



## Report by the Administrative Board

Dear Shareholders,

The 2020 financial year was a unique and challenging record year for RIB Software SE and the entire RIB Group. We have risen to these challenges and continued to position the company worldwide for the future.

The RIB Group is active worldwide in the software market for construction, plant engineering and infrastructure management. Its core activities include the production and sale of software, the provision of consulting and training services for implementation projects and the provision and operation of digital platforms for the electronic handling of business processes. The RIB Group's software is designed to simplify the planning of construction projects, improve the efficiency of project processing, minimize cost and deadline risks and increase the quality of construction. In doing so, the RIB Group offers its customers the possibility to plan and control the essential cost and revenue-relevant processes throughout the entire project life cycle in an end-to-end, model-based manner using its software. Electronic purchasing processes can be carried out and supply chains controlled and monitored via the RIB Group digital platforms. Here, the demand can be determined from 5D building models, among other things. The RIB Group software and e-commerce solutions form an integrated and comprehensive B2B platform through which its customers can plan, implement and control procurement processes with their business partners. With more than 100,000 customers and more than 770,000 users, the RIB Group is one of the leading providers of business software in the construction industry. Its customers include large construction groups and medium-sized construction companies, the public sector, architecture and engineering companies as well as large companies in industrial and plant construction. With innovative ideas, creativity and new approaches in the fields of cloud computing, supply chain management and artificial intelligence, the RIB Group wants to contribute to the transformation of the construction industry into one of the most sustainable and digital industries in the 21st century. In this context, the importance of the subscription model and the provision of software in the public cloud continues to increase for the software segment iMTWO, and the share of recurring revenue (ARR) was further increased in 2020.

The COVID19 pandemic has accelerated digital transformation enormously. It is important in this context that this transformation is accompanied by a strong ESG strategy. This encompasses sustainability in the fields of environment (environmental protection, energy efficiency issues, etc.), social aspects (occupational safety, health protection, diversity, social commitment, etc.) and governance as sustainable corporate management (corporate values, management and control processes, etc.). RIB has started to implement these principles within its organization and within the iMTWO cloud platform. One example of this is RIB CARE, an initiative launched in spring 2020 that delivers important medical supplies to where they are urgently needed worldwide. For this, employees worldwide and the managing directors have taken on social responsibility with donations and have made an important contribution.

The acquisition of Schneider Electric as a long-term strategic investor was a major milestone in the 2020 financial year. Schneider Electric shares the visions of the RIB Group and together we intend to create a global leader in digital and sustainable smart building solutions.

## **Work of the Administrative Board**

In the 2020 financial year, the Administrative Board of RIB Software SE dealt intensively with the strategic, economic and personnel development of RIB Software SE and the Group and fully performed the duties incumbent on it under the law, the Articles of Association and the Rules of Procedure. On the basis of the detailed and timely written and oral reports of the Managing Directors, the Administrative Board monitored their work and provided advice. In addition, there was a regular exchange of information between individual members of the Administrative Board and the Managing Directors. The Administrative Board was therefore always informed about the strategies of the Managing Directors in all business areas, the intended business policy, the business planning, including the financial, investment and personnel planning, the profitability of the company, the current course of business and the situation of the company and the Group. The Administrative Board was comprehensively involved in all decisions of fundamental importance for the company at an early stage and discussed these with the Managing Directors in each case. Decisions and measures of the Executive Board, for which the approval of the Administrative Board was required according to legal provisions, the Articles of Association and the Rules of Procedure, were approved after examination and discussion by its members. Some of these were prepared in detail in the existing committees of the Administrative Board and recommended to the Administrative Board for resolution.

## **Composition of the Administrative Board**

The Administrative Board of RIB Software SE consists of eight members in accordance with Article 6 No. 1 of the company's Articles of Association. In the 2020 financial year, the Administrative Board comprised the following members:

- Mr Tom Wolf (Chairman)
- Mr Philippe Delorme (since 08/26/2020; Vice-Chairman since 10/14/2020),
- Mr Mads Bording Rasmussen,
- Prof. Martin Fischer,
- Prof. Dr Rüdiger Grube,
- Mr Klaus Hirschle (until 08/20/2020),
- Ms Sandy Möser (until 02/14/2020, until then also Vice-Chairperson),
- Dr Matthias Rumpelhardt,
- Mr. Michael Sauer (Vice-Chairman from 02/19 to 10/14/2020) and
- Mr Axel Tismer (since 12/14/2020).

Messrs Delorme and Tismer were each appointed by the Stuttgart District Court at the request of the Managing Directors.

Five members of the Administrative Board are non-executive members of the Administrative Board pursuant to Section 6 No. 2 of the Articles of Association.

## **Meetings and resolutions of the Administrative Board**

In the 2020 financial year, the Administrative Board held eight meetings. These were held as telephone or video conferences. Meeting attendance was very high again. All Board Members attended at least half of the meetings of the Administrative Board and the committees to which they belong. Personnel matters relating to the Managing Directors were discussed and resolved upon while they were excluded from the meetings. The same applies to the meetings and resolutions in which the takeover bid by Schneider Electric was discussed and resolutions were passed. In order to avoid possible conflicts of interest, the Managing Directors who were directly affected by the resolutions did not participate in the discussions and resolutions or abstained from voting.

At the two meetings on February 5 and February 12, 2020, the negotiations with Schneider Electric regarding their participation and the related framework conditions were the subject of telephone consultations. The Administrative Board had already been informed in detail by the Managing Directors in the weeks beforehand about Schneider Electric's interest in submitting a takeover bid for RIB Software SE. The Managing Directors reported in summary on the current state of negotiations and the Administrative Board approved the commissioning of a specialized investment bank to prepare a fairness opinion. In addition, a Big Four auditing firm was also commissioned to prepare a fairness opinion. Both fairness opinions served as the basis for the Administrative Board's reasoned opinion pursuant to Section 27 of the German Securities Acquisition and Takeover Act (WpÜG) on the appropriateness of the consideration offered by Schneider Electric Investment AG, an indirect subsidiary of Schneider Electric SE, as part of the takeover bid. The subject of the information and deliberations on February 12 was the transaction structure and the associated timing. The members of the Administrative Board were provided with comprehensive documents, which were explained and discussed in detail. The Administrative Board passed the necessary resolutions. The subject of the consultations, detailed discussions and resolutions at the meeting on March 30 was the substantiated statement of the Administrative Board pursuant to Sections 34, 27 of the German Securities Acquisition and Takeover Act (WpÜG) on the takeover bid of Schneider Electric Investment AG, which was published on the same day.

At the meetings of the Administrative Board on February 19, March 26, June 25, August 5, October 14 and December 9, 2020, the Managing Directors provided detailed information on the current business development, strategic considerations, the status of the completed Phase II and III deals, the M & A projects, the development of turnover and earnings, the financial and liquidity situation and the status in research and development.

At the meeting on February 19, 2020, the Administrative Board elected Mr Michael Sauer as Vice-Chairman of the Administrative Board and Mr Klaus Hirschle as a member of the Audit Committee and the Nomination and Remuneration Committee with effect from February 15, 2020, replacing Ms Sandy Möser, who had resigned her mandates as a member of the Administrative Board and the two committees with effect from the end of February 14, 2020. Another subject of the deliberations and resolutions was the declaration of compliance with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG). The current declaration of compliance was published on the company's website immediately afterwards.

On March 26, 2020, the Administrative Board dealt with the annual and consolidated financial statements, the combined management report for the 2019 financial year and the proposal for the appropriation of net profit. In addition to its own examination, the Administrative Board also dealt with the audit by the auditor and the results of the audit. The Chairman of the Audit Committee reported in detail on the results of the committee's consultations with the auditors on its findings and conclusions from the audit of the annual and consolidated financial statements as at December 31, 2019. The Administrative Board approved the annual financial statements of RIB Software SE and the consolidated financial statements of the Group and adopted the annual financial statements of RIB Software SE. It concurred with the Managing Directors' proposal for the appropriation of profits. The report of the Administrative Board for the 2019 financial year was adopted and it was decided to propose to the company's Annual General Meeting the election of BW PARTNER Bauer Schätz Hasenclever Partnerschaft mbB Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Stuttgart, (BW PARTNER) as auditors for the annual and consolidated financial statements as at December 31, 2020. Another topic of discussion was the draft of the reasoned opinion of the Managing Directors and the Administrative Board on the voluntary public takeover bid of Schneider SE. A resolution on this was not yet passed because the statement contained financial information for the 2019 financial year and could therefore only be announced after publication of the annual report. In addition, resolutions were passed on personnel matters of the Managing Directors, which had been prepared by the Nomination and Remuneration Committee. In addition, Mr Michael Voitag was appointed as a further Managing Director as of April 1, 2020. The Administrative Board approved a budget for RIB CARE.

At the meeting on June 25, 2020, the Managing Directors explained the key financial figures for the 2019 financial year and reported on business development in the first quarter of 2020. They also

presented their report to the Annual General Meeting. In view of considerations regarding the sale of shares in a subsidiary in the USA, the Administrative Board approved a specific, case-by-case amendment to the forfeiture provision of the 2015 share option program in the event of a disinvestment of this subsidiary. The planned sale of the xTWO (e-commerce) business division was also discussed on the basis of an independent evaluation by an external expert.

On August 5, 2020, the Managing Directors reported on current business development, the results achieved in the second quarter of 2020, M&A activities, the planned joint sales activities with Schneider Electric and the investments in the field of cyber security. The Administrative Board approved the transfer of the international shareholdings from RIB Limited, Hong Kong, to RIB PTE Limited, Singapore.

At the meeting on October 14, 2020, the Managing Directors explained possible strategies to accelerate the rollout of the MTWO platform worldwide and to increase the number of users from the current 500,000 (MTWO and older product generations) to 2 million MTWO users in the period 2023 to 2025 as part of their reporting on business performance. Reports were given on completed acquisitions and ongoing negotiations in the field of M&A. In addition, initial planning approaches for 2021 and 2022 were presented and the assumptions for these were explained. Another focus of the reporting and discussions at this meeting was the scheduled revision and further development of the RIB Software SE risk management system. As part of the regular reports from R&D, the Administrative Board was informed about the current developments in the field of cyber security tests, product developments and the planned optimization measures as part of the delivery and implementation of the software at the customers to increase effectiveness and customer satisfaction. The resolution adopted at the previous meeting on the transfer of the international shareholdings to the subsidiary in Singapore was modified to the effect that the shares in the US holding company should be transferred directly to RIB Software SE. Other resolutions passed at the meeting concerned the election of Mr Philippe Delorme as Vice-Chairman of the Administrative Board and as a member of the Audit and the Nomination and Remuneration Committees, the acquisition of further shares in a software company in India, the amendment of the business allocation plan of the Managing Directors to the effect that Mr Woitag (COO) was additionally assigned the function of CTO on an interim basis and a divestment.

At the Administrative Board meeting on December 9, 2020, a very positive assessment of the business development for the year 2020 could be drawn, despite the difficult framework conditions. The RIB Group achieved the most successful financial year in its history. A very large part of this was due to increased sales revenue on the one hand and strict cost management on the other. The Managing Directors reported on the acquisition of a strategic distribution partner for the global rollout of MTWO. The main focus of the meeting was the presentation, discussion and resolution of the business and investment planning for the 2021 financial year. Another resolution was passed to amend the Articles of Association due to the issue of shares from the conditional capital.

Where necessary, the Administrative Board also made decisions by way of circular resolutions. These related to acquisitions of shares in companies, the adoption of the agenda and the proposed resolutions for the Annual General Meeting on June 26, 2020, capital increases at subsidiaries to finance corporate growth, the granting of a convertible bond by a subsidiary and two divestments. These resolutions were each passed on the basis of detailed information.

## **Administrative Board Committees**

In order to optimize processes and coordination within the Administrative Board, the committees listed below were active in the 2020 financial year in accordance with Section 34(4) Sentence 1 of the German SE Implementation Act (SEAG).

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee held two meetings in the 2020 financial year, on March 26 and June 25, 2020. All committee members participated in these meetings.

Topics of deliberations and resolutions on March 26, 2020, were the election of a new committee chair, the recommendations for adoption by the Administrative Board on the amount of the short-term target remuneration of the Managing Directors for 2019, the amount of remuneration from the long-term remuneration component for the period 2017 to 2019, the targets for variable remuneration for the 2020 financial year and the targets for the long-term remuneration component for the period 2020 to 2022, as well as the appointment of a new Managing Director (COO) as of April 1, 2020, and on the extension of an employment contract with a Managing Director.

On June 25, 2020, the Nomination and Remuneration Committee dealt with the allocation of stock options to the Managing Directors, executives and employees of RIB Software SE and its affiliated companies and resolved a recommendation for resolution by the Administrative Board, subject to approval of the 2020 Stock Option Program by the Annual General Meeting and the entry of the revised conditional capital in the Commercial Register in accordance with Article 4(5) of the Articles of Association.

The members of the Nomination and Remuneration Committee during the financial year were:

- Ms Sandy Möser (until February 14, 2020, until then also Chairperson)
- Prof. Dr Rüdiger Grube (Chairman since March 26, 2020)
- Dr Matthias Rumpelhardt
- Mr Klaus Hirschle (February 15 to August 20, 2020)
- Mr Philippe Delorme (since October 14, 2020).

### **Audit Committee**

The Audit Committee held the following consultations in the 2020 financial year:

On March 25, 2020, the committee dealt with the financial statements and the consolidated management report for RIB Software SE and the Group for the 2019 financial year in the presence of the auditor and the Chief Financial Officer. The auditor explained the focal points and the results of their audit in detail. The auditor's report also included the results of the audit of the internal control system and the early risk detection system. As a result, the auditor confirmed that the Administrative Board had taken the measures required under Section 22(3) Sentence 2 SEAG, in particular to establish a monitoring system, in an appropriate manner and that the monitoring system is suitable for the early identification of developments that could jeopardize the continued existence of the company/Group. In addition, against the background of the pending takeover bid by Schneider Electric, the Audit Committee passed a resolution to terminate the ongoing selection process for another auditor for the joint audit of the 2020 consolidated financial statements with BW PARTNER and to propose to the Annual General Meeting that the current auditor be elected for the financial statements as at December 31, 2020.

On November 20, 2020, the auditor provided information on the timing of the audit and the significant changes that have arisen for the course of the audit as a result of the acquisition of the majority of shares by Schneider Electric and the resulting inclusion of the RIB Group in the consolidated financial statements of Schneider as at December 31, 2020.

At the Committee's meeting on December 8, 2020, the focal points of the audit for the 2020 financial statements were discussed and determined and the fee for BW PARTNER's audit services was

decided. In addition, the Committee approved the provision of tax advisory services by the auditor within the meaning of EU Regulation No. 537/2014/Section 319a(3) German Commercial Code (HGB) and increased the budget for this until December 31, 2021.

In addition, conference calls were held to discuss current issues, such as the initiation of the selection process for the 2020 audit on February 06, 2020, and the status of the auditors' work on the company's separate and consolidated financial statements as at December 31, 2019, on February, 10, 2020.

The members of the Audit Committee in the financial year were:

- Dr Matthias Rumpelhardt (Chairman)
- Mr Philippe Delorme (since October 14, 2020)
- Prof. Dr Rüdiger Grube
- Mr Klaus Hirschle (February 15 to August 20, 2020)
- Ms Sandy Möser (until February 14, 2020).

Dr Matthias Rumpelhardt is an independent member of the Administrative Board and has expertise in the fields of accounting and auditing in accordance with Section 107(4) and Section 100(5) AktG.

### **Audit of the annual and consolidated financial statements**

The annual financial statements of RIB Software SE prepared in accordance with the HGB and the IFRS consolidated financial statements as at December 31, 2020, as well as the combined Group management report and management report for the 2020 financial year, including accounting, were audited by the auditors BW PARTNER and issued with unqualified audit opinions on **March 17, 2021**, each of which received an unqualified audit opinion. The auditor confirmed that in its opinion, based on the findings of the audit, the annual financial statements and the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of RIB Software SE and the Group in accordance with the applicable financial reporting framework. Furthermore, the auditor confirmed that the combined management report is consistent with the annual financial statements and the consolidated financial statements and accurately presents the opportunities and risks of future development.

The auditor had been elected by the Annual General Meeting on June 26, 2020 at the proposal of the Administrative Board. In a letter dated May 28, 2020, BW PARTNER had previously confirmed to the Chairman of the Audit Committee that there were no circumstances that could impair its independence as auditor or give rise to doubts about its independence. BW PARTNER also stated the extent to which non-audit services were performed for the company in the previous financial year or are contractually agreed for the following year. It was agreed with the auditor that it would inform the Audit Committee and the Administrative Board without delay of any grounds for disqualification or partiality that arose during the audit as well as of all findings and occurrences of significance for the tasks of the Administrative Board that come to light during the performance of the audit. In addition, it was agreed that the auditor would inform the Administrative Board if facts were discovered during the audit that revealed an inaccuracy in the declaration regarding the German Cooperate Governance Codex (DCGK) issued by the Administrative Board and note this in the audit report.

The Audit Committee and the Administrative Board received the drafts and copies of the financial statement documents and the audit reports for the company and the Group as well as the proposal of the Managing Directors for the appropriation of the net profit with sufficient advance notice to allow a thorough review of all documents. The documents were discussed in detail at the meetings of the Audit Committee on March 23, 2021, and the Administrative Board on March 25, 2021. The auditor reported on the main results of its audit and in particular also addressed the particularly important audit matters (key audit matters) and the respective procedures during the audit. The auditor also provided information on its findings regarding the internal control system and the early risk detection system and was available for additional questions and information. At the meeting of the Administrative Board, the Chairman of the Audit Committee reported in detail on the audit of the annual and consolidated financial statements, the combined Group management report and management report - including the non-financial statement contained therein - as well as on the audit of the proposal for the appropriation of

the net profit by the Audit Committee. He also informed the Administrative Board that there were no indications of possible bias on the part of the auditor and what services were provided by BW PARTNER outside of the audit of the financial statements. In accordance with Article 321(4a) HGB, the auditor confirmed that it had complied with the applicable regulations on independence during the audit. Furthermore, in accordance with Article 6(2)(a) of the EU Statutory Audit Regulation, the auditor has declared that the audit firm, audit partners and members of senior management and the management staff carrying out the statutory audit are independent of the audited entity.

The Administrative Board was able to satisfy itself that the audit was properly conducted by the auditor. It was able to satisfy itself that the audit reports - as well as the audit itself - complied with the legal requirements. The Administrative Board then approved the result of the audit and, since there were no objections to be raised after the final result of its own audit, approved the annual financial statements, the consolidated financial statements and the combined management report for the company and the Group. The annual financial statements of RIB Software SE are thus adopted. On this basis, the Administrative Board endorsed the proposal of the Managing Directors for the appropriation of the net profit as at December 31, 2020. Finally, the Administrative Board adopted the present report to the Annual General Meeting.

## **Dependency Report**

In accordance with the requirements of Section 314 AktG, the Administrative Board also examined the report submitted to it by the Managing Directors pursuant to Section 312 AktG on the relationships of RIB Software SE with affiliated companies (dependency report) for the 2020 financial year. The dependency report was also audited by the auditor and issued with the following audit opinion:

"Having duly examined and assessed the report in accordance with our professional duties, we confirm that the factual statements made in the report are correct and that the consideration paid by the company in respect of the legal transactions listed in the report was not unreasonably high."

The auditor's report on the dependency report was available to all members of the Administrative Board. The Administrative Board raised no objections after its own examination and after discussion by the Audit Committee and the auditor. It noted and approved the results of the auditor's review of the dependency report.

## **Thanks to**

The Administrative Board would like to thank the Managing Directors as well as the Executive Boards and Managing Directors of the subsidiaries and all employees of the RIB Group worldwide for their dedicated and very successful work in the past financial year.

Stuttgart, March 25, 2021

For the Administrative Board

Tom Wolf  
Chairman