

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

Ctac operating result up 20% Positive outlook for 2018

's-Hertogenbosch (the Netherlands), 9 March 2018 – ICT Solution Provider Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today announces its annual results for 2017.

Key figures

	2017	2016	%	Q4 2017	Q4 2016	%
€ million (unless otherwise stated)						
Net turnover	81.6	86.2	-5.4	22.1	22.8	-2.7
Operating result	3.7	3.1	20.2	1.6	1.1	44.8
Net result	2.8	2.6	7.2	1.3	1.3	3.5
Net earnings per share	0.22	0.21				
Employees at end period (headcount)	455	459				

Highlights

- Net turnover down 5.4% at EUR 81.6 million
- Operating result 20.2% higher at EUR 3.7 million
- EBITDA rises by 11.3% to EUR 4.7 million
- Net result increases by EUR 0.2 million or 7.2% to EUR 2.8 million
- Continued improvement in turnover and profit Cloud activities
- Solvency continued to improve to 45.1% at year-end 2017, from 38.8% at year-end 2016
- (Optional) dividend proposal of EUR 0.08 per ordinary share (2016: EUR 0.07 per ordinary share)
- Expected higher net result in 2018 compared to 2017

Henny Hilgerdenaar, Ctac Chief Executive Officer:

"While turnover declined by 5.4% in 2017, we continued the upward trend in result in the year under review. The decline was largely due to a temporary dip in demand due to delays in the start-up of two projects, as well as productive hours worked in 2017 that have not yet been invoiced. Active management of related costs raised the operating result by more than EUR 0.6 million to EUR 3.7 million, an increase of more than 20%.

In 2017, we decided to build two so-called IP products, aimed at the real estate and retail markets. The nature of the product means that we can only send out invoices on the basis of the actual use of the product. This meant that we were unable to realise any turnover during the actual development of the product in 2017, and that we had to accept the negative impact this had on cash flow. We have capitalised the costs of development because we have already signed contracts with clients for these two IP products. However, in line with prevailing IFRS regulations, the bulk of the overhead component of the hours to be capitalised included in the cost price must be recognised in the operating result. This had a negative impact of around EUR 0.3 million on the operating result for 2017. The operating result however still increased in 2017, due to Ctac's higher profitability in the year under review.

Ctac the Netherlands, by far our largest business unit, once again performed well in 2017. The share of Cloud Services continued to increase. Consultancy activities in areas such as SAP and Microsoft expertise boosted the results of this business unit. In addition, our secondment activities also made a positive contribution to our results. The positive development of these activities bodes well for 2018.

As it did in 2016, Ctac Belgium made a positive contribution to our results. We are satisfied with the progress made since 2016 and expect this to continue in 2018.

The results of Ctac France were once again negative. We are making slow but steady progress in the financial and legal settlement of the business unit's final project, which was terminated in December 2016. The organisation has shifted its focus entirely to secondment activities and the sale of licences, which minimises any risks. The local managing director was replaced at the end of 2017.

Based on the achieved net result, the improvement of the balance sheet and the excellent outlook, Ctac will propose to its general meeting of shareholders to pay out a dividend (optional) of EUR 0.08 per (ordinary) share for 2017 (2016: EUR 0.07 per ordinary share).

The continued improvement in Ctac's results was visible in all four quarters. The progress the company made is a good springboard for the continuation of this upward line in 2018. Based on this, we expect to realise a higher result in 2018 compared to 2017."

FINANCIAL DEVELOPMENTS

Turnover and gross margin

Net turnover came in at EUR 81.6 million in 2017, a decline of 5.4% from EUR 86.2 million in 2016.

Turnover from consultancy, hosting and management dropped to EUR 69.5 million in 2017, a decline of 6.4% compared to the EUR 74.2 million recorded in 2016. Due to among others a 17.2% drop in the cost of external hiring to EUR 17.3 million in 2017 (EUR 20.9 million in 2016), the gross margin on these activities declined by only 2.1% to EUR 52.2 million in 2017, from EUR 53.3 million in 2016. The hosting and management (cloud) turnover included in this increased by almost 5% higher in 2017 to EUR 31.8 million.

Turnover from software declined by 8.6% to EUR 3.4 million in 2017, from EUR 3.7 million in 2016. The gross margin on this turnover came in at EUR 1.8 million in 2017 (2016: EUR 1.8 million).

Turnover from maintenance contracts was 5.0% higher at EUR 8.8 million in 2017, compared to EUR 8.4 million in 2016. The gross margin on these activities came in EUR 0.4 million higher at EUR 3.3 million.

Turnover per employee (based on the average number of FTEs on an annual basis) declined by more than 3% to EUR 192,000 in 2017 (2016: EUR 198,000).

Operating expenses

Personnel costs continued to decline in 2017 on balance by EUR 0.3 million, or 0.7% when compared with 2016. The average number of FTEs fell slightly to 425 FTEs in 2017, from 435 FTEs in 2016.

Other operating costs fell by EUR 0.8 million, or 5.5%, to EUR 14.1 million (2016: EUR 15.0 million).

Depreciations fell by EUR 0.1 million to EUR 1.0 million.

Operating result

As a result of the above developments, the operating result increased to EUR 3.7 million in 2017 (2016: EUR 3.1 million), which constitutes an increase of 20.2%.

Financial income and expenses

At year-end 2017, net bank debt stood at EUR 2.2 million (year-end 2016: EUR 1.7 million). Net interest expenses remained unchanged at around EUR 0.1 million. Other financial expenses (including the interest on earn-out obligations) also remained at the same level as in 2016. This resulted in an unchanged expense of EUR 0.2 million in 2017 (2016: EUR 0.2 million).

Taxes

The tax burden came in at 20% in 2017, compared to 9% in 2016. In 2016, an additional tax benefit of EUR 0.3 million was recognized, as Ctac was able to make retroactive use of the innovation box tax benefit over a number of years. The tax charge was on balance EUR 0.4 million higher in 2017 compared to 2016.

Net profit and earnings per share

Ctac booked a net profit of EUR 2.8 million in 2017 (2016: EUR 2.6 million). This translated into earnings per weighted average outstanding ordinary share of EUR 0.22 (2016: EUR 0.21).

The total number of outstanding ordinary shares stood at 12,655,648 at 31 December 2017. This was an increase of 140,151 shares in 2017 as a result of the pay-out of the optional dividend for the 2016 financial year.

Balance sheet

As a consequence of the net result of EUR 2.8 million for 2017, the addition of shares due to the exercised optional dividend and the payment of cash dividend, shareholders' equity increased on balance to EUR 17.9 million at year-end 2017. In line with reporting standards, the shareholders' equity was calculated prior to the execution of the proposal for profit appropriation.

Trade receivables and other receivables declined by around EUR 1.2 million to EUR 20.6 million at year-end 2017. The balance sheet total decreased by EUR 0.2 million to EUR 39.6 million at year-end 2017, from EUR 39.8 million at year-end 2016.

The solvency ratio (shareholders' equity / total assets) improved to 45.1% at year-end 2017, from 38.8% at year-end 2016.

Ctac's net bank debt increased to EUR 2.2 million at year-end 2017, from EUR 1.7 million at year-end 2016. The facility agreed with ABN AMRO stood at EUR 6.0 million at the end of

2017. Ctac issued a right of lien on receivables, operating equipment and IP rights as collateral.

Cash flow and investments

The cash flow from operations came in at EUR 3.0 million positive in 2017 (2016: EUR 3.9 million positive). The cash flow from operating activities amounted to EUR 2.1 million positive in 2017 (2016: EUR 2.5 million positive).

In 2017, Ctac invested EUR 0.4 million in tangible fixed assets (2016: EUR 0.5 million). These investments were largely spent on the replacement of ICT infrastructure and new computers. In addition, Ctac has recognised EUR 1.5 million in IP products under intangible fixed assets in 2017 (2016: EUR 0.2 million).

The negative cash flow of EUR 0.7 million from financing activities (2016: EUR 0.8 million negative) and included among others a payment of EUR 0.3 million in earn-out obligations (2016: EUR 0.2 million), and the dividend payment over 2016 of EUR 0.4 million (over 2015: EUR 0.8 million).

The net cash flow came in at on balance EUR 0.5 million negative in 2017 (2016: EUR 1.0 million).

Proposal profit appropriation

After careful consideration of the impact of a dividend payment on the net cash flow in 2018, as well as on the shareholders' equity, the composition of same and the other balance sheet components, Ctac will ask to the General Meeting of Shareholders to approve the payment of a dividend of EUR 0.08 per ordinary share from the net profit for 2017 (2016: EUR 0.07 per ordinary share). This proposal is in line with the previously formulated dividend policy. Shareholders will be offered the choice of a dividend payment in cash or shares.

Developments after the balance sheet date

There were no relevant events after the balance sheet date.

STRATEGY AND MANAGEMENT ORGANISATION

Ctac sees it as its mission to enable its customers to realise their ambitions by converting the advantages of information technology into actual business value. This also challenges our employees to be ambitious.

Ctac has divided this mission into the following objectives:

- Making it easier for (international) customers in the medium-sized and larger business segments to do business by providing appropriate and reliable ICT solutions at acceptable costs. These solutions should also make a significant contribution to the sustainable profitability and the competitive strength of these customers to safeguard the continuity of their businesses;
- the continued transition from ERP services provider into a distinctive provider of combined ICT solutions as a Business and Cloud integrator;
- Ctac has a number of its own in-house products, including the XV Retail Suite, consisting of an omni-channel-driven Point-of-Sale & Loyalty platform;
- the continued development of the Ctac organisation in line with market potential and the provision of continuity for all stakeholders.

In recent years, Ctac has adapted its organisation and tightened its strategy in such a way that it has transformed the company into a leading Business and Cloud integrator. In 2018 and beyond, Ctac will focus on the formation of integrated – in terms of market

and/or expertise – business units that are optimally equipped to provide clients with high-grade and specialist solutions.

The organisational structure is such that the management team in all countries is responsible for the centralised and integrated management of all sales and delivery activities. In the Netherlands, services are divided into three sectors: Consultancy (including SAP and Microsoft), Cloud Services and Resourcing. The company's sales activities are managed centrally.

OUTLOOK

Ctac's improved financial position, the operational progress realised and in particular the improved results recorded in 2017, have all put Ctac in a solid starting position for 2018.

Barring unforeseen exogenous circumstances, Ctac expects to book a higher result in 2018 than in 2017.

OTHER

For the purposes of the Transparency Directive of the European Union (Directive 2004/109/EC, revised), Ctac N.V.'s member state of origin is the Netherlands.

About Ctac

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

The organisation has a balanced workforce in terms of age, expertise and experience. Working together to realised common goals is a high priority for the company. Ctac is listed on the Euronext Amsterdam stock exchange (ticker: CTAC) and its head office is located in 's-Hertogenbosch, the Netherlands. As per year-end 2017 Ctac had 455 employees. Ctac is also active in Belgium and France. For more information: www.ctac.nl.

For more information:

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Financial agenda

9 March 2018	:	Publication annual results 2017
16 May 2018	:	Publication trading update first quarter 2018
16 May 2018	:	Annual General Meeting of shareholders
10 August 2018	:	Publication of semi-annual results 2018
2 November 2018	:	Publication trading update third quarter 2018

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Addenda

Key figures 2017
Consolidated balance sheet 2017
Consolidated profit & loss account 2017 / Consolidated statement of total result 2017
Consolidated cash flow statement 2017
Consolidated statements of changes to shareholders' equity 2017 and 2016
Segmented information 2017 and 2016

CTAC N.V.
KEY FIGURES
2017
2016
PROFIT & LOSS ACCOUNT

Net turnover	81,6 m	86,2 m
Gross margin	57,3 m	57,9 m
Operating result	3,7 m	3,1 m
Result from ordinary activities before taxes	3,5 m	2,9 m
Net result	2,8 m	2,6 m

EMPLOYEES (FTE)

At 31 December	427	432
On average during the year	425	435
Turnover per employee	192 k	198 k
Turnover per direct employee	233 k	237 k

RATIOS

Operating result / net turnover	4,5 %	3,5 %
Net result / net turnover	3,4 %	3,0 %
Net result / average shareholders' equity	16,8 %	18,0 %
Shareholders' equity / total assets	45,1 %	38,8 %

FIGURES PER SHARE (EUR 0.24 NOMINAL)

Weighted average number of outstanding shares	12.655.648	12.515.497
Net result	€ 0,22	€ 0,21
Cash flow	€ 0,30	€ 0,30
Shareholders' equity	€ 1,42	€ 1,23

CTAC N.V.

CONSOLIDATED BALANCE SHEET AS PER 31 DECEMBER

(amounts in EUR 1,000)

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
FIXED ASSETS		
Intangible fixed assets	16.048	14.722
Tangible fixed assets	1.760	2.181
Financial fixed assets	70	70
Deferred tax assets	<u>1.147</u>	<u>1.080</u>
	19.025	18.053
CURRENT ASSETS		
Trade receivables and other receivables	20.593	21.784
Cash and cash equivalents	<u>-</u>	<u>-</u>
	20.593	21.784
	-----	-----
	39.618	39.837
	=====	=====
<u>LIABILITIES</u>		
Paid and called up capital	3.037	3.004
Share premium reserve	11.762	11.795
Other reserves	282	-1.964
Result financial year	<u>2.800</u>	<u>2.610</u>
SHAREHOLDERS' EQUITY	17.881	15.445
Third party share	20	22
LONG TERM LIABILITIES		
Bank liabilities	-	-
Other liabilities	781	884
Deferred tax liabilities	<u>202</u>	<u>276</u>
	983	1.160
SHORT TERM LIABILITIES		
Bank liabilities	2.159	1.687
Provisions	197	246
Trade creditors and other liabilities	18.125	21.054
Corporate tax payable	<u>253</u>	<u>223</u>
	20.734	23.210
	-----	-----
	39.618	39.837
	=====	=====

CTAC N.V.

	<u>2017</u>	<u>2016</u>
CONSOLIDATED PROFIT & LOSS ACCOUNT		
(amounts in EUR 1,000)		
Net turnover	81.597	86.230
Purchase value hardware and software	8.385	8.687
Outsourced work	<u>15.935</u>	<u>19.638</u>
TOTAL COSTS OF SALE	<u>24.320</u>	<u>28.325</u>
Gross margin	57.277	57.905
Personnel costs	38.444	38.724
Depreciation and amortisation	1.020	1.162
Other operating costs	<u>14.144</u>	<u>14.967</u>
Total operating expenses	53.608	54.853
OPERATING RESULT	3.669	3.052
Interest income and similar income	5	21
Interest expenses and similar expenses	-92	-112
Other financial expenses	<u>-80</u>	<u>-88</u>
FINANCIAL INCOME AND EXPENSES	-167	-179
RESULT FROM ORDINARY ACTIVITIES		
BEFORE TAXES	3.502	2.873
Taxes	<u>-702</u>	<u>-260</u>
NET RESULT	2.800	2.613
Third party share	-	-3
ATTRIBUTABLE TO GROUP SHAREHOLDERS	2.800	2.610
	=====	=====
Number of shares outstanding at year-end	12.655.648	12.515.497
Number of outstanding weighted shares	12.597.253	12.515.497
Average number of outstanding weighted shares for the calculation of the diluted earnings per share	12.597.253	12.515.497

CTAC N.V.

	<u>2017</u>	<u>2016</u>
CONSOLIDATED STATEMENT OF TOTAL RESULT		
(amounts in EUR 1,000)		
Net result, not accounted for in the result	-	-
Net result for the financial year	<u>2.800</u>	<u>2.613</u>
TOTAL RESULT FOR THE FINANCIAL YEAR	2.800	2.613
	=====	=====

CTAC N.V.
CONSOLIDATED CASH FLOW STATEMENT

(amounts in EUR 1,000)

	<u>2017</u>	<u>2016</u>
Operating r result	3.669	3.052
Depreciation and value differences earn out	<u>1.115</u>	<u>1.371</u>
	4.784	4.423
Changes in working capital		
Receivables	1.191	-765
Short term debt and provisions	<u>-2.947</u>	<u>265</u>
	<u>-1.756</u>	<u>-500</u>
Cash flow from operations	3.028	3.923
Interest received	5	21
Interest paid	-101	-152
Profit tax paid	<u>-812</u>	<u>-1.327</u>
	<u>-908</u>	<u>-1.458</u>
Cash flow from operating activities	2.120	2.465
Investments in tangible assets	-381	-480
Investments in intangible assets	<u>-1.544</u>	<u>-161</u>
	-1.925	-641
Repayments / withdrawals of long term bank debt	-	-70
Paid earn out obligations	-301	-242
Dividend third parties	-2	-2
Divestment subsidiaries	-	247
Dividend	<u>-364</u>	<u>-751</u>
Cash flow from financing activities	-667	-818
	-472	1.006
	=====	=====
Cash and cash equivalents	-	84
Short term bank debts	<u>-1.687</u>	<u>-2.777</u>
Net balance of cash and cash equivalents as per 1 January	-1.687	-2.693
Cash and cash equivalents	-	-
Short term bank debts	<u>-2.159</u>	<u>-1.687</u>
Net balance of cash and cash equivalents as per 31 December	-2.159	-1.687
	-472	1.006
	=====	=====

CTAC N.V.

CONSOLIDATED STATEMENTS OF CHANGES TO SHAREHOLDERS' EQUITY 2017

(amounts in EUR 1,000)

	Issued <u>capital</u>	Share premium <u>reserve</u>	Other <u>reserves</u>	Undistributed <u>profit</u>	Attributable to group <u>shareholders</u>	Third party <u>share</u>	Group <u>equity</u>
Balance as per 1 January 2017	3.004	11.795	646	-	15.445	22	15.467
Dividend	33	-33	-364		-364		-364
Dividend minority shareholders and other					-	-2	-2
Net result	-	-	-	2.800	2.800	-	2.800
Balance as per 31 December 2017	3.037	11.762	282	2.800	17.881	20	17.901
	=====	=====	=====	=====	=====	=====	=====

CONSOLIDATED STATEMENTS OF CHANGES TO SHAREHOLDERS' EQUITY 2016

(bedragen EUR 1.000)

	Issued <u>capital</u>	Share premium <u>reserve</u>	Other <u>reserves</u>	Undistributed <u>profit</u>	Attributable to group <u>shareholders</u>	Third party <u>share</u>	Group <u>equity</u>
Balance as per 1 January 2016	3.004	11.795	-1.964	751	13.586	438	14.024
Dividend				-751	-751		-751
Sale minority stake						-416	-416
Dividend minority shareholders and other					-	-3	-3
Net result	-	-	-	2.610	2.610	3	2.613
Balance as per 31 December 2016	3.004	11.795	-1.964	2.610	15.445	22	15.467
	=====	=====	=====	=====	=====	=====	=====

CTAC N.V.
SEGMENTED INFORMATION 2017

(amounts in EUR 1,000)

	the Netherlands	Belgium	Other	Elimination	Consolidated
Turnover	72.497	14.080	386	-5.366	81.597
Operating result	4.353	268	-952		3.669
Financial income	2	-	94	-91	5
Financial expense (incl. earn out)	-58	-41	-164	91	-172
Result before tax	4.297	227	-1.022	-	3.502
Taxes	-817	-99	214		-702
Result after tax	3.480	128	-808		2.800
	=====	=====	=====		=====

DEPRECIATION 2017

Intangible fixed assets	-	-	218		218
Tangible fixed assets	391	25	386		802
Total depreciation	391	25	604		1.020
	=====	=====	=====		=====

INVESTMENTS 2017

Intangible fixed assets	1.478	-	66		1.544
Tangible fixed assets	164	15	202		381
Total investments	1.642	15	268		1.925
	=====	=====	=====		=====

SEGMENTED INFORMATION 2016

(amounts in EUR 1,000)

	the Netherlands	Belgium	Other	Elimination	Consolidated
Turnover	75.882	14.196	268	-4.116	86.230
Operating result	5.030	120	-2.098		3.052
Financial income	16	11	74	-80	21
Financial expense (incl. earn out)	-167	-46	-67	80	-200
Result before tax	4.879	85	-2.091	-	2.873
Taxes	-1.013	-20	773		-260
Result after tax	3.866	65	-1.318		2.613
	=====	=====	=====		=====

DEPRECIATION 2016

Intangible fixed assets	-		230		230
Tangible fixed assets	496	27	409		932
Total depreciation	496	27	639		1.162
	=====	=====	=====		=====

INVESTMENTS 2016

Intangible fixed assets	-	-	161		161
Tangible fixed assets	479	3	43		525
Total investments	479	3	204		686
	=====	=====	=====		=====