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Barendrecht, 22 August 2018

HALF YEAR RESULTS 2018 ICT GROUP

FIRST HALF YEAR 2018: SOLID PERFORMANCE

Growth momentum maintained

Highlights H1 2018

- Revenue increased 20% to € 60.9 million, 5% organic growth
- Underlying EBITDA up 9% to € 5.8 million (H1 2017: € 5.3 million). Including one-off costs related to the contract termination fees at InTraffic (€ 0.8 million), EBITDA was € 5.1 million
- Net profit came in at € 5.7 million (H1 2017: € 2.6 million), including one-off accounting gains of € 4.1 million related to the acquisition of InTraffic and the revaluation of ICT's stake in GreenFlux
- Acquisitions of InTraffic and NedMobiel completed
- Outlook 2018: ICT expects further growth in revenue and EBITDA in the second half of 2018 compared to the first half of 2018

Key figures

(in millions of €)	**H1 2018**	**H1 2017**	**Change**
Revenue	60.9	50.7	20%
Revenue Added Value	54.5	45.2	21%
Underlying EBITDA (*)	5.8	5.3	9%
EBITDA	5.1	5.3	-5%
Amortisation / depreciation	2.3	1.7	36%
Operating result	2.8	3.7	-24%
One-off accounting gains (**)	4.1	-	
Net profit	5.7	2.6	120%
(in €)			
Earnings per share (***)	0.59	0.27	119%

(*) excluding one-off costs related to the contract termination fees at InTraffic (€ 0.8 million)
(**) 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 the average number of outstanding ordinary shares.

Jos Blejie, CEO of ICT Group N.V.:
"ICT Group continues its growth momentum and achieved revenue and EBITDA growth. This growth is supported by favourable market conditions and driven by the right strategic actions, positioning the company higher in the value chain. Our recent acquisitions NedMobiel and InTraffic further strengthened our offering in Smarter Cities, allowing us to serve any client in the field of mobility and infrastructure. Having achieved leading positions in Smarter Cities and Smarter Industries, our focus will now shift to strengthening our position in Smarter Health in the coming periods. Moreover, we cautiously look for international expansion in our traditional Industrial activities. Our key challenge remains attracting and retaining professionals, while keeping salary increases in balance with tariffs."

Strategy update

In January 2018 ICT completed the purchase of 100% of the shares of NedMobiel B.V., a Dutch expert consultancy company for complex infrastructures. With some 25 professionals, NedMobiel has approximately € 3 million revenues. This acquisition supports ICT's transition from a leading software integrator to a total technology and service provider, by increasing revenue from projects as well as from consulting services.

ICT completed the acquisition of the remaining 50% of the shares of InTraffic B.V. ICT now holds 100% of the shares of InTraffic. The acquisition of InTraffic enables ICT to further expand its position in the strategic 'Smarter Cities' theme. Together with the recent NedMobiel acquisition and the unit Water and Infrastructure ICT is now able to fully service Water, Rail and Road infrastructures and mobility.

InTraffic's current margin is below ICT Group's target margin range. In cooperation and integration, the focus will be on increasing efficiency. The objective is to bring InTraffic's margins more in line with ICT's overall margins. InTraffic, located in Nieuwegein, designs and builds applications for Traffic Management, Infrastructure Monitoring and Travel Information. The company was founded in 2003 as a joint venture between ICT and engineering company Movares. With 150 professionals InTraffic generates annual turnover of approximately € 19 million.

Notes to the results

Performance ICT Group

In the first half year of 2018 ICT Group's revenue came in at € 60.9 million, up 20% compared to € 50.7 million reported in H1 2017. The revenue growth showed a consistent trend. Organically, excluding the contribution of HTS, NedMobiel and three months full consolidation of InTraffic, revenue increased by 5%. This was mainly driven by the good performance of ICT Netherlands where project activities, especially in the area of Automotive and Water & Infra, increased substantially.

Strategic themes

ICT's growth strategy focuses on the themes Smarter Industries, Smarter Cities and Smarter Health. Within these themes, ICT delivers added value to its customers. All underlying markets benefited from good market circumstances and have shown growth in the first half of 2018. Smarter Cities nearly doubled, due to the acquisitions of NedMobiel and InTraffic's remaining 50% stake. Organically Smarter Cities realised 17% growth. The declining revenue in Smarter Health is a result of a delay in the delivery of foetal heart monitors at BMA and lower productivity in the ICT Healthcare unit.

Revenue split per theme (in € millions)	H1 2018	H1 2017	Δ
Smarter Industries	37.7	34.6	9%
Smarter Cities	15.5	7.9	96%
Smarter Health	4.2	5.1	-18%
Other	3.5	3.1	13%
	60.9	50.7	20%

Personnel costs increased significantly to € 37.4 million (H1 2017: € 31.0 million), primarily because of an increase in number of employees and salary increases.

Other operating expenses also increased to € 12.1 million (H1 2017: € 8.9 million), mainly because of the recent acquisitions. The investment levels in H1 2018 increased compared to the first half of 2017. ICT continued its increased outlays in recruitment and education. The costs related to strategic initiatives and the realisation of acquisitions and partnerships amounted to € 0.2 million (H1 2017: € 0.1 million). Furthermore, following the acquisition of InTraffic, one-off costs of € 0.8 million were incurred as contract termination fees. Other operating expenses also included one-off costs of € 0.4 million related to the 40-year anniversary of the company and start-up costs of € 0.2 million for ICT Belgium BVBA.

Underlying EBITDA for the first six months of 2018 increased to € 5.8 million, compared to € 5.3 million in the comparable period in 2017. Including the one-off costs of € 0.8 million related to the contract termination fees at InTraffic, EBITDA decreased by 5% compared to the same period last year.

The underlying EBITDA margin decreased from 10.5% in H1 2017 to 9.5% in H1 2018. This decrease in the underlying EBITDA margin is the balanced effect of a good performance at ICT Netherlands, the substantially lower EBITDA margins at InTraffic and lower results at Raster and BMA.

Performance per segment

Per segment (in € millions)	H1 2018		H1 2017		Δ	Δ
	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA
ICT Netherlands	44.4	4.7	39.3	3.6	13%	31%
Strypes Bulgaria	4.8	0.9	4.6	0.9	5%	-
InTraffic	4.4	-0.6				
Other	9.1	0.0	7.4	0.8	22%	-96%
Eliminations	-1.8		-0.7			
Total	60.9	5.1	50.7	5.3	20%	-5%

ICT Netherlands showed a strong performance in the first half of 2018. Revenue increased 13% to € 44.4 million in H1 2018 from € 39.3 million in the same period last year. The increase is the result of positive market circumstances and firm recruitment efforts which led to more FTE's and increased productivity. Organically, revenue was up approximately 9%. EBITDA increased 31% from € 3.6 million in the first half of 2017 to € 4.7 million in H1 2018. As a result of more project activities, licences and materials sales grew significantly compared with last year.

Strypes Bulgaria ("ICT Nearshoring") reported an increase in revenue from € 4.6 million in H1 2017 to € 4.8 million in the first six months of 2018. The investments in the organisation, mainly in quality improvement are ongoing. This resulted in an operational margin at the same level as in the first half of 2017. EBITDA came in at € 0.9 million in H1 2018 (H1 2017: € 0.9 million).

InTraffic is consolidated as of 1 April 2018 and contributed revenue of € 4.4 million in the second quarter. EBITDA included one-off costs of € 0.8 million, resulting from contract termination fees and amounted to a loss of € 0.6 million.

The segment **'Other'** recorded revenues of € 9.1 million (H1 2017: € 7.4 million). The market for Improve was positive and the company performed in line with the first six months of 2017. For Raster the challenging market conditions in the oil and gas sector continued, which negatively impacted the company's performance. BMA performed less compared with last year mainly due to a delay in the delivery of foetal heart monitors. NedMobiel performed in line with expectations and realised margins in line with ICT Group's target margins in the first half of 2018.

Other financial information

Amortisation and depreciation
ICT has attributed a value to and is amortising several intangible assets, including order backlog, software and customer relations of its recent acquisitions. The amortisation for InTraffic and NedMobiel in the first half of 2018 amounted to € 0.4 million. Total amortisation in the first half of 2018 amounted to € 1.8 million (H1 2017: € 1.2 million). Depreciation for the first half of 2018 amounted to € 0.5 million (H1 2017: € 0.5 million).

The operating profit amounted to € 2.8 million in H1 2018 (H1 2017: € 3.7 million). As a result of lower EBITDA and higher amortization, the operating margin decreased to 4.6%, compared to H1 2017 (7.2%).

Results from joint ventures and associates
InTraffic was still reported as a joint venture in the first quarter of 2018. The results in Q1 2018 were in line with Q1 2017. The result from associates amounted to a loss of € 0.2 million (H1 2017: € 0.2 million loss), mainly attributable to GreenFlux. LogicNets achieved a break-even result in the first half of the year. CIS Solutions (Germany) developed in line with plan which resulted in a small loss in the first half of 2018.

Financing expenses increased to € 0.5 million in the first six months of 2018, from € 0.3 million in the comparable period in 2017, as a result of increased financing for the recent acquisitions and a loss on the devaluation of loans to Valuemaat that filed for bankruptcy in the first half of 2018 (€ 0.2 million).

Taxes in the first half of 2018 amounted to € 0.7 million compared with € 0.7 million in the first half of 2017.

One-off accounting gains
As a result of the acquisition of the remaining 50% in InTraffic, ICT had to recognize a one-off accounting gain of € 3.5 million, related to the revaluation of the 50% stake in InTraffic already held by ICT.

Following the investment by new shareholders in GreenFlux, ICT's stake dilutes from 24.49% to 19.57%. As a result of the revaluation of its stake in GreenFlux, ICT realized a one-off accounting gain of € 0.6 million.

The impact of step up accounting and purchase price allocation of both transactions is explained in detail in the notes to the interim financial statements.

Net profit for the first six months of 2018 increased to € 5.7 million, compared with € 2.6 million in H1 2017. An amount of € 5.6 million is attributable to the shareholders of ICT Group N.V. (H1 2017: € 2.5 million). This translates into earnings per share of € 0.59 (H1 2017: € 0.27). The number of outstanding ordinary shares increased during the first half year 2018 to 9,463,878 (31 December 2017: 9,411,301) due to stock dividend.

Cash flow movement
In the first half of the year, net operational cash flow amounted to € 3.7 million positive (H1 2017: € 0.5 million negative). The net cash position per 30 June 2018 was € 2.0 million positive (31 December 2017: € 6.3 million positive). This decrease was the balanced effect of the purchase price paid for acquisitions, new financing arranged for these acquisitions, the repayments of existing acquisition financing, the payment of dividend, investments in housing facilities, and normal working capital patterns.

Balance sheet structure
In the first half of 2018, shareholders' equity increased to € 50.4 million (31 December 2017: € 47.7 million) mainly as a result of the net effect of net profit of € 5.7 million and dividend paid of € 2.4 million. The balance sheet total increased from € 81.6 million at year-end 2017 to € 95.3 million at 30 June 2018, as a result of the acquisition of InTraffic and NedMobiel. Solvency (shareholders' equity/total assets) stood at 52.8% at the end of June 2018 (58% at year-end 2017).

Personnel
At 30 June 2018, ICT Group employs 1,199 people (1,148 FTEs), around 16% higher than at year-end 2017. The acquisitions of InTraffic and NedMobiel and ongoing recruitment efforts contributed to this increase.

Outlook
ICT will continue to focus on growth, organically as well as through acquisitions. With the full consolidation of InTraffic and the acquisition of NedMobiel the company increased its size in Smarter Cities. Increasing its size in Smarter Health remains a focus point for the company. ICT will continue to be disciplined and cautious in its acquisition strategy.

ICT expects its capital expenditures and research & development expenditures to increase in 2018, in line with the increased scale of the company. ICT invests in creating a strong platform to bring the transformation into a total solution provider to the next level. The battle for talent continues and attracting and retaining the right people remains to be one of our key priorities.

Based on the above, ICT expects further growth in revenue and EBITDA in the second half of 2018 compared to the first half of 2018.

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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 realize innovative solutions. Over 1,150 passionate technical specialists are working for the ICT Group. The following subsidiaries are the main operating entities of the ICT Group: ICT Netherlands (ICT Automatisering Nederland B.V.), ICT Belgium (ICT Belgium BVBA.), Strypes Bulgaria (Strypes EOOD), InTraffic B.V., Raster (Raster Industriele Automatisering B.V. and Raster Products B.V.), Improve (Improve Quality Services B.V.), NedMobiel B.V., BMA (Buro Medische Automatisering B.V.) (51%) and ICT Mobile B.V. (51%).

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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 2018

ICT GROUP N.V.

Condensed consolidated interim financial statements

30 June 2018

Condensed interim consolidated statement of comprehensive income

(UNAUDITED)

(x € 1,000)	Note	1 January - 30 June 2018	1 January - 30 June 2017
Revenue	1)	**60,907**	**50,650**
Cost of Materials and subcontractors		6,431	5,444
Employee benefit expenses		37,366	31,021
Depreciation and amortisation	3)	2,257	1,660
Other operating expenses	2)	12,056	8,866
Total operating expenses		58,110	46,991
Operating profit		**2,797**	**3,659**
Financial expenses		(461)	(281)
Financial income		20	-
One-off accounting gains	3), 4)	4,083	-
Result from joint ventures		59	127
Result from associates		(180)	(217)
Result before taxes		6,318	3,288
Income tax expense		(650)	(715)
Net profit		**5,668**	**2,573**
Other comprehensive income (loss), net of tax		**-**	**12**
Total comprehensive income		**5,668**	**2,585**
Net profit attributable to:			
- Shareholders of ICT Group N.V. *)		**5,599**	**2,500**
- Non-controlling interests		**69**	**73**
Total comprehensive income attributable to:			
- Shareholders of ICT Group N.V. *)		**5,599**	**2,512**
- Non-controlling interests		**69**	**73**
Earnings per share *):			
Basic earnings per share (in €)		0.59	0.27
Diluted earnings per share (in €)		0.59	0.27

*) The 2018 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 2018		As at 31 December 2017	
Assets					
NON-CURRENT ASSETS					
Property, plant & equipment		3,986		2,913	
Goodwill	3)	28,459		22,308	
Other intangible assets	3)	17,595		13,154	
Investment in joint ventures	3)	-		1,044	
Investment in associates	4)	1,471		419	
Deferred tax assets		202		176	
Other financial assets		542		863	
			52,255		40,877
CURRENT ASSETS					
Trade and other receivables		38,460		33,508	
Corporate income tax receivable		7		690	
Cash and cash equivalents		4,594		6,500	
			43,061		40,698
TOTAL ASSETS			95,316		81,575
Equity and liabilities					
SHAREHOLDERS' EQUITY					
Issued share capital		946		941	
Share premium		14,204		14,209	
Currency translation reserve		95		95	
Legal reserve		1,606		2,269	
Treasury shares		(574)		-	
Retained earnings		27,646		24,159	
Net profit *)		5,599		5,226	
Attributable to shareholders of ICT Group N.V.		49,522		46,899	
Non-controlling interest		831		762	
			50,353		47,661
NON-CURRENT LIABILITIES					
Deferred tax liabilities	3)	3,981		2,915	
Share-based compensation and long-term employee benefits liabilities		381		296	
Loans (long-term)		6,805		4,230	
Deferred acquisition consideration (long-term)	3)	-		3,261	
			11,167		10,702
CURRENT LIABILITIES					
Trade payables		3,596		3,296	
Corporate income tax payable		1,133		410	
Other taxes and social security premiums		6,328		7,731	
Loans (short-term)		3,021		2,586	
Deferred acquisition consideration (short-term)	3)	3,813		-	
Bank overdrafts		2,605		250	
Other current liabilities		13,300		8,939	
			33,796		23,212
TOTAL EQUITY AND LIABILITIES			95,316		81,575

*) The 2018 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)

(x € 1,000)	Issued share capital	Share premium	Currency translation reserve	Legal reserve	Treasury shares	Retained earnings	Profit for the year	Total	Non-controlling interest	Total equity
First half-year 2017										
Balance at 1 January 2017	**929**	**13,768**	**75**	**1,744**	**-**	**21,753**	**5,006**	**43,275**	434	**43,709**
Net profit	-	-	-	-	-	-	2,500	2,500	73	2,573
Other comprehensive income	-	-	12	-	-	-	-	12	-	12
Total comprehensive income	-	-	12	-	-	-	2,500	2,512	73	2,585
Dividends paid	-	-	-	-	-	(2,052)	-	(2,052)	(58)	(2,110)
Purchase of own shares	-	-	-	-	-	-	-	-	-	-
Sale of own shares	-	-	-	-	-	-	-	-	-	-
Issuance of new shares	12	296	-	-	-	(8)	-	300	-	300
Transfers	-	-	-	-	-	-	-	-	-	-
Prior year result allocation	-	-	-	-	-	5,006	(5,006)	-	-	-
Balance at 30 June 2017	**941**	**14,064**	**87**	**1,744**	**-**	**24,699**	**2,500**	**44,035**	**449**	**44,484**
First half-year 2018										
Balance at 31 December 2017*	**941**	**14,209**	**95**	**2,269**	**-**	**24,159**	**5,226**	**46,899**	**762**	**47,661**
Adjustment on initial application IFRS 15 (net of tax)	-	-	-	-	-	-	-	**-**	-	**-**
Adjustment on initial application IFRS 9 (net of tax)	-	-	-	-	-	-	21	**21**	-	**21**
Adjusted balance at 1 January 2018	**941**	**14,209**	**95**	**2,269**	**-**	**24,159**	**5,247**	**46,920**	**762**	**47,682**
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)	-	-	-
Balance at 30 June 2018	**946**	**14,204**	**95**	**1,606**	**(574)**	**27,646**	**5,599**	**49,522**	**831**	**50,353**

*ICT Group N.V. has initially applied 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 2018		First half-year 2017	
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from customers	74,463		56,052	
Payments to suppliers and employees	(71,016)		(57,101)	
		3,447		(1,049)
Interest paid	(147)		(250)	
Income tax (paid) received	418		776	
		271		526
Net cash flow from operating activities		**3,718**		**(523)**
CASH FLOW FROM INVESTMENT ACTIVITIES				
Additions to property, plant and equipment, software	(572)		(1,326)	
Additions to software and product development	(441)		(254)	
Acquisition of subsidiaries (net of cash acquired)	(7,134)		(1,127)	
Additions to other financial assets	(105)		(210)	
Dividend received from joint venture	260		-	
Net cash flow from investment activities		**(7,992)**		**(2,917)**
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares (incl. share premium)	-		300	
Purchase of treasury shares	(749)		-	
Re-issuance of treasury shares	175		-	
Proceeds (repayments) of borrowings (external loans)	3,010		(1,273)	
Dividend paid to non-controlling interest	-		(58)	
Dividend paid to shareholders of ICT Group N.V.	(2,423)		(2,052)	
Net cash flow from financing activities		**13**		**(3,083)**
Net cash flow		**(4,261)**		**(6,523)**
Cash at bank and in hand as at 30 June	1,989		(973)	
Cash at bank and in hand at 1 January	6,250		5,550	
Increase / (decrease) cash and cash equivalents		**(4,261)**		**(6,523)**

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:

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These condensed consolidated interim financial statements ('interim financial statements') as at and for the six months ended 30 June 2018 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 1,150 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 is globally active and operates from several locations in the Netherlands, Belgium and Bulgaria (Strypes). ICT is also active in Traffic & Transport (InTraffic), Testing and Training (Improve Quality Services), complex infrastructures (NedMobiel) and Enterprise Mobility (ICT Mobile).

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.	Eindhoven (the Netherlands)	100%
Strypes EOOD Ltd.	Sofia (Bulgaria)	100%
Strypes Nearshoring Ltd.	Sofia (Bulgaria)	100%
Raster Beheer B.V.	Dreumel (the Netherlands)	100%
Raster Products B.V.	Dreumel (the Netherlands)	100%
Raster Industriële Automatisering B.V.	Dreumel (the Netherlands)	100%
ICT Belgium BVBA	Aartselaar (Belgium)	100%
Raster Industrielle Automatisierung GmbH	Essen (Germany)	100%
Buro Medische Automatisering B.V.	Houten (the Netherlands)	51%
BMA Belux BVBA	Bellegem (Belgium)	51%
BMA France SAS	Versailles (France)	51%
BMA Telenatal B.V.	Houten (the Netherlands)	26%
ICT Mobile B.V.	Barendrecht (the Netherlands)	51%
ICT Poland Sp. z o.o. (in liquidation) [1]	Gdansk (Poland)	100%
NedMobiel B.V. [2]	Breda (the Netherlands)	100%
InTraffic B.V. (from 1 April 2018) [3]	Utrecht (the Netherlands)	100%
Motar B.V. [4]	Barendrecht (the Netherlands)	100%

Joint ventures and associates

InTraffic B.V. (until 31 March 2018) [3]	Utrecht (the Netherlands)	50%
LogicNets, Inc.	Washington D.C. (USA)	20%
GreenFlux Assets B.V. [5]	Amsterdam (the Netherlands)	19.57%

1) In 2016 ICT announced the closure of the ICT Poland operation effective 31 May 2016. Subsequently the company went into liquidation in September 2016 and the liquidation is expected to be finalised in the second half 2018.

2) In January 2018 ICT acquired 100% of the shares of NedMobiel B.V. and is consolidated as from 1 January 2018.

3) ICT expanded its 50% interest in InTraffic B.V. to a 100% interest in March 2018. As from 1 April InTraffic B.V. is consolidated. Previously, ICT's former 50% stake in InTraffic was reported as result from joint ventures.

4) Motar B.V. was founded and incorporated on 9 May 2018.

5) See note 4 of the consolidated interim financial statements.

The consolidated interim financial statements were drawn up by the Executive Board and approved for publication by the Supervisory Board on 21 August 2018. 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

General basis of accounting
These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2017. For a full explanation of the accounting policies, we refer you to the Annual Report for the financial year 2017 (see the Annual Report ICT Group N.V. 2017 or go to www.ict.eu.)

Changes in significant 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 2017.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

ICT Group has initially adopted IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contract with Customers' from 1 January 2018. A number of other accounting policies are effective from 1 January 2018, but they do not have a material effect on the ICT Group's condensed interim financial statements.

IFRS 9 'Financial Instruments'

As ICT Group has adopted the classification and measurement requirements of IFRS 9 there is no requirement to restate prior periods. Therefore, the difference between the previous carrying amount before adoption of IFRS 9 and the carrying amount as at 1 January 2018 based on IFRS 9 is recognised in the opening retained earnings as at 1 January 2018.

For ICT Group the adoption of IFRS 9 has an impact on the classification, initial recognition and subsequent measurement of the convertible loans. The convertible loans do not meet the criteria for Solely Payments of Principal and Interest ('SPPI'). Therefore, IFRS 9 has an impact on the recognition and initial measurement, because the convertible loans must be measured at fair value instead of amortised cost. With respect to the subsequent measurements of the convertible loans, ICT Group has recognised € 21 thousand in the opening retained earnings as the convertible loans must be subsequently measured at fair value instead of amortised cost. The recognition of € 21 thousand in the opening retained earnings is reflected in the consolidated interim statement of changes in equity.

IFRS 9 also includes a new impairment model which contains a more forward-looking approach on credit losses. In the forward-looking credit model, expected credit losses are taken into account as from initial recognition. The new impairment model impacts financial assets measured at amortised cost, being the trade and other receivables and cash and cash equivalents with respect to ICT Group. As the doubtful debtor's provision based on the measurement of possible default events within the 12 months after reporting date is higher than the doubtful debtor's provision based on the lifetime expected credit losses derived from historic credit losses in the past 3 years, ICT Group has decided to recognise a doubtful debtor's provision based on the possible default events within 12 months after reporting date. Therefore, the impact of the new impairment model on ICT Group is EUR 0 thousand.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 'Revenue from Contracts with Customers' replaces IAS 18 'Revenue', IAS 11 'Construction Contracts' and related interpretations. ICT Group has adopted IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognised at date of initial application being 1 January 2018. Accordingly, the information presented for 2017 has not been restated and presented as previously reported under IAS 18, IAS 11 and related interpretations.

As reported in the financial statements 2017 ICT has assessed the potential impact of IFRS 15 and concluded the following based on detailed contract reviews:

- IFRS 15 does not have an impact on fixed price projects. The previous measurement of the progress based on IAS 18, IAS 11 and other interpretations, over-time revenue recognition towards completion, is an allowed method under IFRS 15 as at least one criteria out of the three criteria for revenue recognition over-time is met based on the contracts with our customers. In our view, the solution that ICT offers to its customers is seen as a single performance obligation. If applicable and depending on the structure, maintenance and service is treated as separate performance obligation or even a separate contract. Revenue under IFRS 15 is recognised based on the input method (costs incurred vs. total forecasted costs) which is similar to current accounting.

- IFRS 15 does not have an impact on the recognition of the secondment and time & material revenues, as the revenues from these services are currently recognised as revenue in the period the services are provided and as at least one criteria out of the three criteria for revenue recognition over-time is met based on the contracts with our customers. The previous accounting based on IAS 18, IAS 11 and other interpretations is in line with the IFRS 15 revenue recognition requirements.

- IFRS 15 does not have an impact on the revenues from licenses. The license revenues contain ‘right to use’ (perpetual licenses) licenses, which are recognised at a point in time under IFRS 15, and ‘right to access’ (subscription model) licenses, which are recognised over-time. Both current accounting methods are in line with the previous revenue recognition requirements based on IAS 18, IAS 11 and other interpretations.

In addition, ICT assessed the additional application guidance under IFRS 15 such as contract costs, principal versus agent considerations and onerous contracts and determined that this will not have a material impact.

IFRS 15 also prescribes new and additional disclosure requirements. ICT has determined to what extent the current internal reporting structure facilitates reporting on these disclosures and has made changes where necessary. The new IFRS 15 disclosures will be reported in the 2018 financial statements.

IFRS 16 ‘Leases’

The accounting standard IFRS 16 ‘Leases’ has an effective date of 1 January 2019. ICT Group has no indication that the impact assessment as recorded in the financial statements 2017 has changed during the first half year of 2018. ICT Group intends to use the modified retrospective approach as transition method.

ICT Group is currently implementing and testing a lease administration and accounting tool.

Seasonal influences
As a company 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 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 36-44 of our 2017 Annual Report, were unchanged in the first half of this year. The 2017 Annual Report is available at www.ict.eu.

For further information, we refer you to section 6 of the 2017 Annual Report, page 92 onwards.

Auditor’s statement
The contents of this condensed consolidated interim report have not been audited.

Note 1) Segment information

First half year 2018

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

(UNAUDITED)

(X € 1,000)	ICT Netherlands	Strypes Bulgaria	InTraffic*	Other	Eliminations	Consolidated
Revenue:						
Revenue from professional services	40,275	4,070	4,425	5,772	-	54,542
Revenue from solutions / products	3,436	-	-	2,929	-	6,365
Total from clients	**43,711**	**4,070**	**4,425**	**8,701**	**-**	**60,907**
Inter-segment	712	759	-	365	(1,836)	-
Total revenue	**44,423**	**4,829**	**4,425**	**9,066**	**(1,836)**	**60,907**
Operating expenses directly attributable to the operating segments	32,018	3,001	2,892	6,409	(1,836)	42,484
Segment Gross profit	**12,405**	**1,828**	**1,533**	**2,657**	**-**	**18,423**
Allocated operating expenses **	7,698	926	2,122	2,623	-	13,369
Operating profit before amortisation and depreciation	**4,707**	**902**	**(589)**	**34**	**-**	**5,054**
Allocated amortisation and depreciation	691	345	320	901	-	2,257
Impairment charges	-	-	-	-	-	-
Operating profit	**4,016**	**557**	**(909)**	**(867)**	**-**	**2,797**
Financial expenses						(461)
Financial income						20
Result of step up accounting (note 3)						3,518
Profit on dilution of investment in associates (note 4)						565
Result from joint ventures						59
Result from associates						(180)
Profit before taxation						**6,318**
Taxes						(650)
Net profit						**5,668**
Segment Assets***	38,303	6,175	9,648	41,190		95,316
Segment Liabilities***	14,746	1,684	4,557	23,976		44,963
Other notes						
Operating profit before amortisation and depreciation/ total revenue	10.6%	18.7%	-13.3%	0.4%	-	**8.3%**
Average number of employees (FTE)	753	149	56	121	-	**1,079**

* The financial figures of InTraffic relates to the period 1 April 2018 to 30 June 2018. The number of employees (FTE) is the average on a half year base.

** The segment InTraffic contains as expenses a one-off termination fee of € 750 thousand. See note 2 and 3.

*** At 30 June 2018.

Note 1) Segment information (continued)

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

First half year 2017*
(UNAUDITED)

(X € 1,000)	ICT Netherlands	Strypes Bulgaria	Other	Eliminations	Consolidated
Revenue:					
Revenue from professional services	36,781	4,226	4,632	-	45,639
Revenue from solutions / products	2,203	1	2,807		5,011
From clients	**38,984**	**4,227**	**7,439**	**-**	**50,650**
Inter-segment	340	380	-	(720)	-
Total revenue	**39,324**	**4,607**	**7,439**	**(720)**	**50,650**
Operating expenses directly attributable to the operating segments	28,689	2,898	4,636	(720)	35,503
Segment Gross profit	**10,635**	**1,709**	**2,803**	**-**	**15,147**
Allocated operating expenses	7,029	801	1,998	-	9,828
Operating profit (loss) before amortisation and depreciation	**3,606**	**908**	**805**	**-**	**5,319**
Allocated amortisation and depreciation	626	355	679	-	1,660
Impairment charges	-	-	-	-	-
Operating (loss) profit	**2,980**	**553**	**126**	**-**	**3,659**
Financial expenses					(281)
Financial income					-
Result from joint ventures					127
Result from associates					(217)
Profit before taxation					**3,288**
Taxes					(715)
Net profit					**2,573**
Segment Assets**	**37,866**	**6,907**	**36,802**	-	81,575
Segment Liabilities**	17,194	940	15,780	-	33,914
Other notes					
Operating profit (loss) before amortisation and depreciation/ total revenue	9.2%	19.7%	10.8%	-	**10.5%**
Average number of employees	712	136	92	-	**940**

* ICT Group has initially applied IFRS 9 and IFRS 15 at 1 January 2018. Under the transition methods chosen, comparative figures are not restated.
** At 31 December 2017.

Note 1) Disaggregated revenue (continued)

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

(X € 1,000)	*Reportable segments*		*Segment other*		*All segments*	
Revenue	**As at 30 June 2018**	**As at 30 June 2017**	**As at 30 June 2018**	**As at 30 June 2017**	**As at 30 June 2018**	**As at 30 June 2017**
Smarter industries	35,302	31,748	2,431	2,835	37,733	34,583
Smarter cities	13,693	7,926	1,795	-	15,488	7,926
Smarter health	2,018	2,751	2,145	2,305	4,163	5,056
Other	1,193	786	2,330	2,299	3,523	3,085
	52,206	**43,211**	**8,701**	**7,439**	**60,907**	**50,650**

Note 2) Other operating expenses

In the first half-year 2018 the other operating expenses contain a one-off payment of € 750 thousand, for the termination of hiring contracts.

Note 3) Business combinations and acquisition of subsidiaries

Acquisition of NedMobiel B.V.

On 24 January 2018, the Group acquired 100% of the shares and voting interests in NedMobiel B.V. ("NedMobiel"), a Dutch expert consultancy company for complex infrastructures. NedMobiel has extensive expertise in (tunnel) safety, asset management and project management in the national rail, road, water and infra sectors. This acquisition supports ICT's transition from a leading software integrator to a total technology and service provider, by increasing revenue from projects as well as from services. NedMobiel realises profitable revenues of around EUR 3 million per annum. The acquisition supports ICT's growth ambitions.

Consideration transferred

	x € 1,000
Consideration transferred in cash	2,250
Deferred contingent acquisition consideration	480
Total consideration transferred	2,730

Deferred contingent acquisition consideration

The purchase consideration for 100% of the shares amounts to € 2,250 thousand transferred in cash at acquisition date and an earn-out consideration payable in May 2019, determined based on the actual 2018 EBITDA and ranging between € 250 thousand and € 500 thousand. Given the financial performance in the first half-year 2018 the full earn-out is expected to be payable. The discounted earn-out amount of € 480 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 2017 and 2018 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: Customer relations	-	799	799
Intangible assets: Order Backlog	-	237	237
Property, plant and equipment	38	-	38
Financial fixed assets	6	-	6
Cash and cash equivalents	104	-	104
Other current assets	777	-	777
Current liabilities	(723)	-	(723)
Deferred tax liabilities	-	(259)	(259)
Total identifiable net assets acquired	202	777	979

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 € 777 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	2,730
Fair value of identifiable net assets	979
Goodwill	**1,751**

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

Amortisation

Customer relations and order backlog have been identified and valued as a part of a (preliminary) Purchase Price Allocation exercise. Customer relations have been valued for € 799 thousand to be amortised over a period of 8 years as from acquisition date. Order backlog has been valued at € 237 thousand to be amortised over a period of 1 year in 2018. As a result, the total amortisation amounts to € 168 thousand in the first half of 2018 (€ 50 thousand on customer relations, € 118 thousand on order backlog). The amortisation in the second half of 2018 will amount to € 168 thousand.
The amortisation is not expected to be 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 € 126 thousand in the first half-year.

Acquisition of InTraffic B.V.

InTraffic, located in Nieuwegein, designs and builds applications for Traffic Management, Infrastructure Monitoring and Travel Information. The company was founded in 2003 as a joint venture between ICT and engineering company Movares. With 150 professionals InTraffic generates annual turnover of approximately € 19 million.

On 22 March 2018, ICT completed the purchase of the remaining 50% of the shares of InTraffic B.V. (“InTraffic”) from former joint venture partner Movares Group B.V. ICT now holds 100% of the shares of InTraffic.

InTraffic is fully consolidated as from 1 April 2018, while up to and including the first quarter of 2018 ICT’s former 50% stake is reported as joint venture. IFRS requires ICT Group to revalue its former 50% stake in InTraffic. This resulted in a one-off book profit of € 3.5 million. The purchase consideration for 50% of the shares has been paid in cash.

The acquisition of InTraffic enables ICT to further expand its position in the strategic ‘Smarter Cities’ theme. It also supports ICT’s strategic objective to become a leading total solutions provider.

Consideration transferred

	x € 1,000
Consideration transferred in cash for the 50% stake	5,250
Total consideration transferred	5,250

Acquisition consideration

The purchase consideration for 50% of the shares amounts to € 5,250 thousand transferred in cash.
The amount of € 5,250 thousand represents the fair value as at the acquisition date.

Acquisition-related costs

ICT incurred acquisition-related costs including legal fees and due diligence costs. These costs were included in 2018 under “other operating expenses”.

Result of step up accounting

Until the first quarter of 2018 InTraffic was still reported as a joint venture. The acquisition of InTraffic 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.

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: Customer relations	-	3,000	3,000
Intangible assets: Order Backlog	-	400	400
Intangible assets: Brand name	-	1,300	1,300
Other financial fixed assets	114	-	114
Property, plant and equipment	986	-	986
Cash and cash equivalents	1,012	-	1,012
Other current assets	3,658	-	3,658
Current liabilities	(4,084)	-	(4,084)
Deferred tax liabilities	-	(1,175)	(1,175)
Total identifiable net assets acquired	1,686	3,525	5,211

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 € 2,989 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 in cash for the 50% stake	5,250
Fair value of previously held equity interest	4,361
	9,611
Fair value of identifiable net assets	5,211
Goodwill	4,400

The goodwill is attributable mainly to the skills and technical talent of InTraffic's workforce and the synergies the Company expects in collaborating more intensively with the other business units of ICT group. None of the goodwill recognised is expected to be deductible for tax purposes.

Amortisation

Customer relations, order backlog and brand name have been identified and valued as a part of a (preliminary) Purchase Price Allocation exercise. Customer relations have been valued for € 3.0 million to be amortised over a period from 6 to 15 years as from acquisition date. Order backlog has been valued at € 400 thousand to be amortised over a period of 11 months. Brand name has been valued at € 1.3 million to be amortised over a period of 15 years. As a result, the total amortisation amounts to € 240 thousand in the first half of 2018 (€ 107 thousand on customer relations, € 111 thousand on order backlog and € 22 thousand on brand name). The amortisation in the second half of 2018 will amount to € 481 thousand.
The amortisation is not expected to be 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 € 180 thousand in the first half year of 2018 and € 360 thousand in the second half year of 2018.

Legal reserve

Due to the acquisition of the remaining 50% of the shares of InTraffic B.V., the legal reserve related to the undistributed net profits of InTraffic B.V. has been transferred to retained earnings.

Other information

The deferred acquisition consideration related to the 49% interest of Buro Medische Automatisering B.V. is payable in the first half-year 2019 and therefore the related amount of € 3.3 million is classified as short term as per 30 June 2018 (31 December 2017: as long term).

Note 4) Investments in associates

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 ’stake in GreenFlux from 24,49% to 19,57%. As a result of this round the profit on dilution is € 0.6 million positive.

Additional financial information
(UNAUDITED)

(x € 1 million)	First half-year 2018	First half-year 2017
Financial Highlights		
Revenue	60.9	50.7
Revenue added value	54.5	45.2
Underlying EBITDA *	5.8	5.3
EBITDA	5.1	5.3
amortisation / depreciation / impairment	2.3	1.7
Operating profit	2.8	3.7
Net profit	5.7	2.6
Earnings per share in €	0.59	0.27
Ratios		
Underlying EBITDA / revenue *	9.5%	10.5%
EBITDA / revenue	8.3%	10.5%
Net profit / revenue	9.3%	5.1%
Net profit / average shareholders' equity	11.6%	5.8%
Solvency (Shareholders' equity / total assets) **	52.8%	52.5%
Personnel		
Headcount as at 30 June	1,199	1,014
FTE as at 30 June	1,148	971
Average number of FTEs for the half-year	1,079	940
Outstanding shares		
Outstanding ordinary shares at period end	9,463,878	9,411,301
Average outstanding ordinary shares during the period	9,420,356	9,307,580

* Excluding one-off costs related to the acquisition of the remaining 50% stake in InTraffic (€ 0.8 million)
**At 30 June 2018 and at 31 December 2017

ICT Group has initially applied IFRS 9 and IFRS 15 at 1 January 2018. Under the transition methods chosen, comparative figures are not restated.

Related-parties
For an overview of the related parties, we refer to section 33 of the 2017 Annual Report. During the first half-year of 2018 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. (and in the first half-year 2017 also with Strypes Nederland B.V.) can be specified as follows:

x € 1,000	**H1-2018**	**H1-2017**
Sales to joint ventures	441	1,030
Purchases from joint ventures	-	-
Receivables from joint ventures	-	494
Loans (net) to joint ventures	-	-
Payables to joint ventures	-	-

x € 1,000	**H1-2018**	**H1-2017**
Sales to associates	1,357	1,326
Purchases from associates	105	215
Receivables from associates	1,032	1,121
Loans (net) to associates*	309	649
Payables to associates	2	37

* The loans (net) to related parties 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 2018 and first half-year 2017, 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 and Germany.

Outstanding shares
At 30 June 2018 the number of outstanding shares amounted to 9,463,878 (31 December 2017: 9,411,301). On 30 May 2018, ICT issued 52,577 new shares related to the stock dividend over 2017. In the first half-year 2017 ICT Group N.V. issued 40,000 new shares related to the share participation plan for personnel and the long-term investment plan of key management and 82,992 new shares related to the stock dividend over 2016.

Optional dividend
ICT paid a cash dividend in the first half-year 2018 of € 2,423 thousand over the financial year 2017 and issued 52,577 new shares related to stock dividend. In 2017 ICT paid a cash dividend of € 2,052 thousand over the financial year 2016 and issued 82,992 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 2018 and 2017 are shown in the following table.

Treasury shares	Number of shares	Average rate in Euros	Treasury shares (x € 1,000)
At 31 December 2016	-	-	-
H1-2017:			
- Purchased treasury shares in first half-year 2017	-	-	
- Sold treasury in the first half-year 2017	-	-	
At 30 June 2017	**-**	-	**-**
H2-2017:			
- Purchased treasury shares in the second half-year 2017 for the personnel share plan	26,314	12.58	331
- Sold treasury in the second half-year 2017 for the personnel share plan	(26,314)	11.71	(308)
- Loss transfer to retained earnings	-		(23)
At 31 December 2017	**-**		**-**
H1-2018:			
- Purchased treasury shares in the first half-year 2018 for the personnel- and key management share plan	48,089	15.58	749
- Sold treasury shares in the first half-year 2018 to key management	(11,000)	15.91	(175)
At 30 June 2018	**37,089**	15.48	**574**

Execution of the employee participation plan in the first half of 2018 will be completed in the second half of 2018. As a result, the majority of the purchased own shares at 30 June 2018 will be sold in the second half year of 2018.

Obligations not shown on the balance sheet

Obligations not shown in the balance sheet that are included in the 2017 financial statements were essentially unchanged in the first half of 2018.

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 that the condensed consolidated interim financial statements provides a true and fair view of the assets, liabilities and the financial position as of 30 June 2018 and of the results of our consolidated activities in the first half of 2018 and of the companies included in the consolidation, and that the condensed consolidated interim financial statements provides a true and fair view of the financial position as of 30 June 2018, of the developments in the course of the first half of 2018 within the Company and the companies included in the consolidation.

Barendrecht, 21 August 2018

Executive Board of ICT Group N.V.