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# P R E S S R E L E A S E

## Ctac continues growth in second quarter Net result up by more than 7% in the first half of 2016

's-Hertogenbosch (the Netherlands) - 12 August 2016 – ICT Solution Provider Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today announces its results for the first half of 2016.

### Key figures<sup>1</sup>

€ million (unless otherwise stated)	<b>H1 16</b>	<b>H1 15</b>	<b>Q2 16</b>	<b>Q2 15</b>	<b>Q1 16</b>	<b>Q1 15</b>
Turnover	42.6	41.1	21.4	20.4	21.2	20.7
Operating result	1.1	1.1	0.5	0.6	0.6	0.5
Net result (attributable to group shareholders)	0.7	0.7	0.3	0.3	0.4	0.4
Net earnings per share (€)	0.06	0.05				
Employees at end-June (headcount)	465	442*				

\* excluding 30 IFS Probit employees

### Highlights first half

- Turnover up € 1.5 million, or 3.6%, at € 42.6 million
- Organic turnover growth 12.0% (after correction for the elimination of the turnover from IFS Probit in the first half of 2015)
- Total operating result remained stable at € 1.1 million
- After elimination of the operating result of Ctac France (H1 2016: loss of € 1.0 million; H1 2015: loss of € 0.6 million), the operating result in the core countries, the Netherlands and Belgium, rose to € 2.1 million in the first half of 2016, from € 1.7 million in the first half of 2015
- Net result (not rounded off) increased by 7.0% to € 0.7 million (to € 730,000 from € 681,000)
- Forecast unchanged: Barring unforeseen exogenous circumstances, Ctac expects to record a higher full-year result for 2016 than in 2015.

### **Henny Hilgerdenaar, CEO of Ctac:**

*"The relatively good start in the first quarter of the year was continued in the second quarter of 2016. Corrected for IFS Probit, which we sold in January 2016, organic turnover growth at group level came in at 12% in the first half of 2016.*

<sup>1</sup> Ctac sold its entire interest (59.8%) in IFS Probit on 4 January 2016. The sale was effective as from 1 January 2016 and was realised at net asset value. The key figures for the comparable period of 2015 have not been adjusted to take this into account.

*In the Netherlands, we recorded clear growth when compared to the first half of 2015. The Cloud activities saw particularly strong growth, but Consultancy and Resourcing activities also contributed to the total turnover growth of 3.6% (organic 12%) to € 42.6 million. We expect to see a continuation of these positive developments in the second half of 2016.*

*Ctac also recorded growth in Belgium, where turnover came in 1% higher at € 7.2 million in the first half of 2016. In addition, we managed to turn the loss recorded in the first half of 2015 into a modest profit of € 20,000. In Belgium, too, we expect the upward trend to continue in the second half of the year.*

*The group's total operating result remained stable at € 1.1 million. The improved performance in the Netherlands and Belgium was offset by disappointing results on a previously reported project in France that is now nearing technical completion. The wording of the legal scope of the agreements reached proved insufficiently clear in the contract, which necessitated substantial extra work that will be unpaid for the time being. Ctac expects the legal aftermath to take some time to resolve.*

*Based on the size and quality of the order portfolio, we maintain our previously expressed forecast to the effect that, barring unforeseen exogenous circumstances, we expect the result for 2016 to exceed the result we recorded in 2015."*

## **Financial developments**

### **CONSOLIDATED PROFIT AND LOSS ACCOUNT**

#### Turnover and gross margin

Turnover in the first half of 2016 came in at € 42.6 million, up € 1.5 million or 3.6% from the € 41.1 million recorded in the first half of 2015.

#### Turnover per division and per segment

(in € million)

	<b>2016 HY1</b>	<b>2015 HY1</b>
Netherlands		
Ctac Cloud Services	18.8	18.3
Ctac Consulting	19.4	19.2
Ctac Resourcing	8.4	8.3
Belgium	7.2	7.1
Other activities / eliminations	-11.2	-11.8
<b>Total</b>	<b>42.6</b>	<b>41.1</b>

Due to the fact that the increase in turnover was largely offset by an increase in the hiring of external staff, including for the projects in France, the gross margin fell by € 0.3 million, or 1.1%, to € 28.5 million.

#### Operating expenses

Operating expenses came in at € 27.4 million in the first half of 2016, down € 0.3 million, or 1.0%, compared with € 27.7 million in the same period of 2015. Personnel costs fell by € 0.6 million to € 19.7 million in the first half of 2016, from € 20.3 million in the year-earlier period. Other operating costs rose by € 0.4 million to € 7.1 million, from € 6.7 million in the year-earlier period.

### Operating result

The operating result remained unchanged at € 1.1 million in the first half of 2016, partly due to the loss-making project in France.

### Net result

The financial income and expenses and the tax rate all came in slightly lower in the first half. As a result, net profit (attributable to group shareholders) came in at € 0.7 million (€ 730,000) in the first half of 2016, compared with € 0.7 million (€ 681,000) in the first half of 2015, an increase of 7%.

This translates into net earnings per ordinary outstanding share of around € 0.06, based on the weighted average number of 12,515,497 outstanding ordinary shares.

### **BALANCE SHEET**

The balance sheet total has dropped to € 39.5 million at 30 June 2016, from € 40.4 million at 31 December 2015. On the asset side, this decline was due primarily to the sale of Ctac's shares in IFS Probit, together with a seasonal increase in trade and other receivables.

Net bank debt had increased to € 5.3 million at 30 June 2016, up € 2.6 million from € 2.7 million at 31 December 2015. Earn-out obligations had declined to € 0.8 million at 30 June 2016, from € 1.0 million at 31 December 2015. The solvency ratio improved to 34.3%, compared with 33.7% at year-end 2015.

### **CASH FLOW**

Net cash flow in the first half of 2016 came in at minus € 2.6 million, compared with minus € 1.4 million in the first half of 2015, as a result of regular seasonal patterns (holiday and bonus payments in May), dividend and investments. Ctac expects net cash flow for the full year 2016 to be positive.

### **DIVIDEND POLICY**

In response to specific requests made during the General Meeting of Shareholders on 11 May 2016, Ctac has decided to adapt its dividend policy and to presume any dividend payments in the future will be optional.

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## **About Ctac**

As an innovative Total Solution Provider, Ctac helps customers realize their ambitions. We do so by developing and implementing industry-focused solutions that fully address customer's needs and business processes in various markets. With a passion for technology and a sharp eye for business processes, we work at the crossroads of business and ICT on a daily basis. Our industry-focused solutions for among others retail, wholesale, manufacturing, real estate and professional services are being developed in close cooperation with our customers. We complement our industry-specific composed solutions with a comprehensive range of services, varying from business consultancy to cloud services and software development, mobility and in-memory computing. For this, we always take a professional approach, with an innovative angle and a focus on transparent personal contact.

Ctac is listed at Euronext Amsterdam (ticker: CTAC). As per end of June 2016, Ctac employs a staff of 465. The head office is located in 's-Hertogenbosch, the Netherlands. Ctac is also active in Belgium and France. For more information: [www.ctac.nl](http://www.ctac.nl).

## **For more information:**

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## **Financial agenda**

3 November 2016 : Publication trading update Q3 2016

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## **Addenda:**

Condensed consolidated profit & loss account  
Condensed consolidated balance sheet  
Condensed consolidated cash flow statement  
Condensed consolidated statement of changes in equity  
Segmented results per country  
Segmented results per product group  
Notes to the consolidated half year report

**CONDENSED CONSOLIDATED PROFIT & LOSS ACCOUNT**  
(\* EURO 000)

	<b>1st half 2016</b>	<b>1st half 2015</b>
Net turnover	42,623	41,145
Purchase value of turnover	<u>-14,140</u>	<u>-12,337</u>
Gross margin	28,483	28,808
Personnel costs	19,716	20,295
Depreciation and amortization	585	749
Other operating costs	<u>7,122</u>	<u>6,687</u>
	27,423	27,731
OPERATING RESULT	1,060	1,077
FINANCIAL INCOME AND EXPENSE	-43	-102
RESULT FROM ORDINARY OPERATIONS BEFORE TAXES	1,017	975
Taxes	-284	-293
NET RESULT	733	682
Third party share	-3	-1
Net result attributable to shareholders	<u>730</u>	<u>681</u>
	=====	=====

CONDENSED CONSOLIDATED BALANCE SHEET  
(\* EURO 000)

	30-Jun 2016	31-Dec 2015
<b>ASSETS</b>	-----	-----
<b>FIXED ASSETS</b>		
Intangible fixed assets	14,677	14,791
Tangible fixed assets	2,320	2,633
Deferred tax assets	596	596
	17,593	18,020
<b>CURRENT ASSETS</b>		
Trade receivables and other receivables	21,671	20,647
Assets Held for Sale		1,616
Cash and cash equivalents	263	84
	21,934	22,347
	39,527	40,367
	=====	=====
<b>LIABILITIES</b>		
<b>GROUP EQUITY</b>	13,565	13,586
Third party share	24	438
<b>LONG-TERM LIABILITIES</b>		
Bank debt	-	-
Other liabilities	572	769
Deferred tax liabilities	282	102
	854	871
<b>SHORT-TERM LIABILITIES</b>		
Bank debt	5,523	2,777
Provisions	661	371
Trade creditors and other liabilities	17,791	20,925
Corporate income tax to be paid	1,109	971
Liabilities Held for Sale	-	428
	25,084	25,472
	39,527	40,367
	=====	=====

**CONDENSED CONSOLIDATED CASHFLOW STATEMENT 2016 (1st HALF)**
**According to indirect method**
**(^ EURO 000)**

	<b>1st half 2016</b>	<b>1st half 2015</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	-----	-----
Investments in tangible fixed assets	-157	-777
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<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	-157	-777
Paid earn-out obligations	-242	-467
Dividend third parties	-	-3
Divestment subsidiaries	-416	
Repayments / withdrawals of long term bank debt	-	-31
Dividend	-751	
	-----	-----
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	-1,409	-501
<b>NET CASH FLOW</b>	-2,566	-1,448
	=====	=====
Net balance of cash and cash equivalents as per 1 January	-2,694	-3,144
Net balance of cash and cash equivalents as per 30 June	-5,260	-4,592
	-----	-----
	-2,566	-1,448
	=====	=====

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
("EURO 000)

	<b>Issued share capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Undivided profit</b>	<b>Total</b>
<b>Balance per 1 January 2016</b>	3,004	11,795	-3,572	2,359	13,586
Net result 2015			1,608	-1,608	-
Dividend	-	-	-	-751	-751
Net result 2016 HY1				730	730
<b>Balance per 30 June 2016</b>	<b>3,004</b>	<b>11,795</b>	<b>-1,964</b>	<b>730</b>	<b>13,565</b>
	<b>Issued share capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Undivided profit</b>	<b>Total</b>
<b>Balance per 1 January 2015</b>	3,004	11,795	-3,572	-	11,227
Net result				681	681
Issue of shares	-	-	-		-
<b>Balance per 30 June 2015</b>	<b>3,004</b>	<b>11,795</b>	<b>-3,572</b>	<b>681</b>	<b>11,908</b>

**SEGMENTED RESULTS PER COUNTRY**  
(\* EURO 000)

<b>1st half 2016</b>	<b>NETHERLANDS</b>	<b>BELGIUM</b>	<b>OTHER</b>	<b>Elimination</b>	<b>CONSOLIDATED</b>
Turnover	41,239	7,226	667	-6,509	42,623
Operating result	2,054	22	-1,016		1,060
Financial income and expense	-42	-2	1		-43
Results before taxes	2,012	20	-1,015		1,017
 <b>1st half 2015</b>	 <b>NETHERLANDS</b>	 <b>BELGIUM</b>	 <b>OTHER</b>	 <b>Elimination</b>	 <b>CONSOLIDATED</b>
Turnover	35,681	7,151	964	-2,651	41,145
Operating result	1,481	-163	-241		1,077
Financial income and expense	-55	-10	-37		-102
Results before taxes	1,426	-173	-278		975

**SEGMENTED RESULTS PER PRODUCT GROUP**

(\* EURO 000)

	1st half 2016				1st half 2015			
	Turnover	Purchase value	Gross margin	%	Turnover	Purchase value	Gross margin	%
	37,205	-10,893	26,312	70.7	35,544	-8,851	26,693	75.1
Consultancy & Hosting	1,348	-585	763	56.6	1,598	-940	658	41.2
Software	4,070	-2,662	1,408	34.6	4,003	-2,546	1,457	36.4
Maintenance contracts	42,623	-14,140	28,483	66.8	41,145	-12,337	28,808	70.0
	=====	=====	=====		=====	=====	=====	

## NOTES TO THE CONSOLIDATED HALF YEAR REPORT

### *General information about Ctac*

Ctac N.V. is a limited company, established and situated in the Netherlands, with its head offices and statutory seat at Meerendonk 11 5216 TZ in 's Hertogenbosch (the Netherlands). The consolidated first-half year report comprises the company and all its subsidiaries (together referred to as "Ctac").

The group financial year follows the calendar year. The consolidated half year results for the first 6 months, ending 30 June 2016, were approved for publication by both the Executive Board and the Supervisory Board on 10 August 2016.

### *Statement of compliance*

This consolidated half year report regarding the first 6 months of the year, ending 30 June 2016, was prepared in line with IAS 34 "Interim financial reporting" and does not comprise all information and explanatory notes required for drawing up full annual accounts. The consolidated half year report should be viewed in combination with the consolidated annual accounts for 2015, which were drawn up in accordance with IFRS as accepted within the European Union.

### *Accounting principles (condensed)*

The accounting principles for financial reporting as applied in this half year report and the calculation methods used are the same as those in the consolidated accounts for the 2015 financial year.

The impact of the difference in numbers of working days between the quarters, means that the company's activities have a slightly seasonal character, which is mainly reflected in turnover from consultancy activities.

### *Impairment test*

Ctac conducts an impairment test once a year in February. The realized results over the first half year and the expectations for the development of results do not give cause for a second impairment test within the year.

### *Risk profile*

Ctac identifies various financial risks, such as market risk, credit risk and liquidity risk. The general risk management within Ctac, steered from the Executive Board, extends further to a broader field than financial risks. For a more detailed explanation of this subject, see the risk section of the 2015 annual accounts. Risk management focuses on identifying and cataloguing the most significant risks and the management of same on the basis of guidelines, procedures, systems, best practises, checks and audits.

The most important current risk is the impact of the general economic economy climate on opportunities and the willingness of our (potential) clients to invest in their IT environment. In this respect, a lot of attention is devoted to limiting the risk related to non-collectable receivables.

### *Related parties*

Parties related to Ctac include the group companies, the members of the Supervisory Board and the members of the Executive Board. Transactions with related parties are conducted on a professional basis.

*"Forward looking statement"*

The half year report contains information, as required by articles 5:59 in juxtaposition with 5:53, 5:25d and 5:25w of the Act on Financial Supervision (Wet op Financieel Toezicht). Forward looking statements, which could form a part of this report refer to future events and can be expressed in a variety of ways.

Ctac has based these forward looking statements on its current expectations and projections with respect to future events. Ctac's expectations and projections could change and Ctac's actual results could differ from the results indicated or implied by these forward looking statements, as a result of the potential risks and uncertainties and other significant factors which Ctac can neither control, nor predict, and certain risks and uncertainties outside Ctac's sphere of influence.

Due to these uncertainties, Ctac cannot with any certainty predict its future results and/or financial position.

*Statement by the Executive Board*

The Executive Board of Ctac declares, in accordance with the requirements of article 5:25d of the Act on Financial Supervision, that to the best of its knowledge:

'the consolidated half year report gives a true picture of the assets, liabilities and the financial position as per 30 June 2016 and of the result of our consolidated activities in the first half of 2016 and those of the businesses included in the consolidation'; and 'that the consolidated half year report gives a true picture of the financial position as per 30 June 2016, of the course of events in the first half of 2016 within the company and in the businesses included in the consolidation, and of the expected risks and developments in the remaining months of 2016.'

's-Hertogenbosch (the Netherlands), 12 August 2016

Henny Hilgerdenaar - CEO  
Douwe van der Werf - CFO