

## PRESS RELEASE

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## HALF YEAR RESULTS 2019 ICT GROUP

### FIRST HALF YEAR 2019: Strong revenue and EBITDA growth

*International expansion and strengthened position in Smarter Cities mark important steps in strategic roadmap*

#### Highlights H1 2019

- Revenue came in at € 79.8 million, an increase of 31%, organic growth was 9%
- EBITDA increased to € 8.8 million including IFRS 16 effects. Pre-IFRS 16 EBITDA increased 27% to € 6.4 million (H1 2018: € 5.1 million)
- Underlying net profit amounted to € 1.9 million, up 24% compared to H1 2018
- Acquisition of Additude marks international expansion into Sweden
- Mobility as a Service strengthened with acquisition of BNV Mobility
- Letter of intent signed to acquire Proficium to strengthen position of ICT in Smarter Cities
- Outlook 2019: ICT expects further growth in revenue and EBITDA in the second half of 2019 compared to the first half of 2019

#### Key figures\*

	Post-IFRS 16	Pre-IFRS 16		
(in millions of €)	H1 2019	H1 2019	H1 2018	Change
Revenue	79.8	79.8	60.9	31%
Revenue Added Value	65.9	65.9	54.5	21%
EBITDA	8.8	6.4	5.1	27%
Amortisation / depreciation	5.7	3.3	2.3	46%
One-off accounting gains (**)	0.7	0.7	4.1	-83%
Net profit (**)	2.5	2.5	5.7	-55%
Underlying net profit	1.9	1.9	1.5	24%
Earnings per share (***) (in €)	0.27	0.27	0.59	-54%

(\*) Unaudited half-year results

(\*\*) In H1 2019: one-off accounting gain of € 0.7 million following the revaluation of ICT's stake in GreenFlux (second round) and in H1 2018: one-off accounting gains of € 4.1 million related to the acquisition of the remaining 50% stake in InTraffic (€ 3.5 million) and the revaluation of ICT's stake in GreenFlux (€ 0.6 million)

(\*\*\*) Based on reported net profit and the average number of outstanding ordinary shares.

#### Jos Blejje, CEO of ICT Group N.V.:

"In the first half of 2019 ICT Group showed strong revenue growth, on the back of both acquisitions and robust organic growth. The latter was in particular driven by the strong demand in the High Tech and Automotive sectors. Moreover, with the international expansion, the growth in our nearshoring capabilities and the strengthening of our market position in Infra & Mobility, we are well underway in delivering on our strategic agenda. Our efforts are clearly valued by our business partners, as demonstrated by various awards we received from a number of our key partners in the past months."

## Strategy update

On 23 January 2019 ICT completed the acquisition of Additude. In line with ICT's strategic direction to expand business into new geographies, ICT foresees Additude to become the platform for the Northern European market offering high-profile industrial technology consulting services. The integration of Additude is ongoing and on schedule. The first cross selling opportunities are being explored.

On 27 March 2019 ICT completed the purchase of 65% of the shares of BNV Mobility, one of the leading Smart Mobility Services firms in the Netherlands with a software MaaS solution. The remaining 35% shares have been acquired in July 2019. Acquiring BNV is a logical next step for ICT to accelerate its position in the Mobility as a Service (MaaS) market. ICT will continue to invest in the enhancements and expansion of the BNV developed MaaS system.

In June 2019 ICT signed a letter of intent to acquire 100% of the shares of Proficium, a fast growing company delivering consultancy services and secondment in the Public Infrastructure market. With this acquisition ICT will further strengthen its position in engineering and consultancy in Smarter Cities.

Furthermore, as agreed at the time of acquisition, ICT purchased the remaining 49% of the shares in BMA in June 2019. Following the acquisition of BMA as a whole, the various health activities within the ICT group will be integrated into one Healthcare Technology unit by the end of this year.

To further increase its nearshoring position in Bulgaria, ICT recently acquired Kodar, a start-up closely collaborating with the University of Plovdiv, thereby expanding its access to technical talents in the second largest city of Bulgaria.

## Personnel

At 30 June 2019, ICT Group employs 1,412 people (1,290 FTEs), around 10% higher than at year-end 2018. The acquisitions and successful recruitment campaigns worldwide have contributed to this growth. This also results in one of every two recruits being non-Dutch, evolving the total personnel profile into a more international mix of around 40% being non-Dutch.

## Notes to the results

### Performance ICT Group

In the first half of 2019 ICT Group's revenue came in at € 79.8 million, up 31% compared to € 60.9 million reported in H1 2018. Organically revenue increased by 9%. This was mainly driven by strong demand in the High Tech and Automotive sector. This organic growth partly excludes InTraffic (acquired and consolidated in April 2018), Additude (acquired in January 2019 and consolidated as of February 2019) and BNV Mobility (acquired in March 2019 and consolidated as of April 2019).

Personnel costs increased significantly to € 46.4 million (H1 2018: € 37.4 million), primarily because of the increase in FTE's and salary increases.

Other operating expenses increased from € 12.1 million in H1 2018 to € 13.0 million in the first half of 2019 (post-IFRS 16: € 10.6 million), mainly because of the recent acquisitions and additional outlays in new business development and recruitment. The costs related to strategic initiatives and the realisation of acquisitions and partnerships in H1 2019 was at a high level amounting to € 0.5 million (H1 2018: € 0.1 million). In 2018, following the acquisition of InTraffic, one-off costs of € 0.8 million were incurred as contract termination fees.

For the first six months of 2019 EBITDA increased to € 6.4 million (post-IFRS 16: € 8.8 million), compared to € 5.1 million in the comparable period in 2018. The EBITDA margin decreased to 8.0% (H1 2018: 8.3%).

## IFRS 16

IFRS 16 'Leases' is effective as of 1 January 2019. Under this new IFRS standard an asset, which is the right to use the leased item, and a financial liability, being the present value of future lease payments to be made, are recognised. Consequently, IFRS 16 leads to a shift from operating lease costs to depreciation and amortisation and financial expenses. In H1 2019 IFRS 16 had an effect of € 2.4 million on EBITDA and an equal and opposite impact on depreciation and amortisation.

## Performance per segment

### Change in segmentation

Since 1 January 2019 ICT changed its reporting segments in line with the new reporting structure. The activities in the Netherlands are segmented along the end-markets: Engineering R&D, Industrial Automation (including Raster IA), Infra & Mobility (including InTraffic, BNV, and NedMobiel) and Healthcare Technology Solutions (including BMA). In addition, Bulgaria and Sweden are separate segments. The segment Other includes Improve, OrangeNXT, ICT Belgium, CIS Solutions, ICT Motar and holding costs.

Per segment (in € millions)	Post-IFRS 16		Pre-IFRS 16					
	H1 2019		H1 2019		H1 2018		Δ	
	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA	Revenue	
Engineering R&D	21.2	3.4	21.2	2.9	18.6	2.5		14%
Industrial Automation	19.0	2.9	19.0	2.5	17.2	1.5		11%
Infra & Mobility	21.8	2.1	21.8	1.6	16.7	1.1		31%
Healthcare Techn.	5.3	0.3	5.3	0.1	5.0	-0.1		7%
Bulgaria	5.7	1.1	5.7	1.0	4.8	0.9		17%
Sweden	7.6	0.4	7.6	0.3	0.0	0.0		
Other	5.9	-1.5	5.9	-2.0	3.8	-0.8		54%
Eliminations	-6.7	0.0	-6.7	0.0	-5.2			
	79.8	8.8	79.8	6.4	60.9	5.1		31%

### Engineering R&D

In this segment, ICT is active in the R&D of the industrial sectors Automotive, High Tech and Machine Building.

In the first six months this segment benefited from the high demand in the Automotive industry. Despite this strong performance, we anticipate that the high growth levels will start levelling off in the second half of the year.

### Industrial Automation

In the segment Industrial Automation Logistics & Transport, Industry and Outsourced services are the key markets for ICT. In the first half ICT divested Raster Products. Raster Industrial Automation remains part of the ICT Group.

The segment showed a strong performance, to which all units contributed. EBITDA increased significantly following improved productivity and project results. Furthermore Raster received the highest partnership award of Schneider Electric and was accepted at the Master Level of the Schneider Electric Alliance Program. Raster is one of only two European preferred partners within this Program.

### Infra & Mobility

In the public domain ICT focuses on services around capital assets in the area of Water, Energy, Road and Rail infrastructure as well as Mobility. InTraffic is fully consolidated in this first half year and improved its margin to the ICT Group target level in the course of the first six months of 2019.

## Healthcare Technology

Although the addressable healthcare market stagnates, BMA's performance improved compared to last year, driven by increased sales of foetal heart monitors. The integration of the different activities into one ICT Healthcare entity, aimed at strengthening the total Healthcare offering, started in the first half of the year and should be completed before the end of the year.

## Bulgaria

ICT's nearshoring entity Strypes reported a considerable increase in revenue in the first six months of 2019. EBITDA grew at a somewhat lower pace due to one-off additional investments in sales and marketing and the costs related to the acquisition of Kodar. With the acquisition of Kodar, a start-up collaborating closely with the University of Plovdiv, ICT has expanded to the second largest city of Bulgaria.

## Sweden

With the acquisition of Additude in February this year, ICT expanded to Sweden. Additude continued its strong growth, in line with expectations. The tight labour market is impacting the margins as Additude hired a higher number of temporary staff than usual. The integration into the ICT Group is ongoing and on schedule. Cross selling opportunities are being exploited.

The segment 'Other' includes a number of small entities as well as the holding costs of the group. Improve performed in line with last year and was listed in the top 3 of best IT trainers in the Netherlands, published by Enigma Research. OrangeNXT, ICT's Software as a Service engine, showed strong revenue growth over last year, driven by ICT's proprietary products developed over the last few years. Furthermore, OrangeNXT was awarded Country Partner of the year 2019 by Microsoft Netherlands.

## Other financial information

ICT has attributed a value to and is amortising several intangible assets, including order backlog, software and customer relations of its acquisitions. The amortisation for Additude in the first half of 2019 amounted to € 0.5 million. Total amortisation in the first half of 2019 (pre-IFRS) amounted to € 2.6 million (H1 2018: € 1.8 million). Depreciation (pre-IFRS) for the first half of 2019 amounted to € 0.7 million (H1 2018: € 0.5 million).

The result from associates amounted to a loss of € 0.3 million (H1 2018: € 0.2 million loss), mainly attributable to GreenFlux which is, as expected, still loss-making.

Financing expenses came in at € 0.5 million in the first six months of 2019, similar to the comparable period in 2018.

Taxes in the first half of 2019 amounted to € 0.5 million compared with € 0.7 million in the first half of 2018.

In the net profit for H1 2019 a one-off accounting gain of € 0.7 million was included as a result of the revaluation of ICT Group's stake in GreenFlux following the second round of investment by other shareholders. The net profit in H1 2018 included one-off accounting gains of € 4.1 million in total, of which € 3.5 million was related to the revaluation of the 50% stake in InTraffic already held by ICT and € 0.6 million to the revaluation of ICT Group's stake in GreenFlux.

Reported net profit for the first six months of 2019 came in at € 2.5 million (H1 2018: € 5.7 million). This translates into earnings per share of € 0.27 (H1 2018: € 0.59). The number of outstanding ordinary shares increased during the first half year 2019 to 9,565,010 (31 December 2018: 9,463,878) due to stock dividend. Excluding the one-off accounting gains as explained above the underlying net profit came in at € 1.9 million in H1 2019 compared to € 1.5 million in H1 2018, an increase of 24%.

## Cash flow movement

In the first half of the year, net operational cash flow amounted to € 3.8 million positive (H1 2018: € 3.7 million positive). The net cash position per 30 June 2019 was € 1.6 million positive (31 December 2018: € 6.2 million positive). This decrease was the balanced effect of the purchase price paid for acquisitions, new financing arranged for acquisitions, the repayments of existing acquisition financing, the payment of dividend, investments in product development and normal working capital patterns.

## Balance sheet structure

At the end of the first half of 2019, shareholders' equity stood at € 53.3 million (31 December 2018: € 53.3 million). The balance sheet total increased from € 95.6 million at year-end 2018 to € 126.8 million at 30 June 2019. The main impact were the acquisitions of Additude and BNV. In addition the implementation of IFRS 16 lease accounting caused a balance sheet increase of € 12.9 million (lease assets as well as obligations). Solvency (shareholders' equity/total assets) stood at 43% at the end of June 2019 (57% at year-end 2018), still reflecting a sound financial basis.

## Outlook

ICT is fully focused on profitable growth and will continue to execute its buy-and-build strategy; combining healthy organic growth with selective acquisition opportunities. The employment market for IT talents remains very challenging. Attracting and retaining the right people is a top priority. ICT is fully committed and confident in its ability to deliver on its long-term objective of increasing annual revenue to between € 200 and € 230 million by 2022, with a targeted EBITDA margin between 10 and 12%.

Barring unforeseen circumstances, ICT expects further growth in revenue and EBITDA in the second half of 2019 compared to the first half of 2019.

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**ICT Group N.V.** is a leading industrial technology solutions and services provider. Our specific industry knowledge of various markets, enables us to realise innovative solutions. Approximately 1400 passionate technical specialists are working for the ICT Group. The following subsidiaries are the main operating entities of the ICT Group: ICT Netherlands, ICT Belgium, Additude (Sweden), CIS Solutions Germany, Strypes (Bulgaria), Raster Industriële Automatisering, InTraffic, NedMobiel, BNV, BMA, OrangeNXT and Improve.

## For further information:

Carla Stuifzand, marketing director  
+31 (0)88 908 2000  
E-mail: [info@ict.nl](mailto:info@ict.nl)  
[www.ict.eu](http://www.ict.eu)

*This press release contains information that qualifies as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation*

## Cautionary statement

This press release contains forward-looking statements. Forward-looking statements are always based on assumptions and estimates relating to uncertain events over which ICT Group N.V. has no control. They concern, for example, measures taken by the Dutch and other governments, currency movements, price fluctuations, changes in law and regulations, legal precedents and market developments. ICT Group N.V. would like to stress that the contents of this press release are based on the information that is currently available. The reality can always deviate from expectations for the future. ICT Group N.V. has no obligation to update the statements contained in this document, unless required by law.

In this press release, where information has been presented in thousands or millions of units, amounts may have been rounded. Accordingly, totals of columns or rows of numbers in tables or charts may not be equal to the apparent sum of the individual items. Actual numbers may differ from those contained herein due to such rounding.

## Annex: Condensed consolidated interim financial statements 30 June 2019

**ICT GROUP N.V.**

**Condensed consolidated interim  
financial statements**

30 June 2019

## Condensed interim consolidated statement of comprehensive income (UNAUDITED)

(x € 1,000)	Note	1 January - 30 June 2019	1 January - 30 June 2018
Revenue	1)	79,786	60,907
Cost of Materials and subcontractors		13,902	6,431
Employee benefit expenses		46,443	37,366
Depreciation and amortisation	3)	5,716	2,257
Other operating expenses	2)	10,596	12,056
Total operating expenses		76,659	58,110
<b>Operating profit</b>		<b>3,127</b>	<b>2,797</b>
Financial expenses		(532)	(461)
Financial income		90	20
One-off accounting gains	3)	679	4,083
Result from joint ventures		-	59
Result from associates		(325)	(180)
<b>Result before taxes</b>		<b>3,039</b>	<b>6,318</b>
Income tax expense		(493)	(650)
<b>Net profit *)</b>		<b>2,546</b>	<b>5,668</b>
Other comprehensive income (loss), net of tax		(23)	-
<b>Total comprehensive income</b>		<b>2,523</b>	<b>5,668</b>
<b>Net profit attributable to:</b>			
- Shareholders of ICT Group N.V.		2,563	5,599
- Non-controlling interests		(17)	69
<b>Total comprehensive income attributable to:</b>			
- Shareholders of ICT Group N.V.		2,540	5,599
- Non-controlling interests		(17)	69
<b>Earnings per share:</b>			
Basic earnings per share (in €)		0.27	0.59
Diluted earnings per share (in €)		0.27	0.59

\*) The 2019 net profit includes € 0.7 million of one-off gains related to the dilution of the share in GreenFlux. In 2018 the net result includes € 4.1 million of one-off gains related to the step-up accounting of InTraffic and the dilution of the share in GreenFlux. These profits are non-cash items and are non-distributable profits under Dutch law.



## Condensed interim consolidated balance sheet

(Before proposed profit appropriation)  
(UNAUDITED)

(x € 1,000)	Note	As at 30 June 2019	As at 31 December 2018
<b>Assets</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment		3,874	4,018
Right-of-use assets		12,827	-
Goodwill	3)	34,483	28,871
Other intangible assets	3)	20,892	16,594
Investment in associates	4)	1,463	1,159
Deferred tax assets		3,034	266
Other financial assets		692	210
		<u>77,265</u>	<u>51,118</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables		44,188	38,288
Corporate income tax receivable		3	58
Cash and cash equivalents		5,375	6,178
		<u>49,566</u>	<u>44,524</u>
<b>TOTAL ASSETS</b>		<u>126,831</u>	<u>95,642</u>
<b>Equity and liabilities</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Issued share capital		956	946
Share premium		14,194	14,204
Currency translation reserve		72	95
Legal reserve		7,052	2,172
Treasury shares		(290)	(290)
Retained earnings		28,786	26,765
Net profit *)		2,563	9,391
Attributable to shareholders of ICT Group N.V.		53,333	53,283
Non-controlling interest		651	941
		<u>53,984</u>	<u>54,224</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	3)	6,493	3,583
Share-based compensation and long-term employee benefits liabilities		588	464
Loans (long-term)		13,508	4,962
Deferred acquisition consideration (long-term)		3,206	-
Lease liabilities (long-term)		8,749	-
		<u>32,544</u>	<u>9,009</u>
<b>CURRENT LIABILITIES</b>			
Trade payables		6,260	4,032
Corporate income tax payable		348	1,075
Other taxes and social security premiums		7,106	8,979
Loans (short-term)		4,518	3,548
Deferred acquisition consideration (short-term)	3)	-	3,689
Bank overdrafts		3,783	-
Lease liabilities (short-term)		4,106	-
Other current liabilities		14,182	11,086
		<u>40,303</u>	<u>32,409</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>126,831</u>	<u>95,642</u>

\*) The 2019 net profit includes € 0.7 million of one-off gains related to the dilution of the share in GreenFlux. In 2018 the net result includes € 4.1 million of one-off gains related to the step-up accounting of InTraffic and the dilution of the share in GreenFlux. These profits are non-cash items and are non-distributable profits under Dutch law.



## Consolidated interim statement of changes in equity (UNAUDITED)

	<i>Attributable to owners of the parent</i>									
	Issued share capital	Share premium	Currency translation reserve	Legal reserve	Treasury shares	Retained earnings	Profit for the year	Total	Non- controlling interest	Total equity
(x € 1,000)										
<b>First half-year 2018</b>										
<b>Restated balance at 31 December 2017*</b>	<b>941</b>	<b>14,209</b>	<b>95</b>	<b>2,269</b>	<b>-</b>	<b>24,159</b>	<b>5,226</b>	<b>46,899</b>	<b>762</b>	<b>47,661</b>
Adjustment on initial application IFRS 15 (net of tax)	-	-	-	-	-	-	-	-	-	-
Adjustment on initial application IFRS 9 (net of tax)	-	-	-	-	-	-	21	<b>21</b>	-	<b>21</b>
<b>Adjusted balance at 1 January 2018</b>	<b>941</b>	<b>14,209</b>	<b>95</b>	<b>2,269</b>	<b>-</b>	<b>24,159</b>	<b>5,247</b>	<b>46,920</b>	<b>762</b>	<b>47,682</b>
Net profit	-	-	-	-	-	-	5,599	5,599	69	5,668
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	5,599	5,599	69	5,668
Dividends paid	-	-	-	-	-	(2,423)	-	(2,423)	-	(2,423)
Purchase of own shares	-	-	-	-	(749)	-	-	(749)	-	(749)
Sale of own shares	-	-	-	-	175	-	-	175	-	175
Issuance of new shares	5	(5)	-	-	-	-	-	-	-	-
Transfers	-	-	-	(663)	-	663	-	-	-	-
Prior year result allocation	-	-	-	-	-	5,247	(5,247)	-	-	-
<b>Balance at 30 June 2018</b>	<b>946</b>	<b>14,204</b>	<b>95</b>	<b>1,606</b>	<b>(574)</b>	<b>27,646</b>	<b>5,599</b>	<b>49,522</b>	<b>831</b>	<b>50,353</b>
<b>First half-year 2019</b>										
<b>Balance at 31 December 2018</b>	<b>946</b>	<b>14,204</b>	<b>95</b>	<b>2,172</b>	<b>(290)</b>	<b>26,765</b>	<b>9,391</b>	<b>53,283</b>	<b>941</b>	<b>54,224</b>
Adjustment on initial application IFRS 16 (net of tax)	-	-	-	-	-	-	-	-	-	-
<b>Adjusted balance at 1 January 2019</b>	<b>946</b>	<b>14,204</b>	<b>95</b>	<b>2,172</b>	<b>(290)</b>	<b>26,765</b>	<b>9,391</b>	<b>53,283</b>	<b>941</b>	<b>54,224</b>
Net profit	-	-	-	-	-	-	2,563	2,563	(17)	2,546
Other comprehensive income	-	-	(23)	-	-	-	-	(23)	-	(23)
Total comprehensive income	-	-	(23)	-	-	-	2,563	2,540	(17)	2,523
Dividends paid	-	-	-	-	-	(2,345)	-	(2,345)	(208)	(2,553)
Acquisition of subsidiaries	-	-	-	-	-	(145)	-	(145)	(65)	(210)
Issuance of new shares	10	(10)	-	-	-	-	-	-	-	-
Transfers	-	-	-	4,880	-	(4,880)	-	-	-	-
Prior year result allocation	-	-	-	-	-	9,391	(9,391)	-	-	-
<b>Balance at 30 June 2019</b>	<b>956</b>	<b>14,194</b>	<b>72</b>	<b>7,052</b>	<b>(290)</b>	<b>28,786</b>	<b>2,563</b>	<b>53,333</b>	<b>651</b>	<b>53,984</b>

\*ICT Group N.V. has applied IFRS 16 at 1 January 2019 and IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative figures are not restated. See accounting policies.

## Condensed interim consolidated cash flow statement

(UNAUDITED)

According to the direct method (x € 1,000)	First half-year 2019	First half-year 2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers	94,020	74,463
Payments to suppliers and employees	(87,881)	(71,016)
	6,139	3,447
Interest paid	(301)	(147)
Income tax (paid) received	(2,007)	418
	(2,308)	271
<b>Net cash flow from operating activities</b>	<b>3,831</b>	<b>3,718</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Additions to property, plant and equipment, software	(538)	(572)
Additions to software and product development	(975)	(441)
Acquisition of subsidiaries (net of cash acquired)	(6,952)	(7,134)
Additions to other financial assets	(513)	(105)
Sale of subsidiaries	1,107	-
Dividend received from joint venture	-	260
<b>Net cash flow from investment activities</b>	<b>(7,871)</b>	<b>(7,992)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Purchase of treasury shares	-	(749)
Re-issuance of treasury shares	-	175
Proceeds (repayments) of borrowings (external loans)	8,116	3,010
Proceeds (repayments) of borrowings (earn-out liabilities)	(3,684)	-
Payment of lease liabilities	(2,425)	-
Dividend paid to non-controlling interest	(208)	-
Dividend paid to shareholders of ICT Group N.V.	(2,345)	(2,423)
<b>Net cash flow from financing activities</b>	<b>(546)</b>	<b>13</b>
<b>Net cash flow</b>	<b>(4,586)</b>	<b>(4,261)</b>
Cash at bank and in hand as at 30 June	1,592	1,989
Cash at bank and in hand at 1 January	6,178	6,250
<b>Increase / (decrease) cash and cash equivalents</b>	<b>(4,586)</b>	<b>(4,261)</b>

## Note to the condensed consolidated interim statement of income

### General information

ICT Group N.V. (Trade Register number: 24186237) and its subsidiaries ("ICT", "ICT Group" or "the Company") is a public limited liability Company incorporated and established in the Netherlands. In the context of the consolidated financial statements, the Company is also referred to as the "ICT group of companies". The address and domicile of ICT Group N.V. is:

Kopenhagen 9  
2993 LL Barendrecht  
Telephone: +31 (0)889082000  
E-Mail: [info@ict.nl](mailto:info@ict.nl)  
[www.ict.eu](http://www.ict.eu)

These condensed consolidated interim financial statements ('interim financial statements') as at and for the six months ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in associates and joint ventures.

ICT Group is a leading industrial technology solutions and services provider. The solutions we offer our clients involve software development, solutions on project basis, the secondment of experienced and highly educated staff as well as services to maintain IT systems.

Technology based-innovations are critical for the competitive edge of our customers; getting smarter every day in every product, process or application. Our specific industry knowledge enables us to link people, technology and ideas. With over 1,400 dedicated technical professionals in the field, we are capable of translating new and innovative technologies into relevant business solutions, enriched with state-of-the-art technologies.

Within our focus areas Smarter Cities, Smarter Industries and Smarter Health we serve the following key industries: Transport & Logistics, Automotive & Mobility, Energy, Oil & Gas, Water & Infrastructure, Healthcare, Food, Chemicals & Pharma, Manufacturing and High Technology.

ICT Group is globally active and operates from several locations in the Netherlands, Belgium, Bulgaria (Strypes) and Sweden (Additude). ICT Group is also active in Traffic & Transport (InTraffic), Testing and Training (Improve Quality Services), complex infrastructures (NedMobiel) and Enterprise Mobility (OrangeNXT).

The following group companies are included in the consolidation.

### Group companies

ICT Automatisering Nederland B.V.	Barendrecht (the Netherlands)	100%
Improve Quality Services B.V.	Waalre (the Netherlands)	100%
ICT Nearshoring B.V.	Barendrecht (the Netherlands)	100%
Strypes EOOD Ltd.	Sofia (Bulgaria)	100%
Strypes Nearshoring Ltd.	Sofia (Bulgaria)	100%
Raster Beheer B.V. <sup>1</sup>	Dreumel (the Netherlands)	100%
Raster Industriële Automatisering B.V.	Dreumel (the Netherlands)	100%
ICT Belgium BVBA	Aartselaar (Belgium)	100%
Raster Industriële Automatisering GmbH	Essen (Germany)	100%
Buro Medische Automatisering B.V. <sup>2</sup>	Houten (the Netherlands)	100%
BMA Belux BVBA <sup>2</sup>	Bellegem (Belgium)	100%
BMA France SAS <sup>2</sup>	Versailles (France)	100%
BMA Telenatal B.V. <sup>2</sup>	Houten (the Netherlands)	51%
OrangeNXT B.V.	Barendrecht (the Netherlands)	100%
NedMobiel B.V.	Breda (the Netherlands)	100%
InTraffic B.V.	Utrecht (the Netherlands)	100%
ICT Motar B.V.	Barendrecht (the Netherlands)	50.1%
CIS Solutions GmbH	Ismaning (Germany)	66%
ICT Participations B.V.	Barendrecht (the Netherlands)	100%
Additude AB <sup>3</sup>	Malmö (Sweden)	70%
Additude Excellence AB <sup>3</sup>	Malmö (Sweden)	70%
Additude Innovation AB <sup>3</sup>	Malmö (Sweden)	70%
Additude Industry AB <sup>3</sup>	Malmö (Sweden)	70%

Additude B.V. <sup>3</sup>	Barendrecht (the Netherlands)	70%
New Mobility Ventures B.V. <sup>4</sup>	Breda (Netherlands)	65%
BNV Mobility B.V. <sup>4</sup>	Breda (Netherlands)	65%
Kodar OOD <sup>5</sup>	Plovdiv (Bulgaria)	70%

## Joint ventures and associates

LogicNets, Inc.	Washington D.C. (USA)	20%
GreenFlux Assets B.V. <sup>6)</sup>	Amsterdam (the Netherlands)	14.99%
ICT-Sensoria NL B.V.	Barendrecht (the Netherlands)	50%

<sup>1)</sup> At 1 May 2019 Raster Products B.V. has been sold.

<sup>2)</sup> At 25 June 2019 ICT acquired the remaining 49% of the shares and voting interests in BMA Medische Automatisering B.V. and its 100% subsidiaries BMA Belux BVBA, BMA France SAS. As a result the percentage of interest in BMA Telenatal B.V. changed from 26% to 51%.

<sup>3)</sup> At 23 January 2019 ICT acquired 70% of the shares and voting interests in Additude AB (Sweden) and its subsidiaries Additude Excellence AB, Additude Innovation AB, Additude Industry AB and agreed to acquire the remaining 30% in three tranches. Additude is consolidated as from 1 February 2019. At 11 June 2019 Additude AB has founded Additude B.V. (Netherlands).

<sup>4)</sup> At 27 March 2019 ICT acquired 65% of the shares and voting interests in New Mobility Ventures B.V. and its subsidiary BNV Mobility B.V. and is consolidated as from 1 April 2019.

<sup>5)</sup> At 16 April 2019 ICT acquired via Strypes EOOD 70% of the shares and voting interests in Kodar OOD and is consolidated as from 1 April 2019. Kodar is consolidated as from 1 April 2019.

<sup>6)</sup> GreenFlux Assets B.V.: See note 4.

The consolidated interim financial statements were drawn up by the Executive Board and approved for publication by the Supervisory Board on 20 August 2019. The consolidated interim financial statements have not been audited.

In these interim financial statements, where information has been presented in thousands or millions of units, amounts may have been rounded. Accordingly, totals of columns or rows of numbers in tables or charts may not be equal to the apparent sum of the individual items. Actual numbers may differ from those contained herein due to such rounding.

## Accounting policies

### Changes in accounting policies

Except as described below, the accounting policies applied in these financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2018.

The group has adopted IFRS 16 "Leases" from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. The impact on the retained earnings is € 0 as the right to use asset is set equal to the lease liability.

A number of other new standards are effective from 1 January 2019 but they do not have a material effect on ICT Group's consolidated interim financial statements.

### Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 0,96%.

The reconciliation of the operating lease commitments as at 31 December 2018 and the lease liabilities as at 1 January 2019 can be explained as following:

Operating lease commitments disclosed as at 31 December 2018	17,687
Of which are:	
Lease components	12,490
Non-lease components	5,197
Discounted lease components using the lessee's incremental borrowing rate as at 1 January 2019	12,334
Add: adjustments as a result of a different treatment of extension and termination options	598
<b>Lease liability</b>	<b>12,932</b>
Of which are:	
Current lease liabilities	4,169
Non-current lease liabilities	8,763

(x € 1.000)

On adoption of IFRS 16, the right-of-use assets are measured at an amount equal to the lease liability. The recognised right-of-use assets relate to the following types of assets:

x € 1.000	30 June 2019	1 January 2019
Properties	8,469	8,396
Lease cars	4,140	4,351
Other	246	185
<b>Total right-to-use assets</b>	<b>12,855</b>	<b>12,932</b>

#### *Practical expedients applied*

In applying IFRS 16 for the first time, the group has used the following practical expedient permitted by the standard: the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

ICT Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17.

#### **Accounting policies**

ICT Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the group's accounting policies.

Right-of-use assets are measured at cost comprising of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the group's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or an appropriate change in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

ICT Group has applied judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Payments associated with leases of low-value assets are recognised on a straight line basis as an expense in profit or loss. Low value assets comprise IT-equipment and small items of office furniture.

### Seasonal influences

As a Group whose revenue is largely dependent on work carried out by professionals, ICT is subject to seasonal influences, a large part of which is determined by holiday periods.

### Risks

ICT Group has implemented internal risk management and control systems, the aim of which is to minimise the operational and financial risks of the Company and to limit as much as possible the influence of events on the Company's balance sheet ratios and its results. The most significant operational and financial risks, outlined on pages 50-59 of our 2018 Annual Report, were unchanged in the first half of this year. The 2018 Annual Report is available at [www.ict.eu](http://www.ict.eu).

For further information, we refer you to section 6 of the 2018 Annual Report, page 113 onwards.

### Auditor's statement

The contents of this condensed consolidated interim report have not been audited.

## Note 1) Segment information

### SEGMENT INFORMATION

The Executive Board is the Company's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Executive Board for the purposes of allocating resources and assessing performance. Since 1 January 2019 the Executive Board reviews the business from a cluster level of operating segments in accordance with IFRS 8.

#### Change in segment definition

In line with the new organisational structure the Executive Board decided that cluster level, a market-related segment classification, is the new reporting level of the operating segments in accordance with IFRS 8, on which the Executive Board manages the businesses of the Company.

As stated in IFRS 8.12, two or more operating segments may be aggregated into a single operating segment, when the operating segments have characteristics so similar that they can be expected to have essentially the same future prospects. On the other side, IFRS 8 states qualitative thresholds when an operating segment needs to be disclosed as standalone. An entity shall report information about an operating segment separately that meets certain quantitative thresholds. Applying these thresholds, the Executive Board notes that Engineering R&D, Industrial Automation, Infra & Mobility, Healthcare Technology, Bulgaria and Sweden should be presented as separate segments. The other individual entities, Improve Quality Services B.V., OrangeNXT B.V., ICT Motar B.V., CIS Solutions GmbH, BNV Mobility B.V., Raster Products B.V. (until 30 April 2019) and ICT Belgium BVBA., which were recognised as operating segments, do not meet these thresholds and therefore are presented aggregated as 'Other'.

In connection with the change in segments, the 2018 comparative disclosure has been adjusted to reflect the 2019 presentation.

Sales between entities are carried out at arm's length. The revenue from external parties is measured in a manner consistent with that in the consolidated statement of total comprehensive income.

## Note 1) Segment information (continued)

### First half year 2019

The composition of revenue, gross profit margin can be displayed as follows:

(UNAUDITED)

	Engineering R&D	Industrial Automation	Infra / Mobility	Healthcare Technology	Bulgaria	Sweden	Other	Eliminations	Consolidated
(X € 1,000)									
<b>Revenue:</b>									
Revenue from professional services	19,477	16,184	18,226	1,653	5,663	7,263	4,603	(2,876)	70,193
Revenue from solutions / products	1,086	<b>1,870</b>	<b>2,480</b>	2,542	0	352	1,282	<b>(19)</b>	9,593
<b>Subtotal</b>	<b>20,563</b>	<b>18,054</b>	<b>20,706</b>	<b>4,195</b>	<b>5,663</b>	<b>7,615</b>	<b>5,885</b>	<b>(2,895)</b>	<b>79,786</b>
Inter-segment	667	948	1,086	1,122	-	-	57	(3,880)	-
<b>Total revenue</b>	<b>21,230</b>	<b>19,002</b>	<b>21,792</b>	<b>5,317</b>	<b>5,663</b>	<b>7,615</b>	<b>5,942</b>	<b>(6,775)</b>	<b>79,786</b>
Operating expenses directly attributable to the operating segments	14,173	12,435	16,046	3,664	3,451	6,512	6,180	(6,775)	55,686
<b>Segment Gross profit</b>	<b>7,057</b>	<b>6,567</b>	<b>5,746</b>	<b>1,653</b>	<b>2,212</b>	<b>1,103</b>	<b>(238)</b>	-	<b>24,100</b>
Allocated operating expenses	3,630	3,628	3,599	1,350	1,149	685	1,216	-	15,257
<b>Operating profit before amortisation and depreciation</b>	<b>3,427</b>	<b>2,939</b>	<b>2,147</b>	<b>303</b>	<b>1,063</b>	<b>418</b>	<b>(1,454)</b>	-	<b>8,843</b>
Allocated amortisation and depreciation	1,029	1,096	1,406	660	409	611	505	-	5,716
<b>Operating profit</b>	<b>2,398</b>	<b>1,843</b>	<b>741</b>	<b>(357)</b>	<b>654</b>	<b>(193)</b>	<b>(1,959)</b>	-	<b>3,127</b>
Financial expenses									(532)
Financial income									90
One-off accounting gains (note 3)									679
Result from joint ventures									-
Result from associates									(325)
<b>Profit before taxation</b>									<b>3,039</b>
Taxes									(493)
<b>Net profit</b>									<b>2,546</b>
<b>Segment Assets*</b>	22,978	23,826	26,150	11,062	7,933	10,280	82,690	(58,088)	126,831
<b>Segment Liabilities*</b>	10,067	9,856	14,520	6,028	2,923	5,627	46,037	(22,211)	72,847
<b>Other notes</b>									
Operating profit before amortisation and depreciation/ total revenue	16.1%	15.5%	9.9%	5.7%	18.8%	5.5%	-24.5%	-	<b>11.1%</b>
Average number of employees (FTE)	302	253	263	82	180	59	164	-	<b>1,303</b>

\* At 30 June 2019.



## Note 1) Segment information (continued)

The composition of revenue, gross profit margin can be displayed as follows:

### First half year 2018\*

(UNAUDITED)

(X € 1,000)	Engineering R&D	Industrial Automation	Infra & Mobility	Healthcare Technology	Bulgaria	Sweden	Other	Eliminations	Consolidated
<b>Revenue:</b>									
Revenue from professional services	16,891	14,236	13,867	2,104	4,828	-	3,841	(1,827)	53,940
Revenue from solutions / products	892	<b>1,913</b>	<b>2,148</b>	2,103	1	-	<b>(80)</b>	<b>(10)</b>	6,967
<b>Subtotal</b>	<b>17,783</b>	<b>16,149</b>	<b>16,015</b>	<b>4,207</b>	<b>4,829</b>	-	<b>3,761</b>	<b>(1,837)</b>	<b>60,907</b>
Inter-segment	794	1,024	638	779	0	-	88	(3,323)	-
<b>Total revenue</b>	<b>18,577</b>	<b>17,173</b>	<b>16,653</b>	<b>4,986</b>	<b>4,829</b>	-	<b>3,849</b>	<b>(5,160)</b>	<b>60,907</b>
Operating expenses directly attributable to the operating segments	12,626	12,210	11,548	3,626	3,000	-	4,634	(5,160)	42,484
<b>Segment Gross profit</b>	<b>5,951</b>	<b>4,963</b>	<b>5,105</b>	<b>1,360</b>	<b>1,829</b>	-	<b>-785</b>	-	<b>18,423</b>
Allocated operating expenses **	3,481	3,489	4,040	1,502	928	-	(71)	-	13,369
<b>Operating profit before amortisation and depreciation **</b>	<b>2,470</b>	<b>1,474</b>	<b>1,065</b>	<b>(142)</b>	<b>901</b>	-	<b>(714)</b>	-	<b>5,054</b>
Allocated amortisation and depreciation	332	520	622	410	345	-	28	-	2,257
<b>Operating profit</b>	<b>2,138</b>	<b>954</b>	<b>443</b>	<b>(552)</b>	<b>556</b>	-	<b>(742)</b>	-	<b>2,797</b>
Financial expenses									(461)
Financial income									20
One-off accounting gains (note 3)									4,083
Result from joint ventures									59
Result from associates									(180)
<b>Profit before taxation</b>									<b>6,318</b>
Taxes									(650)
<b>Net profit</b>									<b>5,668</b>
<b>Segment Assets***</b>	18,299	19,695	20,031	9,125	5,890	-	73,402	(50,800)	95,642
<b>Segment Liabilities***</b>	6,880	6,870	9,099	3,908	779	-	27,708	(13,826)	41,418
<b>Other notes</b>									
Operating profit before amortisation and depreciation/ total revenue	13.3%	8.6%	6.4%	-2.8%	18.7%	-	-18.6%	-	<b>8.3%</b>
Average number of employees (FTE)	281	247	192	82	149	-	128	-	<b>1,079</b>

\* With the change in segments, the 2018 comparative disclosure has been adjusted to reflect the 2019 presentation.

\*\* ICT Group has applied IFRS 16 at 1 January 2019. Under the transition methods chosen, comparative figures are not restated.

\*\*\* At 31 December 2018.

## Note 1) Disaggregated revenue (continued)

The following table shows revenue disaggregated per category.  
The table includes a reconciliation of the disaggregated revenue with ICT Group's segments.

(X € 1,000)	Reportable segments		Segment other		Eliminations segments		All segments	
	As at 30 June 2019	As at 30 June 2018	As at 30 June 2019	As at 30 June 2018	As at 30 June 2019	As at 30 June 2018	As at 30 June 2019	As at 30 June 2018
<b>Revenue</b>								
Secondment	29,731	23,609	1,850	1,876	(5,551)	(4,257)	26,030	21,228
Projects	38,954	28,637	1,506	901	(1,192)	(772)	39,268	28,766
Recurring	5,116	5,008	898	791	-	(41)	6,014	5,758
Product sales	1,966	1,714	206	0	-	-	2,172	1,714
Other	4,852	3,250	1,482	281	(32)	(89)	6,302	3,442
	<b>80,619</b>	<b>62,218</b>	<b>5,942</b>	<b>3,849</b>	<b>(6,775)</b>	<b>(5,159)</b>	<b>79,786</b>	<b>60,908</b>

## Note 2) Other operating expenses

In the first half-year 2019 the other operating expenses contain € 0.5 million for M&A costs. In the first half-year 2018 the other operating expenses contain € 0.1 million for M&A costs and a one-off payment of € 0.8 million for the termination of hiring contracts.

## Note 3) Business combinations and acquisition of subsidiaries

### Acquisition of 70% of shares Additude AB

At 23 January 2019 ICT acquired 70% of the shares and voting interests in Additude AB and its subsidiaries Additude Excellence AB, Additude Innovation AB, Additude Industry AB and agreed to acquire the remaining 30% in three tranches as set out below. Additude is consolidated as from 1 February 2019. Additude, located in Malmö, Sweden, is one of southern Sweden's leading IT consulting firms. The company offers market-leading services within industrial innovation processes, project engagements and consultancy. Their customers include many of Sweden's largest and technology-intensive companies. With over 160 professionals Additude realises an annual turnover of around € 16 million. This acquisition perfectly fits ICT's international expansion strategy, in which the Northern European countries are defined as important spearhead.

#### Consideration transferred

The following table summarises the acquisition-date fair value of the major class of consideration (to be) transferred.

	x € 1,000
Consideration transferred in cash	7,725
Deferred / contingent acquisition consideration	2,745
Total consideration transferred	10,470

#### Deferred / contingent acquisition consideration

The purchase consideration for 70% of the shares amounted to € 7,725 thousand transferred in cash at acquisition date. The remaining 30% will be acquired as follows:

- 8% of the shares, to be completed on 1 March 2021 for the discounted estimated amount on acquisition date of € 777 thousand;
- 8% of the shares, to be completed on 1 March 2022 for the discounted estimated amount on acquisition date of € 746 thousand; and
- 14% of the shares, to be completed on 1 March 2023 for the discounted estimated amount on acquisition date of € 1,222 thousand.

The discounted earn-out amount of € 2,745 thousand represents the fair value as at the acquisition date.

#### Acquisition-related costs

The Company incurred acquisition-related costs including legal fees and due diligence costs. These costs were included in 2018 and in 2019 under "other operating expenses".

## Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

	Carrying amount	Fair value adjustments	Recognised values
Intangible assets: Order Backlog	-	342	342
Intangible assets: Customer relations	-	3,179	3,179
Intangible assets: Brand name	-	1,064	1,064
Property, plant and equipment	6	-	6
Right-of-use assets	1,151	-	1,151
Cash and cash equivalents	1,122	-	1,122
Other current assets	3,473	-	3,473
Current liabilities (excluding lease liabilities)	(5,661)	-	(5,661)
Lease liabilities	1,151	-	1,151
Deferred tax liabilities	-	(983)	(983)
<b>Total identifiable net assets acquired</b>	<b>1,242</b>	<b>3,602</b>	<b>4,844</b>

## Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation technique
Intangible assets	Income approach: The income approach determines the fair value from the future cash flows the subject asset will generate over its remaining useful life. The application of this approach involves projecting the cash flows which the subject asset is generating, based on current expectations and assumptions about future states. The cash flows generated by the subject asset have to be converted to present value by discounting them with the appropriate discount rate. The discount rate reflects the time value of money and the relevant risk associated with the cash flows of the asset.

The trade receivables and revenue to be invoiced comprise gross contractual amounts due of € 3,115 thousand, all of which was considered to be collectible at the acquisition date.

## Fair values measured on a provisional basis

The fair value of the assets acquired and liabilities assumed at the acquisition date have been determined on a provisional basis. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the accounting for the acquisition will be revised.

## Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	x € 1,000
Consideration transferred	10,470
Fair value of identifiable net assets	4,844
<b>Goodwill</b>	<b>5,626</b>

The goodwill is mainly attributable to the experienced workforce of Additude, the expected sales growth relating to the qualified workforce that fits ICT Group and potential for key strategic areas. None of the goodwill recognised is expected to be deductible for tax purposes.

## Amortisation

Customer relations, brand name and order backlog have been identified and valued as a part of a (preliminary) Purchase Price Allocation exercise. The valuations are as following:

- Customer relations have been valued for € 3,179 thousand to be amortised over a period of 10 years as from acquisition date.
- Brand name has been valued for € 1,064 thousand to be amortised over a period of 8 years as from acquisition date.
- Order backlog has been valued at € 342 thousand to be amortised over a period of 5 months in 2019.

As a result, the total amortisation amounts to € 530 thousand in the first half of 2019 (€ 132 thousand on customer relations, € 56 thousand on Brand name, € 342 thousand on order backlog). The amortisation in the second half of 2019 will amount to € 225 thousand. The amortisation is not tax deductible. In the valuation analysis a deferred tax liability is included which will be released during the amortisation period. The net effect on net result after deferred taxes amounts to € 398 thousand in the first half-year.

## Acquisition of 70% of shares Kodar Ltd.

On 16 April 2019 ICT obtained 70% of the shares of Kodar Ltd. for a total consideration of € 798 thousand. The acquisition was paid in cash for € 358 thousand, a deferred acquisition consideration of € 153 thousand and a deferred contingent acquisition consideration of € 287 thousand.

The deferred acquisition consideration of € 153 thousand is for the remaining 30% of the shares and will be payable in the first half-year 2020 ultimately. The deferred contingent acquisition consideration of € 287 thousand will be payable in 3 tranches in May 2020, 2021 and 2022 depending on certain criteria.

## Acquisition of 65% of shares BNV Mobility B.V.

On 27 March 2019 ICT obtained 65% of the shares in New Mobility Ventures B.V., which has 100% of the shares in BNV Mobility B.V., for a total consideration of € 1,203 thousand. From the total consideration € 293 thousand is paid in cash and € 910 thousand is an assignment of a loan to New Mobility Ventures B.V.

## Acquisition of the remaining shares of BMA Nederland B.V.

At 25 June 2019 ICT acquired the remaining 49% to 100% of the shares and voting interests in Buro Medische Automatisering B.V. for the amount of € 3.2 million. At 31 December 2018 the related amount was classified in the non-current liabilities under deferred acquisition consideration.

## Earn out related to the acquisition of NedMobiel B.V.

The earn out related to the acquisition of NedMobiel B.V. for the amount of € 0.5 million has been paid out in March 2019.

## Note 4) One-off accounting gains

The one-off accounting gains can be specified as follows:

(x € 1,000)	First half-year 2019	First half-year 2018
Revaluation former 50% stake in InTraffic *)	-	3,518
Profit on dilution of GreenFlux **)	679	565
	<u>679</u>	<u>4,083</u>

### \*) Revaluation former 50% stake in InTraffic

Until the first quarter of 2018 InTraffic was reported as a joint venture. The acquisition of InTraffic in 2018 resulted in a one-off step up accounting gain of € 3.5 million related to the revaluation to fair value of the 50% stake in InTraffic already held by ICT.

### \*\*\*) Profit on dilution of GreenFlux

On 11 June 2018 energy company Eneco Group and independent investment fund SET Ventures have both acquired a minority stake in Amsterdam-based GreenFlux Assets BV ("GreenFlux"), as part of a total Series B round of € 11 million in two rounds. Existing shareholders BOM Brabant Ventures and ICT Group NV also participated in the first round. The first round resulted in a dilution of ICT's stake in GreenFlux from 24,49% to 19,57% and a profit on dilution of € 565 thousand which is recorded in the consolidated financial statements 2018. In the second round ICT's stake in GreenFlux diluted from 19,57% to 14,67%. As a result of the second round the profit on dilution is € 679 thousand in the first half of 2019.

In 2019 the amount of € 4.1 million one-off accounting gains has been transferred to the legal reserve. These profits are non-cash items and are non-distributable profits under Dutch law.

## Additional financial information (UNAUDITED)

	First half-year 2019	First half-year 2018
(x € 1 million)		
<b>Financial Highlights</b>		
Revenue	79.8	60.9
Revenue added value	65.9	54.5
EBITDA Pre-IFRS 16	6.4	5.1
EBITDA Post-IFRS 16	8.8	n/a
Amortisation / depreciation (2019 post IFRS 16)	5.7	2.3
Operating profit	3.1	2.8
Net profit	2.5	5.7
Earnings per share in €	0.27	0.59
<b>Ratios</b>		
EBITDA Pre-IFRS 16 / revenue <sup>1)</sup>	8.1%	8.3%
EBITDA Post-IFRS 16 / revenue	11.1%	n/a
Net profit <sup>2)</sup> / revenue	3.2%	9.2%
Net profit <sup>2)</sup> / average shareholders' equity	4.7%	12.3%
Solvency (Shareholders' equity / total assets) <sup>3)</sup>	42.6%	56.7%
<b>Personnel</b>		
Headcount as at 30 June	1,412	1,199
FTE as at 30 June	1,334	1,148
Average number of FTEs for the half-year	1,303	1,079
<b>Outstanding shares</b>		
Outstanding ordinary shares at period end <sup>3)</sup>	9,565,010	9,463,878
Average outstanding ordinary shares during the period	9,477,924	9,420,356

1) In 2019 restated for IFRS 16 impact.

2) The net profit attributable to the shareholders of ICT. The 2019 net profit includes € 0.7 million of one-off gains related to the dilution of the share in GreenFlux. In 2018 the net result includes € 4.1 million of one-off gains related to the step-up accounting of InTraffic and the dilution of the share in GreenFlux.

3) At 30 June 2019 and at 31 December 2018.

## Related-parties

For an overview of the related parties, we refer to section 33 of the 2018 Annual Report. During the first half-year of 2019 the transactions between entities of the ICT Group on a 100% basis with InTraffic B.V. (until 31 March 2018), LogicNets Inc, GreenFlux Assets B.V. can be specified as follows:

x € 1,000	H1-2019	H1-2018
Sales to joint ventures	-	441
Purchases from joint ventures	-	-
Receivables from joint ventures	-	-
Loans (net) to joint ventures	-	-
Payables to joint ventures	-	-
x € 1,000	H1-2019	H1-2018
Sales to associates	1,348	1,357
Purchases from associates	86	105
Receivables from associates	625	1,032
Loans (net) to associates	-	309
Payables to associates	43	2

\* The loans (net) to related parties in H1-2018 represent the loans to GreenFlux and CIS

The transactions and related balances are primarily related to the outsourcing of personnel. The transactions take place at arm's length rates.

## Taxes

In the condensed interim financial statements of first half-year 2019 and first half-year 2018, taxes are shown in the statement of comprehensive income on the basis of the applicable rates for corporate income taxes in the Netherlands, Bulgaria, France, Belgium, Germany and Sweden.

## Outstanding shares

At 30 June 2019 the number of outstanding shares amounted to 9,565,010 (31 December 2018: 9,463,878). On 5 June 2019, ICT issued 101,132 new shares related to the stock dividend over 2018. In the first half-year 2018 ICT Group N.V. issued 52,577 new shares related to the stock dividend over 2017.

## Optional dividend

ICT paid a cash dividend in the first half-year 2019 of € 2,345 thousand over the financial year 2018 and issued 101,132 new shares related to stock dividend. In 2018 ICT paid a cash dividend of € 2,423 thousand over the financial year 2017 and issued 52,577 new shares related to stock dividend.

## Treasury shares

When ICT purchases own shares, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Purchased own shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are subsequently sold, the amount received is recognised as an increase in equity treasury share reserve and the resulting surplus or deficit on the transaction is presented in retained earnings.

The changes in the number of purchased and sold treasury shares in the first half-year 2019 and 2018 are shown in the following table.

Treasury shares	Number of shares	Average rate in Euros	Treasury shares (x € 1,000)
At 1 January 2018	-	-	-
<b>H1-2018:</b>			
- Purchased treasury shares in the first half-year 2018 for the personnel share and key management plans	48,089	15.58	749
- Sold treasury shares in the first half-year 2018 to key management	(11,000)	15.91	(175)
<b>At 30 June 2018</b>	<b>37,089</b>	15.48	<b>574</b>
<b>H2-2018:</b>			
- Purchased treasury shares in the second half-year 2018 for the personnel share and key management plans	15,963	11.46	183
- Sold treasury shares in the second half-year 2018 to key management	(33,126)	15.58	(516)
- Profit transfer to retained earnings	-		49
<b>At 31 December 2018</b>	<b>19,926</b>	14.55	<b>290</b>
<b>H1-2019:</b>			
- Purchased treasury shares in the first half-year 2019 for the personnel share and key management plans	-	-	-
- Sold treasury shares in the first half-year 2019 to key management	-	-	-
<b>At 30 June 2019</b>	<b>19,926</b>	14.55	<b>290</b>

Execution of the employee participation plan in the first half of 2019 will be completed in the second half of 2019. As a result, the majority of the purchased own shares at 30 June 2019 will be sold in the second half year of 2019.

#### Obligations not shown on the balance sheet

Obligations not shown in the balance sheet that are included in the 2018 financial statements were essentially unchanged in the first half of 2019.

#### Subsequent events

The Company has evaluated events up to issuance date of these interim financial statements and determined that no subsequent events required disclosure.

#### Statement from the Board of Executive Directors

The Executive Board of ICT Group N.V. declares, in accordance with the requirements outlined in article 5:25d of the Financial Supervision act, that to the best of its knowledge the condensed consolidated interim financial statements provide a true and fair view of the assets, liabilities and the financial position as of 30 June 2019 and of the results of our consolidated activities in the first half of 2019 and of the companies included in the consolidation, and that the condensed consolidated interim financial statements provide a true and fair view of the financial position as of 30 June 2019, of the developments in the course of the first half of 2019 within the Company and the companies included in the consolidation.

Barendrecht, 20 August 2019

Executive Board of ICT Group N.V.