

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

Ctac continues upward line in first half of 2018 Turnover rises by 4.8% and net profit by 12.0%

's-Hertogenbosch, 9 August 2018 – Business & Cloud Integrator Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today announces its results for the first half of 2018.

Key figures

€ mln (unless stated otherwise)	H1 18	H1 17		Q2 18	Q2 17		Q1 18	Q1 17
Turnover	42.4	40.5		21.1	19.7		21.3	20.7
Operating result	1.2	1.1		0.5	0.5		0.7	0.6
Net profit (attributable to group shareholders)	0.9	0.8		0.4	0.4		0.5	0.5

Net earnings per share (€)	0.07	0.07
Employees at end-June (hc)	449	452

Highlights first half

- Turnover rises by € 2.0 mln or 4.8% to € 42.4 mln
- Operating result comes in 6.7% higher at € 1.2 mln; (H1 2018: € 1,202,000; H1 2017: € 1,127,000)
- Net profit up by 12.0% at € 0.9 mln (H1 2018: € 944,000; H1 2017: € 843,000)
- Investments in new IP products: € 0.9 mln; development is on track
- Ctac reiterates its forecast: Barring exceptional exogenous circumstances and on the basis of the size and quality of the order book, Ctac expects its full-year result in 2018 to be higher than in 2017.

Henny Hilgerdenaar, Ctac CEO:

"The positive developments that were already visible in the first quarter continued in the second quarter. This resulted in 5% higher turnover and 12% more profit in the first half of 2018.

In the Netherlands, which accounts for the majority of our group's activities, consultancy and cloud services and resourcing activities all contributed to the growth in both turnover and profit. The development of two IP products, a cloud solution for real estate and a cash register solution for retail is on track. This applies to both the timing and the scale of the costs incurred and capitalised, which amounted to € 0.9 million in the first half of the year. The secondary effects of this capitalisation are a missed margin of € 0.2 million, extra costs of € 0.2 million and ultimately missed turnover of € 1.3 million. Ctac expects these products to make their first contribution to turnover and result at the end of this year or early next year.

Turnover was also up in Belgium in the first half of 2018. The result was slightly negative as a result of high pre-sale costs and a deferred one-off expense. The pre-sale costs have since resulted in a substantial contract, which is due to commence in September.

In France, where we focus exclusively on bodyshopping and licence sales, we recorded higher turnover and sharply reduced losses. Our results in France are improving by the month. A legal case related to a project halted in 2016 continues to progress extremely slowly.

On the basis of the size and quality of our order book and barring exceptional exogenous circumstances, Ctac expects its result in the second half of 2018 to be higher than in the second half of 2017."

Financial developments

PROFIT AND LOSS ACCOUNT

Turnover and gross margin

Turnover rose by € 2.0 mln, or 4.8%, to € 42.4 mln in the first half of 2018, from € 40.5 mln in the first half of 2017.

Turnover per division and per segment (in € mln)

	H1 18	H1 17
The Netherlands		
Ctac Cloud Services	16.6	15,7
Ctac Consulting	13.3	12.9
Ctac Resourcing	6.7	6.5
Belgium	7.4	7.0
Other activities /eliminations	-1.6	-1.6
Total	42.4	40.5

The related margin increased by 3.6% to € 29.3 mln in the first half of 2018, from € 28.3 mln in the first half of 2017.

Operating expenses

Operating expenses rose by € 0.9 mln, or 3.5%, to € 28.1 mln in the first half of 2018, compared with € 27.1 mln in the year-earlier period, largely due to a € 0.8 mln increase in personnel costs.

Operating result

The operating result came in 6.7% higher at € 1.2 mln in the first half of 2018 (H1 2018: € 1,202,000; H1 2017: € 1,127,000).

Net profit

Both financial income and expenses, as well as the tax rate, were slightly lower in the first half of 2018. As a result, net profit (attributable to group shareholders) came in at € 0.9 mln (€ 944,000), compared with € 0.8 mln (€ 843,000) in the first half of 2017, which constitutes a rise of 12.0%.

Based on an average of 12,706,126 ordinary issued shares, this translates into net earnings of around € 0.07 per ordinary share.

BALANCE SHEET

Ctac's balance sheet total had increased by € 1.7 mln to € 41.3 mln as at 30 June 2018, from € 39.6 mln as at 31 December 2017, largely due to the capitalisation of € 0.9 mln in IP costs and the € 1.0 mln seasonal increase in accounts receivable.

In line with normal seasonal patterns, net bank debt increased by € 1.7 mln compared with 31 December 2017. This increase was completely due to the payment of holiday pay, bonuses, a cash dividend and earn-out obligations in the second quarter. The development of the IP products also had a negative impact on Ctac's bank balance.

The solvency ratio (Equity / Balance sheet total) remained virtually unchanged at 44%.

Ctac made an (optional) dividend of € 0.08 per share available for the financial year 2017 (FY 2016: € 0.07 per share). Ctac eventually paid out € 500,000 to shareholders and its number of outstanding ordinary shares increased by 151,434 shares to 12,807,082 shares.

NET CASH FLOW

Ctac recorded net cash flow of minus € 1.7 mln in the first half of 2018 (first half of 2017: minus € 4.3 mln), as a result of regular seasonal patterns and the IP product development. Ctac expects net cash flow to be positive for the full year 2018.

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Over Ctac

As a Business & Cloud Integrator, Ctac helps customers realise their ambitions. Ctac creates the required business value through constant innovation. Ctac offers a broad portfolio of solutions from SAP and Microsoft on any cloud and provides services in the fields of business consultancy, managed services, projects, learning and secondment. Ctac also has a number of its own products, including the XV Retail Suite, which consists of an omni-channel-driven Point-of-Sale & Loyalty platform. Ctac exists 26 years in 2018 and in this period has built up extensive experience and material know-how in the retail, wholesale, manufacturing and real estate sectors.

The organisation has a well-balanced workforce in terms of age, expertise and experience. The company sees working together to realise common goals as a high priority. Ctac is listed on the Euronext Amsterdam stock exchange (ticker: CTAC) and its head office is located in 's-Hertogenbosch, the Netherlands. As per end of June 2018, Ctac had 449 employees. Ctac is also active in Belgium and France. You will find more information at: www.ctac.nl.

For more information:

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Financial agenda:

8 November 2018: Publication of press release on results third quarter 2018

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Addenda:

Condensed consolidated profit and loss account
Condensed consolidated balance sheet
Condensed consolidated cash flow statement (H1)
Condensed consolidated statement of changes in equity
Segment results per country
Segment results per product group
Notes to the consolidated interim report

CONDENSED CONSOLIDATED PROFIT & LOSS ACCOUNT
(* EURO 000)

	1st half 2018	1st half 2017
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Net turnover	42,438	40,479
Purchase value of turnover	<u>-13,166</u>	<u>-12,229</u>
Gross margin	29,272	28,250
Personnel costs	20,421	19,575
Depreciation and amortization	462	525
Other operating costs	<u>7,187</u>	<u>7,023</u>
	28,070	27,123
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OPERATING RESULT	1,202	1,127
FINANCIAL INCOME AND EXPENSE	-50	-77
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RESULT FROM ORDINARY OPERATIONS BEFORE TAXES	1,152	1,050
Taxes	-208	-207
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NET RESULT	944	843
Third party share	-	-
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Net result attributable to shareholders	944	843
	=====	=====

CONDENSED CONSOLIDATED BALANCE SHEET
(* EURO 000)

	30-jun 2018	31-dec 2017
ASSETS		
FIXED ASSETS		
Intangible fixed assets	16,898	16,048
Tangible fixed assets	1,602	1,760
Deferred tax assets	70	70
	<u>1,198</u>	<u>1,147</u>
CURRENT ASSETS	19,768	19,025
Trade receivables and other receivables	21,549	20,593
Cash and cash equivalents	<u>1</u>	<u>-</u>
	21,550	20,593
	<u>41,318</u>	<u>39,618</u>
	=====	=====
LIABILITIES		
GROUP EQUITY	18,325	17,881
Third party share	20	20
LONG-TERM LIABILITIES		
Bank debt	-	-
Other liabilities	675	781
Deferred tax liabilities	<u>163</u>	<u>202</u>
	838	983
SHORT-TERM LIABILITIES		
Bank debt	3,888	2,159
Provisions	364	197
Trade creditors and other liabilities	17,706	18,125
Corporate income tax to be paid	<u>177</u>	<u>253</u>
	22,135	20,734
	<u>41,318</u>	<u>39,618</u>
	=====	=====

CONDENSED CONSOLIDATED CASHFLOW STATEMENT 2018 (1st HALF)

According to indirect method

(* EURO 000)

	1st half 2018	1st half 2017
CASH FLOW FROM OPERATING ACTIVITIES	201	-2,935
Investments in (in-)tangible fixed assets	-1,155	-663
CASH FLOW FROM INVESTING ACTIVITIES	-1,155	-663
Paid earn out obligations	-274	-301
Dividend third parties	-	-2
Divestment subsidiaries	-	-
Dividend	-500	-364
CASH FLOW FROM FINANCING ACTIVITIES	-774	-667
NET CASH FLOW	-1,728	-4,265
	=====	=====
Net balance of cash and cash equivalents as per 1 January	-2,159	-1,687
Net balance of cash and cash equivalents as per 30 June	-3,887	-5,952
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	-1,728	-4,265
	=====	=====

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

	Issued share capital	Share premium	Other reserves	Undivided profit	Total
Balance per 1 January 2018	3,037	11,762	282	2,800	17,881
Net result 2017			2,300	-2,300	-
Dividend	37	-37	-	-500	-500
Net result 2018 HY1				944	944
Balance per 30 June 2018	3,074	11,725	2,582	944	18,325
	Issued share capital	Share premium	Other reserves	Undivided profit	Total
Balance per 1 January 2017	3,004	11,795	-1,964	2,610	15,445
Net result 2016			2,246	-2,246	-
Dividend	33	-33	-	-364	-364
Net result 2017 HY1				843	843
Balance per 30 June 2017	3,037	11,762	282	843	15,924

SEGMENTED RESULTS PER COUNTRY
(* EURO 000)

1st half 2018	NETHERLANDS	BELGIUM	OTHER	Elimination	CONSOLIDATED
Turnover	37,628	7,375	384	-2,949	42,438
Operating result	1,688	-196	-290	-	1,202
Financial income and expense	-33	-19	2		-50
Results before taxes	1,655	-215	-288		1,152

1st half 2017	NETHERLANDS	BELGIUM	OTHER	Elimination	CONSOLIDATED
Turnover	36,140	6,972	108	-2,741	40,479
Operating result	1,578	38	-489	-	1,127
Financial income and expense	-28	-19	-30		-77
Results before taxes	1,550	19	-519		1,050

SEGMENTED RESULTS PER PRODUCT GROUP
 (* EURO 000)

	1st half 2018				1st half 2017			
	Turnover	Purchase value	Gross margin	%	Turnover	Purchase value	Gross margin	%
Consultancy & Hosting	36,122	-9,467	26,655	73.8	34,720	-8,771	25,949	74.7
Software	1,614	-890	724	44.9	1,482	-836	646	43.6
Maintenance contracts	4,702	-2,809	1,893	40.3	4,277	-2,622	1,655	38.7
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	42,438	-13,166	29,272	69.0	40,479	-12,229	28,250	69.8
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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 2018, were approved for publication by both the Executive Board and the Supervisory Board on 3 August 2018.

Statement of compliance

This consolidated half year report regarding the first 6 months of the year, ending 30 June 2018, 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 2017, 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 2017 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 2017 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 2018 and of the result of our consolidated activities in the first half of 2018 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 2018, of the course of events in the first half of 2018 within the company and in the businesses included in the consolidation, and of the expected risks and developments in the remaining months of 2018.

's-Hertogenbosch (the Netherlands), 9 August 2018

Henny Hilgerdenaar - CEO
Douwe van der Werf - CFO