>
Financial result	603	26	629
thereof profit shares from investments accounted for using the equity method	58	0	58
Income taxes			-6,737
<b>Consolidated net profit</b>	<b>18,389</b>	<b>-3,434</b>	<b>8,218</b>
<b>EBITDA segment</b>	<b>36,795</b>	<b>-910</b>	<b>35,885</b>
EBITDA-margin	25.5%	-12.8%	23.7%
<b>Other segment information:</b>			
<b>Segment amortisation and adjustments</b>	<b>19,009</b>	<b>2,550</b>	<b>21,559</b>



Figures in € thousand	9 months 2018		
	iMTWO	xYTWO	Total
<b>Revenue, external</b>	<b>88,163</b>	<b>6,786</b>	<b>94,949</b>
<b>SW-ARR</b>	<b>39,667</b>	<b>0</b>	<b>39,667</b>
Cloud	10,349	0	10,349
Support	29,196	0	29,196
Managed Services	122	0	122
<b>SW-NRR</b>	<b>27,818</b>	<b>0</b>	<b>27,818</b>
Licenses	27,818	0	27,818
<b>Services</b>	<b>20,678</b>	<b>0</b>	<b>20,678</b>
<b>E-commerce</b>	<b>0</b>	<b>6,786</b>	<b>6,786</b>
<b>Production costs</b>	<b>-33,254</b>	<b>-5,804</b>	<b>-39,058</b>
SW-ARR	-8,019	0	-8,019
SW-NRR	-9,670	0	-9,670
Services	-15,565	0	-15,565
E-commerce	0	-5,804	-5,804
<b>Research and development expenses</b>	<b>-11,802</b>	<b>0</b>	<b>-11,802</b>
SW-ARR	-3,238	0	-3,238
SW-NRR	-8,564	0	-8,564
Services	0	0	0
E-commerce	0	0	0
<b>Distribution and marketing costs</b>	<b>-16,138</b>	<b>-934</b>	<b>-17,072</b>
<b>General administrative expenses</b>	<b>-9,037</b>	<b>-426</b>	<b>-9,463</b>
<b>Other operating income and expenses</b>	<b>3,823</b>	<b>329</b>	<b>4,152</b>
<b>EBIT segment</b>	<b>21,755</b>	<b>-49</b>	<b>21,706</b>
Financial result			-2,770
thereof profit shares from investments accounted for using the equity method	-	-2,946	-2,946
Income taxes			-6,091
<b>Consolidated net profit</b>			<b>12,845</b>
<b>EBITDA segment</b>	<b>30,996</b>	<b>70</b>	<b>31,066</b>
EBITDA-margin	35.2%	1.0%	32.7%
<b>Other segment information:</b>			
<b>Segment amortisation and adjustments</b>	<b>9,241</b>	<b>119</b>	<b>9,360</b>

## OTHER DISCLOSURES

## AVERAGE NUMBER OF EMPLOYEES

	9 months 2019	9 months 2018
General administration	205	126
Research & development	405	390
Sales & marketing	287	172
Support & consulting	627	292
<b>Total</b>	<b>1,524</b>	<b>980</b>

## REVENUE BY GEOGRAPHIC AREA

Revenue by geographic area (based on the location of customers):

	Figures in € thousand	9 months 2019	9 months 2018
EMEA (Europe, Middle East and Africa)		101,285	72,738
APAC (Asia and Pacific region)		24,434	9,439
North America		25,846	12,772
<b>Total revenue</b>		<b>151,565</b>	<b>94,949</b>

## BUSINESS COMBINATIONS

### CCS

By agreement dated on 28 June 2019, the Group acquired 70 % of the shares in the Construction Computer Software Group (hereinafter: CCS) with parent company Construction Computer Software (Pty) Ltd., Johannesburg/South Africa. The acquisition date of the shares is 29 July 2019, CCS has been included in the consolidated financial statements since August 2019. The compensation for the acquisition of the shares has not yet been finally determined. We assume that it will amount to around € 28,815 thousand.

With regard to the remaining 30% stake, we have agreed mutual call and put options with the remaining shareholders, which can be exercised in 2023. Thereafter, we have the right to acquire the shares in 2023 at the agreed option price. At the same time, we are obliged to acquire further shares if the remaining shareholders exercise their put option. The option prices will be based on the enterprise value of CCS, which is to be calculated using a multiplier method based on CCS's earnings. The payment obligations for RIB resulting from the exercise of the put option were limited to a maximum amount of approximately € 15,817 thousand (\$ 18,000 thousand).

The investment in CCS is the RIB Group's next acquisition in the MTWO area. CCS offers specialized software solutions for the construction and engineering industries. The CCS complete solution combines the software products Candy (Construction Management Software Suite for controlling construction projects) and BuildSmart (ERP solution for integrating cost accounting, project accounting and group accounting). The investment in the CCS Group represents a milestone in the globalization process of the Group and serves to consolidate the global market leadership of the iTWO 4.0 and MTWO platform technology.

### U.S. CAD

By agreement dated on 27 August 2019, the Group acquired 60% of the shares in the U.S. CAD Group, Salt Lake City, USA (hereinafter: U.S. CAD) with the parent company U.S. CAD Holdings LLC, Salt Lake City, USA. The consideration for the acquisition of the shares amounts to approximately € 24,586 thousand. This is a cash purchase price to be paid by transferring cash and cash equivalents. Of the cash purchase price, a partial amount of € 23,190 thousand was paid by transferring cash and cash equivalents. The remaining amount of € 1,396 thousand is not due for payment until contractually agreed conditions have been met or agreed warranty periods have expired.

With regard to the remaining 40% stake, a call option was agreed with the remaining shareholders, which can be exercised in 2023. The Group then has the right to acquire the shares at the agreed option price. The option price will be based on the enterprise value of U.S. CAD, which is calculated using a multiplier method based on the U.S. CAD result. The maximum payment obligation resulting from the exercise of the call option is limited to approximately € 55,877 thousand (\$ 60,000 thousand) for the Group.

U.S. CAD is a value-added reseller selling software products, in particular from Autodesk in the USA. As a platinum partner tier, the company has the highest of the three statuses assigned by Autodesk for value-added resellers. U.S. CAD also provides consulting and support services for the architecture, engineering and construction industries. With the acquisition of U.S. CAD, the Group intends to expand its MTWO customer base in the USA, while U.S. CAD will focus on selling MTWO to its existing and new customers. The investment represents an efficient approach to accelerate the introduction of MTWO. It is also planned that U.S. CAD will offer its American customers additional products from the RIB product portfolio.

### **Redstack**

In October 2019, the Group acquired 100% of the shares in Redstack Pty Ltd, North Adelaide, Australia. The purchase price amounts to approximately €1,701 thousand. The acquisition was carried out via the subsidiary A2K Technologies, the new RIB company will be integrated into the A2K brand.

Redstack is an established and renowned reseller of software and hardware for the construction and manufacturing industry in Australia with over 21 years of experience. Furthermore, a team of highly qualified and experienced technical experts supports customers with training and support activities. The portfolio includes well-known brands such as Autodesk, Ultimaker, Formlabs, Avitus, Maptek and IMAGINiT.

Together with Redstack, the RIB Group wants to attract new MTWO users and at the same time drive the further growth of Autodesk solutions in Australia.

### **datapine**

In October 2019, the Group acquired 75.05% of the shares in datapine GmbH, Berlin. The purchase price amounts to approximately € 5,000 thousand. The acquisition was carried out by the parent company RIB Software SE.

The datapine solution simplifies the complexity of Big Data, which is one of the most important disciplines in the data age.

Together with datapine, the RIB Group intends to establish a world-leading Business Intelligence Solution Center for the construction industry.

## ACQUISITIONS OF SHARES IN ASSOCIATED COMPANIES

### Winjit

By agreement dated on 10 July 2019, the Group acquired a 15% stake in the Winjit Group (hereinafter: Winjit) with the parent company Winjit Technologies Private Limited, Nashik/India. The purchase price of the investment amounts to approximately € 1,800 thousand. In addition to the acquisition of the 15% stake, call options have been agreed which give the Group the right to increase its stake in Winjit in several steps up to 100% in the period until 2023. If the Group exercises its option rights, the option prices will be based on the respective enterprise value of Winjit, which will be calculated using a multiplier method based on Winjit's results.

Winit is an AI platform engineering company that has developed and implemented technologically innovative AI solutions, including use cases with complex machine learning, computer vision with neural networks, and distributed deep learning platforms. The products and expertise of Winjit's staff are a valuable addition to the RIB Group's existing software solutions and competencies. Our involvement in Winjit also gives us the opportunity to build a global, India-based IT delivery center.

### Capricot

By agreement dated on 30 August 2019, it was agreed that the Group will acquire 20% of the shares in Capricot Technologies Private Limited, Bangalore/India as part of a capital increase. The acquisition date is expected to be 30 November 2019. The price of the shares to be acquired as part of the capital increase amounts to approximately € 1,800 thousand and is due for payment in November 2019.

Capricot has a high level of expertise in the construction industry and promotes innovation through the provision of software and hardware solutions, consulting, training and managed services. The company has offices in Delhi, Rajasthan, Punjab, Maharashtra, Karnataka and a subsidiary in Singapore.

## FURTHER INFORMATION

**The Quarterly Statement and all information contained therein are unaudited.**

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**Translation of the original German version:**

The English version of the Quarterly Statement 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 2019

30 April 2019	15 May 2019
<b>QUARTERLY STATEMENT</b> (January - March 2019) Analyst Conference Call	<b>ANNUAL GENERAL MEETING</b>
31 July 2019	30 October 2019
<b>INTERIM REPORT</b> (January - June 2019) Analyst Conference Call	<b>QUARTERLY STATEMENT</b> (January - September 2019) Analyst Conference Call

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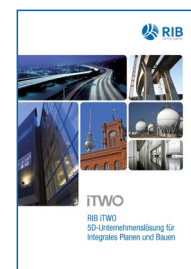
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