

Foreword

In 2017, Ctac evolved from being a Total Solution Provider to becoming a Business Cloud Integrator, a trend we plan to develop further in the coming year. We will also reflect on our markets and how we can develop them further, particularly with respect to business integration and business optimisation. We have become extremely knowledgeable about the Real Estate, Manufacturing, Wholesale, Logistics and Retail markets and this is where we can really brainstorm with clients to optimise their business processes.

Knowledge of IT is becoming so complex and specialist that more and more companies are choosing to comprehensively outsource. Cloud is forging ahead, but the transition is not always easy for organisations. Certainly when you still have all your hardware *on-premise*, you are not going to switch overnight. It is a question of doing it at the right speed and in the right order. And there is not just one cloud, but many.

Alongside their SAP or Microsoft core, organisations often have their own best-of-breeds in use: applications that do not necessarily run in the same cloud. That is why 'cloud integrator' and 'cloud facilitator' are becoming increasingly important concepts. How can you help your client to move to the cloud and manage this process in the best possible way? Well this is something that we are getting better at every day. The cloud proposition is becoming more and more important for Ctac too, for our existing customers and new clients.

Which cloud to choose is not important as we offer *any* cloud: public, private and all those in between. Microsoft, Google, Amazon – there is no cloud environment in which we do not operate. Added to that, we have a comprehensive and integrated iPaaS platform to help clients to manage their entire IT infrastructure. In other words, not only system hosting and management, but also how you connect them together and with other platforms.

If you want to do that well, you need broad knowledge at a high level. And that in turn requires a certain operational scale and a high degree of certification. It is therefore not surprising that we are in possession of the highest certificates from all the major software suppliers. Our operating results are transparent for everyone too. Volume and transparency make Ctac a strong, sound market player. But apart from being *big enough to cure*, we are also *small enough to care*. We add that personal touch and are just that bit more specific. We are able to manage our solutions flexibly: a major asset, as it enables us to get even larger companies to commit to us.

A high level of knowledge requires professionals who can brainstorm with clients. Professionals who understand their business processes and are also able to optimise them. SAP/Microsoft *customising* is then the next step.

Facilitating, integrating and directing the transition to the cloud – that is our core business. We contribute ideas strategically. We are also seeing our level of knowledge and skill rising, both on the product side and on the business side, and also in depth and breadth. We know what is important to our clients; what will bring them success. We want to help them grow and flourish, to make their lives easier, help them to achieve their ambitions, regardless of whether we do that with a cloud proposition, by taking over the management role, or by designing the complete architecture. In our *one-stop-shop* organisation, the options are unlimited.

Whereas the old Ctac Powerhouse consisted of separate units of expertise, the modern Ctac house is a single property with many rooms. A property in which we can act as a tour guide for our clients and show them which solutions we have to offer. And because everything is under one roof, our work is complementary. The one solution becomes more powerful by involving another, so that they become integrated. One person guides the client through this process, maintains an overview and coordinates all the efforts: the tour guide. This ensures that clients not only feel that they are being helped, but really are being helped. Our added value is not limited to the technical aspects. We also help organisations with change management: a necessary proposition which enhances our role as *enabler and accelerator*.

Something that Ctac has consciously chosen to work on is Intellectual Property: the development of our own software. Of course, we already have our cash desk solution: tailor-made in-house and completely integrated with SP Retail. It is a solution for the sector in the form of a product which can be used by any retailer. We now also supply the Fit4Woco solution: a standard solution for housing organisations. This complete cloud package covers all conventional processes. Payment is by each lettable unit and takes place monthly so the solution is scalable and will grow effortlessly with the enterprise.

Fit4Woco is a pertinent example of a carefree total solution: clients have no need to think about adjustments, updates or legal compliance. It is an outstanding example of a SaaS product, something which could not have come about without our in-depth knowledge of the Real Estate sector.

Content

Further professionalization of the Ctac organisation continued in 2017. Numerous processes and corporate functions have been internationalised in the Netherlands to such a degree that they are also able to support the Belgian organisation too. This enables Ctac Belgium to focus even more on its core tasks: less administrative work, more focus on the market.

Quality and professionalism are the goals that Ctac permanently aims for and they determine the here and now. At the same time, we want to be a pleasant club to work for. Hitting it off with clients is crucial for this, given that goodwill is what counts in this sector. Despite the tight labour market, we have been able to attract a good number of young professionals. That is also due to our recruitment drive on social media, such as Twitter and LinkedIn, where our staff give a personal account of why working at Ctac is so interesting or fun. It is a recruitment method that is paying off and it will be expanded in 2018.

As an organisation we can look back on 25 years of Ctac with an enormous amount of pleasure. It was great to be able to celebrate this milestone with our clients and staff. We received plenty of compliments on our professionalism in 2017 and we will do all we can to improve even more in the coming years. Success spanning 25 years is unusual in this market. Ctac can be very proud of that!

Looking ahead, we plan to grow organically and responsibly on condition that we only do what we are good at and we know when to stop. We would rather have three projects for which clients award us an eight out of ten than five projects with only a six out of ten. Scale is subordinate to quality and that remains true in 2018.

Henny Hilgerdenaar, CEO
Douwe van der Werf, CFO

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Ctac in figures

Key figures	2017	2016
Results (EUR x 1 million)		
Net turnover	81.6	86.2
Gross margin	57.3	57.9
Operating result	3.7	3.1
Result from ordinary activities before tax	3.5	2.9
Net result	2.8	2.6
Cash flow (net result plus depreciation and amortisation)	3.8	3.8
Employees (in FTE)		
As at 31 December	427	432
Average over the year	425	435
Turnover per employee (per FTE x EUR 1,000)	192	198
Turnover per chargeable employee (per FTE x EUR 1,000)	233	237
Selection of balance sheet figures (EUR x 1 million)		
Shareholders' equity (net value)	17.9	15.4
Net bank debt	2.2	1.7
Total assets	39.6	39.8
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%
Details per share of EUR 0.24 nominal value		
Number of weighted average outstanding ordinary shares	12,597,253	12,515,497
Net result (before share of minority shareholders)	0.22	0.21
Cash flow (net result + depreciation and amortisation)	0.30	0.30
Shareholders' equity (net value)	1.42	1.23
Proposed dividend	0.08	0.07

Profile

Ctac, as a Business & Cloud Integrator with a great deal of passion and commitment, helps organisations increase their business value by setting up, maintaining and updating the functional and technical configuration of their ICT landscape. We have been doing this since 1992 on the basis of sound technological knowledge combined with an in-depth knowledge of sectors and business processes. This expertise constitutes the foundation of a broad range of propositions for supporting all core processes at businesses ranging from financial administration to logistics, and from procurement to sales. Ctac operates from the Netherlands, Belgium and France.

We describe our main objective as - Offering customised innovative and future-proof products and services at the interface of business and ICT in order to enable our clients to realise their ambitions. This objective has been incorporated into our mission statement, *Enabling Ambitions by transforming Information Technology into Business Value*, as well as in our tagline: *Enabling your Ambition*.

Enabling your Ambition

The starting point is to deliver quick, practical, suitable and reliable ICT solutions that immediately result in improvements and profitability for the client. These solutions support organisations as they strive for continuity and profitability, but also in their efforts aimed at - international - growth, flexibility, strength, lower costs, more efficient operations, and better products, services and/ or greater market share. In short: a greater competitive advantage in several areas.

Support through a reliable and secure ICT infrastructure is a primary requirement for this. The environment must not only be completely in order technologically, but must also be geared to the specific functional requirements of the sector in which the organisation operates. Only then can an organisation respond flexibly to the dynamics in its sector and reap the rewards of an efficient and reliable information system. In addition, our XVRetail and Fit4Woco solutions comply with national and international legislation and regulations.

From IT Supplier to Value Partner

Ctac is realising this transformation by presenting itself in a target-oriented manner and by developing further as a Value Partner; this is a strategic ambition for the coming years. Business consultancy and cloud integration also play an important role in this. We look at how we can support, optimise and innovate your business operations and help you, our client, move forward: how do you benefit from the improvements as a result of our proposition? In their work, every Ctac consultant makes clear the added value that will be achieved.

In addition to value consultancy, other factors, including strategic factors, are also important. In particular, technological innovation and the provision of **Value**

Propositions set the tone here. Providing total convenience for the client by being a **Business & Cloud Integrator** and often acting as the 'single point of contact' is another deliberate strategy of Ctac.

Value Propositions

Companies generally demand solutions that they can benefit from directly, with short implementation times and controllable costs. They form a basis for the agility that every organization in the 'new world' should strive for. Ctac provides an effective answer for this with its Composed Solutions: unique and powerful industry solutions that are composed of ready-made components. Characterised by the optimal coordination between employees, software and business processes, they can be easily combined into a broad, modular solution. This could be an end-to-end solution, but does not need to be. One example is the Fit4Retail template, to which we can link an e-commerce solution or a cash register. The possibilities are endless. The client benefits from a 'customised standard solution' that is at the same time scalable and perfectly tailored to the company's needs. In 2017, this was complemented by the Fit4Woco software package for housing associations. This is a complete solution for the key processes of a housing association, provided from the Ctac cloud.

These preconfigured propositions can be quickly taken into use and the benefits can be reaped within a short period. Ctac already provides these propositions for several markets, including the Retail, Wholesale, Manufacturing and Real Estate (housing associations and commercial real estate) markets. We fully guide these propositions, i.e. from determining the situation all the way through to implementation. Here the guiding principle is that the business operations must not be inconvenienced and that the client must be able to reap the benefits of the chosen proposition as soon as possible.

A number of Value Propositions are realised in cooperation with our partners. Here, Ctac works to a policy based on entering into strategic partnerships with professional parties whose product & service portfolios are a meaningful addition to Ctac's broad portfolio. Besides SAP and Microsoft who provide the basic software, we work together with leading players

such as Dell Boomi, Transparix, Mendix, Winshuttle & inRiver.

Business & Cloud Integrator Complete Portfolio

Scale is crucial to facilitating our customers' ambitions. We are therefore also able to conceive, build and maintain any ICT solutions required. With this combination of *conceive, build & keep-it-running*, we provide total convenience for the client.

In addition to sector-specific propositions, we also supply a broad range of generic solutions such as Business Insights, Logistics Services and Customer Engagement & Commerce, including in the cloud(s), via (cloud) integration-Platform-as-a-Service (iPaaS), Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS) or Infrastructure-as-a-Service (IaaS). We have built an excellent position in the market with iPaaS – the integration of the different private/public clouds – in a short time. This helps us safeguard flexibility for our clients so that any data and information that is in and around various systems/clouds is available to them quickly and effortlessly, and in the secure and easily adjustable manner required by the business. Ctac completes its broad product range with a series of high-quality services that enable clients to make the most of their ICT investments. These range from business consultancy and software development to cloud services, including training and secondment. This is based, without exception, on a professional approach, an innovative perspective, and personal contact.

Ctac is a specialist of the Microsoft Cloud portfolio for Azure, Microsoft Dynamics 365 Business Edition and Office 365. User organisations therefore benefit from continuous updates of the fast-paced developments at Microsoft, but at lower management and implementation costs. For instance, Office 365 comprises cloud versions of the well-known e-mail, communication and collaboration software etc. Ctac also ensures seamless integration with existing systems.

Through Microsoft Dynamics CRM Online, we supply organisations with powerful CRM software via Microsoft's Cloud Service. This translates into global access, predictable costs on the basis of use, and a Service Level Agreement (SLA) with the right uptime guarantee for the specific customer's requirements. CRM Online is flexibly scalable on the basis of need.

Our cTrade solution is a unique addition to Microsoft Dynamics NAV (Navision). Amongst other things, this offers users the unique possibility to perform a multisite implementation with Navision. Many of our – new – clients now benefit from this on a daily basis.

Our Microsoft SharePoint-based iConnect offers clients a completely new communication and information platform for their organisation and employees. This includes several modern modes of communication and functionality such as 'tiles' to directly access any requested or personal information, and to carry out workflow-specific activities. Functionary-specific information is immediately available; this minimises the time needed so that these functionaries can optimally focus on their core activities.

“ACHIEVING AMBITIONS REQUIRES INNOVATION TO BE CONSTANTLY APPLIED TO BUSINESS PROCESSES”

Ctac guarantees an optimal service level, regardless of whether this concerns the implementation of business software or the management of systems. This can also mean that we act as the ICT director for our clients, a role that we are always pleased to assume. If necessary, we do this together with critically selected third parties in order to successfully implement and maintain the total solution together. Using the different clouds also implies invoicing from several different sides. However, Ctac has bundled this, makes it more transparent and easier for its clients.

Selecting the right license model for an organisation is a challenge. After it has been procured, both the client and the license model are subject to changes. Ctac both has, and provides, specialist Software Asset Management (SAM) knowledge. It thus sustainably supports its clients to help them find the right model for their organisation, keeping the cost of licenses and maintenance as low as possible.

In line with our strategy of being a Business Integrator, Ctac's portfolio of products and services was expanded and deepened further in 2017 with Customer Engagement & Commerce (CEC) activities. This expansion seamlessly integrates with the markets we are active in. In particular, the Retail, Wholesale and Manufacturing sectors show a transition from process & product-driven to customer-driven business. The current CEC portfolio provides all the means necessary for a personal approach. The fully Hybris Suite, consisting of Commerce, Digital Marketing, CRM & Service solutions, complemented by our own XV Retail Point-of-Sale & Loyalty solution and inRiver's Product Information Management (PIM) solution make us ready for the future.

More and more companies are acquiring applications from the various clouds from several suppliers. Ctac integrates these and looks after its clients by leveraging its position as a *single point of contact* (SPOC) to promote its clients' technical, organisational and possibly contractual relationships. Of course, we combine the clouds through our single-sign-on proposition, enabling users to experience the relevant applications as a single environment. This makes us both a Business Integrator and a Cloud Integrator something which offers added value for our clients in several areas. Functional and technical implementation, and the maintenance that follows, go hand in hand. This saves time and costs and it prevents confusion as to accountability.

**Innovation Partner
Focus on the future**

Achieving ambitions requires the constant innovation of business processes. Technological innovation is therefore high on our agenda. We are especially interested in sustainable solutions with added value, because companies invest in technology with a view to long-term profitability. Ctac proactively seeks out new possibilities for making the ICT environment of organisations more future-proof. Trends such as in-memory computing, mobility, the Internet of Things (IoT) and cloud services are directly translated into added value for the client. In doing this, we anticipate the latest questions from customers: how do you deal with Big Data? How can you use apps to work more efficiently? What advantages are there to working in the cloud? How do you decide which cloud(s) you are going to use? These are good questions but ones that can have far-reaching consequences if they are answered incorrectly. Through different sessions, we, together with our Enterprise Architects, help to find - and if relevant implement - appropriate solutions for this. An example of this is our all-out focus on the iPaaS proposition in 2017, in order to offer our clients maximum flexibility.

Over the past 25 years, our professionals have built up an extensive and in-depth expertise in business processes within various markets. This knowledge forms the basis for our wide range of innovative solutions for virtually all core processes within companies. Each and every one of these solutions is a relevant solution that has been developed in close cooperation with the market and is therefore optimally tailored to the ambitions of the client. Due to this process of co-innovation, companies can bring their information processing to the desired level more quickly and immediately operate more efficiently.

Ctac also actively contributes to innovation programmes at our technology partners and our customers.

Structured approach

Innovation will continue to have our full attention in the coming years. All activities in this area are combined in an innovation team. The underlying rationale is that more unity results in more cohesion and therefore in more success.

Examples

In 2017, our focus on innovation led to the development of various Internet of Things (IoT) applications. For example, we have enabled a waste-processing company to monitor the load factor, temperature and relative humidity of their trucks in real-time and we have provided their drivers with an app that combines this information with their trips and tasks.

Another example of an innovative IoT development is a proof of concept for a beer brewer where information about consumption, temperature and other relevant indicators is collected in the locations where the beer is drawn and served to consumers, and is then reported centrally. This enables the brewery in question to respond to stock demands and plan its delivery trips accordingly, as well as preventing possible issues with the quality of the beer.

In 2017, we also took the first steps in using Artificial Intelligence (AI). An example is the help that AI can provide to classify product data into a Product Information Management system (PIM). Another application is improving websites on the basis of - often large amounts of - data relating to click behaviour, purchase behaviour etc.

Our focus on innovation over the past few years has resulted in several successful innovations. These include Pick-by-Vision (an order picking solution supported by Augmented Reality), a Gesture Control demo, SAP & IoT-powered Mindstorms robots and conveyor belts, and the launch of various apps, including an app for housing associations. We were the first to convert our SAP Retail environment, including the Fit4Retail template, to SAP HANA, SAP's in-memory solution that speeds up data processing by a factor of up to 1,000. This is great for users and it creates the ideal opportunity to react immediately and effectively to the current situation.

Ctac was also the first company to seriously devote itself to SAP's cloud solutions. This has resulted in a formal cloud partnership with this leading supplier. We were also the winner of the Best SAP Cloud Value award concerning SAP Hosting, SAP HANA, SAP Cloud Services and SAP AMS, and other awards. This means that all Ctac's services – management, cloud, HANA and applications, and combinations thereof – are certified. We continue to hold the Excellence status for SAP Hosting, and other services, making us one

of the few parties in Europe with the highest possible SAP qualifications. We see these certifications as extra confirmation that our entire organisation has a very high level of expertise and continuously delivers work of the highest quality for our clients.

Furthermore, Ctac is an early adopter of the SAP Fiori application. This is a solution that converts complex SAP screens to simple, browser-based screens for mobile and other devices. In addition, we have conducted various Design Thinking and Innovation sessions with customers such as Vivare, Action, Bakker Coevorden and Bavaria, often resulting in surprising new insights.

As regards innovations, the HANA TDI platform also deserves a mention. This Tailored Datacenter Integration platform that runs on IBM technology was put into use by many organisations in 2017. By making use of the scale benefits the Ctac Cloud offers, the platform provides companies with the extra flexibility to scale up and scale down their in-memory capacity so that they will pay less if their size decreases. The SAP S/4HANA TDI platform also offers more flexibility and possibilities regarding operation, availability and fallback options. Here, Ctac offers its clients the option to migrate their current SAP environment to a near-zero-downtime solution: SAP's new generation of business suite software. This migration is carried out in a phased manner.

And finally, Ctac was the first company to launch the new Integration-Platform-as-a-Service (iPaaS), based on the much acclaimed Dell Boomi technology. This takes away our customers' worries as regards the new world of integration and as regards clouds. The positive responses of users has proven how useful it is for organisations.

Domains

Ctac's service comprises three domains that together make up its Business & Cloud Integrator approach: Consultancy, Cloud Services and Resourcing.

1. Consultancy

The basic premise underlying our consultancy service is to create an interplay between business consultancy and technical/functional consultancy such that, in line with our mission, we can convert ICT into business value for the client. To this end, we work together with several software suppliers including SAP, Microsoft and Winshuttle. Ctac's field of operation includes the Netherlands, Belgium and France. Within the consultancy domain, we offer a project-based, as well as a secondment-based approach. Ctac has the option of contracting entire projects, or of partially resourcing them, and/or providing the programme or project management for these projects. In addition, we supply

professionals for technical or more business-oriented, specialist roles.

Because our work is, and will continue to be, the work of people, we have made project management an integral part of our services. This enhances our capacity to provide direction to the 'soft' side of change: the individual and all of their facets are often the decisive factor in transforming projects into a success in the business. Our approach in this discipline demonstrates how we get the best out of people and consequently achieve the desired project result.

Another part of our consultancy services is Ctac Learning. This supports user organisations to optimally prepare themselves and also supports users in the use of their systems. Furthermore, Ctac Learning provides practical, customised training courses that keep employee development in line with the systems and the organisation. To guarantee the highest possible return on training, Ctac Education embraces the High Impact Training (HIT) methodology which stands out because of its pragmatism, efficiency and affordability. Finally, Ctac Learning looks after the setup of Performance Support; a methodology designed to obtain knowledge and to provide access to it at the right moment. All these aspects help our clients to conduct their change management better.

Ctac's Consultancy is focused on specific sector solutions as well as on general solutions that are suitable for any business.

Sector solutions – strength from in-depth market knowledge

Corporate life has no room for 'one size fits all' and so this is why we develop market-specific solutions that optimally anticipate the requirements and wishes of the various markets. They offer the flexibility and efficiency that organisations expect, and have a right to expect, of their ICT. For our market-oriented activities, it is all about the knowledge of the customer and their processes (*customer intimacy*). To this end, over the past few decades, Ctac has developed an extensive knowledge of various sectors such as Retail, Wholesale, Manufacturing and Real Estate. We act as a business partner and provide tailored solutions to these markets. Moreover, our people are aware of the challenges, follow new developments closely, and speak the company's language. As we are a frontrunner in signaling changes in the market, we can translate trends into innovative functional and ICT solutions that give the client a leading edge.

General solutions – performance as a result of durable solutions

Ctac's knowledge-oriented business consultants and developers deliver in-depth product expertise to

optimise core processes and solve specific customer issues. They develop innovative state-of-the-art solutions that are sector-independent and can therefore be implemented in any market. The application of innovation helps to create distinctiveness and strengthens the competitive position of our clients. Here, our consultants combine solid technical know-how with many years of experience so that they can achieve this time and again. Disciplines in which we excel include e-Commerce, Business Intelligence (BI), Mobility, Lo Customer Engagement Commerce, Business Insights (BI), Mobility, Logistics, Finance, Business Productivity and Learning. In order to quickly and easily deliver one uniform reality, Ctac has developed a link between the flexible Microsoft Dynamics CRM business software and SAP. Our user-friendly and highly integrated e-business solutions are also part of the portfolio.

2. Cloud services

Today, more and more services that companies purchase originate from one or more clouds. Interconnecting various cloud environments is a challenge that caught our attention and so Ctac is one of the first Total Solution Providers which has subsequently developed solutions in this area. Providing a safe, workable and high-performing situation in the workplace is the starting point. We achieve this on the basis of deploying the right resources for access and accessibility in order to make it appear as if the client is using a single cloud environment. Of course, we also assume ownership and we can always look after our clients on the basis of the appropriate contract form.

The market has a major need for hosting solutions and managed computer environments that relieve customers from these onerous tasks. Ctac has been active in this field for over fifteen years in the Netherlands, as well as in Belgium. We do this through a dedicated team of specialists who have in-depth knowledge of the various markets. The strength of the team, the expertise of our people, and our particular focus on the result are important distinguishing factors in this respect. Ctac Cloud Services focuses on configuring, managing and supporting powerful and complex infrastructures for database-oriented, business crucial ERP systems and Business Productivity environments. On the basis of the number of customers, we are a market leader in the Benelux in terms of SAP.

We provide total management services for companies of all sizes and in every sector. No woolly stories or lengthy reports, but fast, practical solutions that immediately lead to improvement and convenience. These are primarily designed for organisations that wish to secure a professional infrastructure on their way to operational excellence. To deliver this, we have the highest certifications at the personal and process level available in the market.

Cloud services

Technology is developing at an astonishing pace and that is why innovation is high on our agenda. For example, consider cCloud2.0, an innovative step in providing flexible and scalable server and storage capacity. With cCloud2.0, Ctac offers a high-quality package of services based on Infrastructure as a-Service (IaaS) and Platform-as-a-Service (PaaS). Among other things, it offers a standard framework for communication with mobile devices and Big Data solutions, making the platform future-proof.

cCloud2.0 gives organisations the highest possible flexibility in terms of using their capacity. The ability to quickly scale up during peaks in business activity is child's play and payment is based on use. Furthermore, customers can specify their IT needs themselves via a self-service portal. The flexibility we provide is unique in the market and rests on in-house developed, high-tech components. cCloud2.0 was developed on the basis of our experience with 230,000 national and international users of SAP, Microsoft and other systems. Thanks to the pay per use model, the services are adjustable 24/7 and customers can achieve substantial savings without having to make investments themselves.

In order to achieve all this, Ctac works together and intensively with leading technology partners such as SAP, Microsoft and IBM.

3. Resourcing

For organisations that are looking for additional knowledge or capacity, we can provide SAP or Microsoft consultants on a temporary basis. We are able to draw from over 700 of our own experienced professionals and/or from high quality ICT specialists, project and program managers within our sizable freelance network. Ctac Resourcing combines the customer's requirements with the competencies of our candidates to create an optimal match for secondment and hiring, as well as 'midlance' (employment with Ctac on a result-based salary).

Markets

The Ctac organisation focusses on specific markets in which it excels in terms of knowledge of the customer and the customer's essential processes. The solutions we contribute are specific to the relevant segment and are supported on a project-oriented basis. Drawing from a broad pool of knowledge, experience and their network, Ctac's specialists speak the client's language. Time and time again, they are the first to signal market changes and to transform them into innovative ICT solutions.

Ctac operates in the following sectors

• Retail

In Retail, companies do not want to have to think too much about the basics – ICT should happen automatically. A streamlined and flexible system tailored to the sector offers the best conditions for growth. We use templates that are geared to retail processes, developed after years of experience in this sector. Solutions that provide companies with insight, analyses and efficiency for their 'clicks', as well as their 'bricks'.

The retail market is very much in motion and Ctac's customers will have to go along with the digital transformation. Offline shops are being integrated with online shops ever more and ever more intensively. In its capacity as a Business Integrator, Ctac can also be of help in this respect. In early 2016, Ctac started intensifying its Customer Engagement & Commerce activities and added the SAP Hybris proposition to its portfolio.

• Wholesale

Innovative wholesale traders look beyond purchasing and sales, and also offer services such as rental and maintenance. Ctac shares this innovative ambition and helps organisations to realise optimal information management systems, tailored to provide maximum support to their core processes. Easy to use with software that is available to all players in the market – from small to large.

• Manufacturing

The ideal factory is built on a solid foundation – one that we help companies to create. This foundation gives maximum insight into schedules, purchase orders, actual costing, delivery reliability and stocks. Everything needed to monitor margins, create optimal returns, and become resilient through agility.

• Real Estate

Tailored to the Real Estate market, we offer a progressive real estate solution with a wide range of functions: Ctac Fit4Woco. A well-thought-out solution that opens up a new world and that provides total control over the processes that are unique to the sector. A solution for any organisation that operates with ambition in real estate. The Ctac Real Estate team is the largest and most experienced SAP RE Team in the Benelux.

Specialisms

Ctac works together with its customers to develop solutions that have an impact on the future business operations and positioning of organisations. Sustainable growth and value creation are our strategic starting points in this respect. We deliberately choose product/market combinations with strong growth potential. The SAP and Microsoft solutions more than meet this criterion and furthermore enable us to provide sector-focused applications. The following themes from Ctac's portfolio represent just some of our specialisms:

• Business Insights

For us, Business Insights (BI) is more than simply making raw data accessible, and analysing and understanding this data. Its essence is about translating it into useful information that, by applying knowledge, can result in action and produce an operational, tactical or strategic result. And it is preferably offered to the people concerned directly, instead of them having to ask for these reports making it effective, high-quality and efficient. Ctac therefore ensures that your investments in BI also lead to a real competitive advantage: the rationalised management of processes and better risk control.

• Cloud

For companies, the ability to adapt to a changing market and portfolio in an agile way is the most important pro-cloud argument. Ctac anticipates this need with a total package of state-of-the-art cloud services that are available 24/7. No investments in infrastructure or licenses, always the latest software updates, and guaranteed availability. Once again, this enables customers to focus on their core business in the secure knowledge that their applications are in safe hands.

• **Business Productivity (CRM, SharePoint, Collaboration, Communication, Document Management)**

People determine the success of an organisation. Optimised collaboration among employees, partners and customers is therefore essential to consolidate and enhance this success. For example, the creation of virtual offices in which various people, teams and companies can work together on the same objects. Independent of time, location or device. Information becomes easier to find, is offered to the user in a better way, and/or is shared more effectively. This increases productivity and the organisation's strength.

• **Office Automation**

Business operations are increasingly shifting to online and cloud. Ctac's managed workplace provides users with the certainty that their office/workstation is always available. Via our online workplace services, we create secure access to the digital business environment from any device, anywhere in the world. The benefits: the ability to work at any time and everywhere with the latest software at predictable costs.

• **Customer Engagement & Commerce (CEC)**

Together with its customers, Ctac studies how Customer Engagement can bring success for an organisation. This is based on the principle that an optimum end-customer experience always leads to profit in the form of increased turnover, a larger range of customers or a better relationship with the market – we make this possible. Our CEC team specialises in a broad range of solutions that seamlessly fit into any type of enterprise and any strategic objective. And always with the right system for the right company. Ctac has defined this as a prime focus and has taken steps to further intensify this activity. One such step was entering into a number of partnerships, including with SAP Hybris & inRiver.

• **Application Management**

The demand by organisations for having their ICT landscape worries taken out of their hands is increasing. Ctac caters to this need by offering application management for SAP, Microsoft and office automation. These services provide a suitable answer to all your issues regarding continuity, performance, capacity and optimisation. In this way, we establish the foundation for a professional service, supplemented with a self-service portal and a 24/7 service desk.

• **Business Applications**

Markets are increasingly competitive and dynamic, as a result of which processes change regularly. Business software cannot afford to lag behind in this process of adaptation. Whether such adaptation involves changes to SAP or Microsoft software, or entirely new applications – Ctac makes it all possible. We supply business applications that can be immediately implemented, and with seamless integration into any environment whatsoever, thus making the desired progress as painless as possible.

• **CRM**

Regardless of the CRM system a company selects, Ctac has the required in-house expertise to provide a complete CRM strategy, including implementation. The solution can be on-site, cloud-based, or hybrid. It can also be SAP or Microsoft. We have known both systems inside-out for years. And if the organisation uses both SAP and Microsoft, then we can ensure a seamless integration between both, including real-time synchronisation.

• **Learning en change management**

Every functional and technical ICT implementation and optimisation strengthens an organisation. But if your employees do not make maximum use of the systems, you will be missing out on opportunities. Ctac Learning keeps the skills of all users up to speed. We deliver customised training in several ways. We also use Performance Support to safeguard knowledge and make it accessible at the right time. Our solutions are efficient and affordable, and always have results as their top priority.

• **Data management**

With the staggering growth of data today, there is a call from the market to increase the return from all this data. The objective is to transform data into information, since decisions are not taken on the basis of data but on the basis of information. The lack of sound and strategic information management can result in untenable situations and sky-high (production) costs for organisations. At Ctac, we know that with the right Enterprise Information Management processes the benefits are substantial. On the basis of our in-depth knowledge and years of experience, we help client after client to derive greater returns from their complex information environments.

• **App development**

Smartphone, laptop, tablet – more and more people are mobile and also use these devices for their work. That causes companies to be faced with challenges such as how to secure their business data, how to manage their mix of different devices, and how to identify the appropriate processes for which to develop apps. Ctac offers an answer to all this with an extensive portfolio of end-to-end mobility solutions that focus on the user. In other words, boosting your business through mobility.

• **Technical and Functional Management**

After an intensive implementation process, organisations want their SAP/Microsoft systems and office automation to provide optimal performance – and for this to be sustained. As SAP's biggest Platinum management partner and as a Microsoft Gold Partner, Ctac has the right tools and know-how in house to provide you with a suitable answer to all emerging issues concerning required new functionality, continuity, performance, capacity and optimisations. Well over 450 expert, functional consultants and ICT specialists are standing by, ready to make this come true time and time again.

• **XV Retail Suite**

Since 2007, our XV Retail Suite – an authentic Ctac product – has provided important added value to the store processes of our Retail & Wholesale customers, fully integrated with SAP. Both the primary payment processes and the secondary processes that ensure a closed flow of money and goods on the shop floor can be supported by XV Retail. In times where there is increasing pressure on physical shops, Ctac is innovating and is investing in its solution and transforming it from just the in-store channel to a set of services that provide price & promotions calculations, shopping basked functionality, new forms of ordering and paying, and loyalty, on any channel. Here, we support several clients, some of whom have a presence in a large number of European countries. To support this, the package includes various country-specific requirements (e.g. currency) and statutory requirements (e.g. tax).

The Ctac share

Financial schedule 2018/2019

09 March 2018	Publication of 2017 financial figures
04 April 2018	Publication of 2017 annual report
09 May 2018	Publication of quarterly report for the first quarter of 2018
16 May 2018	General Meeting of Shareholders
09 August 2018	Publication of half-year figures for 2018
08 November 2018	Publication of quarterly report for the third quarter of 2018
08 March 2019	Publication of 2018 financial figures
15 May 2019	General Meeting of Shareholders

Paid-up and called-up capital

The authorised share capital amounts to EUR 7,200,000 and is divided into 30,000,000 shares of EUR 0.24 as follows: 14,999,999 ordinary shares, 15,000,000 preference shares and 1 priority share. The issued share capital consists of 12,655,648 ordinary shares and 1 priority share.

Development of share capital

The number of outstanding ordinary shares on 31 December 2017 was 12,655,648.

Dividend policy

In principle, Ctac's dividend policy aims to pay out 30 to 40 percent of the net profit, with the shareholders being offered an optional dividend in cash or shares. Ctac may depart from this policy in connection with the financing of future growth.

Key figures for ordinary shares

Number of weighted average outstanding ordinary shares: 12,597,253
Highest closing price 2017 (EUR): 4.10
Lowest closing price 2017 (EUR): 3.13
Closing price year-end 2017 (EUR): 3.25
Net result per share (EUR): 0.22
Operating result per share (EUR): 0.29
Dividend per share (EUR): 0.08
Dividend yield in % at year-end 2017: 2.5%
Net asset value (EUR): 1.42

Data per share of EUR 0.24 nominal value	2017	2016
Number of weighted average outstanding ordinary shares	12,597,253	12,515,497
Net result attributable to group shareholders	0.22	0.21
Cash flow (net profit plus depreciation)	0.30	0.30
Shareholders' equity	1.42	1.23
Proposed dividend	0.08	0.07

Act on disclosure of major Holdings

The register of the Netherlands Authority for the Financial Markets (AFM) in connection with the disclosure of major holdings of shareholders in securities-issuing institutions as at 31 December 2017 contained the following investors with participating interests higher than 3% (source: AFM).

Date of disclosure	Disclosing Party	Interest
6 November 2014	P.C. van Leeuwen	5.20%
8 July 2015	J.P. Visser	15.09%
8 July 2015	Decico B.V.	5.06%
1 March 2016	Alpha Holding B.V., Elpico B.V., Invenet B.V.	4.99%
14 March 2016	HECO S.A.	5.08%
1 September 2017	D. Lindenbergh	10.00%
20 September 2017	Axxion	3.16%
22 September 2017	H.A.M. Cooijmans	8.82%

Board of Directors



Mr H.L.J. Hilgerdenaar (1960),
Dutch nationality.

Director under the articles of association
Chief Executive Officer (CEO)



Mr D.G.H. van der Werf (1955),
Dutch nationality.

Director under the articles of association
Chief Financial Officer (CFO)

Supervisory Board



Mr G. van de Weerdhof (1966),
Dutch nationality.

Chair of the Supervisory Board.

Member of the Supervisory Board of
Sligro Food Group N.V.
Member of the Supervisory Board of
Wereldhave N.V.
Chair of the Supervisory Board of
Pokon Investments B.V.
Supervisor at Hypo Groep B.V.

*Appointed to the Supervisory
Board of Ctac in May 2017. The
current term is for four years
until the date of the 2021 Annual
General Meeting of Shareholders.*



Mr E. Kraaijenzank (1956),
Dutch nationality.

Member of the Supervisory Board
of HZPC, WLN and Kwetters.

*Appointed to the Supervisory
Board of Ctac in May 2009. The
current term is for four years
until the date of the 2020 Annual
General Meeting of Shareholders.*



Ms E. Karsten (1954),
Dutch nationality.

Chair of the Supervisory Board
of NCFS (Nederlandse Cystic
Fibrosis Stichting - Dutch
Cystic Fibrosis Foundation).
Member of the Board of VCTE
(Vereniging Commissarissen en
Toezichthouders Erasmus (Erasmus
Association of Supervisory Directors
and Compliance Officers).

*Appointed to the Supervisory
Board of Ctac in May 2014. The
current term is for four years
until the date of the 2018 Annual
General Meeting of Shareholders.*

Report of the board of directors

Introduction

Overview of key figures:

Results	2017	2016	2015	2014	2013
<i>(in EUR x 1,000)</i>					
Net turnover	81,597	86,230	86,092	83,395	77,028
Net result	2,800	2,613	2,414	1,750	1,160
Employees					
Average number of employees (FTE)	425	435	449	441	439
Ratios					
Operating result/net turnover	4.5%	3.5%	3.9%	3.2%	2.8%
Operating result/net turnover	3.4%	3.0%	2.8%	2.1%	1.5%

Strategy

'Enabling Your Ambition'

Ctac has determined that its mission is to facilitate the ambitions of its customers by transforming the advantages of information technology into actual 'business value'. This also includes challenging the ambitions of employees.

Within this context Ctac distinguishes the following objectives:

- to unburden (international) customers in the (larger) SME segment by offering suitable and reliable IT solutions at acceptable rates. These solutions should also make an important contribution to the sustainable profitability of these customers and their competitiveness for the continuity of their companies;
- to further evolve from an ERP service provider into a distinctive supplier of composed IT solutions as a Business & Cloud Integrator;
- Ctac has some products of its own, including the XV Retail Suite which consists of an omni-channel-driven Point-of-Sale & Loyalty platform.
- In 2017, Ctac made significant investments in its own 'intellectual property'. Besides the existing XV Retail Suite, an iPaaS platform (integration-Platform-as-a-Service) was built. This enables quicker access to information, making it more readily available for new applications. Fit4Woco, a cloud software (Software-as-a-Service) for the housing association market, was developed as well. Fit4Woco supports all primary processes of housing associations. The applicable legislation and regulations are complied with efficiently and effectively.
- to further develop the Ctac organisation to capitalise on market opportunities and to offer continuity for all stakeholders.

In previous years, Ctac has structured its organisation and redefined its strategy such that it has been able to transform itself into a leading Business & Cloud Integrator. In 2018, and in the coming years, the focus will be on integrated – market and/or knowledge-oriented – business units that are optimally equipped to provide high quality and specialist solutions to customers.

The organisation is structured such that in all countries the Management Team provides central and integrated direction to all sales and delivery activities. Services in the Netherlands are subdivided into three sectors: Consultancy (incl. SAP and Microsoft), Cloud Services and Resourcing. The sales activities are managed centrally.

Sectors in which ctac nederland is active

Ctac approaches the sectors in which Ctac is active in a manner that is in line with the propositions for our customers and our internal organisation has been structured on this basis. This has taken place as a result of a more clearly defined strategy, whereby specialist knowledge about various market sectors has been chosen as the binding factor.

Ctac targets existing and newly defined markets and areas where it wishes to and can play an active role, and where the portfolio model based on consultancy, hosting and management, and software products can be applied. In this model, Ctac aims for a well-balanced distribution whereby it remains the aim to have Cloud Services constitute at least 50% of the turnover.

In our structure, similar activities are clustered. Ctac Nederland has defined three such clusters: Consulting, Cloud Services and Resourcing. The activities covered

by Cloud Services involve a broad range of specific ICT application and integration expertise, as well as offering assistance to organisations that wish to safeguard a professional ICT infrastructure or professional application landscape in the private and/or the public clouds and/or across the different clouds. As a result, cloud integration has become a major part of our service provision. All SAP and Microsoft-related activities and software, mainly those with a functional focus, are grouped under Consulting. The Microsoft-related activities include CRM, Navision, office automation and SharePoint. Ctac Resourcing includes all secondment-related activities.

Ctac Consulting

This business unit contains all SAP and Microsoft-related activities for specific markets and across markets. This unit of Ctac is mainly active in the following market sectors: Retail, Wholesale, Manufacturing and Real Estate.

The strategic XV Retail solution is part of the Consulting business unit. Both the development of the product, as well as maintaining and adjusting it, is carried out in close consultation with the customers. This product now holds a leading position in a highly competitive market both in the Netherlands and in Belgium.

Last year, Consulting also start the product development for Fit4Woco. This solution provides a ready-made answer to the processes that are relevant to housing associations and it is offered through an SaaS solution. Housing association Vivare has been the first client to procure this solution.

2017 also brought Ctac success as regards the activities concerning its own XV Retail Suite Customer Engagement solution. Since the start in 2006, Ctac has been supporting major players in Retail and Wholesale with their daily shop processes. Ctac enables its customers to handle all support processes, such as closed flows of money and goods, sales registration, integration of shop and web, fully integrated into SAP, online and in real time.

Our XV Retail solution is active internationally, is used in seven different countries and complies with statutory and tax rules that apply in those countries. The commercial success of XV Retail, with the resultant long-term contracts and the expected significant growth of the number of Points of Sale due to our clients' successes, led to further autonomous growth of the team in 2017 again.

Ctac's SAP Consultancy activities mainly focus on the Retail, Wholesale, Manufacturing & Real Estate markets.

Ctac Cloud Services

This business unit – formerly Ctac Managed Services – offers Cloud Services (integration, management, hosting and system optimisation) and, in this respect, is not linked to specific market sectors. Through its Cloud Services, Ctac takes over the management of the systems and applications from the customer. Cloud Services supports the whole life cycle of systems, so that customers can focus fully on their core business. Cloud Services increasingly focuses on cloud integration, enabling us to take away our clients' worries by connecting the clouds from which clients purchase services. Integration-Platform-as-a-Service (iPaaS) is a nice new proposition. User friendliness is assured through such features as single sign-on, thus ensuring a secure infrastructure that spans the different clouds, and it also enables us to serve as the Single Point of Contact for the different services. Users of these services include OTTO Workforce, Bavaria, Wonen Limburg, The Greenery and SCIA.

Security is an important aspect of Cloud Services. In the past few years, we have also implemented the principle of 'security by design', we are having more and more external audits done and we have been making our internal organisation more aware of the environment in which we work and the responsibilities this entails.

Data Centre Facilities

Ctac has moved its data centre activities for the hosting of SAP and Microsoft services to, among others, Equinix, Interoute and Interxion. These data centres were selected carefully in order to be able to stably put our iPaaS proposition into the market, while ensuring the best performance. This has made it possible to develop new, advanced cloud services and provide them from these locations. Ctac was also the first to launch some new services: a Self-Service Portal and Ctac Archiving-as-a-Service (AaaS).

With the Self-Service Portal, customers can, at the push of a button, increase or decrease system capacity and obtain real-time insight into their own use. Ctac Archiving-as-a-Service is a full-service solution for SAP archiving and thus forges a link between ICT objectives and the continuing, increasing information needs of the user organisation. With this archiving concept, customers can archive carefree and faster, and users can maintain their existing flexibility where it concerns the ability to view and analyse SAP data.

Ctac helps companies and organisations in structuring, maintaining and renewing high-quality ICT infrastructure and in developing and implementing sector-focused iPaaS, PaaS, IaaS and SaaS solutions.

Ctac Resourcing

The activities that cannot be allocated to Cloud Services and Consulting, such as the secondment services, are grouped together under Ctac Resourcing. Through Ctac Resourcing, Ctac is active in the secondment of SAP and Microsoft consultants. In the past, the operational Resourcing activities became one integral whole with the Cloud Services and Consulting activities. This had a positive influence on the development and collaboration of the various business units, and on flexibility and continuity.

In addition to recruitment and selection, and seconding consultants to customers, Ctac Resourcing is also responsible for hiring external consultants for Ctac Consulting and Ctac Cloud Services. Consequently, Ctac is even better organised to anticipate the increasing flexibilisation of the labour market.

Key developments

New initiatives & partnerships

Ctac has expanded its e-commerce activities

In line with our strategy of being a Business & Cloud Integrator, Ctac's portfolio of products and services has been further expanded with e-commerce activities. The expansion seamlessly integrates with the markets Ctac is active in. Ctac has seen a considerable growth of its customers' e-commerce activities, particularly in the retail, wholesale and manufacturing markets. The interaction with the other business units will bring synergetic benefits for the company.

Ctac strengthens its omni-channel strategy through a partnership with inRiver

Ctac has selected the modern inRiver Product Information Management platform (PIM) inRiver to further expand its omnichannel-portfolio. Ctac thus helps retailers better streamline its customers' entire (online) purchasing processes. The main advantages of the new system for customers are user friendliness, short time to implement and easy integration with other systems.

The reason for this new collaboration between Ctac and inRiver is the increase in the number of digital sales channels and the growing desire among Ctac customers to supply the best product information. The inRiver PIM system enables retailers to manage their product information in an intuitive and efficient manner and to easily share relevant information through different channels. They can thus create a first-class online shopping experience and real-time information on all sales channels.

Custom Connect and Ctac partnership for cloud integration services

Custom Connect, the carrier-neutral data communications specialist, and Business & Cloud Integrator Ctac have entered into an open partnership for developing and supporting Ctac's cloud strategy for its clients. Custom Connect builds and manages the connections and the network. It also gives advice on how to optimally benefit from on-going developments in the data communications technology and market. Custom Connect gives Ctac's customers – customers that typically focus on innovation and expansion – the availability of the connectivity that matches the requirements of their business. These requirements differ from company to company and from application to application as regards bandwidth, price and latency. Connections may be required in various locations, no matter how exotic.

New technologies put considerable pressure on the speed of data connections. An example of this is in-memory analyses: having the data analysed in the computer's RAM greatly increases the processing speed. The connections from and to the source data will need to be able to handle this speed and that requires connections with the lowest possible level of delays (latencies).

Data communications go to Internet and IP. Custom Connect helps to achieve 'All-IP' strategies. Security is an important issue then. Ctac wants security to be provided for in the network, and such that any DDoS attacks and other iniquities are filtered out and eliminated before they can reach applications and do damage there. Custom Connect builds a clean internet with guaranteed SLAs for Ctac.

Microsoft has officially appointed Ctac a Microsoft Cloud Solution Provider

Cloud Solution Provider

As a "Tier 1" CSP-partner Ctac purchases cloud services directly from Microsoft and has access to the best expertise and conditions. This status is a consequence of the strategic alliance with Microsoft and Ctac's experience and quality as regards its cloud portfolio. In order to obtain the status of Cloud Solution Provider, Ctac had to comply with a number of criteria set by Microsoft – including having the necessary knowledge at its disposal, as well as the possibilities to provide the proper training, support and services, including migration services, to customers. This appointment matches Ctac's strategy concerning the expansion of its Microsoft portfolio.

The market is in transformation and is calling for ever more speed, flexibility and know-how. Customers want specific solutions in combination with low costs. The use of cloud services now enables organisations to actually use innovations without the enterprise investments that are commonly required for them. Combining the accrued knowledge of business processes and the integration of Ctac cloud services with Microsoft cloud services yields a unique proposition that can be used for any organisation. The Cloud Solution Provider programme enables customers to rely on Ctac's service provision and on flexibility as regards purchasing the functionality.

Microsoft competencies

"Empower every person and every organization on the planet to achieve more"

Digital Transformation is everywhere

Mobility and cloud developments are taking by at an enormously high pace and are very important to everyone. That is why Microsoft has three major ambitions (more personal computing, build the intelligent cloud, and reinvent productivity). These ambitions form the basis of our core activities and the digital transformation of our customers. The main thing is that these ambitions can help our customers achieve their goals: to continue to compete in a rapidly changing landscape and to sustainably grow their companies.

Digital transformation is not only about technology – it requires a renewed view of existing business models. This means that we should embrace intelligent systems that bring people, data and processes together in a different way. We want to enable customers to create a modern workplace, which ties in with changes in the market, as well as increasing productivity and guaranteeing modern security.

Ctac has embraced Microsoft's strategy and invests in the knowledge and competence required to support and advise its customers as regards the Digital Transformation. This serves to maintain Microsoft competencies that enable Ctac to demonstrate that it has the knowledge, skills and proven successes. Ctac has Gold and Silver status for the Application Development, Cloud Platform, Productivity, Cloud CRM, ERP, Datacenter and Collaboration and Content competencies.

Ctac and Transpax TM have joined forces in transport management

In 2017, Ctac gave substance to its collaboration with software organisation Transpax TM. Ctac has thus expanded its services by a total transport management proposition. In preparation for this, Ctac conducted a careful selection process as part of which it assessed a large number of providers of Transport Management Systems (TMS). Transpax TM was eventually chosen for this company's ability, and approach, to link to major ERP and WMS packages, such as offered by SAP and Microsoft. And besides this, the solution under the name of Transpax offers a great deal of functionality for operational and financial transport management processes.

Transpax TM and Ctac together created a link to SAP, such that all shipments now go to Transpax via certified integrations in order to determine the optimum carrier and the corresponding pre-calculation of transport costs. Corresponding pre-calculations and subsequent delta calculations are integrated in SAP and handled through SAP External Service Management, creating a PO that supports a Procure 2 Pay process. The proper carrier-specific transport labels are then created and the shipment is registered with the carrier. All goods shipped can be tracked directly in SAP by means of a link to the carrier's track & trace functionality. When the goods have been delivered, the carrier's Proof of Delivery is received. The invoice can then be compared to the pre-calculation. If there is a 3-way match, Transpax will send the validated invoices to SAP for further processing. Ctac employs its SAP expertise to ensure the proper configuration of the logistics and financial modules and all the accompanying analyses and reports. Transport costs can be itemised into business units, product groups, material or locations, etc. The projects that have been done show that our clients appreciate the functionality and stability, and achieve cost benefits from the understanding they have gained of the use of different hauliers and the associated contracts.

Ctac is using Cloud Connect by Interxion

Ctac uses Cloud Connect by Interxion, a leading European supplier of cloud- and carrier-neutral datacentre services. This service enables Ctac to achieve connections for its customers between the Ctac private cloud solutions and several cloud platforms of leading providers in order to achieve high-quality hybrid IT solutions. Ctac had already purchased a Point-of-Presence in an Interxion data centre at its Schiphol Campus.

Cloud Connect enables Ctac to achieve direct connections for its customers, using several cloud platforms in the data centres of Interxion. These next-generation connections offer a better latency performance, higher throughput rates and a higher security level, enabling customers to responsibly house operation-critical workloads and real-time data in the cloud.

Ctac can use the Interxion portal to easily place online orders and to fully autonomously manage its wireless Local Area Network connections (LAN) with the different cloud service providers.

Ctac and iPaaS – integration-Platform-as-a-Service by Ctac

The cloud landscape has exploded. Everything is moving into the cloud: from small solutions that support one task, to major and integrated ERP systems. From traditional solutions hosted with external parties, to solutions run on server far abroad. But how can you get all those systems to talk to each other and exchange data without any problems?

In order to support organisations on this challenge, Ctac entered into a long-term partnership with Dell Boomi. This company, that has been part of Dell since 2017, developed an integration platform in the cloud, that enables all systems imaginable without any problems, no matter where they are: in the cloud or in your office's server room. The Dell Boomi Integration Cloud enables 'out of the box' linking with hundreds of applications, enabling even the most complex integration paths to be accelerated very significantly. Our iPaaS with Dell Boomi is more than just an adapter or a linking piece. Smart functionalities for API management make sure that you can effortlessly have control over all links. Integrated Master Data Management functionality safeguards the quality of your master data. And the fact that Dell Boomi runs on Ctac's own servers is your assurance that your data is safe and is covered by Dutch legislation.

“CTAC HAS DETERMINED THAT ITS MISSION IS TO FACILITATE THE AMBITIONS OF ITS CUSTOMERS BY TRANSFORMING INFORMATION TECHNOLOGY INTO ACTUAL ‘BUSINESS VALUE’”

SELECTION OF NEW PROJECTS/CONTRACTS

Ctac to migrate Kemetyl SAP environment to the cloud

Business & Cloud Integrator Ctac and Kemetyl have expanded their collaboration for SAP applications. Ctac will take care of the upgrade and transition of Kemetyl's current SAP environment to the Ctac cloud. Kemetyl, a producer of cleaning and maintenance products particularly for the automotive market, has been working together with Ctac for SAP, to Kemetyl's full satisfaction. Ctac's good market reputation was sufficient reason for Kemetyl to also work with Ctac for outsourcing its SAP systems.

Kemetyl uses SAP ECC – ERP Central Component – for sales, production, finance and materials management. The field safe staff also work with a mobile application. This sales application communicates with the SAP ERP-backbone via the SAP Netweaver Gateway.

Jan van As has optimised its business processes with Ctac

Jan van As fresh fishmongers have chosen for services provided by Business & Cloud Integrator Ctac. The company decided to choose Ctac as its service provider due to their extensive knowledge of the process and the proven project method that Ctac applies. The solution that was chosen was to implement Microsoft Dynamics NAV 2017 supplemented by the Ctac add-on cTrade, and Advanced Forms by Quadira. Ctac will also configure the project environment and train the staff.

Vivare has chosen Ctac's Fit4Woco

Housing association chooses SaaS to switch from a bespoke to a standardised solution. Business & Cloud Integrator Ctac is providing Fit4Woco to housing association Vivare. This provides Vivare with an easy solution to conduct all its business processes. Fit4Woco is making the organisation ready for the future: it makes the housing association scalable and agile. The two organisations, that have been working together since 2015, jointly drew up a strategic programme. Vivare has chosen Ctac as its partner due to Ctac's public cloud solution for the housing association market, its sector-specific knowledge and because of Vivare's satisfaction with the current collaboration.

Ctac is attracting new talent through a labour market campaign

Talks with its current employees have shown that Ctac mainly distinguishes itself from other employers by its innovative and entrepreneurial character. The first step to bring this out into the open is the launch of a new 'Working with' website that centres around Ctac's own staff's experiences. The site is filled with cases

and testimonials from colleagues who applicants can contact via LinkedIn and WhatsApp. We will keep bringing these stories to the attention of talented job seekers, including through our own social media channels that also clearly reveal our company's culture in other ways.

Ctac has underlined the innovative character of this initiative by the motto 'Get a headstart on the future'.

Ctac enthusiastic about obtaining Platinum status with inRiver

Business & Cloud Integrator Ctac has been proclaimed Platinum Partner by Product Information Management specialist inRiver. Ctac was already a Silver Partner and recently won the Rising Star EMEA award.

According to Jesper Larsen, Director of Channels & Alliances EMEA with inRiver, Ctac has proven itself to be a valuable partner due to its extensive knowledge of ERP and Master Data Management, which the company combines with ample omnichannel expertise, particularly in the Retail, Wholesale and Manufacturing sectors. "The development of the ETIM application for the construction and installation engineering, which integrates with inRiver, also offers a significant competitive advantage."

Ctac has started partnership with Mendix

Ctac has started a partnership with Mendix, a provider of an application-Platform-as-a-Service solution (aPaaS), that enables organisations develop and integrate applications and adapt them to changed processes. This partnership enables Ctac customers to accelerate their innovative cloud and become more agile.

Mendix is a good complement to Ctac's existing package with partners as SAP and Microsoft now that digital transformation has caused customers' wishes and requirements to change at a rapid pace. The partnership with Mendix extends the support options from traditional systems such as ERP software to now include innovative solutions and processes as well. This enables Ctac to develop bespoke process-driven business applications within a short period of time. Examples of such applications are sector-specific solutions, such as shop floor control or cash register systems.

The Greenery is using the Ctac iPaaS platform to innovate its grower applications

Business & Cloud Integrator Ctac has connected its first client to its in-house developed iPaaS platform (integration-Platform-as-a-Service), based on Dell Boomi. The international fruit and vegetables company The Greenery wants to use this platform to make its information accessible and available to new applications more quickly. This first use of Ctac's cloud service connects

the new grower portal of The Greenery to the underlying applications. This will provides safe and secure, flexible, reliable and quick access to information.

Ctac is supporting the Vicki Brownhuis meeting centre

In 2017, Business & Cloud Integrator Ctac has once again supported a charity that was suggested by one of its employees. This year's charity was the Vicki Brownhuis in 's-Hertogenbosch, a centre that supports people with cancer, their friends and relatives and their descendants. Several activities, the proceeds of which were donated to this meeting centre, were organised by Ctac, in conjunction with the Vicki Brownhuis, throughout the year.

PARTNERSHIPS AND CERTIFICATIONS

Ctac starts a partnership with Mendix

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Ctac has obtained Platinum status with inRiver

Business & Cloud Integrator Ctac has been declared a Platinum Partner by Product Information Management specialist inRiver. Ctac was already a Silver Partner and recently won the Rising Star EMEA award.

Partnership with insideSCM for stronger logistics

InsideSCM and Ctac are working together in the logistics sector. This partnership has given Ctac a partner in the logistics sector that has powerful niche knowledge of SAP EWM and SAP Transportation Management.

Ctac powering Smart Industry

Ctac has been an ambassador of 'Smart Industry' since late 2016. Under the motto of "Dutch Industry fit for future", Smart Industry has committed itself to developments and opportunities that enable technological changes for the Dutch industrial sector. The initiative for the Smart Industry Action agenda was taken by several parties, including TNO, the Dutch Ministry of Economic Affairs and the Dutch Chamber of Commerce.

IBM's 'Outstanding Systems Award 2016' for Ctac

On 12 June 2017, IBM awarded Ctac the 'Outstanding Systems Award 2016' for the good results that Ctac achieved while using IBM Power technology for SAP HANA. Ctac's own S4/HANA Cloud TDI platform runs on IBM technology.

SAP PCoE certification renewed

The SAP certification for Partner Center of Expertise (PCoE) is an important certification for Ctac. This is re-assessed every two years and this decides whether Ctac is allowed to provide support as a VAR partner and sell SAP licences.

Platinum Partnership

We are a Platinum Partner for SAP Certified Provider of Cloud Operations, SAP HANA Operations, Hosting Services and Application Management Services.

Microsoft has certified cTrade software powered by Microsoft Dynamics

The cTrade solution has been made compatible with the latest new Microsoft Dynamics 2018 release meaning that Ctac has successfully passed Microsoft's annual certification process. Ctac therefore satisfies Microsoft's highest certification level for standard business solutions based on Microsoft Dynamics.

ISAE 3402

In January 2018, Ernst & Young issued an Independent Service Auditor's Report in the context of the audit of the structure, existence and also operation (Type 2) of Ctac's SAP Hosting Services organisation. The above-referenced report is the 'ISAE 3402' (Assurance Report on Controls at a Service Organisation) and is an unconditional unqualified opinion.

FINANCIAL TRENDS

Turnover and gross margin

In 2017, net turnover amounted to EUR 81.6 million; an decrease of 5.4% (2016: EUR 86.2 million).

Turnover from consultancy, hosting and management decreased from EUR 74.2 million in 2016 to EUR 69.5 million in 2017, a decrease of 6.4%. Because external hiring decreased by 17.2% to EUR 17.3 million in 2017 (EUR 20.9 million in 2016) and some other cost elements also decreased, the gross margin on these activities only decreased by 2.1% from EUR 53.3 million in 2016 to EUR 52.2 million in 2017. Turnover from hosting and management (cloud), that is an aspect of this, increased by almost 5% to EUR 31.8 million in 2017.

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

Turnover from maintenance contracts rose by 5.0% from EUR 8.4 million in 2016 to EUR 8.8 million in 2017. The gross margin on these activities rose by EUR 0.4 million to EUR 3.3 million.

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

Operating expenses

On balance, personnel costs in 2017 decreased further by net EUR 0.3 million, or 0.7%, compared to 2016. The average number of FTEs in 2017 decreased from 435 in 2016 to 425 in 2017.

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

Depreciation and amortisation decreased by EUR 0.1 million to EUR 1.0 million.

Operating result

Due to the above, the operating result increased to EUR 3.7 million in 2017 (2016: EUR 3.1 million), which is a 20.2% increase.

Financing income and expenses

The net bank debt amounted to EUR 2.2 million at year-end 2017 (year-end 2016: EUR 1.7 million). Net interest expenses remained equal at EUR 0.1 million, as did the other financial expenses (including the interest on earn-out obligations). This resulted in an equal charge of EUR 0.2 million in 2017 (2016: EUR 0.2 million).

Taxes

The tax burden was 20% in 2017 compared to 9% in 2016. In 2016, there was an extra tax credit of EUR 0.3 million because we could make use of the tax benefit of the innovation box, with retrospective effect, for several years. On balance, the tax burden in 2017 is EUR 0.4 million higher than in 2016.

Net result and result per share

The net result over 2017 amounted to EUR 2.8 million (2016: EUR 2.6 million). This translates into a result per outstanding weighted average ordinary share of EUR 0.22 (2016: EUR 0.21).

The total number of outstanding ordinary shares on 31 December 2017 was 12,655,648, which is an increase of 140,151 due to the optional dividend in cash or shares for the 2016 financial year.

Turnover by unit and by segment (EUR x 1,000)	2017	2016	%
The Netherlands			
Ctac Cloud Services	31,813	30,351	5%
Ctac Consulting	16,289	19,724	-17%
Ctac Resourcing	12,734	13,116	-3%
Licences and maintenance	9,818	10,584	-7%
Intercompany turnover	1,843	2,139	-8%
Total: the Netherlands	72,497	75,914	-5%
Belgium	14,080	14,196	-1%
Other activities	386	814	-53%
Elimination of intercompany turnover	-5,366	-4,694	14%
Total	81,597	86,230	-5%

Balance sheet

As a consequence of the net result for 2017 (EUR 2.8 million), the addition of shares due to the optional dividend being exercised, and the payment of cash dividend, the shareholders' equity by year-end 2017 grew on balance to EUR 17.9 million. In accordance with the reporting standards, the shareholders' equity has been determined in order to process the proposal on profit appropriation.

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

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

The net bank debt increased from EUR 1.7 million at year-end 2016 to EUR 2.2 million at year-end 2017. The credit facility agreed with ABN AMRO Bank was EUR 6.0 million at year-end 2017. A pledge right on receivables, company equipment and IP rights has been granted as security.

Cash flow and investments

The cash flow from business operations amounted to 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).

EUR 0.4 million was invested in tangible fixed assets in 2017 (2016: EUR 0.5 million). The investments consisted of the replacement of ICT infrastructure and new computers. Furthermore EUR 1.5 million in IP products was recognised under intangible fixed assets in 2017 (2016: EUR 0.2 million).

The cash flow from financing activities was EUR 0.7 million negative (2016: EUR 0.8 million negative) which was partly due to a payment of earn-out obligations in the amount of EUR 0.3 million (2016: EUR 0.2 million), dividend payment of EUR 0.4 million for 2016 (2015: EUR 0.8 million).

On balance, the net cash flow amounted to EUR 0.5 million negative in 2017 (2016: EUR 1.0 million).

Proposal for incorporation of result

After carefully considering the impact of a potential dividend payment on the net cash flow in 2018, shareholders' equity, its composition and other balance sheet components, it is proposed to the General Meeting of Shareholders that a dividend of EUR 0.08 per ordinary share be paid out from the net result for

the 2017 financial year (2016: EUR 0.07 per ordinary share). This proposal is in line with the dividend policy as previously formulated. The shareholders will be given the option to receive their dividend cash or as shares.

Post-balance sheet date events

There have been no relevant post-balance sheet events.

PERSONNEL DEVELOPMENTS

Focus on employees

For a total Business & Cloud Integrator such as Ctac, employees are the company's most important assets. The theme of our strategy is making ambitions come true. The only way for Ctac to realise its ambitions is with highly qualified and motivated employees. An important part of this is that we enable our employees to realise their personal ambitions within Ctac. Ctac's Human Resources (HR) policy therefore aims to create a working climate in which there is room for personal growth, development and initiatives. Employees and managers, as well as the organisation, each have their own responsibility in this respect. The work/personal life balance is an important part of the Human Resources policy. Our core values are integrity, respect and commitment. Working together features high on our agenda.

Ctac is a knowledge-intensive organisation in a dynamic market and environment and consequently attaches a great deal of importance to investing in employees. Employees must meet the requirements of their position and must be given the opportunity to continue to develop themselves. Ctac consequently recognises the necessity of structured training as a tool, on the one hand, to maintain knowledge and skills, and, on the other hand, to anticipate employees' personal training and development needs. The guiding principles for this development, consisting of personal objectives, are formulated each year by the employee in consultation with his/her manager. These principles are based on the employee's ambitions, but must also be in line with Ctac's ambitions.

Strategic Personnel Planning

Ctac set to work with Strategic Personnel Planning in 2017. SPP focuses on Ctac's strategy and answers such questions as: what direction is the market taking? What choices have we made and will we make in this respect and what will this mean for Ctac in a couple of years' time? What qualities are desirable for employees in order to achieve the organisation's strategy? And what should be done to make sure that this will be available in the future?

A first analysis has given a better understanding of the bottlenecks regarding staffing and personnel utilisation, so that it will be possible to prevent or remedy them

in the future. In 2017, considerable attention was paid to embedding SPP as an important precondition for its continuous and successful application. The accent is now on broadening the use of SPP throughout the organisation and deepening SPP by working on a targeted prospective analysis. The outcomes of this are translated into HR focal areas and solutions.

Performance Management Cycle

The implementation of an optimised and digital Performance Management Cycle for the Ctac operations in Nederland and Belgium was successfully completed in January 2017. Using renewed tools, employees and management further improved the translation of Ctac's strategy into its implementation on the shop floor. This has resulted in a continuous connection between the organisation's objectives, team objectives and individual objectives, which enable a direct link to be made to people's personal development.

Learning and development

One of the first outcomes of an analysis of the current staffing for the purpose of the Strategic Personnel Planning has led to a key objective as regards employee development. This analysis revealed the need to further develop relevant employee competencies in line with Ctac's positioning as a Business & Cloud Integrator. This will enable the connection with the organisation's strategy to be maintained. This specifically concerns strengthening employees' 'soft skills'. In order to safeguard the sustainable employability of its employees, Ctac intends to achieve a culture of continuous learning and daring to learn, feedback and personal leadership. Ctac wishes to energise its employees in this respect. An online platform should lower the threshold for developing social and personal skills and make this more appealing. An activation programme will be started and the platform will be launched in 2018.

Diversity

On average, 21% of employees at Ctac are female. However, diversity is not only about men/women ratios, it is also about respect for the differences between employees and/or their sociocultural backgrounds. Ctac attaches particular value to diversity within the organisation, where the key focus is not on a single employee's knowledge or capability, but on the collective knowledge and capabilities of all employees. Ctac is open to everyone and this is also shown by the opportunities people get to grow. The company has shown that it actively advocates diversity through dialogue on this subject between management and employees. Ctac employees share the feeling that everyone is entitled to a safe working climate, where working together based on respect is the norm. One of the results of this has been

the introduction and application of a Transgender Personnel Guideline.

Ctac advocates its diversity policy to the external labour market by means of a diversity clause in its vacancy texts: "Ctac gets a headstart on the future by opting for inclusiveness as an added value." Quality, motivation and internal driving forces will always be decisive in terms of hiring new employees.

Absence due to illness

Ctac pursues an active illness policy to prevent long-term absence by providing information to Ctac's management on recognising initial symptoms of illness and on possible preventive and other measures. In this way, Ctac tries to reduce the absence due to illness. In 2017, absence due to illness increased slightly to 3.3% (2016: 3.2%). There is an active focus on absence management with an eye to preventing absenteeism and promoting the employability of employees. In 2017, an evaluation of the first one hundred Preventative Medical Examinations revealed that this has led to recommendations which indicated that attention to health was needed and that there is a significant group for whom the advice was that more attention should be paid to their health. This evaluation clearly demonstrated the added value of offering Preventative Medical Examinations. Furthermore, the objective was formulated that, given the age structure of the workforce, more attention should be paid to vitality. A first assessment in order to define the vitality policy was carried out in 2017. This will gradually be defined in more detail in 2018 in order to contribute to the sustainable employability of Ctac's staff.

Recruitment

Further steps to professionalise and promote our recruitment were taken in 2017. In particular, the 'get a head start on the future' campaign was launched. A part of this is a completely new 'Working with Ctac' website. This will improve our visibility and findability for relevant target groups. We will continue along this path in 2018. The focal areas for 2018 are the referral policy, job marketing and employer branding. What is important in this respect is the further optimisation of the collaboration with the business and marketing in order to optimally advertise the Ctac brand as an employer in respect of the labour market.

Scarcity on the labour market

Studies and experience have shown that the number of vacancies in ICT are growing at an above average rate. A quarter of all ICT companies have staff shortages, but the ICT sector itself is not the sector with the most vacancies in this field. The financial service provision sector and the government have a particularly large number of ICT vacancies and this means extra competition. It also means that scarcity in the labour market is likely to increase even more.

Many candidates are also latent candidates who are not actively looking for new jobs, but who are open to a new challenge provided that the right conditions are offered. Here Ctac is focussing on the motivational indicators to attract the right professionals. This has put the focus on identifying challenging activities, projects and development opportunities. Furthermore, Ctac will also highlight its particular culture and offer attractive employee benefits.

New pension scheme

With effect from 1 January 2018, Ctac NV's pension scheme transferred from Avero Achmea to Zwitserleven PPI. In 2017, Avero Achmea decided to not renew its existing pension contracts and not to enter into any new pension contracts.

Therefore, in 2017, in consultation with Ctac's Works Council and their own adviser, and our pension consultants Geytenbeek Clear Benefits, we embarked on an intensive consultation process. By late 2017, after careful consideration by all the parties involved, it was decided unanimously that Zwitserleven PPI would be our new pension provider.

Ctac is confident that we have found a good partner in Zwitserleven PPI and that our pensions will be in trusted hands with them.

Employee participation in decision making

At year-end 2017, the Works Council comprised five people. The Board of Directors regularly meets with the Works Council to discuss all aspects of the company's business operations. A member of the Supervisory Board attended one of these meetings in 2017. Recurring agenda items in these meetings are market and result trends, organisational changes, and the Human Resources policy. In 2017, the Works Council again made positive contributions. This has resulted in agreements being formulated and confirmed on the use of the Dutch Certificate of Good Behaviour and a new pension provider being selected with effect from 2018. The Works Council has also provided advice and/or consent with regard to various other matters.

Corporate Social Responsibility within Ctac

Within Ctac, the long-term vision and continuity of the organisation are the most important themes regarding corporate social responsibility. In addition, there is a clear awareness within the ICT market regarding sustainable business practices. The scarcity of natural resources and the exhaustibility of fossil fuels also have an impact on the sector. For instance, the Dutch government strives to purchase all of its products and services in a sustainable manner, including the procurement of ICT services. Ctac endorses the importance of sustainability in the provision of services both to its customers and to society in general.

That is why Ctac maps its energy consumption and prepares a Carbon Footprint report every year. Our efforts to reduce our energy consumption where possible and lower our CO₂ emission are actively controlled and promoted by providing an insight into the energy consumption and drawing up a Carbon Footprint report. It is Ctac's goal to lower the outcome of its Carbon Footprint report every year.

Ctac also actively considers the three Ps of corporate social responsibility (People, Planet, Profit). This comprehensive approach enables Ctac to achieve progress in the area of sustainability, socially and societally, as well as economically.

The P of People represents the ability of employees to realise their ambitions. Ctac aims to create a working climate in which there is room for growth, development, and new challenges. Ctac invests in its employees and offers them the opportunity to develop.

Optimising the Carbon Footprint was the starting point for Ctac's approach to the P of Planet. The Carbon Footprint reports produced in recent years show that the majority of the CO₂ emissions is caused by the fuel consumption of lease cars. One of the objectives that Ctac had set for itself was to reduce the fuel consumption of its lease cars. CO₂ emissions decreased substantially between 2010 and 2014. However, this objective will be maintained for the next few years. In 2017, Ctac's CO₂ emissions were 14% less, compared to our fuel consumption in 2016, i.e.: 135 tonnes of CO₂.

For the P of Profit, products and services are being developed whereby the focus is on sustainability. These products will realise savings for Ctac's customers in the fields of energy, waste and CO₂ emissions. To this end, Ctac will work together with customers, suppliers and business partners on innovative projects, in order to contribute to a healthier environment.

Sustainability

Sustainability can no longer be eliminated from social debate. This applies to Ctac and most certainly to its customers as well. Most customers have developed a sustainability policy that generally devotes very little attention to the role of ICT, while ICT – in part based on the use of software – can play an important role in curbing energy consumption.

Companies and organisations in 's-Hertogenbosch have set up the Bossche Energiecoalitie (BEC) to work together on sustainable energy provision. Ctac is a co-signer of this energy coalition. Sharing knowledge and experience, and being a test bed for sustainable innovations is the BEC's basic principle. We can take great strides by working together on a specific theme or in a specific area, for example by a joint approach to

solar power or by utilising residual heat at an industrial estate.

Energy objectives are formulated every year. This, for example, includes objectives related to mobility (reduction in mileage, electric transportation), energy savings in company buildings (insulation, lighting, energy management or optimisation of existing installations), or the use of solar panels.

Ctac has renewed the objective to reduce the CO₂ emissions of its car fleet. Ctac considers it important to monitor the CO₂ emissions resulting from its operations. This is why the company has been preparing a Carbon Footprint for several years in a row. This makes it possible to analyse the differences between years and it provides a point of reference for taking measures designed to increase the organisation's level of sustainability.

Ctac 2017 Carbon Footprint

The energy consumption data related to accommodation, the internal and external data centres, and employee mobility were used to calculate Ctac's 2017 Carbon Footprint. The Ctac organisation's total CO₂ emission was calculated on the basis of this data.

The categories incorporated in the international Greenhouse Gas Protocol (GHG Protocol) guidelines were used to establish the operational scope. This protocol makes a distinction between three sources of emission; Scope 1, 2 and 3. The CO₂-generating activities that Ctac has included in its calculations are defined for each scope.

Ctac's total emissions in the 2017 calendar year amounted to 1,782 tonnes of CO₂. This represents a decrease in emissions of almost 3% compared to the 2016 calendar year. The main reason for this slight decrease is the fact that we have fewer diesel-fuelled lease cars. The number of lease cars has remained basically the same, but there has been an increase in the number of petrol-fuelled cars. The goal has thus been achieved. Lowering our CO₂ emissions once again is also an objective for 2018.

Scope 1

Scope 1 is concerned with the direct emission of greenhouse gases. The direct emission of CO₂ is caused by the use of fossil energy carriers (natural gas, petrol, etc). To calculate the CO₂ emissions, the use of fossil fuels is identified and converted into CO₂ emissions using predetermined specific conversion factors.

For Ctac, only the fuel consumption of its lease cars was recorded. Taken together, this resulted in the emission of 1,301 tonnes of CO₂ in 2017 (2016: 1,436 tonnes). The

Scope 1 CO₂ emission accounts for the largest share of the total emissions. This is generally the case for companies involved in providing commercial services. Within this, emissions produced by fuel consumption are the most important contributing factor.

Scope 2

Aside from the direct emission of greenhouse gases (Scope 1), the CO₂ footprint also includes the indirect CO₂ emissions resulting from the consumption of electricity. While the conversion of electric power into 'usable' energy does not release any CO₂ emissions (in other words, there is no combustion inside an electric appliance), this is nevertheless the case when electricity is produced in a power plant. Through its purchase of electricity Ctac is therefore indirectly responsible for these CO₂ emissions.

Ctac's total Scope 2 CO₂ emission was 478 tonnes in 2017, compared to 398 tonnes in 2016. Compared to 2016, there was a CO₂ increase within this scope due to the hardware expansions in the datacentres, and a transfer to a new datacentre, resulting in an overlap between two datacentres for some time. This has resulted in a 20% increase in the Scope 2 emissions in comparison with 2016.

Scope 3

Finally, an organisation releases indirect CO₂ emissions that are a consequence of the company's activities, but that are generated by sources that are not owned or managed by the company. For example, CO₂ emissions are generated by employees commuting in traffic, business travel using personal cars, the processing of waste generated by the organisation, the production of the materials purchased by the organisation, etc. The organisation cannot directly influence the emissions that are released in this respect. These indirect emissions fall under Scope 3 emissions.

In the context of Scope 3, Ctac has identified a limited number of CO₂ emission sources. Ctac's total CO₂ emissions in this scope in the 2017 calendar year amounted to 1.6 tonnes (in 2016: 1.6 tonnes).

Ctac Security

Ctac has had a clear security policy that has been firmly rooted in the the organisation for several years. This policy is based on several pillars: employee awareness, several processes that have been configured for this purpose, and both intern and extern audits of the processes and methods. On 8 December 2008, the logical consequence of describing and assuring this was our being awarded an ISO27001 certificate.

However, the ISO certificate has never been a goal in itself. Ctac strives for a continuous process of optimising

and improving, including by using the principle of 'security by design' that will raise the quality of our processes and their control, our product delivery and our working methods to ever-higher levels.

In 2017, Ctac's situation as regards certificates was still excellent. The ISO27001:2013 controls were once again audited by QMS International B.V. in 2017 and Ctac can continue to hold its current ISO27001:2013 certificate without any problems. This is proof that the Ctac organisation has reliably mastered specific ISO elements, such as ownership, process responsibility and management participation, etc.

In addition to the ISO certification, our ISAE3402 type 2 reporting for 2017 was also audited successfully. This report accurately verifies the proper functioning of the Plan Do Check Act cycle of several ISO27001 processes. This audit was carried out by EY in 2017. Ctac also passed this audit and can proudly produce a sound ISAE3402 type 2 report in 2018. Besides our continuous effort to safeguard an optimally functioning Information Security Management System with the corresponding certificates, there is of course also always room for possible additional requests from our clients.

RISK PROFILE AND RISK MANAGEMENT

Risk attitude

In general, the Board of Directors strives to limit risks to a minimum and not to enter into any substantial risks without being able to control these risks.

General

Ctac's long-term strategy is directed at the continuity of the company and value creation for all stakeholders through means of growth and a positive profitability trend. When carrying out this strategy, Ctac is confronted with various risks. Risks of a strategic, operational or financial nature, but also risks in connection with the market in which Ctac operates. It is the responsibility of the Board of Directors to identify risks and to minimise risks by taking appropriate measures. Ctac gives a high priority to internal controls. The internal controls are constantly evaluated and further professionalised.

The risk management system analyses the risks and regularly measures the effectiveness of the measures as these apply to all business processes within Ctac. Risk management is an integral part of the planning and control cycle. This system includes determining the strategy and the budget. The Board of Directors is responsible for this. The strategy is discussed extensively with the Supervisory Board every year. Strategic objectives are translated into business plans

and budgets together with the directors of the various business units. The business plan contains both a financial budget and a number of specific business objectives per business unit that are translated into a number of Key Performance Indicators (KPIs), which are measured consistently during the year as to progress. Important KPIs at Ctac have both an internal and an external focus. Internally, Ctac measures its capacity utilisation rate, prices, number of direct and indirect FTEs and efficiency of the processes. The main external KPI is customer satisfaction. This is measured from the various contacts with clients. Examples are calls that are closed with the applicant indicating how satisfied they are, customer reviews, and the individual consultants. Ctac's Board of Directors assesses the capacity utilisation rate every week. The Board of Directors and the directors of the various business units compare the results per business unit with the results of the previous year and the budgets drawn up for the current year (if necessary, further actions are defined). Once every quarter, the Board of Directors and the responsible directors evaluate the operational and financial performance of each business unit and, if applicable, adjust the expectations for the particular business unit. Standardised working processes, procedures and information systems are used at Ctac. Responsibilities, authorities, the segregation of functions, guidelines, procedures and processes have been laid down within Ctac in a clear and accessible manner in a computerised tool.

By means of a constant process of internal controls and measurements, Ctac provides for optimum monitoring and timely identification and, if necessary, mitigation of risks that arise.

This risk management system with its control mechanisms and mitigating measures is a regularly recurring item on the agenda of the Supervisory Board. In addition, the administrative organisation and the internal controls are audited in terms of structure, existence and operation as part of the audit of the financial statements by the external auditor each year.

Ctac continued to work on the further optimisation of risk management and internal control systems in 2017. Ctac is aware that such systems do not offer absolute certainty that no material errors can occur.

The following important elements can be distinguished in Ctac's system of risk management and control:

- strategic risks/market risks;
- financial risks;
- operational risks.

The sections below outline the most relevant risks with which Ctac is confronted at present. Risks that have not been identified at present or that are not considered to be material are not included below.

Strategic risks/market risks

- The developments in the market in which Ctac operates are occurring at a rapid pace. There is a risk that Ctac is not able to be sufficiently innovative. In order to avoid this, Ctac seeks to maintain a leading position, together with the customer, in improving the customer's processes. In this way, Ctac is able to develop ICT solutions in as adequate a manner as possible. The increasing desire of customers to enter into a fully-fledged partnership continues to be manifest. Being able to count on each other in difficult times remains very valuable. Organisations depend on optimally functioning ICT systems to support their business processes. Consequently, customers want a one-stop-shop solution, offering in-depth knowledge of the vertical market in combination with a broad range of solutions. Because of the mature market for ICT services in combination with less favourable economic conditions, there is pressure on prices and thus also on margins. Therefore it is even more important to make clear strategic choices regarding the strategic positioning, as indicated in the report of the Board of Directors.
- Ctac aims to realise approximately 50% of its total annual turnover from long-term management and hosting contracts and from the daily services demanded by our existing customer base. This percentage is now around 50%. Ctac services approximately six hundred customers. By means of a broad diversification of customers over various sectors and a broad exposure to larger customers, Ctac minimises the downward risk in respect of the turnover.
- In order to be able to anticipate a potential reduction in ICT services and projects, Ctac attempts to limit the consequences of any reduction in such demand by making efficient and flexible use of its own employees and by reducing the hiring of external staff or outsourcing to a minimum.
- Ever-more companies are exploring the public cloud and the integration of applications that are offered from the different clouds. This is an ongoing process, the speed of development of which is hard to assess. By correctly defining our contracts with both clients and suppliers and optimising the contract terms, i.e. durations, we will have to ensure that clients' systems being transferred from Ctac to public clouds will not negatively affect Ctac's results due to systems being vacant. Every three months, we monitor how we estimate the situation for the next three years in order to assess whether, and how, to adopt our practices.

Financial risks

- Ctac is subject to a number of financial risks, such as market risk (interest-rate risk and currency risk), credit risk, liquidity risk and capital risk. A detailed description of these financial risks and the management of these risks can be found under item 4 in the financial statements. Ctac aims to identify these risks in a timely manner and to mitigate them where possible.

Operational risks

- Project and assignment control: one of the most important pillars for Ctac is carrying out projects and assignments. This pillar has its origin in the customer's increasingly large and complex demand for new products and services. The quality of the execution of these projects and assignments can have an important influence on Ctac's performance and results. In order to minimise the risks in connection with this, an optimally functioning internal quality and control system is essential. Ctac has positioned its risk management system separately in its organisation in order to be able to identify and mitigate risks as effectively as possible. Where a direct and complete influence of a risk on the result to be achieved can be attributed to Ctac, Ctac will of course assume this responsibility. Ctac can bear this responsibility completely as it has an organisational model and management with the right breadth and depth of competencies and business/ICT knowledge. Specific local conditions are taken into consideration.
- In order to ensure continuity in the event of claims, Ctac has general and professional liability insurance. Ctac has never submitted a claim under these insurance policies.
- Acquisitions: in the event Ctac acquires companies, its ultimate objective is to integrate these companies within the Ctac organisation. It is important that the integration process is successful in order to keep the undesired outflow of staff to a minimum.
- Labour market: employees are the company's most important assets for an ICT Solution Provider such as Ctac. Ctac can only grow further because of its employees. Ctac's Human Resources policy therefore aims to create a working climate in which there is room for growth, development and new challenges. Scarcity on the labour market can curb growth in ICT knowledge or absolute growth. The retention and recruitment of skilled personnel is an important objective and will remain a prime focus in the coming years together with recruiting talented employees.
- Quality management: if Ctac is not able to deliver the agreed upon quality in relation to its services and Cloud Services, Ctac runs the risk that performance and results are not or only partially achieved. Consequently, quality management is an important pillar for the organisation's delivery of these services. Ctac works constantly on improving the services

Compliance with the Dutch Corporate Governance Code

that it provides to customers in whatever form. Security and safeguarding the continuity of our Cloud Services, and information security are important aspects of quality management. Providing services in accordance with the applicable NEN/ISO standard is embedded in the organisation as a regular process. An important requirement is constantly working on the measuring and reporting of the effectiveness and efficiency of the implemented measures. Our services and Cloud Services are regularly evaluated via an audit by external parties as well as by means of an internal audit process with regard to effectiveness, suitability and correspondence with the agreed upon standards. No critical findings have come to light in the various audits.

- Process management: Ctac further invested in a process-based approach to working and it adjusted its organisation and resources accordingly. Some processes and the resources used for them cross national borders. Our operations in the Netherlands and in Belgium employ the same approach for our cloud service, to eventually help our customers reach their goal.
- Project Management: in 2015, all Project Management activities in the organisation were joined together, to be professionalised further. We have now reached the stage where Project Management is actively involved from the pre-sales phase to the offer and possibly the presentation at the customer's in order to identify and mitigate any risks.
- Ctac is subject to 'Horizontal Supervision' and therefore also actively monitors its tax risks.

Conclusion

Based on the evaluations carried out, the Board of Directors concludes that the risk management system, as well as the control of the business processes and the internal controls, within Ctac are sufficiently professional, appropriate and effective.

The Board of Directors is of the opinion that the risk management system with its controls and measurements offers a sufficient degree of certainty regarding the reliability of the financial information and management information generated by this system and is in accordance with the relevant laws and regulations.

Outlook

The improved financial position, the operational progress achieved, and particularly the improvement in the result in 2017, have put Ctac in a good starting position for 2018. Among other things, this will lead to a further improvement of the financial position and a slight growth in our number of staff.

Provided there are no special exogenous developments, Ctac expects to achieve a higher result in 2018 than it did in 2017.

A word of thanks

The Board of Directors looks back on 2017 as a year of major and necessary changes. In combination with the challenging market conditions, this required great commitment and flexibility on the part of employees. We are therefore greatly indebted to them.

's-Hertogenbosch, 27 March 2018

The Board of Directors
Mr H.L.J. Hilgerdenaar (CEO)
Mr D.G.H. van der Werf (CFO)

In principle, the Supervisory Board and the Board of Directors, which are jointly responsible for Ctac's corporate governance structure, endorse and as much as possible apply the principles and best practices laid down in the Dutch Corporate Governance Code. Ctac only departs from this Code on a limited number of points (the numbers in brackets refer to the relevant provisions of the Corporate Governance Code of 8 December 2016).

- The present members of the Board of Directors have not been appointed for a fixed term (2.2.1). The board members act on the basis of a strategic long-term perspective; limiting the term of appointment would not be in accordance with this long-term perspective.
- A possible compensation payable upon the dismissal of Mr Hilgerdenaar has not been laid down in a contract and therefore this has not been maximised (3.2.3). As compensation in the event of involuntary dismissal as referred to in the above-mentioned best practice provision, a compensation shall be paid that is deemed reasonable based on the contractual relationship, social trends and case law, and is consistent with the applicable legal provisions. The compensation in case of dismissal for Mr Van der Werf has indeed been maximised in accordance with the provisions of the Code.
- The remuneration of the Board of Directors is specified in the financial statements as part of the annual report (3.4.1). The annual report is published on the website. The remuneration policy, which has been approved by the General Meeting of Shareholders, is also published on the website. The Supervisory Board has determined the remuneration of the individual members of the Board of Directors based on the remuneration policy.
- Ctac has not appointed a secretary for the Board of Directors, as this position does not fit in with its management structure (2.3.10). Ctac fills in this position in a different manner than prescribed by the Code.
- With due consideration of the statutory provisions, the members of the Board of Directors are appointed by the General Meeting of Shareholders from a binding nomination to be drawn up by the Priority Foundation. A binding nomination is drawn up within a term that commences on the date the vacancy occurred and ends seven days prior to the date of the notice convening the General Meeting of Shareholders in which the vacancy is filled. The General Meeting of Shareholders is free to make an appointment if no binding nomination has been made within this term. In derogation of the Code (4.3.3), the General Meeting of Shareholders may resolve that a nomination is not binding by means of a resolution adopted by a majority of at least two thirds of the votes cast representing more than half of the subscribed share capital. If the binding nomination is for a candidate for a position to be filled, then a resolution concerning the nomination will result in the candidate's appointment, unless the binding character of the nomination is revoked.
- Since this has never been found to actually be necessary, Ctac has decided not to make use of webcams and/or other technical devices to enable third parties to follow analyst meetings and other meetings, and shareholders to participate in meetings (4.2.3). For the time being, the conclusion is that the communication in its current form is adequate. However, the presentations that Ctac gives to these target groups are made available to everyone via the website.
- In order to create an internal culture that focuses on long-term value creation, behaviour and culture within Ctac are addressed in meetings between the Board of Directors, the Supervisory Board and the Works Council, in meetings with employees, and on other occasions. Ctac does not think it necessary yet to lay this down explicitly in a separate code of conduct (2.5.2).
- The remuneration report of the Supervisory Board contains an extensive report on how the remuneration policy was put into practice in the past financial year and a summary of the remuneration policy for the financial years to come. Awarding shares as part of the remuneration policy does not apply (3.1.2.vi).
- Ctac monitors its internal processes in several ways. For example it has a Receivables Board, a Project Review Board, and a contract management system. The internal audit function has therefore been integrated with the administrative organisation/ internal controls (1.3.1). Since risks and derogations are reported adequately, and since such derogations can be corrected afterwards, a separate internal audit function is not deemed to be necessary.

Every year, both the external auditor and Ctac itself consider whether the internal assessment system is still sufficient and whether having an internal audit function is necessary for the organisation at a certain moment.

Detailed information about Ctac's Corporate Governance can be found on Ctac's website under Investor Relations, Corporate Governance.

The Corporate Governance Code Monitoring Committee

The Dutch Corporate Governance Code Monitoring Committee (the Van Manen Committee) published the revised Dutch Corporate Governance Code on 08 December 2016. The main change is the central focus on long-term value creation and the introduction of culture as a constituent of good corporate governance. Many aspects of the Code were updated.

Dutch listed companies are expected to report, in 2018, about their compliance with the revised Code for the 2017 financial year. The derogations referred to in the previous section already contain a reference to the revised Code.

Board of Directors

The Board of Directors of Ctac is responsible for formulating objectives and strategy and for carrying out the company's strategic and operational policy. In fulfilling their tasks, the Board of Directors focuses on the interests of the company and the companies that are affiliated with it. In doing so, the Board of Directors takes the interests of all stakeholders into account. For this purpose, KPI-based, short-term and long-term bonuses have been promised to the Board of Directors. In 2017, the Board of Directors of Ctac consisted of Messrs Henny Hilgerdenaar and Douwe van der Werf. For details about the members of the Board of Directors, we refer to page 18.

Supervisory Board

The Supervisory Board is primarily responsible for supervising the policy and management of the Board of Directors, both from a strategic and an operational point of view. In addition, the Supervisory Board acts as an advisory body to the Board of Directors. The procedures and the profile of the Supervisory Board are laid down in rules of procedure and in a profile description, both of which are published on our website.

The Supervisory Board currently consists of Messrs Gert van de Weerdhof (Chairman) and Ed Kraaijenzank, and Ms Liesbeth Karsten. Ms Karsten maintains contact with the Works Council on behalf of the Supervisory Board. For details about the members of the Supervisory Board, we refer to page 19.

General Meeting of Shareholders

A General Meeting of Shareholders is convened once a year. All decisions are taken based on the 'one share, one vote' principle. Resolutions are adopted by an absolute majority of votes, unless a larger majority is prescribed by law or by the articles of association.

The main powers of the General Meeting of Shareholders of Ctac are:

- adopting the financial statements;
- adopting the profit appropriation and the dividend;
- discharging the Board of Directors from liability for the policy pursued;
- discharging the Supervisory Board from liability for the supervision of the policy pursued and the management of the company by the Board of Directors;
- appointment, suspension and dismissal of the members of the Board of Directors and the Supervisory Board;
- appointing the external auditor;
- resolving to amend the articles of association following a motion by the Priority Foundation;
- authorising the Board of Directors to repurchase the company's own shares;
- determining the remuneration of the members of the Supervisory Board;
- approving important decisions of the Board of Directors.

Communication

Ctac attaches great value to open and transparent communication with the financial community in general and with its financiers in particular. Ctac maintains regular contact with analysts and investors, as well as with the financial media that form the most important sources of information for private investors. In its communication with these target groups, Ctac relies on information published by means of press releases. In a disclosure policy, Ctac has laid down which information is published and when this information is published. This guarantees the accurate and simultaneous provision of information to all shareholders.

Introduction

The strategy started in the fourth quarter of 2011 to enable the organisation to function as a Business & Cloud Integrator was continued with success in 2017. Furthermore, the strategic choice was made to start building an IP for the real estate and retail markets in the year under review.

Composition of the Board of Directors

Mr Henny Hilgerdenaar served as Chief Executive Officer (CEO) and Chairman of the Board of Directors for the entire year. Mr Douwe van der Werf served as Chief Financial Officer (CFO) on the Board of Directors throughout the year.

Composition of the Supervisory Board

During the year under review, the Supervisory Board was composed of the following three members until 10 May 2017: Mr Herman Olde Hartmann (Chairman), Mr Ed Kraaijenzank and Ms Liesbeth Karsten. Since Mr Olde Hartmann had completed his legally permitted term on the Board, he stepped down and Mr Gert van de Weerdhof was appointed his successor in the General Meeting of Shareholders of 10 May 2017.

The Supervisory Board has two separate committees: the Audit Committee and the Remuneration Committee. The composition of both committees is the same as the Supervisory Board, with Mr Kraaijenzank being the Chairman of the Audit Committee and Ms Karsten serving as Chairman of the Remuneration Committee.

Further information regarding the current members of the Supervisory Board can be found on page 19 of this annual report. The composition of the Supervisory Board complies with the Corporate Governance Code guidelines. The composition is well-balanced and such that the combination of experience, expertise and independence enables the Supervisory Board to carry out its tasks properly. In the opinion of the Supervisory Board, the stipulations of best practice provision III.2.1 have been satisfied. All Supervisory Board members are independent in the sense of best practice provision III.2.2.

Activities of the Supervisory Board Activities

In the reporting year 2017, the Supervisory Board met eight times in the presence of the Board of Directors and four times as audit committee, as scheduled. All of the Supervisory Board members were present at practically all of the meetings. During the meetings with the Board of Directors, a number of fixed agenda items were discussed, including the strategy, the budget, financial developments and results, market trends, employees' issues – among which the Works Council –, the organisational structure, the general and operational course of affairs, the remuneration policy and the execution and implications of this policy, as well

as the corporate governance. In addition, the strategy pursued by the company and the sharpening of its focus for the coming years was discussed during several meetings and attention was regularly paid to the most important risks attached to the company's business operations. Reference is made to pages 32 - 34 of this annual report for more information. The structure and functioning of the internal risk management and risk control systems in connection with this were evaluated periodically and did not require any further action.

Specific items that were discussed in 2017 were the strategic focal areas, the necessary measures to mitigate the effects of the lower demand for ICT projects, and the opportunities available to further improve Ctac's market position. Specific themes such as the future funding of Ctac and data centre facilities were also discussed in detail.

In 2017, the full Supervisory Board met twice without the Board of Directors. The functioning of the Supervisory Board itself, as well as the functioning and the composition of the Board of Directors, were discussed during this meeting. Various other subjects were discussed during this meeting. This concerns subjects such as the quality and timeliness of the information, the substantiation of proposals and evaluation of decisions taken within the context of the company strategy, security, privacy, and the grip on foreseen and unforeseen events. In addition, issues such as the balance between involvement and keeping distance, the interaction between the Board of Directors, Supervisory Board and Works Council, the communication and personal relationships, the balance in the composition of the Board of Directors, knowledge and expertise, the role of the Supervisory Board and the fulfilment of the role of chairman of the Supervisory Board were addressed.

In addition to the formal meetings, there were regular contacts in the interim about current developments, both among the Supervisory Board members themselves as with the members of the Board of Directors. A member of the Supervisory Board also attended a meeting of the Works Council in 2017. In this meeting, the vision of the Supervisory Board was discussed regarding the consequences of the economic developments and the measures to be taken by Ctac, among other things. The members of the Works Council were also given the opportunity to exchange ideas with the members of the Supervisory Board.

The Supervisory Board has taken note of the management letter and the auditor's report and discussed it with the external auditor in the presence of the Board of Directors. Special attention was devoted to the IFRS provisions that are applicable to Ctac and compliance with the Dutch Corporate Governance Code.

Finally, the annual meeting with the 'Stichting Continuïteit' (Continuity Foundation) took place in the presence of the Board of Directors.

Remuneration of the Board of Directors

As is the case every year, in the last quarter of the year, the remuneration policy was assessed by the remuneration committee in terms of trends and basic principles, and elements based on this were either confirmed or adjusted. This year's assessment resulted in a change in gross salaries and the associated pension contributions of the CEO and the CFO. Contrary to previous year, position-based differentiation was applied as well.

the remuneration of the Supervisory Board. After the remuneration had not changed for years, a benchmark study led to a proposal for a change and this change was approved in the General Meeting of Shareholders of 10 May 2017. None of the Supervisory Board members owns Ctac shares and/or options on Ctac shares. Reference is made to page 68 of this report for the remuneration report of the Supervisory Board.

Financial statements and discharge

The 2017 financial statements and annual report prepared by the Board of Directors were submitted to the Supervisory Board and discussed in detail. BDO Audit & Assurance B.V. has audited the 2017 financial

Appropriation of the result

Ctac ended the financial year 2017 with a net result of EUR 2,800 thousand attributable to group shareholders.

The proposal submitted to the General Meeting of Shareholders is to pay out a dividend of EUR 0.08 per ordinary share. The shareholders will be given the option to receive their dividend cash or as shares. The proposal shall also include giving power of attorney to the Board of Directors to issue the ordinary shares that are needed in order to distribute the dividend in the form of shares.

Assuming the adoption of the 2017 financial statements, the General Meeting of Shareholders is requested to grant their approval of the proposed appropriation of the result, as this has been determined by the Board of Directors with the approval of the Supervisory Board.

Corporate governance

Ctac's corporate governance structure is a joint responsibility of the Supervisory Board and the Board of Directors. At least once a year, the Supervisory Board evaluates the corporate governance regulations that apply to the company and gives advice on any changes. In addition, corporate governance is placed on the agenda and discussed during the annual General Meeting of Shareholders. Since 2003, Ctac has also dedicated a separate section of the annual report to compliance with the Dutch Corporate Governance Code.

The Supervisory Board and the Board of Directors subscribe to and apply almost all of the principles and best practices in the Dutch Corporate Governance Code. Ctac departs from this code only on a limited number of points. Reference is made to pages 35 - 36 of this report for a list of the points.

A word of thanks

2017 was a year of major changes for Ctac. These changes drew heavily on our employees' flexibility and resilience, for instance. These changes helped bring about a positive result for 2017 for Ctac, as well as a further improvement in the starting position for the future.

The Supervisory Board would like to express its appreciation to all employees, the management and the Board of Directors for their contribution.

's-Hertogenbosch, 27 March 2018

The Supervisory Board

Mr G. van de Weerdhof, Chairman
Mr E. Kraaijenzank
Ms E. Karsten

"DURING THE MEETINGS WITH THE BOARD OF DIRECTORS, A NUMBER OF FIXED AGENDA ITEMS WERE DISCUSSED, INCLUDING THE STRATEGY"

In line with these basic principles, the members of the Board of Directors receive a remuneration that is determined each year and consists of a base salary and a variable remuneration. The fixed part of the remuneration is in line with the remuneration of comparable companies and the variable part of the remuneration is linked to a minimum and a maximum and related to the fixed part of the remuneration. The variable remuneration distinguishes between short-term and long-term performance. The variable part of the remuneration of the members of the Board of Directors is based on a number of Key Performance Indicators (KPIs). These KPIs together form a weighted average of the percentage of the variable part of the remuneration. It must also be pointed out in this context that the continuity of the company in the longer term was decisive in putting together and weighting the KPIs. The KPIs consist of financial data, such as the balance sheet strength, the income statement, cash flow and price trends. For more details about the remuneration policy and the remuneration of the members of the Board of Directors, reference is made to the remuneration report on page 67 of this report and the Ctac corporate website (www.ctac.nl).

Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board is not linked to the results of the company. The General Meeting of Shareholders determines

statements and has issued an unqualified audit opinion on them. The audit opinion is included on page 80 of this annual report.

The Supervisory Board has established that the report of the Board of Directors over 2017 satisfies the requirements of transparency and that the financial statements give a true and fair view of the financial position and the profitability of the company. Therefore, it is proposed that the General Meeting of Shareholders adopt the 2017 financial statements and discharge the Board of Directors for the management of the company and the Supervisory Board for the supervision of the management of the company over the past financial year.

Financial Statements

Consolidated balance sheet as at 31 December 2017		
	2017	2016
(in EUR x 1,000)		
ASSETS		
Fixed assets		
7) Goodwill	13,885	13,885
7) Other intangible fixed assets	2,163	837
8) Tangible fixed assets	1,760	2,181
9) Deferred tax credits	1,147	1,080
10) Other receivables	70	70
	19,025	18,053
Current assets		
11) Trade receivables and other receivables	20,593	21,784
12) Cash and cash equivalents	-	-
	20,593	21,784
	39,618	39,837
LIABILITIES		
13) Shareholders' equity		
Issued and paid-up capital	3,037	3,004
Share premium reserve	11,762	11,795
Other reserves	282	(1,964)
Result for the financial year	2,800	2,610
	17,881	15,445
Minority interests	20	22
Long-term liabilities		
14) Other long-term liabilities	781	884
9) Deferred tax liabilities	202	276
	983	1,160
Current liabilities		
12) Amounts owed to banks	2,159	1,687
15) Provisions	197	246
16) Trade payables and other liabilities	18,125	21,054
Corporation tax payable	253	223
	20,734	23,210
	39,618	39,837

Consolidated profit and loss account for 2017		
	2017	2016
(in EUR x 1,000)		
6) Net turnover	81,597	86,230
Cost of hardware and software	8,385	8,687
Outsourced work	15,935	19,638
Cost of goods sold	(24,320)	(28,325)
Gross margin	57,277	57,905
17) Personnel costs	38,444	38,724
Depreciation and amortisation	1,020	1,162
18) Other operating expenses	14,144	14,967
Total operating expenses	(53,608)	(54,853)
Operating result	3,669	3,052
Interest receivable and similar income	5	21
Interest payable and similar charges	(92)	(112)
Other financial expenses	(80)	(88)
19) Total financial income and expenses	(167)	(179)
Result from ordinary activities before taxes	3,502	2,873
20) Taxes	(702)	(260)
Net result	2,800	2,613
Accruing to minority interests	-	3
Accruing to group shareholders	2,800	2,610
21) Profit per share		
Net result (before share minority shareholders) per share (EUR)	0.22	0.21
Net result per share after dilution (EUR)	0.22	0.21
Number of ordinary shares at the end of the year	12,655,648	12,515,497
Number of weighted average outstanding ordinary shares	12,597,253	12,515,497
Number of weighted average outstanding ordinary shares for the calculation of the diluted earnings per share	12,597,253	12,515,497

Consolidated statement of the total result for 2017	2017	2016
(in EUR x 1,000)		
Net result for the financial year	2,800	2,613
Other total result, not recognised in the result	-	-
Total result for the financial year	2,800	2,613

Consolidated statement of changes in shareholders' equity in 2017

(in EUR x 1,000)

	Issued share capital	Share premium reserve	Other reserves	Undistributed profit	Accruing to group shareholders	Minority interests	Group equity
Balance as at 1 January	3,004	11,795	(1,964)	2,610	15,445	22	15,467
Appropriation of the result in previous financial year	-	-	2,246	(2,246)	-	-	-
Dividend	33	(33)	-	(364)	(364)	-	(364)
Paid to minority interests	-	-	-	-	-	(2)*	(2)
Net result for the financial year	-	-	-	2,800	2,800	-	2,800
Balance as at 31 December	3,037	11,762	282	2,800	17,881	20	17,901

*) Relates to the distribution of dividend to minority shareholders.

Consolidated statement of changes in shareholders' equity in 2016

(in EUR x 1,000)

	Issued share capital	Share premium reserve	Other reserves	Undistributed profit	Accruing to group shareholders	Minority interests	Group equity
Balance as at 1 January	3,004	11,795	(3,572)	2,359	13,586	438	14,024
Appropriation of the result in previous financial year	-	-	1,608	(1,608)	-	-	-
Dividend	-	-	-	(751)	(751)	-	(751)
Sale of minority interest	-	-	-	-	-	(416)**	(416)
Paid to minority interests	-	-	-	-	-	(3)*	(3)
Net result for the financial year	-	-	-	2,610	2,610	3	2,613
Balance as at 31 December	3,004	11,795	(1,964)	2,610	15,445	22	15,467

*) Relates to the distribution of dividend to minority shareholders.

***) Relates to the sale of the interest in IFS Probitry B.V.

Consolidated cash flow statement for 2017	2017	2016
(in EUR x 1,000)		

CASH FLOW STATEMENT

Operating result	3,669	3,052
Depreciation of tangible fixed assets	802	932
Amortisation of intangible fixed assets	218	230
Valuation differences earn-out obligations	95	209
	4,784	4,423
Changes in working capital		
Receivables	1,191	(765)
Short-term debts	(2,898)	391
Provisions	(49)	(126)
	(1,756)	(500)
Cash flow from business operations	3,028	3,923
Interest received	5	21
Interest paid	(101)	(152)
Tax on profits paid	(812)	(1,327)
	(908)	(1,458)
Cash flow from operating activities	2,120	2,465
Investments in tangible fixed assets	(381)	(480)
Investments in intangible fixed assets	(1,544)	(161)
Cash flow from investment activities	(1,925)	(641)
Long-term financing taken / repaid	-	(70)
Earn-out obligations paid	(301)	(242)
Paid to minority interests	(2)	(2)
Dividend	(364)	(751)
Sale of participation	-	247
Cash flow from financing activities	(667)	(818)
	(472)	1,006
Cash and cash equivalents	-	84
Short-term debts owed to banks	(1,687)	(2,777)
Balance of cash and cash equivalents as at 1 January	(1,687)	(2,693)
Cash and cash equivalents	-	-
Short-term debts owed to banks	(2,159)	(1,687)
Balance of cash and cash equivalents as at 31 December	(2,159)	(1,687)
	(472)	1,006

Notes to the consolidated financial statements

1. General information about Ctac

Ctac is a Business & Cloud Integrator, providing a broad portfolio of SAP and Microsoft solutions ‘on any cloud’, as well as business consultancy, managed services, project, learning and secondment services. Ctac also has some products of its own, including the XV Retail Suite which consists of an omni-channel-driven Point-of-Sale & Loyalty platform. Ctac is a SAP Gold Partner and a Microsoft Gold Partner in the Netherlands and Belgium. In addition, Ctac is the largest SAP reseller in the Netherlands for medium-sized companies. Approximately six hundred organisations of every size and in various sectors belong to Ctac’s customer base. At year-end 2017, Ctac employed 455 people. Ctac is active in the Netherlands, Belgium and France; its head office is located in ‘s-Hertogenbosch, at Meerendonkweg 11, the Netherlands. Ctac N.V.’s registered office is also located here. The company is listed on Euronext Amsterdam (ticker: CTAC).

2. Main accounting principles for the financial statements

Ctac N.V.’s consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretation of these standards as laid down by the International Accounting Standards Board (IASB) and accepted for use within the European Union. Ctac N.V.’s financial statements have been prepared in Dutch and in English, with the Dutch version prevailing. The financial statements are presented in euros. Amounts are stated in thousands of euros, unless indicated otherwise. The euro is Ctac N.V.’s functional and presentation currency. Where necessary, the figures for 2016 have been reclassified to enable comparison with those for 2017.

Preparing the consolidated financial statements in accordance with IFRS regulations requires the management to make assessments, estimates and assumptions that influence the application of the guidelines and the valuation of assets, liabilities, revenues and expenses. The estimates and assumptions that were made are based on empirical evidence and various other factors that are deemed realistic under the given circumstances. The estimates and assumptions that were made have served as the basis for the assessment of the value of the reported assets and liabilities. However, actual results and circumstances may differ from the estimates that were made. Estimates and underlying assumptions are constantly assessed and, if necessary, adjusted. Changes in estimates and assumptions are recorded in the period in which the estimates are revised if the revision only concerns the period in question, or in

the period of revision and future periods if the revision influences both the current and future periods.

Application of amended and new International Financial Reporting Standards (IFRS)

The standards and interpretations below have been published, but do not yet apply to the consolidated financial statements for 2017. Only those standards that, once they are applied in the future, are expected to have an impact on the explanatory notes, or Ctac’s financial position or results, have been mentioned.

IFRS 9, Financial instruments.

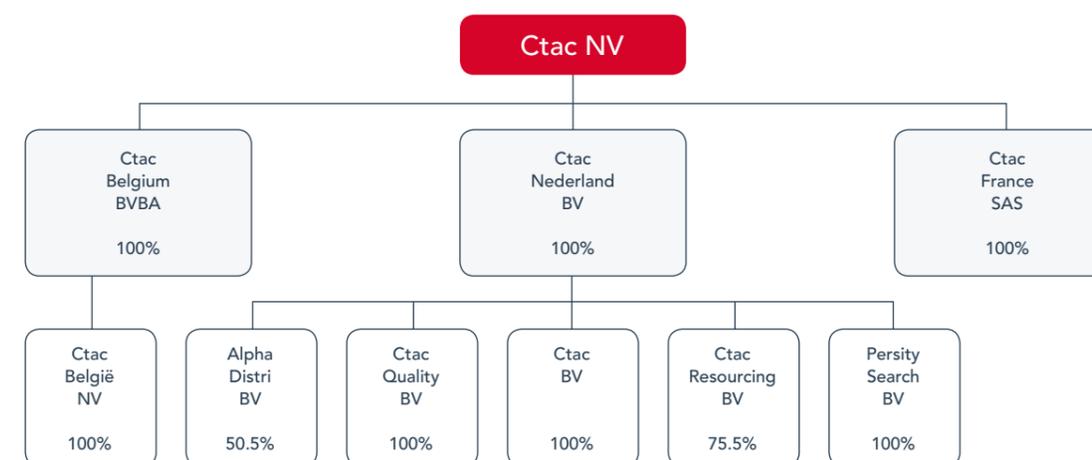
This standard provides an explanation of the classification, valuation and accounting of financial fixed assets and obligations. This standard will become mandatory on 1 January 2018. Ctac shall apply the standard as of the date on which it becomes effective. Retroactive application is required, but there is no obligation to alter information for comparison purposes. Ctac has assessed the impact of IFRS 9 Financial instruments. Application of the standard will have no material effect on Ctac’s financial position or capital and reserves. Neither will there be a material effect as a result of processing an expected credit loss on trade receivables under IFRS 9. IFRS 9 requires recognition of an expected credit loss on trade receivables based on the expected settlement period of these trade receivables.

IFRS 15, Revenues from contracts with clients.

This standard contains principles for determining the extent and timing of turnover that is to be recognised in the accounts and will become mandatory on 1 January 2018. The standard abides by a five-step plan. The basic principle is that turnover is recognised in the accounts at the amount expected to be received in exchange for the goods and services provided. Ctac has conducted an assessment of the impact of IFRS 15. On the basis of this assessment, we have established that recognising turnover for the services described in principle 2.11 will not change materially. The standard has not been applied early and Ctac has chosen to take the ‘full retrospective approach’ in its transition to IFRS 15.

IFRS 16, Leases.

On the basis of this standard, almost all lease contracts which currently qualify as operating leases will be treated in a similar way to financial leases. The standard will become mandatory as of 1 January 2019 and replaces IAS 17, Leases. The standard has two exceptions for lessees: i) lease contracts for assets with a relatively small value (such as personal computers and laptops) and ii) short-term lease contracts (lease contracts with a lease term of 12 months or less). When a lease contract is entered into, the lessee shall recognise an obligation in respect of future



lease payments with simultaneous recognition of the right of use of the underlying asset during the term of the lease. Given the fact that Ctac has a large number of operating rental and lease contracts, the application will have a significant impact on Ctac’s consolidated financial statements. Application of the new standard will lead to a substantial increase in total assets and obligations. In addition, EBITDA will increase as a consequence of shifting lease payments under operating leases from operating expenses to depreciation and interest charges. Under the new standard, lease contracts will also have an impact on the result as a consequence of the fact that the financing component in the lease term at the start of the contract term is greater than at the end of the contract term (what is known as ‘front-loading’). No reliable estimate of the financial effect on introducing the standard can be provided at present. Ctac expects to complete its full assessment of the impact of IFRS 16 during 2018. Please refer to note 23 for a list of liabilities under the current operating lease obligations.

2.1 Accounting principles for consolidation

The consolidation includes Ctac N.V. and all participations over which Ctac has authority, or in which Ctac is exposed to, or has rights to, variable revenues arising from its involvement in the participations and has the opportunity to exercise its authority over the participations in order to influence the size of Ctac’s revenues. For a list of these companies, please see Appendix 1, page 88.

The financial statements of the majority participations have been included in the consolidated financial statements as from the date on which decisive control was acquired until the time that decisive control ceased to exist.

The cost price of a newly acquired participation is determined based on the fair value of the liquid assets on the transaction date and, if applicable, the equity instruments (in this case shares) used to finance the

acquisition. Goodwill is determined based on the difference between the cost price of the acquisition and the net fair value of the acquired identifiable assets and liabilities, including contingent liabilities at the time of the acquisition. If the cost price of the participation is lower than the fair value of the assets and liabilities, including contingent liabilities of the participation in question, this difference is credited to the result.

Inter-company balance sheet positions, transactions and unrealised profits on such transactions are eliminated when preparing the consolidated financial statements.

The accounting principles for valuation and determination of the results as included in these financial statements are applicable to the balance sheets and the profit and loss accounts of all group companies included in the consolidation.

2.2 Segmented reporting

In accordance with IFRS 8 Operating Segments, segmented information is based on operating segments, which are monitored by managers and used by them as a basis for making their operating decisions. These operating segments have been identified on the basis of internal reporting which is periodically assessed by the Board of Directors with a view to allocating working capital to components and to determining the performance of the components.

2.3 Intangible fixed assets

2.3.1 Goodwill

Acquisitions are recognised using the purchase method of accounting. Goodwill that may result from the acquisition of participations is determined based on the difference between the cost price of the acquisition and the net fair value of the acquired identifiable assets and liabilities, including contingent liabilities at the time of the acquisition. Directly attributable acquisition costs are not taken into account in the calculation of the acquisition price and goodwill. These costs are charged directly to the result. Goodwill is valued at cost price minus cumulative impairments. Inclusion of a deferred tax obligation in the event of adjustments to fair value affects the level of the goodwill. Goodwill is attributed to cash-flow generating units.

Impairment of goodwill, where relevant, is charged to the profit and loss account. Impairment relating to goodwill is never reversed. Upon the sale of an entity, the book value of the goodwill is included in the result.

In the situation of a minority interest, without agreements about acquiring the share of third parties, goodwill is determined as the difference between the acquisition price and the proportional part of the fair values of the acquired assets and liabilities.

Information about the contingent liabilities and a description of the factors that have contributed to the cost price that result in the recognition of goodwill cannot always be immediately provided because in some cases business plans are not yet sufficiently clear. The fair value that is still to be accorded, if applicable, to the intangible fixed assets will be worked out and determined at a later stage. Where applicable, this will take place within 12 months from the acquisition date.

2.3.2 Adjustments to the value of earn-out obligations

Adjustments to the value of earn-out obligations resulting from changes in agreements or changed profitability are recognised in the operating result as part of other operating expenses.

The costs of accruing the earn-out obligations are recognised in the financing income and expenses as part of the other financial expenses.

2.3.3 Intangible fixed assets related to customers

Intangible fixed assets related to customers pertain to the intangible fixed assets of acquisitions identified in accordance with IFRS 3 Business Combinations and include customer and contract portfolios and are valued at fair value at the time of acquisition.

2.3.4 Intellectual property rights related to developed products

These intangible fixed assets pertain to purchased intellectual property rights and/or distribution rights connected thereto. These purchased intellectual property rights are recognised at fair value at the time of acquisition.

2.3.5 Intangible fixed assets produced in-house

Development costs of intangible fixed assets produced in-house are only capitalised when it is likely that economic benefits arising from the investment will be generated for a period longer than one year. The costs of company staff related directly to the intangible fixed assets developed in-house are capitalised at cost. The costs of any services rendered by third parties in connection with the in-house produced intangible fixed assets are capitalised at cost. If material, interest charges are also a component of the capitalised costs. Intangible fixed assets produced in-house are amortised from the date that they are taken into use.

2.3.6 Expenditure after initial investment

Expenditure on capitalised intangible fixed assets after the initial investment is only capitalised when this expenditure results in an increase of the future economic benefits arising from the investment. All other expenses are recognised as charges in the profit and loss account.

2.3.7 Amortisation of intangible fixed assets

Amortisation charges are charged to the profit and loss account in accordance with the straight-line method based on the useful life of an intangible asset. Goodwill is assessed annually on the balance sheet date for impairments. Other intangible fixed assets are amortised from the date that they are taken into use.

The useful life of the intangible fixed asset upon which the amortisation is based is determined as follows:

- client bases 7 years
- intellectual property rights 7 years
- Intangible fixed assets related to developed products 5-10 years

The amortisation periods are evaluated annually and adjusted when necessary.

2.4 Tangible fixed assets

2.4.1 Tangible fixed assets owned by the company

Tangible fixed assets are stated at cost less cumulative depreciation and impairments. The cost includes the additional costs that are directly attributable to the acquisition or production of the asset. Costs incurred after the asset is initially recognised in the financial statements are included in the book value of the asset or are recognised as a separate asset when it is likely that the future economic benefits generated by the asset will accrue to Ctac and the costs of the asset can be determined in a reliable manner. Maintenance costs are recognised in the profit and loss account in the period in which they are incurred.

Book losses and gains upon divestment of tangible fixed assets are recognised in the profit and loss account.

2.4.2 Depreciation of tangible fixed assets

The tangible fixed assets are recognised at acquisition price minus depreciation, calculated on a straight-line basis, based on the expected useful life. The annual depreciation rates are as follows for:

- Building Adjustments 10% - 20%
- Leased Buildings
- Computer equipment/Software 20% - 33 1/3%
- Fixtures and Fittings 10% - 25%

Renovations are depreciated over the remaining term of the lease agreements for the buildings in question or the service life if this is shorter. The residual value, which is often set at zero, and the useful life of the tangible fixed assets are assessed each year on the balance sheet date and adjusted if necessary.

2.5 Financial Instruments

2.5.1 Non-derivative financial instruments

Non-derivative financial instruments comprise:

- financial fixed assets (section 10)
- trade receivables and other receivables (section 11)
- cash and cash equivalents and short-term debts owed to banks (section 12)
- other long-term liabilities (section 14)
- trade payables and other debts (section 16)

On initial recognition, non-derivative financial instruments are recorded at fair value. After initial recognition, non-derivative financial instruments are carried at amortised cost less impairments. A provision for bad debt is formed at the time that it is assumed that a receivable or part of a receivable will not be collected. The amount of the provision is determined

as being the difference between the book value of the receivable and the present value of the estimated future cash flows, discounted at the effective rate of interest; the addition to the provision is recognised in the profit and loss account under other operating expenses.

Prepayments and accrued income include amounts to be received in connection with projects in progress on the balance sheet date insofar as these amounts exceed the already invoiced amounts in connection with these projects. In connection with projects in progress, when the already invoiced amounts are higher than the total of the costs incurred plus the realised profit, the balance of these projects is accounted for under other debts.

Cash and cash equivalents relate to cash in hand and cash balances in current accounts at banks. The amounts under the credit facility in current account are recognised under current liabilities.

2.5.2 Financial derivatives

Ctac has no financial derivatives.

2.6 Impairments of non-financial assets

An intangible asset with an indefinite useful life as well as an intangible asset that is not yet ready for use is not amortised but assessed annually for impairment. Assets with a specified useful life are amortised and assessed for impairment each time there is an indication that the book value differs from the realisable value. Impairment is determined to be the amount that the book value exceeds the recoverable amount.

2.6.1 Calculation of the recoverable amount

The recoverable amount of an asset or cash-flow generating unit is the fair value less disposal costs or the value in use, whichever is higher. The fair value is the net realisable value resulting from the sale of a cash-flow generating unit to a third party (in an 'at arm's length transaction'). The value in use is the present value of the expected cash flows from an asset or cash-flow generating unit. When determining the value in use, the present value of the estimated future cash flows is calculated using a discount rate before tax that reflects both the current market estimates of the time value of money and the specific risk relating to the asset. For an asset that does not generate cash flows which can be determined individually, the economic value is determined for the cash-flow generating unit to which the asset belongs.

2.6.2 Reversal of impairments

Impairment relating to goodwill is never reversed. Impairment relating to other assets is reversed in the event that the estimates on the basis of which the recoverable amount was determined have changed. Impairment is only reversed insofar as the book value of the asset after the reversal does not become higher than the book value which, after the deduction of depreciation or amortisation, would have been

determined at that time if no impairment had been recognised. Each year it is assessed whether there are indications that impairment of an asset that was recognised in earlier periods, with the exception of goodwill, no longer exists or has possibly decreased. If there is such an indication, the recoverable amount of the relevant asset is determined again and the impairment is adjusted insofar as the assessment gives cause for adjustment.

2.7 Shareholders' equity

2.7.1 Paid-up and called-up capital

The authorised share capital amounts to EUR 7,200,000 and is divided into 30,000,000 shares of EUR 0.24 as follows: 14,999,999 ordinary shares, 15,000,000 preference shares and 1 priority share. At year-end 2017, the issued share capital consisted of 12,655,648 ordinary shares and 1 priority share. All issued shares are fully paid up.

Changes in the volumes of outstanding shares are as follows:

	2017		2016	
	Ordinary	Priority	Ordinary	Priority
Balance as at 1 January	12,515,497	1	12,515,497	1
Repurchases of shares during the financial year	-	-	-	-
Sale/issue of shares during the financial year	140,151	-	-	-
Balance as at 31 December	12,655,648	1	12,515,497	1

No changes have taken place with regard to the preference and priority shares. Reference is made to page 76 'Other information' for information regarding the rights, preference rights and restrictions that apply to each category of shares.

2.7.2 Repurchase of own shares

When Ctac N.V. repurchases its own shares (known as Treasury Shares), the amount of the compensation for this repurchase, including any directly attributable costs (less taxes) is charged to the other reserves until the time that the shares in question are cancelled, reissued or sold. If repurchased own shares are sold or reissued, then the amount received, less directly attributable costs (less taxes) is credited to the other reserves.

As at 31 December 2017, neither Ctac N.V. nor any of its subsidiaries owned any treasury shares.

2.7.3 Dividends

A dividend distribution to Ctac N.V. shareholders is recognised as a liability at the time that the General Meeting of Shareholders passes a resolution to that end.

2.7.4 Reserves required by law

In accordance with statutory obligations, a statutory reserve is established in the company financial

statements for the amount of the capitalised costs of intangible fixed assets developed in house.

2.8 Long-term liabilities

2.8.1 Loans

On initial recognition in the financial statements, loans are valued at fair value plus transaction costs. After initial recognition, loans are valued at amortised cost.

2.8.2 Obligation to purchase minority interests

Minority interests in consolidated subsidiaries in respect of which a put option has been granted to the minority shareholders are presented as a liability separately from shareholders' equity. This right on the part of minority shareholders to sell their interest constitutes an obligation for Ctac to buy the shares of minority shareholders. The obligation is valued at estimated fair value. The valuation methods that are used are in line with the underlying agreements. In particular, the development of the result is a determining factor in the valuation. All of the purchase obligations at year-end 2017 and in subsequent years must be settled in cash. When initially valuing earn-out obligations, EUR 0.3 million in goodwill was recognised as an intangible fixed asset. A discount rate of 10% is taken into account for calculating the purchase obligation of minority interests. In addition, assumptions were made regarding turnover growth, profitability, etc. Differences in these assumptions can result in a different fair value.

The effects of this depend on the extent of the difference and are recognised in the profit and loss account as valuation differences under other operating expenses. Changes in the purchase obligations arising from the accrual of interest are recognised in the profit and loss account under other financial expenses.

2.9 Provisions

A provision is included in the balance sheet if the following conditions are met:

- Ctac has a legally enforceable or actual obligation as a result of an event in the past;
- settlement of this obligation is likely to result in an outflow of funds;
- a reliable estimate can be made of the outflow of funds which are deemed necessary for the settlement of the obligation.

A provision for anniversary payments is made in connection with future anniversary payments. This provision is carried at the present value of the future payments in the context of the anniversary, with due consideration being provided to expected future employee turnover.

Regarding existing guarantee obligations at year-end, an 'other provision' is made for the amount of the estimated work following from these obligations. This provision is made based on the cost price of the estimated work that still has to be carried out.

In the event of a loss-making project, a provision is also formed for this under Other provisions for the amount by which the benefits for Ctac from the agreement are expected to be lower than the unavoidable costs required in order to satisfy the obligations under the agreement in question.

2.10 Trade payables and other debts

On initial recognition in the financial statements, trade payables and other debts are carried at fair value plus transaction costs. After initial recognition, trade payables and other debts are carried at amortised cost.

2.11 Recognition of turnover

Net turnover is defined as the revenue, excluding turnover tax, from services rendered to third parties and goods supplied to third parties in the year under review. The manner in which turnover is recognised depends on the nature of the services that were rendered and the contractual terms governing the relevant services.

Revenue is carried at fair value.

2.11.1 Contracts based on contractual rates and retrospective costing

Turnover resulting from services under contracts based on contractual rates and retrospective costing is recognised at the time the services are provided, irrespective of the duration of the contracts.

2.11.2 Fixed price contracts

In the case of contracts with a fixed price, turnover is recognised proportionately to the total contract price in accordance with the percentage of completion (POC) in the year under review insofar as the extent to which the services were rendered on the balance sheet date can be determined reliably and the costs already incurred for the transaction and the costs to complete the transaction can be estimated reliably. When applying the POC method, turnover is recognised on the basis of total costs incurred on the reporting date in relation to the total estimated costs that must be incurred in fulfilling the contract obligations.

Estimates are adjusted when circumstances occur that lead to a change in the original estimates of turnover, cost or work still to be carried out. These adjustments can influence turnover or costs still to be realised; such adjustments are recognised in the period in which the circumstances occur that give rise to an adjustment of the estimates.

2.11.3 Outsourcing and management contracts

Work related to outsourcing and management contracts on the basis of fixed-price agreements is distributed equally across the term of the contract. Consequently, the related turnover is recognised on the basis of fixed periodic monthly instalments throughout the contractual term. If the provision of services is settled on the basis of actual use, the related turnover is recognised in the period in which use or consumption took place.

2.11.4 Licences

Turnover arising from the sale of licences, the delivery of which does not impose any additional obligations on Ctac, is fully recognised at the time of delivery.

When a licence is part of a project and the licence is not separately identifiable, the turnover generated by the sale of the licence is recognised as part of the total project price proportional to the percentage of completion (POC) in the year under review. In this respect, additional services are rendered by Ctac with respect to the licence, such as integration, modification and customisation. Turnover resulting from the sale of purchased and re-sold licences where no material additional services are rendered by Ctac is recognised up to the amount of the realised margin at the time of delivery.

2.12 Expenses

2.12.1 Expenses relating to the purchase value of hardware, software and outsourced work

Expenses relating to the purchase value of hardware, software and outsourced work are recognised at historical cost in the period in which these expenses were incurred.

2.12.2 Pension costs

Employees at Ctac accrue pensions at their own expense and risk (defined contribution pension scheme). Ctac's pension contribution is recognised under personnel costs.

2.12.3 Operating lease payments/rents

Operating lease payments are recognised in the profit and loss account on a straight-line basis over the lease period. Rent for buildings is also recognised in the profit and loss account on a straight-line basis over the lease period.

2.12.4 Financing income and expenses

Financing income includes the interest received on current account balances with financial institutions and interest received in connection with the settlement of tax assessments. Financing expenses include interest charged by financial institutions on borrowed funds, interest paid in connection with the settlement of tax liabilities and the accrued interest on earn-out obligations.

The valuation differences concern the changes in fair value of the earn-out obligations and purchase obligations in respect of minority interests, which are a consequence of changes in estimates of growth, profitability, risk and other estimates. They are recognised under other operating expenses.

2.13 Taxation on the result

Taxation on the result of the financial year comprises taxes due and available for set-off and deferred taxes over the period under review. Tax on the result is recognised in the profit and loss account unless the tax relates to items recognised directly in shareholders' equity. In that case, the related taxes are also recognised directly in shareholders' equity.

The taxes due over the period under review and available for set-off consist of profit tax on the taxable result, which is calculated based on applicable tax rates, taking into account exempt profit components and non-deductible amounts as well as corrections to taxation in previous financial years.

Deferred taxes are calculated based on established tax rates and laws that are applicable or which have already been materially decided upon on the balance sheet date, and that are expected to be applicable at the time that the deferred tax credit is realised or the deferred tax liability is paid.

Deferred tax credits in connection with losses available for set-off against taxes are only capitalised to the extent that it is probable the settlement can take place against profits to be achieved in the coming years. Deferred tax credits and liabilities with the same term and for the same tax entity are set-off against each other in the balance sheet provided that such setting off is permitted by law.

3. Accounting principles for the cash flow statement

The cash flow statement has been prepared using the indirect method. In the cash flow statement, a distinction is made between the cash flows from operating activities, investment activities and finance activities. Income and expenditure relating to tax on profits and interest income and interest expenses are part of the net cash flow from operating activities. Cash flows resulting from the acquisition or disposal of financial interests (participations and investments) are included under the cash flow from financing activities, taking into account the presence of liquid assets within these interests. Distributed dividends are included in the cash flow from financing activities. The balance of liquid assets is recorded in the cash flow statement including the amounts drawn from the current account as stated under short-term liabilities.

4. Financial Risk Management

Ctac is confronted with various financial risks, such as market risks, credit risks and liquidity risks. General risk management at Ctac, as supervised by the Board of Directors, covers a broader field than simply financial risks. More information is provided in the risk management section of the Report of the Board of Directors on pages 32 - 34 of this report. The aim of risk management is to draw up an inventory of the most important risks and to effectively control these risks on the basis of regulations, procedures, systems, best practices, controls and audits. Financial risk management focuses in particular on risks that are relevant for Ctac in this context.

4.1 Financial market risk

4.1.1 Interest rate risk

Ctac is exposed to interest rate risks that are exclusively limited to the Eurozone. To minimise these risks, the goal of the interest rate risk policy is to limit the interest rate risks related to the financing of the company. The interest rate risk pertains to the company's long-term financing as well as its short-term financing. At year-end 2017, as at year-end 2016, Ctac had no long-term interest-bearing bank loans.

Ctac has taken out short-term interest-bearing bank loans at a variable base rate. The interest rate is one-month Euribor plus a spread.

If during 2017, the interest rate on the long-term and short-term bank loans with a variable interest rate would have been 0.2% higher or lower, while other variables remained constant, this would not have had a material effect on the result after tax. The 0.2% rate used here is based on the volatility of interest rates during 2017.

4.1.2 Exchange rate risk

All companies within Ctac are located in the Eurozone. The large majority of turnover is generated within the Eurozone. Consequently, the euro is Ctac's reporting and functional currency. Ctac does not have any assets or liabilities outside of the Eurozone. The Board of Directors of Ctac considers the exchange rate risks to be very limited at year-end 2017.

4.2 Credit risk

Credit risk management is centralised at Ctac. The credit risk arises from liquid assets and transactions with customers, including outstanding receivables. Ctac only accepts professional parties in the Netherlands as banks and financial institutions. Ctac's financing facility has been made available by the ABN AMRO Bank. The creditworthiness of customers is determined in advance

on the basis of project acceptance criteria. If available, external credit ratings are used for this purpose. If no external credit ratings are available, Ctac assesses the customer's creditworthiness on the basis of its financial position, past experience and other factors. Credit risks relating to clients are continually assessed. The Board of Directors of Ctac N.V. is of the opinion that the credit risk relating to clients is limited.

4.3 Liquidity risk

Liquidity management is centralised at Ctac. To this end, in the Netherlands, use is made of the centrally managed credit facilities at ABN AMRO Bank, which were agreed as follows in June 2016: a combined facility of a total of EUR 6.0 million, with a EUR 2.0 million increase up to EUR 8.0 million in the months of April through August. In Belgium, use is made of the joint credit facility at ING Bank of EUR 0.9 million. A pledge right on receivables, company equipment and IP rights has been granted as security.

The aim of liquidity management is to make the best possible use of the available liquid assets and credit facilities within Ctac. To this end, liquidity forecasts are drawn up periodically for both the short term and the medium term. These forecasts are adjusted periodically based on realisation and any adjusted projections.

4.4 Capital risk management

The management of capital is centralised at Ctac and is aimed at, on the one hand, ensuring the continuity of Ctac and, on the other, optimising the capital structure.

Instruments to achieve an optimal capital structure include the dividend policy, the possibility of repurchasing own shares and the possibility of issuing shares, in particular in connection with the financing of possible acquisitions or the reduction of debt positions.

4.5 Project risk

Ctac has different contract forms with customers. The financial risks, particularly of 'lump sum' contracts, are managed by unambiguous legal wording of the scope, frequent reporting to a Project Board, and implementation by experienced project management.

5. Key estimates and assumptions

5.1 Estimates with regard to impairment of goodwill

The realisable value is the estimated immediate market value or the value in use, whichever is higher. When determining the value in use of an asset, the present value of estimated future cash flows is calculated using a discount rate that reflects both the current market estimates of the time value of money and the specific risks relating to the asset.

Future cash flows are estimated using current and historical results per asset. A detailed forecast is made for each asset for the coming year and forecasts are made for the mid and long-term based on assumptions for turnover growth and margin development. Cash flows after a period of five years are extrapolated with low growth percentages. The assumptions used are acceptable in the sector in which Ctac is active.

5.2 Estimates with regard to risks on projects and debtors

If a project is loss-making, a provision is made for the amount by which the expected benefits for Ctac arising from the agreement are lower than the unavoidable costs required in order to satisfy the obligations under the particular agreement. A provision for bad debt is made at the time that it is assumed that a receivable or part of a receivable will not be collected.

5.3 Estimates with regard to earn-out obligations

For the purpose of the earn-out obligations, future results for each entity are estimated on the basis of a detailed forecast for the coming year and forecasts based on assumptions of turnover growth and margin development for future years. The calculation of obligations based on estimated results is consistent with the underlying contracts.

6. Information by segment

Ctac provides a range of closely related services in the SAP consultancy market, generally on a project or on management basis. The management of Ctac manages the company on the basis of two geographic segments: 'the Netherlands' and 'Belgium', and one segment referred to as 'France and Others' which comprises France and the other activities, including the holding. There are no valuation differences between the management information with regard to the segments and the information in the financial statements. The prices and conditions for the transactions between the segments are determined at arm's length.

The segmented results over the year 2017 can be specified as follows:

2017 Results

(in EUR x 1,000)

	The Netherlands	Belgium	France and Other	Inter-segment eliminations	Consolidated
Turnover by segment	72,497	14,080	386	(5,366)	81,597
Operating result	4,353	118	(802)*	-	3,669
Financial income	2	-	94	(91)	5
Financial expenses	(58)	(41)	(84)	91	(92)
Financial income and expenses					
earn-out obligations	-	-	(80)	-	(80)
Result before tax	4,297	77	(872)	-	3,502
Taxes	(817)	(99)	214	-	(702)
Net result	3,480	(22)	(658)	-	2,800

*) Including EUR 200,000 operating result for Other.

The segmented results for the year 2016 can be specified as follows:

2016 Results

(in EUR x 1,000)

	The Netherlands	Belgium	France and Other	Inter-segment eliminations	Consolidated
Turnover by segment	75,914	14,196	814	(4,694)	86,230
Operating result	5,030	120	(2,098)*	-	3,052
Financial income	16	11	99	(105)	21
Financial expenses	(167)	(46)	(4)	105	(112)
Financing income and expenses					
earn-out obligations	-	-	(88)	-	(88)
Result before tax	4,879	85	(2,091)*	-	2,873
Taxes	(1,013)	(20)	773	-	(260)
Net result	3,866	65	(1,318)	-	2,613

*) Including EUR 300,000 operating result for Other.

The other segmented information regarding the profit and loss account for 2017 is as follows:

Depreciation and amortisation 2017

(in EUR x 1,000)

	The Netherlands	Belgium	France and Other	Inter-segment eliminations	Consolidated
Intangible fixed assets	-	-	218	-	218
Tangible fixed assets	391	25	386	-	802
Total depreciation and amortisation	391	25	604	-	1,020

Investments in 2017

(in EUR x 1,000)

	The Netherlands	Belgium	France and Other	Inter-segment eliminations	Consolidated
Intangible fixed assets	1,494	-	50	-	1,544
Tangible fixed assets	164	15	202	-	381
Total investments	1,658	15	252	-	1,925

The other segmented information regarding the profit and loss account for 2016 is as follows:

Depreciation and amortisation 2016

(in EUR x 1,000)

	The Netherlands	Belgium	France and Other	Inter-segment eliminations	Consolidated
Intangible fixed assets	-	-	230	-	230
Tangible fixed assets	496	27	409	-	932
Total depreciation and amortisation	496	27	639	-	1,162

Investments in 2016

(in EUR x 1,000)

	The Netherlands	Belgium	France and Other	Inter-segment eliminations	Consolidated
Intangible fixed assets	-	-	161	-	161
Tangible fixed assets	223	3	254	-	480
Total investments	223	3	415	-	641

7. Intangible fixed assets

The following statement provides an overview of movements in the assets recognised in this balance sheet item.

(in EUR x 1,000)

	Goodwill		Intangible fixed assets related to customers and orders		Intangible fixed assets related to developed products		Intangible fixed assets produced in-house		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Book value as at 1 January	13,885	13,885	16	85	-	-	821	821	14,722	14,791
Investments	-	-	-	-	1,478	-	66	161	1,544	161
Depreciation and amortisation	-	-	(16)	(69)	-	-	(202)	(161)	(218)	(230)
Book value as at 31 December	13,885	13,885	-	16	1,478	-	685	821	16,048	14,722
Total acquisition value	26,198	26,198	2,086	2,086	3,042	1,564	1,048	982	32,374	30,830
Total depreciation and impairments	(12,313)	(12,313)	(2,086)	(2,070)	(1,564)	(1,564)	(363)	(161)	(16,326)	(16,108)
Book value as at 31 December	13,885	13,885	-	16	1,478	-	685	821	16,048	14,722

7.1 Impairments and reversals of impairments

In 2017, as in 2016, Ctac did not recognise any goodwill impairment or reverse any impairment recognised in earlier years.

7.2 Impairment test for cash-flow generating units (CGUs) to which goodwill can be attributed

The recoverable amount is the estimated immediate market value or the value in use, whichever is higher. When determining the value in use of an asset, the present value of the estimated future cash flows is calculated using a discount rate that reflects both the current market estimates of the time value of money and the specific risks relating to the asset.

Future cash flows are estimated on the basis of the 'value in use' method in accordance with IAS 36 (Impairment of Assets), using current and historical results for each asset. A detailed forecast is prepared per CGU for the coming year based on the 2018 budgets and forecasts are prepared for the following years based on assumptions of turnover growth and margin development. Cash flows after a period of five years are extrapolated with low growth percentages varying from 1% to 2%. The assumptions used are acceptable in the sector in which Ctac is active.

Since 2014, Ctac has allocated goodwill to three Dutch CGUs: (1) 'Ctac Consulting', which encompasses all SAP consulting and Microsoft-related activities; (2) 'Ctac Cloud Services', for hosting, technical and functional management; and (3) 'Other' for the other Dutch activities, primarily secondment activities.

As a consequence of developments in the market and changes in the internal organisation, the cash flows generated by the CGUs Ctac Cloud Services and Ctac Consulting mean that they can no longer be considered as independent CGUs.

Their productive assets, largely consisting of Human Capital, can no longer be clearly split into productive assets for Ctac Cloud Services and productive assets for Vtac Consulting. Their cash flows have also become less clearly separated. Increasing numbers of customers buy both Cloud Services and Consulting services. The new products (Fit4Woco-as-a-Service and XV5-as-a-Service) are composite products consisting of Cloud Services services and the use of products developed by Consulting. Discontinuing or terminating one or other CGU without consequences for the remaining CGU is therefore impossible. As of 2017, the CGUs Ctac Cloud Services and Ctac Consulting are considered to be a single CGU: 'Ctac Nederland'.

An impairment test has been carried out for the CGU Ctac Nederland and for the CGU Overig, making the following assumptions. The pre-tax WACC for Ctac Nederland is 15.8% and for Overig 16.9%. This is based on a ten-year interest rate of 0.7%, a minimum market premium of 6% and a unit market premium that varies between 6% and 7%, a Beta of 1.21 and an (E/(D+E)) ratio of 0.18 (2016: 0.21).

The risk premium for impairment differs per activity depending on market and size, consultancy or product sales and depending on size and growth.

Growth varying from 1% to 2% has been used for all CGUs outside the five-year period.

Similar to 2016, calculations based on these assumptions do not result in impairment for any CGU.

A sensitivity analysis in which the WACC is increased by 3% and the expected EBITA is lowered by 10% does not result in impairment either.

Goodwill amounting to EUR 13.6 million was allocated to the CGU Ctac Nederland in 2017. The goodwill allocated to Ctac Nederland in 2016 was also EUR 13.6 million, which was the total of the goodwill allocated to Ctac Cloud Services and to Ctac Consulting. As in 2016, EUR 0.3 million in goodwill was allocated to the CGU Overig in 2017.

7.3 Investments

The investment in intangible fixed assets related to developed products concerns the development costs of the Fit4Woco application and a new release of the cash desk software XV.

An assessment was carried out during the financial year into how future cash flows (value in use of the asset) relates to the book value of the asset. There was no impairment on this basis.

The investment in intangible fixed assets produced in-house concerns the optimization of the ERP system that was put into use on 1 January 2016.

8. Tangible fixed assets

The following statement shows the changes in the assets recognised in this balance sheet item.

(in EUR x 1,000)

	Building adjustments leased		Computers		Fixtures and fittings		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Book value as at 1 January	759	869	1,251	1,525	171	239	2,181	2,633
Investments	12	25	323	448	46	7	381	480
Divestments	-	-	-	-	-	-	-	-
Depreciation and amortisation	(136)	(135)	(592)	(722)	(74)	(75)	(802)	(932)
Book value as at 31 December	635	759	982	1,251	143	171	1,760	2,181
Total acquisition value	1,362	1,350	4,469	4,632	573	590	6,404	6,572
Total depreciation and amortisation	(727)	(591)	(3,487)	(3,381)	(430)	(419)	(4,644)	(4,391)
Book value as at 31 December	635	759	982	1,251	143	171	1,760	2,181

8.1 Investments and divestments

The investments in computers during 2017 mainly concern investments in laptops, servers and storage capacity.

8.2 Impairments and reversals of impairments

Ctac did not recognise any impairment of tangible fixed assets in 2017. Furthermore, no impairments recognised in earlier years were reversed in 2017.

9. Deferred taxes

Deferred taxes can be specified as follows:

	2017	2016
(in EUR x 1,000)		
Deferred tax assets	1,147	1,080
Deferred tax liabilities	202	276
Total deferred taxes	945	804

Changes in deferred tax assets can be specified as follows:

	2017	2016
(in EUR x 1,000)		
Balance as at 1 January	1,080	596
Withdrawal in connection with carry forward	-	(2)
Addition in connection with deductible losses	132	551
Withdrawal in connection with unrealised inter-company results	(65)	(65)
Balance as at 31 December	1,147	1,080

Tax losses are recognised if they are expected to be carried forward (total at year end 2017 approx. EUR 4.2 million; year end 2016 approx. EUR 3.4 million). The amount is recognised at the nominal rate as applicable to future financial years, without taking any discounting into account. A deferred tax asset is created for the entire tax loss.

Changes in deferred tax liabilities can be specified as follows:

	2017	2016
(in EUR x 1,000)		
Balance as at 1 January	276	102
Intangible fixed assets related to customers, orders and developed products		
Withdrawal in connection with amortisation	(5)	(18)
Intangible fixed assets produced in-house		
Addition in connection with investments	-	245
Withdrawal in connection with amortisation	(49)	(40)
Discounting of earn-out obligation		
Addition / withdrawal in connection with new obligations, valuation differences, accrued interest	(20)	(13)
Balance as at 31 December	202	276

10. Other receivables

Other receivables can be specified as follows:

	2017	2016
(in EUR x 1,000)		
Balance as at 1 January	70	-
Security deposit	-	70
Balance as at 31 December	70	70

With effect from 2016, Ctac has borne the risk under the Dutch Partially Disabled Workers Act (WGA) entirely on its own. The mandatory warranty to the Dutch Tax and Customs Administration that a financial institution will take over this obligation should Ctac no longer be able to comply with it has been reinsured. A security deposit of EUR 70,000 was paid for this. This contract is effective until 2022.

11. Trade receivables and other receivables

Trade receivables and other receivables can be specified as follows:

	2017	2016
(in EUR x 1,000)		
Trade receivables	15,444	16,234
Provision for doubtful debts	(1,182)	(1,188)
Trade receivables - net	14,262	15,046
Turnover still to be invoiced in connection with services already provided	5,262	5,685
Other receivables	56	114
Prepayments and accrued income	1,013	939
Total trade receivables and other receivables	20,593	21,784

The fair value of the trade receivables and other receivables is close to the book value. This also applied on 31 December 2017 for an amount of trade receivables of EUR 3.0 million (31 December 2016: EUR 3.1 million), for which the payment term has elapsed. Although the payment period has elapsed for receivables up to EUR 3.0 million, there are no indications as at the balance sheet date that the relevant trade debtors will not fulfil their payment obligations. Other provisions have been created for a few of these debtors because there are still outstanding issues in relation to the performance of the projects. At year-end 2017, the provision for receivables considered to be uncollectible stood at EUR 1.2 million (year-end 2016: EUR 1.2 million).

The age of the trade receivables is as follows:

	2017	2016
(in EUR x 1,000)		
Trade receivables which are not deemed to be uncollectible and for which the payment period has not yet elapsed	11,226	11,944
Trade receivables which are not deemed uncollectible and for which the payment period has elapsed		
less than 1 month	651	1,994
between 1 and 2 months	411	207
between 2 and 3 months	145	125
more than 3 months	1,829	776
	3,036	3,102
Total trade receivables - net	14,262	15,046

The changes in the provision for doubtful debts are as follows:

	2017	2016
(in EUR x 1,000)		
Balance as at 1 January	1,188	1,098
Addition to the provision	76	243
Write-off in connection with bad and doubtful debts	(6)	(65)
Release from the provision	(76)	(88)
Balance as at 31 December	1,182	1,188

The receivables in respect of trade debtors are exclusively in euros. The addition to and release from the provision are recognised in the profit and loss account under other operating expenses. Amounts included in the provision are usually written off at the time that there is no expectation that any payments in respect of the receivable will take place.

The other items under trade receivables and other receivables do not contain any assets with impairment.

Prepayments and accrued income include prepaid costs, receivables in connection with current contracts with a fixed contract price and amounts to be received. The other receivables have a duration of less than one year both at year-end 2017 and year-end 2016.

12. Cash and cash equivalents

Amounts drawn under the current account credit facility totalling EUR 6.9 million at year-end 2017 (year-end 2016: EUR 6.9 million) are recognised under short-term debts owed to banks. The majority of the group companies are jointly and severally liable for the current account credit facility. A pledge right on receivables, company equipment and IP rights has been granted as security.

No financial derivatives were used at Ctac in 2017, or on the balance sheet date.

13. Shareholders' equity

At year-end 2017, the authorised share capital amounted to EUR 7,200,000 and was divided into 30,000,000 shares of EUR 0.24 as follows: 14,999,999 ordinary shares, 15,000,000 preference shares and 1 priority share. The issued share capital consists of 12,655,648 ordinary shares and 1 priority share. All issued shares are fully paid up.

The composition of and the changes in shareholders' equity in 2017 and 2016 are stated on page 42 of the financial statements.

The number of outstanding option rights will not exceed 10% of the total number of outstanding ordinary shares. There are no outstanding option rights.

14. Other long-term liabilities

14.1 Earn-out obligations

These are Ctac's long-term obligations to minority shareholders of subsidiaries and second-tier subsidiaries of Ctac N.V. with which earn-out and/or subsequent payment agreements have been made. These earn-out obligations will be paid fully in cash.

The measurement of these earn-out obligations is at Level 3, as specified in IFRS 13 Fair Value Measurement.

The changes in the earn-out obligations are as follows:

	2017	2016
(in EUR x 1,000)		
Balance as at 1 January	757	769
Valuation differences	95	200
Transferred to current liabilities	(247)	(300)
Interest accrual on earn-out obligation	80	88
Balance as at 31 December	685	757

14.2 Discounts received in advance

These are discounts received in advance relating to rent and lease contracts with a term longer than a year.

The changes in discounts received in advance are as follows:

	2017	2016
(in EUR x 1,000)		
Balance as at 1 January	127	158
Transferred to current liabilities	(31)	(31)
Balance as at 31 December	96	127

The expiry dates of the other obligations are as follows:

	1-2 Years	>2 Years	Total
(in EUR x 1,000)			
Earn-out obligations	225	460	685
Discounts received in advance	31	65	96
Total other liabilities	256	525	781

15. Provisions

The changes in the provisions are as follows:

	2017		2016	
(in EUR x 1,000)	Anniversary Payments	Other	Total	
Balance as at 1 January	124	122	246	371
Additions charged to the result	-	45	45	137
Released to the result	(5)	(28)	(33)	(74)
Allocated	(15)	(46)	(61)	(188)
Balance as at 31 December	104	93	197	246

Approximately EUR 0.1 million (2016: approximately EUR 0.2 million) of the provisions have a term of more than a year.

15.1 Provision for Anniversary Payments

The terms and conditions of employment of the various group companies include an anniversary scheme pursuant to which employees receive a gross payment that is independent of their salary when they reach a certain number of years of service. In accordance with the IAS 19 Employee Benefits, a provision has been made for the conditional obligation resulting from this anniversary scheme. The provision is made on the basis of the projected average number of years of service per employee and the size of the payment, and is recognised at its present value.

15.2 Other provisions

These provisions relate to work carried out under guarantee or work still to be carried out on loss-making projects that are charged to the financial year in accordance with the accounting principles for the financial statements.

16. Trade payables and other debts

The composition of the trade payables and other debts is as follows:

	2017	2016
(in EUR x 1,000)		
Trade payables	5,000	6,469
Taxes and social security contributions	3,855	4,004
Other liabilities	254	322
Accruals and deferred income	9,016	10,259
Total trade payables and other liabilities	18,125	21,054

The fair value of the trade payables and other debts is close to the book value.

The other debts item includes short-term liabilities arising from earn-out agreements. All other liabilities have a term of less than 1 year.

The accrued liabilities item includes liabilities relating to holiday pay, annual leave and bonuses, obligations in respect of pre-invoiced turnover as well as other items to be paid that are charged to the financial year in accordance with the accounting principles for the determination of the result.

17. Personnel costs

The composition of personnel costs is as follows:

	2017	2016
(in EUR x 1,000)		
Wages	31,516	30,776
Social security charges	4,508	4,581
Pension costs	1,615	1,469
Other personnel costs	805	1,898
Total personnel costs	38,444	38,724

The pension costs concern the payment of contributions in connection with a defined contribution pension scheme. The other personnel costs include costs such as travel and accommodation expenses and training costs. The average staffing level (FTE) in 2017 was 425 (2016: 435), distributed across the segments as follows:

Number of FTE per segment	2017	2016
The Netherlands	325	338
Belgium	61	55
France and Other	39	42
Total number of FTE	425	435

18. Other operating expenses

Other operating expenses can be specified as follows:

	2017	2016
(in EUR x 1,000)		
Car expenses	3,890	3,894
Accommodation expenses	1,822	2,355
Marketing and sales costs	895	1,120
Other costs	7,442	7,389
Valuation differences earn-out obligations	95	209
Total other operating expenses	14,144	14,967

Approximately EUR 3.1 million (2016: approximately EUR 3.1 million) is recognised under car expenses for operating lease contracts relating to cars.

Approximately EUR 1.2 million (2016: approximately EUR 1.3 million) is recognised under accommodation expenses for operating lease contracts.

Other costs include items such as the costs of information management and internal automation, insurance, auditors' and consultancy fees, and costs related to hosting activities. The latter primarily concerns the costs of the operating lease for fitting out the data centres.

The amount and composition of auditors' fees is as follows (EUR x 1,000):

a. audit of the financial statements	EUR 130	(2016: EUR 127)
b. other review procedures	EUR -	
c. tax services	EUR -	
d. other consultancy work	EUR -	
e. fees for other BDO work	EUR 18	(2016: EUR 18)
The total auditors' fees thus amount to	EUR 148	(2016: EUR 145)

19. Financial income and expenses

Financial income and expenses can be specified as follows:

	2017	2016
(in EUR x 1,000)		
Financing income	5	21
Financing expenses	(92)	(112)
Interest accrual on earn-out obligations	(80)	(88)
Total financing income and expenses	(167)	(179)

Financing expenses include the interest due with regard to the current account facilities at banks and the interest due in connection with taxes.

20. Taxes

Taxes can be specified as follows:

Tax position and tax burden	2017	2016
(in EUR x 1,000)		
Immediate tax liability for the current financial year	(884)	(820)
Deferred taxes	140	319
Immediate tax liability for previous financial years	42	241
Total taxes	(702)	(260)

The tax burden on the result before taxes amounts to 20.0% (2016: 9.0%) and can be specified as follows:

As a % of the result from ordinary activities before tax	2017	2016
Nominal tax burden	25.0	25.0
Rate differences foreign countries	1.6	-
Non-deductible amounts	2.0	2.7
Effects of lower first bracket	(0.6)	(0.8)
Payment differences and impairment	0.7	1.8
Innovation box for the current financial year	(7.6)	(11.4)
Innovation box for previous financial years	-	(8.0)
Other differences	(1.1)	(0.3)
Tax burden according to the consolidated financial statements	20.0	9.0

In 2017, the Dutch Tax and Customs Administration extended the VSO Innovation Box in connection with R&D activities until the end of 2020. That part of the operating profit attributable to the Innovation Box amounts to 40% of the consolidated adjusted EBIT for the Dutch tax entity Ctac.

21. Results per share

Profit per share and diluted profit per share.

The calculation of the base profit and the diluted profit per share accruing to the shareholders of the parent company is based on the following data:

Profit/(loss) per share	2017	2016
Net result (EUR x 1,000)	2,800	2,613
Net result from continuing activities (EUR x 1,000)	2,800	2,613
Net result from continuing activities accruing to group shareholders (EUR x 1,000)	2,800	2,610
Number of shares		
Number of ordinary shares at the beginning of the year	12,515,497	12,515,497
Number of ordinary shares at the end of the year	12,655,648	12,515,497
Number of weighted average outstanding ordinary shares	12,597,253	12,515,497
Net result (before minority shareholders' share) per weighted average number of outstanding ordinary shares (EUR)	0.22	0.21
Average price (EUR)	3.59	2.75
Potential dilution of ordinary shares	-	-
Number of potential shares in connection with the diluted profit per share	12,597,253	12,515,497
Net result attributable to group shareholders per share after potential dilution (EUR)	0.22	0.21

22. Off-balance sheet contingent and contractual receivables and obligations

The company and its participations have guarantees for a total amount of approximately EUR 0.3 million (2016: approximately EUR 0.3 million) outstanding. These guarantees have been issued in connection with current lease obligations.

At year-end 2017, Ctac made investment commitments regarding the expansion of the data centres for an amount of EUR 0.1 million. These investments will be brought into an operating lease.

Cars made available to employees were generally obtained based on operating leases with a contract term varying from three to five years. Ctac N.V. and its participations have lease obligations with respect to cars for an amount of approximately EUR 5.9 million (2016: EUR 6.1 million) in total. These are operating lease obligations with a residual term varying from one to five years, which relate to the lease of passenger cars in the Netherlands and Belgium for personnel.

The hardware for fitting out the data centres was for the most part obtained on the basis of an operating lease with a contract term varying from three to five years. The total lease obligations for Ctac in connection with these operating leases at year-end 2017 amounted to EUR 3.6 million (2016: EUR 4.7 million).

All buildings in which group companies are housed are leased. Ctac does not own any buildings. The company and its participations have rent obligations for a total amount of approximately EUR 4.8 million (2016: approximately EUR 5.9 million) outstanding. These are rent obligations in connection with office buildings in the Netherlands ('s-Hertogenbosch), Belgium (Wommelgem) and France (Paris). All buildings are leased from non-related parties.

The composition of the rent and lease obligations is as follows:

	2017		2016		
(in EUR x 1,000)	Lease obligations passenger cars	Lease obligations data centre fit-out	Lease obligations offices		
Terms shorter than one year	2,555	2,070	1,217	5,842	6,474
Terms longer than one year but shorter than five years	3,344	1,526	3,540	8,410	10,015
Terms longer than five years	-	-	-	-	261
	5,899	3,596	4,757	14,252	16,750

Ctac N.V. and most of its Dutch group companies form a fiscal entity for corporation tax and the turnover tax purposes, as a result of which the companies in question are jointly and severally liable for the obligations of the fiscal entity.

Claims have been made against Ctac N.V. and/or its group companies that they dispute. Although it is impossible to predict the outcome of these disputes with certainty, based on the legal advice obtained and the available information it is assumed that they will not have any significant adverse effect on the consolidated financial position.

Ctac France is in discussions with a customer about the financial settlement of an implementation project. During the implementation of this project, the legal scope of the agreements, among other things, was found to have been recorded insufficiently clearly in the contract. The project was fully discontinued from a technical point of view in December 2016 but it has not been completed from a legal point of view yet.

23. Acquisitions and divestments

The interest in the participation Ctac Resourcing B.V. was expanded by 4.9% and is now 75.5%.

24. Related parties

24.1 Identity of related parties

The group companies, the members of the Supervisory Board, the members of the Board of Directors and the major shareholders qualify as related parties of Ctac N.V.

24.2 Transactions with the members of the Board of Directors and of the Supervisory Board

24.2.1 Remuneration policy

The aim of Ctac N.V.'s remuneration policy is to provide a clear picture of the policy that should be followed with regard to the remuneration of the members of the Board of Directors and managers, partly in order to be able to ensure that the company can attract and retain qualified and experienced managers. Such a policy cannot be viewed separately from the following basic principles.

- The interests of the customer are paramount. These interests are served when members of the Board of Directors and managers satisfy the most stringent professional requirements and when they are remunerated appropriately.
- The remuneration reflects the expertise, effort and commitment demonstrated by members of the Board of Directors and managers for the benefit of Ctac N.V.
- The level of the remuneration is in line with the remuneration of the members of boards of directors and managers at comparable companies and contains a fixed and a variable component.
- The remuneration must be partly in line with the results achieved by Ctac N.V., and therefore it is an annual item on the agenda for the Supervisory Board meeting in which, among other things, the performance criteria upon which an assessment will take place are determined.
- This policy extends to the members of the Board of Directors and the most senior management level and is an instrument in the remuneration structure of the management within Ctac N.V.

24.2.2 Remuneration of members of the Board of Directors

With regard to the remuneration of the members of the Board of Directors, the following amounts have been recognised in the result of 2017 and 2016 respectively.

	2017	2016
(in EUR x 1,000)		
Board of Directors		
<i>H.L.J. Hilgerdenaar</i>		
Salary	275	232
Pension and disability benefit insurance	53	41
Variable remuneration	46	45
Total remuneration	374	318
<i>D.G.H. van der Werf</i>		
Salary	250	232
Pension and disability benefit insurance	60	50
Variable remuneration	42	45
Total remuneration	352	327
Total salary	525	464
Total pension and disability benefit insurance	113	91
Total variable remuneration	88	90
Total remuneration to the Board of Directors	726	645

The level of the variable remuneration depends on the extent to which the targets have been met. The most important targets are defined as targets for development in turnover and result, working capital control and customer and employee satisfaction. Members of the Board of Directors also receive an expense allowance and a presentable company car. Mr Van der Werf makes a personal contribution for the car made available to him.

No loans, advances or guarantees have been provided to the directors under the Articles of Association. Any compensation payable upon the dismissal of Mr Hilgerdenaar has not been laid down in a contract and has therefore not been capped. Any compensation payable upon the dismissal of Mr Van der Werf may not exceed one annual salary.

24.2.3 Shares held by members of the Board of Directors

Members of the Board of Directors did not hold any shares or option rights at year-end 2017; this was also the case at year-end 2016.

24.2.4 Remuneration of members of the Supervisory Board

With regard to the remuneration of members of the Supervisory Board, the following amounts have been recognised in the results of 2017 and 2016 respectively.

	2017	2016
(in EUR x 1,000)		
Supervisory Board		
G. van de Weerdhof (effective from 10 May 2017)	29	-
E. Kraaijenzank	33	25
E. Karsten	33	25
H.G.B. Olde Hartmann (up to 10 May 2017)	11	30
Total remuneration	106	80

24.2.5 Shares and option rights held by members of the Supervisory Board

Members of the Supervisory Board do not hold any shares. No option rights have been allotted to the members of the Supervisory Board.

25. Events after the balance sheet date

No events occurred after 31 December 2017 that have a material impact on or would require adjustments to the balance sheet positions at year-end 2017 as presented in the financial statements.

Company balance sheet as at 31 december 2017

(before appropriation of the result)

(in EUR x 1,000)

ASSETS

Fixed assets

26) Intangible fixed assets	3,120	3,271
27) Tangible fixed assets	30	39
28) Financial fixed assets	30,754	27,551
	33,904	30,861

Current assets

29) Trade receivables and other receivables	1,077	289
Cash and cash equivalents	-	69
	1,077	358
	34,981	31,219

LIABILITIES

30) Shareholders' equity

Issued and paid-up capital	3,037	3,004
Share premium	11,762	11,795
Statutory reserves	2,163	821
Other reserves	(1,881)	(2,785)
Result for the financial year	2,800	2,610
	17,881	15,445

Long-term liabilities

31) Deferred tax liabilities	156	205
	156	205

Current liabilities

32) Amounts owed to banks	2,470	-
33) Trade payables and other debts	14,474	15,569
	16,944	15,569
	34,981	31,219

Company profit and loss account for 2017	2017	2016
(in EUR x 1,000)		
Turnover	-	-
Gross margin	-	-
34) Personnel costs	1,021	1,021
Depreciation and amortisation	211	240
35) Other operating expenses	(1,039)	(1,330)
Total operating expenses	(193)	69
Operating result	(193)	69
Financing income	94	74
Financing expenses	(26)	(31)
36) Total financial income and expenses	68	43
Result from group companies	2,841	2,293
Result before income taxes	2,716	2,405
37) Taxes	84	205
Net result	2,800	2,610

Explanatory notes to the company balance sheet and profit and loss account

General

The company financial statements of Ctac N.V. are drawn up in accordance with the statutory provisions laid down in Title 9 Book 2 of the Dutch Civil Code. Use has been made of the option offered in Book 2, Article 362 of the Dutch Civil Code to use the same principles for valuation and determination of the result that are used in the consolidated financial statements for the company financial statements (IFRS).

Pursuant to a legislative amendment, organisations of public interest, which includes listed companies, are no longer allowed to present an abridged profit and loss account in their company financial statements (something which used to be allowed pursuant to section 402(2) of Book 2 of the Dutch Civil Code).

Group companies are valued in the company balance sheet at net asset value. Any negative valuation of the participation is deducted from the claim on the relevant group company.

26. Intangible fixed assets

Changes in intangible fixed assets are as follows:

(in EUR x 1,000)

	Goodwill		Intangible fixed assets produced in-house		Intangible fixed assets related to customers		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Book value as at 1 January	2,450	2,450	821	821	-	53	3,271	3,324
Investments	-	-	51	161	-	-	51	161
Depreciation and amortisation	-	-	(202)	(161)	-	(53)	(202)	(214)
Book value as at 31 December	2,450	2,450	670	821	-	-	3,120	3,271
Total acquisition value	6,646	6,646	1,033	982	-	372	7,679	8,000
Total depreciation and impairments	(4,196)	(4,196)	(363)	(161)	-	(372)	(4,559)	(4,729)
Book value as at 31 December	2,450	2,450	670	821	-	-	3,120	3,271

27. Tangible fixed assets

The changes in tangible fixed assets are as follows:

Total computers	2017	2016
(in EUR x 1,000)		
Book value as at 1 January	39	22
Investments	-	43
Depreciation	(9)	(26)
Book value as at 31 December	30	39
Total acquisition value	192	247
Total depreciation	(162)	(208)
Book value as at 31 December	30	39

28. Financial fixed assets

The composition of financial fixed assets is as follows:

	2017	2016
(in EUR x 1,000)		
Participations	30,684	27,481
Other receivables	70	70
Total financial fixed assets	30,754	27,551

28.1 Participations

The changes in the item participations are as follows:

	2017	2016
(in EUR x 1,000)		
Balance as at 1 January	27,481	22,319
Result of participations	2,841	2,293
Share capital payment	-	750
Movement in receivables from participations	362	2,119
Balance as at 31 December	30,684	27,481

A list of names, addresses and share in capital interests can be found in Appendix 1 of the financial statements.

28.2 Other receivables

Other receivables can be specified as follows:

	2017	2016
(in EUR x 1,000)		
Balance as at 1 January	70	-
Security deposit	-	70
Balance as at 31 December	70	70

With effect from 2016, Ctac has borne the risk under the Dutch Partially Disabled Workers Act (WGA) entirely on its own. The mandatory warranty to the Dutch Tax and Customs Administration that a financial institution will take over this obligation should Ctac no longer be able to comply with it has been reinsured. A security deposit of EUR 70,000 was paid for this. This contract is effective until 2022.

29. Trade receivables and other receivables

Trade receivables and other receivables can be specified as follows:

	2017	2016
(in EUR x 1,000)		
Trade receivables and receivables in respect of group companies	982	265
Other receivables	25	22
Prepayments and accrued income	70	2
Trade receivables and other receivables	1,077	289

30. Shareholders' equity

Changes in shareholders' equity in 2017 can be specified as follows:

	Issued share capital	Share premium reserve	Statutory reserves	Other reserves	Undistributed profit	Total
(in EUR x 1,000)						
Balance as at 1 January	3,004	11,795	821	(2,785)	2,610	15,445
Appropriation of the result in previous financial year	-	-	-	2,246	(2,246)	-
Dividend	33	(33)	-	-	(364)	(364)
Net result	-	-	-	-	2,800	2,800
Change in accordance with statutory reserve	-	-	1,342	(1,342)	-	-
Balance as at 31 December	3,037	11,762	2,163	(1,881)	2,800	17,881

Changes in shareholders' equity in 2016 can be specified as follows:

	Issued share capital	Share premium reserve	Statutory reserves	Other reserves	Undistributed profit	Total
(in EUR x 1,000)						
Balance as at 1 January	3,004	11,795	821	(4,393)	2,359	13,586
Appropriation of the result in previous financial year	-	-	-	1,608	(1,608)	-
Dividend	-	-	-	-	(751)	(751)
Net result	-	-	-	-	2,610	2,610
Change in accordance with statutory reserve	-	-	-	-	-	-
Balance as at 31 December	3,004	11,795	821	(2,785)	2,610	15,445

31. Deferred tax liabilities

The changes in deferred tax liabilities are as follows:

	2017	2016
(in EUR x 1,000)		
Balance as at 1 January	205	13
Intangible fixed assets related to customers, orders and developed products		
Withdrawal in connection with amortisation	-	(13)
Intangible fixed assets produced in-house		
Addition in connection with investments	-	245
Withdrawal in connection with amortisation	(49)	(40)
Balance as at 31 December	156	205

32. Amounts owed to banks

Amounts drawn under the current account credit facility totalling EUR 6.0 million at year-end 2017 (year-end 2016: EUR 6.0 million) are recognised under short-term liabilities.

33. Trade payables and other debts

The composition of the trade payables and other debts is as follows:

	2017	2016
(in EUR x 1,000)		
Trade payables	1,203	1,824
Taxes and social security contributions	26	34
Other liabilities	4	-
Other debts to group companies	12,757	13,172
Accruals and deferred income	325	310
Corporation tax	159	229
Total trade payables and other liabilities	14,474	15,569

34. Personnel costs

The composition of personnel costs is as follows:

	2017	2016
(in EUR x 1,000)		
Wages	613	554
Social security charges	28	19
Pension costs	113	91
Other personnel costs	267	357
Total personnel costs	1,021	1,021

The average staffing level (FTE) in 2017 was 2 (2016: 2).
Ctac N.V. does not employ any employees outside of the Netherlands.

35. Other operating expenses

Other operating expenses can be specified as follows:

	2017	2016
(in EUR x 1,000)		
Car expenses	54	55
Marketing and sales costs	505	371
Other costs	(1,598)	(1,756)
Total other operating expenses	(1,039)	(1,330)

The other expenses consist of ICT costs, auditors' and consultancy fees, and costs passed on to the other group companies.

36. Financial income and expenses

Financing income and expenses can be specified as follows:

	2017	2016
(in EUR x 1,000)		
Financing income	(94)	(74)
Financing expenses	26	31
Total financing income and expenses	(68)	(43)

37. Taxes

Taxes can be specified as follows:

	2017	2016
(in EUR x 1,000)		
Immediate tax liability for the financial year	(13)	(37)
Immediate tax liability for previous financial years	48	233
Deferred taxation for the current financial year	49	9
Total taxes	84	205

CONTINGENT LIABILITIES

The company forms part of a tax entity for corporation tax; consequently, the company is jointly and severally liable for the tax liabilities of the tax entity as a whole.

DIRECTORS' DECLARATION

Pursuant to new statutory provisions, the directors hereby declare that to the best of their knowledge:

- the financial statements as included on pages 40 to 75 of this report provide a true and fair picture of the assets, liabilities, the financial position, and the profit over the financial year of Ctac N.V. and the companies jointly included in the consolidation.
- the annual report provides a true and fair view of the situation at the balance sheet date, the course of business during the financial year of Ctac N.V. and of the companies affiliated with Ctac N.V., of which the figures have been included in the financial statements. The material risks which Ctac N.V. faces are described in the annual report.
- the risk management and control systems functioned well in the year under review.

's-Hertogenbosch, 27 March 2018

Board of Directors
Mr H.L.J. Hilgerdenaar
Mr D.G.H. van der Werf

Supervisory Board
Mr G. van de Weerdhof
Mr E. Kraaijenzank
Ms E. Karsten

Other information

Provision in the articles of association regarding profit appropriation

According to article 30 of the articles of association, a dividend is paid out on the priority share that equals six percent (6%) of the nominal amount. The Board of the Directors, with the approval of the Supervisory Board, subsequently determines which part of the remaining profit shall be reserved. The remaining profit, after the addition to reserves, is at the disposal of the General Meeting of Shareholders.

Profit appropriation proposal

Further to wishes that were specifically expressed during the General Meeting of Shareholders of 11 May 2016, it has been decided that the dividend policy shall be adjusted by starting from an optional dividend in cash or shares in the future, if relevant. This also applies to the dividend for the financial year 2017. For that purpose, it will be proposed to the General Meeting of Shareholders that a dividend of EUR 0.08 per share be distributed in the form of ordinary shares in the company and that this be charged to the tax-exempt share premium reserve or the other reserves, unless a shareholder prefers to receive a cash payment. The proposal shall also include giving power of attorney to the Board of Directors to issue the ordinary shares that are needed in order to distribute the dividend in the form of shares.

Special controlling rights under the articles of association

Special controlling rights are attached to the priority share held by the Ctac Priority Foundation regarding the appointment, suspension or dismissal of board members, share issues, pre-emptive rights, amendments of the articles of association and the dissolution of the company.

Protective measures

Ctac can make use of the following protective measures:

- priority shares, held by the Priority Foundation;
- the option to place preference shares with the Continuity Foundation;
- the issue of depository receipts for shares.

The following conditions apply to implementing the protective measures

Ctac Priority Foundation

The issue of shares takes place following a resolution of the Priority Foundation. The appointment of the Priority Foundation as the body authorised to issue shares can be extended under the articles of association or by a resolution of the General Meeting of Shareholders each time for a period of no longer than five years.

Resolutions to issue preference shares or to grant any right to subscribe to such shares of bodies other

than the General Meeting of Shareholders are always subject to the cooperation of the Supervisory Board. A transfer of preference shares requires the approval of the Supervisory Board. The pre-emptive right in connection with an issue of shares can be restricted or excluded by the Priority Foundation. The appropriate authority of the Priority Foundation ends at the point in time at which the authority of the Priority Foundation to issue shares ends. The Priority Foundation also plays a role in the appointment, suspensions and dismissal of members of the Board of Directors. The members of the Board of Directors are appointed by the General Meeting of Shareholders from a binding nomination to be drawn up by the Priority Foundation. A resolution to suspend or dismiss a member of the Board of Directors can, if not passed following a proposal by the Priority Foundation, only be adopted by a majority of two-thirds of the votes cast, which represents more than half of the issued share capital. Finally, the Priority Foundation plays a decisive role in amendments to the articles of association and in the resolution to dissolve the company. Such resolutions can only be adopted following a proposal by the Priority Foundation.

The board members of the Priority Foundation in 2017 were:

1. Mr E. Kraaijenzank (Chairman)
2. Mr A.J.M. van Riet
3. Mr H.L.J. Hilgerdenaar

Mr A.J.M. van Riet is a lawyer, founder and senior partner of Rietmeesters, law firm. He is also a supervisory board member of a number of construction and development companies. He was formerly a member of the Supervisory Board of Rabobank Utrecht and the Tergooi Hospital.

Ctac Continuity Foundation

The objective of the Continuity Foundation is to promote the interests of Ctac, the companies affiliated with Ctac and its group companies and all parties involved, in such a manner that the interests of the company, the group companies and the companies and all parties involved are safeguarded to the greatest possible extent and that influences that could harm the independence and/or the continuity and/or the identity of the company, the group companies and the companies in violation of those interests are excluded as much as possible, as well as to do anything that is related to or may be conducive to the above. The Continuity Foundation seeks to achieve its objective by acquiring and holding shares - in particular preference shares - in the company's capital and by exercising the rights attached to these shares, including, in particular, the voting rights connected to these shares. The Continuity Foundation can only acquire preference shares as referred to above - without the cooperation of the company's

General Meeting of Shareholders - including the acquisition of the right to subscribe for preference shares, up to a maximum amount of one hundred percent (100%) of the total nominal amount of the issued ordinary shares and the issued priority share in the capital of the company. Preference shares can be issued against partial payment, on the understanding that the part of the nominal amount to be paid mandatorily must be the same for each preference share and that when preference shares are subscribed to, at least one quarter (25%) of the nominal amount must have been paid. The Continuity Foundation is authorised to sell, pledge - providing that the voting right attached to the shares in question is not transferred to the pledgee - or otherwise encumber the shares it has acquired with the proviso that the Foundation requires the approval of the Supervisory Board to sell the shares. In addition to this, on 26 March 2013, the Priority Foundation and Ctac N.V. granted the Continuity Foundation an option right pursuant to which the Continuity Foundation can acquire preference shares in Ctac N.V. equal to one hundred per cent (100%) of Ctac N.V.'s issued share capital, provided that certain conditions are fulfilled. Prior to that date, there was an option right that equalled fifty per cent (50%) of Ctac N.V.'s issued share capital at the moment when the option was exercised. This measure was deemed necessary to offer the Continuity Foundation sufficient opportunities to counter any hostile takeover attempts. The board of the Continuity Foundation consists of two board members A and three board members B. The board members A are appointed, subject to the approval of the Supervisory Board, by the Board of Directors of the company from among the members of the Supervisory Board or the Board of Directors. The board members B are appointed by the board of the Continuity Foundation itself, subject to the approval of the Board of Directors of the company, for which the Board of Directors in turn requires the approval of the Supervisory Board. The Continuity Foundation is independent of Ctac. The articles of association of the Continuity Foundation contain safeguards for the independence of the B board members. Furthermore, the Continuity Foundation can only be represented by a board member A and a board member B, acting jointly. If no board member A is in office, the Continuity Foundation is represented by two board members B acting jointly.

The board members A of the Continuity Foundation in 2017 were:

1. Mr H.G.B. Olde Hartmann (board member from 18 May 2005 to 31 March 2017)
2. Mr H.L.J. Hilgerdenaar (board member from 16 November 2011 to 31 March 2017)
3. Mr P.J.M. van den Brink (board member since 31 March 2017)

The board members B of the Continuity Foundation in 2017 were:

1. Mr J.A. Dekker (Chairman and board member from 31 October 2005 to 31 March 2017)
2. Mr S.W.A.M. Visée (board member since 26 April 2015 and Chairman since 31 March 2017)
3. Mr E. Jamin (board member since 5 March 1998)

Mr P.J.M. van den Brink is retired. He has a legal education. In his career, he mainly worked in the banking sector; one of his positions was that of Managing Director of ING Bank Nederland. He has had a wide range of socially beneficial other positions and some supervisory board memberships.

Mr S.W.A.M. Visée is a lawyer in Amsterdam and has been a partner in Rutgers & Posch since this firm was established in 2013. Before that, he was a corporate partner at Houthoff Buruma for 15 years. From 1995 to 1998, Mr Visée was the head of the corporate legal department of N.V. Nederlandse Spoorwegen. He was also a deputy-judge at the Arnhem Court for more than 10 years. Mr Visée started his career as a lawyer at De Brauw Blackstone Westbroek. Besides his work as a lawyer, he holds some management and supervisory functions. Mr Visée is also a fellow at the Zuidas Institute for Financial and Company law of VU Amsterdam.

Mr E. Jamin is an independent adviser and works on an interim-basis for medium-sized and large companies and non-profit organisations. His specialisations lie in the field of treasury advice, providing support with change processes as a consequence of computerisation or reorganisation, and setting up and structuring financial functions. Mr Jamin was previously connected to, among others, Coopers & Lybrand, Fuji Photo Film and Van Den Boom Group.

Right of investigation

In accordance with Article 346, paragraph c of Book 2 of the Dutch Civil Code, Ctac has granted the right of investigation to the Continuity Foundation. The Continuity Foundation is also authorised to demand injunctive relief by virtue of Article 349a of Book 2 of the Dutch Civil Code if the interest of Ctac specifically requires this. The Continuity Foundation will only exercise the right of investigation and the right to demand injunctive relief within the objective of the Continuity Foundation if there are justifiable reasons to doubt the correctness of a policy. The Continuity Foundation only exercises the right of investigation and the right to demand injunctive relief after prior consultation with Ctac's Board of Directors and Ctac's Supervisory Board.

Issue of depository receipts for shares

No depository receipts for shares have currently been issued with the cooperation of the company.

Continuity Foundation Declaration of Independence

The Board of Directors of Ctac N.V. and the board of the Continuity Foundation declare that, in their joint opinion, the Ctac Continuity Foundation is a legal entity independent of Ctac N.V. within the meaning of Section 5:71, subsection 1, part c of the Financial Supervision Act.

's-Hertogenbosch, 27 March 2018

*Ctac N.V.
H.L.J. Hilgerdenaar
D.G.H. van der Werf*

*Ctac Continuity Foundation
S.W.A.M. Visée
P.J.M. van den Brink
E. Jamin*

Independent auditor's report

To: the Shareholders and the Supervisory Board of Ctac N.V.

A. REPORT ON THE FINANCIAL STATEMENTS CONTAINED IN THE ANNUAL REPORT 2017

Our opinion

We have audited the financial statements for 2017 of Ctac N.V. based in 's-Hertogenbosch, the Netherlands. The financial statements comprise the consolidated financial statements and the company financial statements.

WE HAVE AUDITED	OUR OPINION
The consolidated financial statements comprising: 1. the consolidated balance sheet as at 31 December 2017; 2. The following consolidated statements for 2017: the profit and loss account, the statement of the total result, the statement of changes in shareholders' equity and the cash flow statement; and 3. the notes with a summary of the significant accounting policies for financial reporting and other explanatory information.	In our opinion, the consolidated financial statements in this annual report provide a true and fair view of the financial position of Ctac N.V. as at 31 December 2017 and of its result and its cash flows for 2017 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and in accordance with Part 9 of, Book 2 of the Dutch Civil Code.
The company financial statements comprising: 1. the company balance sheet as at 31 December 2017; 2. the company profit and loss account for 2017; and 3. the notes with a summary of the significant accounting policies for financial reporting and other explanatory information.	In our opinion, the company financial statements included in this annual report provide a true and fair view of the financial position of Ctac N.V. as at 31 December 2017 and of its result for 2017 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under these standards are described in the section 'Our responsibilities for the audit of the financial statements'.

We are independent of Ctac N.V. in accordance with the European rules concerning specific requirements for statutory audits of financial statements of public-interest entities, the Dutch Accounting Organisations (Supervision) Act (Wta), the *Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO)* [Rules concerning the independence of auditors in assurance engagements] and other rules on independence relevant to the engagement in the Netherlands. Furthermore we have complied with the *Verordening gedrags- en beroepsregels accountants (VGBA)* [Code of ethics for professional accountants. Regulation with respect to rules of professional conduct].

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 570,000. The materiality is based on 7.5% of the turnover. We have applied this benchmark on the basis of our analysis of the common information requirements of users of the financial statements. On this basis we believe that turnover is a significant measure of the company's financial performance. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of EUR 29,000 which are identified during the audit would be reported to them, as well as smaller misstatements that, in our view, must be reported on qualitative grounds.

Scope of the group audit

Ctac N.V. is the parent company of a group of entities. This group's financial information is included in the consolidated financial statements of Ctac N.V.

Our group audit mainly concentrated on the significant group entities (components) of the Netherlands, Belgium and France. We consider a component to be significant when:

- it is of individual financial significance for the group; or
- by virtue of its special nature or circumstances, the component is likely to include significant risks of material misstatement in the group's financial statements.

In that context, we:

- performed audit procedures ourselves at the components Belgium and the Netherlands;
- performed specific audit procedures on items for which we had identified a significant risk at the component France.

By performing the procedures mentioned above at group entities, combined with additional activities at group level, we have obtained sufficient and appropriate audit evidence on the group's financial information to provide an opinion of the consolidated financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board, but they are not a comprehensive reflection of all matters discussed.

These key audit matters were addressed in the context of our audit of the financial statements as a whole. Our findings with respect to the individual key audit matters ought to be seen in that context and not as individual opinions on these key matters.

Valuation of goodwill

We refer to sections 2.3.1, 2.6 (Main accounting principles for the financial statements), section 5.1 (Key estimates and assumptions) and section 7.2 (Impairment test for goodwill) of the Financial Statements.

We identified the goodwill on Ctac's balance sheet as a key audit matter, in view of the significant and inherent nature of the estimates made for this item. The nature of the estimates is expressed in assumptions made by the Supervisory Board when assessing future cash flows to determine the recoverable amount of the goodwill.

The goodwill item amounted to EUR 13,885,000 as at 31 December 2017 (2016: EUR 13,885,000). Based on its forecasts, the Supervisory Board of Ctac determined that there was no impairment of goodwill.

Our audit approach

The recoverable amount is determined on the basis of the present value of projected cash flows for the individual cash flow generating units. Projected cash flows are based on the budgets for each group entity (Ctac Nederland and Other activities), where calculating the present value of cash flows is done on the basis of WACC.

The group entities Ctac Cloud Services and Ctac Consulting were amalgamated into one CGU Ctac Nederland in the financial year. We have assessed the rationale for this against the applicable IFRS standards and have established its reasonableness.

The audit procedures we performed included an assessment of reasonableness and consistency of the assumptions that form the basis for the estimate of projected cash flows with internal budgets as approved by the Supervisory Board.

We compared the Supervisory Board's expectations with respect to the development of margin and revenue with the underlying plans and we verified the reasonableness of the assumptions made, including the WACC applied, by making use of the expertise of valuation experts.

We performed sensitivity analyses with respect to the key assumptions to establish the degree of change in these assumptions which could lead to impairment of the goodwill.

We also focused attention on the Board of Directors' disclosures regarding the assumptions and the outcome of the impairment test. The company's explanatory notes on goodwill can be found in section 7.2 of the financial statements.

Valuation of project risks

We refer to sections 2.5 and 2.11 (Main accounting principles for the financial statements), section 4.5 (Financial Risk Management), section 5.2 (Key estimates and assumptions), section 11 (Notes to trade receivables and other receivables) and section 22 (Off-balance sheet contingent and contractual receivables and obligations) in the Financial Statements.

We have identified the valuation of completed projects for which the financial settlement has not yet taken place as a key audit matter.

The reason for this is linked to the extent of any additional work which is based on estimates made by the Board of Directors and contains a certain degree of subjectivity. These estimates are important for determining the collectability risk of receivables as at the balance sheet date as well as the valuation of any of the amounts owed by Ctac to the client.

The positions in the financial statements with regard to completed and uncompleted projects are part of the unbilled turnover of EUR 5.3 million and the trade debtors of EUR 3.0 million for which the deadline has passed.

Activated development costs

We refer to sections 2.3.5, 2.3.7, 2.6 (Main accounting principles for the financial statements) and section 7.3 (Notes to investments in intangible fixed assets) in the Financial Statements.

We have identified the activated development costs as a key audit matter.

The reason is linked to the significance of the activated sum, the nature of this item combined with the uncertainty that accompanies future cash flows.

The activated sum in 2017 was EUR 1,478,000. This sum relates to the development costs of the Fit4Woco application and a new release of the cash desk software XV. The activated software has not yet been taken into use.

Our audit approach

The valuation of the positions as at the balance sheet date is based on the Supervisory Board's estimate with regard to an eventual financial settlement of the projects in question. These estimates relate to the collectability of the receivables recognised, the as yet unbilled additional work, as well as the valuation of any amounts owed by Ctac to the client in connection with a possible discussion about the scope of the work performed by Ctac.

The audit procedures we performed comprise obtaining evidence about the current situation with regard to completed projects by means of assessing relevant correspondence and obtaining information from legal advisors. In addition, we had meeting with project managers, controllers and the Supervisory Board of Ctac and we verified the information we obtained orally by means of external and internal documentation and other available audit information.

We furthermore focused attention on the notes in the financial statements in sections 11 and 22.

Our audit approach

We reviewed the internal controls related to specification of time spent and the progress of the development project. Our work focused on the estimation of progress and the costs required to complete the development projects.

We compared the costs incurred against the applicable activation criteria pursuant to IAS 38. This led us to establish that although the Board of Directors made a distinction between research and development costs, only the latter were activated. We furthermore assessed expected future economic benefits by means of cash flow forecasts and we checked assumptions and linked them to underlying source documentation.

We had meetings with project managers, controllers and the Supervisory Board of Ctac and we verified the information we obtained orally by means of external and internal documentation and other available audit information.

We also reviewed the explanatory information in the financial statements about activated development costs.

B. REPORT ON THE OTHER INFORMATION CONTAINED IN THE ANNUAL REPORT

In addition to the financial statements and our auditor's report, the annual report contains other information that consists of:

- the report of the board of directors;
- other information;
- the Foreword, Ctac in figures, Profile of Ctac, Ctac shares, Compliance with the Netherlands Corporate Governance Code, the Report of the Supervisory Board.

Based on the procedures below, we are of the opinion that the other information:

- is consistent with the financial statements and contains no material misstatements;
- includes all information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information and, based on our knowledge and understanding obtained through the audit of the financial statements or otherwise, we considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the Report of the Board of Directors and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

C. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Engagement

We were appointed as auditor of Ctac N.V. by the General Meeting of Shareholders on 10 May 2017 to conduct the audit for the financial year 2017 and we have operated as the external auditor since the financial year 2012.

No prohibited services

We have supplied no prohibited services as referred to in Article 5.1 of the European rules on specific requirements regarding statutory audit of public-interest entities.

D. DESCRIPTION OF RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Responsibilities of management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks, management should prepare the financial statements using the going concern assumption unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

Misstatements can arise due to fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect on identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included:

- identifying and assessing the risks of material misstatement in the financial statements whether due to fraud or error, designing and performing audit procedures in response to those risks and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- concluding that management's use of the going concern assumption is appropriate, and based on the audit evidence obtained, whether there are events and circumstances which give rise to reasonable doubt that the company can continue its operations as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to the related disclosures in the financial statements in our auditor's report, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may lead to the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements present a true and fair view of the underlying transactions and events.

Because we are ultimately responsible for our opinion, we are also responsible for directing, supervising and performing the group audit. In this respect, we have determined the nature and extent of the audit procedures to be performed for the group entities. The size and/or risk profile of the group entities or operations was the deciding factor. On that basis, we selected group entities for which an audit or review of the complete set of financial information or specific items was necessary.

We communicate with the Supervisory Board regarding such matters as the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In that context, we also provide a report from the audit committee based on Article 11 of the European rules on specific requirements regarding statutory audit of public-interest entities. The information provided in that additional report is consistent with our opinion in this auditor's report.

We confirm to the Supervisory Board that we have observed the relevant ethical requirements regarding independence. We also communicate with the Supervisory Board on all relationships and other matters that could reasonably influence our independence and on associated measures to safeguard our independence.

We determine the key matters in our audit of the financial statements on the basis of all the matters we have discussed with the Supervisory Board. We describe these key matters in our audit, unless legislation or regulations preclude public disclosure or when, in extremely rare circumstances, non-disclosure would be in the public interest.

Eindhoven, 27 maart 2018

For and on behalf of BDO Audit & Assurance B.V.,

E.H.B. Schrijver RA

Historical Summary

Results (x EUR 1,000)	2017	2016	2015
Net turnover	81,597	86,230	86,092
Operating result before impairment of goodwill and earn-out payment differences	3,764	3,261	3,376
Operating result	3,669	3,052	3,352
Net result	2,800	2,613	2,414
Depreciation and amortisation	1,020	1,162	1,352
Cash flow (net result + depreciation and amortisation)	3,820	3,775	3,766
Assets (x EUR 1,000)			
Tangible fixed assets	1,760	2,181	2,633
Intangible fixed assets	16,048	14,722	14,791
Financial fixed assets	1,217	1,150	596
Current assets	20,593	21,784	22,347
Current liabilities	20,734	23,210	25,472
Shareholders' equity	17,881	15,445	13,586
Total assets	39,618	39,837	40,367
Personnel			
Number of employees at year-end	455	459	479
Average number of employees (FTE)	425	435	449
Average number of chargeable employees (FTE)	350	363	383
Outflow per year (head count)	63	92	85
Turnover per employee (per FTE x EUR 1,000)	192	198	192
Turnover per chargeable employee (per FTE x EUR 1,000)	233	237	225
Net result per employee (per FTE x EUR 1,000)	7	6	5
Ratios			
Operating result/net turnover	4.5%	3.5%	3.9%
Net result/net turnover	3.4%	3.0%	2.8%
Net result/average shareholders' equity	16.8%	18.0%	19.5%
Current assets/current liabilities	0.99	0.94	0.88
Shareholders' equity/total assets	45%	39%	34%
Per share of EUR 0.24 nominal value			
Number of weighted average outstanding ordinary shares	12,597,253	12,515,497	12,515,497
Proposed dividend	0.08	0.07	0.06
Net result (before share of minority shareholders)	0.22	0.21	0.19
Cash flow	0.30	0.30	0.30

Appendix 1

Disclosure of Major Holdings and Capital Interests in Securities-Issuing Institutions Decree (Decree article 10 Takeover Directive)

The authorised share capital amounts to EUR 7,200,000 and is divided into 30,000,000 shares of EUR 0.24 as follows: 14,999,999 ordinary shares, 15,000,000 preference shares and 1 priority share. The issued share capital consists of 12,655,648 ordinary shares and 1 priority share.

Information about provisions in the articles of association regarding profit appropriation and about special controlling rights of Ctac N.V. is included under 'Other information' in this annual report on page 76.

Pursuant to the Financial Supervision Act and the Disclosure of Major Holdings and Capital Interests in Securities-Issuing Institutions Decree, the following substantial participating interests with regard to Ctac N.V. have been reported to the Netherlands Authority for the Financial Markets:

Group companies/main participating interests	Place of Business	Participation in % at year-end 2017
Ctac N.V.		
Ctac Nederland B.V.	's-Hertogenbosch	100
Alpha Distri B.V.	's-Hertogenbosch	50.5
Ctac Quality B.V.	's-Hertogenbosch	100
Ctac B.V.	's-Hertogenbosch	100
Ctac Resourcing B.V.	's-Hertogenbosch	75.5
Persity Search B.V.	's-Hertogenbosch	100
Ctac Belgium BVBA	Wommelgem, Belgium	100
Ctac België N.V.	Wommelgem, Belgium	100
Ctac France SAS	Paris, France	100

All of the above-mentioned companies have been included fully in the consolidation. All shares confer the same rights.

Index of terminology

AaaS (*Archiving-as-a-Service*) - A full-service cloud solution for SAP archiving.

aPaaS (*application-Platform-as-a-Service*) - A platform that offers environments to quickly develop and deploy applications.

Augmented Reality - A live, direct or indirect, picture of reality to which elements can be added by a computer.

BI (*Business Intelligence*) - The process of transforming data into information, leading to knowledge.

Business Productivity - Consolidating, optimizing and enhancing the cooperation between employees, partners and customers.

cCloud2.0 - An innovative, high value service that delivers flexible and scalable server storage capacity.

Cloud - Cloud computing is using the internet to make hardware, software and data available on demand, in the same way as using electricity from the mains grid.

Composed Solution - A composite solution for specific markets.

CRM (*Customer Relationship Management*) - Integrated client management.

Customer Service - Customer service.

Discharge - Dismissal, release.

Design Thinking - Solving business issues using creative techniques. In doing so, we do not put the focus on the client, but on the client's client.

Fit4Woco - SaaS solutions for processes of housing associations.

IaaS (*Infrastructure-as-a-Service*) - The infrastructure is offered virtually. The hardware, including servers, network equipment and the workstations are owned by the service provider. The client only pays for what is actually used.

ICT Solution Provider - ICT & business consultancy service provider.

In-memory computing - A real-time in-memory data platform that gives businesses a competitive advantage through the rapid and cost effective analysis of their customer data.

iPaaS (*integration-Platform-as-a-Service*) - Platform to quickly link applications/data together.

Legacy system - A computer system that, although outdated, is still in use.

Microsoft Dynamics - CRM and ERP (Enterprise Resource Planning) software which allows business processes to be supported administratively.

Microsoft Office 365 - A collection of internet services, meant for businesses, home use or education. These internet services are offered partly as on-line services, partly as applications on a desktop PC, tablet or phone, or as a combination of both.

Midlance - Employment at Ctac based on a results-related salary.

OR - Ctac's Work's Council.

PaaS (*Platform-as-a-Service*) - Delivering operating systems and associated services via the internet without having to download or install them.

Portal - A central entrance to applications and information via the Internet.

POS - Point of Sale.

SaaS (*Software-as-a-Service*) - Sometimes known as Software on Demand, SaaS is software that is offered as an online service. The customer does not have to purchase the software, but has a contract, for example per month or per user, or only pays for what is actually used.

SAP Business All-in-One - Complete and integrated sector solution for all aspects of operating a medium-sized business.

SAP Business ByDesign - Integrated business software (ERP) for small and medium-sized businesses. The software is based in the cloud and runs in the SAP data centre.

SAP ERP-system (*Enterprise Resource Planning*) - Software which enables business processes to be supported administratively.

SAP Fiori - App-based user interface to make SAP available to your entire organization in a user-friendly way.

SAP HANA - SAP real-time in-memory data platform that gives businesses a competitive advantage through rapid and cost effective analysis of their customer data.

SAP NetWeaver - The application and integration platform for process-orientated business management, as well as the technical foundation for all the SAP applications in the SAP Business suite.

Sharepoint - A Microsoft platform that serves as a framework for setting up a website for information sharing and online collaboration within a group or organisation, such as often happens on an intranet.

SOA (*Service-Orientated Architecture*) - The blueprint for services-based business software. It offers solutions that provide increased adaptability, flexibility and openness.

Total Solution Provider - Delivering end-to-end ICT services.

VAR (*Value-Added Reseller*) - A reseller that can add extra value to a solution through their knowledge and expertise.

VNSG - Association of Dutch SAP users (Vereniging van Nederlandse SAP Gebruikers).

XV-Retail - Customer Engagement and POS solution.

Publication details

Published by

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Design and realisation

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Editor for Ctac

Josien Klein Overmeen

Printed by

Chris Russell, Groningen



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