



2017 annual report

Centric Holding B.V.

CONTENTS

Management board report	3
Profile	7
Key figures	8
Consolidated financial statements	10
Consolidated balance sheet (assets)	10
Consolidated balance sheet (liabilities)	10
Consolidated profit and loss account	11
Consolidated statement of cash flows	12
Consolidated statement of comprehensive income for 2017	13
Accounting policies used in preparing consolidated and company financial statements	14
Notes to the consolidated balance sheet	20
Notes to the consolidated profit and loss account	21
Company balance sheet and profit and loss account	29
Company balance sheet (assets)	29
Company balance sheet (liabilities)	29
Company profit and loss account	30
Notes to the company balance sheet and company profit and loss account	31
Other information	33
Independent auditor's report	34
Acknowledgements	37

MANAGEMENT BOARD REPORT

Centric can look back on 2017 with satisfaction. We closed the year with sales totalling 468 million euros, which represents a 4 percent rise on the results for 2016. Major customers in the retail sector and the acquisition of pension administration activities for five Syntrus Achmea industry pension funds contributed towards this figure. The quality of sales has also improved – the core focus has shifted further towards cloud propositions and long-term contracts, services in which Centric delivers a lot of added value. These contracts are contributing towards a significant increase in recurrent business, helping to maintain continuity for both customers and employees.

In addition to sales, profit has also increased in comparison to 2016, totalling 21.3 million euros (2016: 20.2 million euros). The operating profit was lower this year because, in addition to the usual investments in the development of our products and services, we have also invested heavily in making many of our solutions cloud-ready. Centric deducts these investments directly from profits. The fact that profits nonetheless improved compared with 2016 is due to several one-off income sources. At 57% in this reporting year, solvency is in line with previous years and, with a current ratio of 1.3, liquidity is more than sufficient.

The company does not use financial instruments. Centric meets the criteria for a structured company and, in line with this, has a one-tier management board. Centric does not yet meet the criteria under the diversity principle; this has our attention and will be kept in mind in future appointments.

Strategic focus

Centric delivers software and generic products and provides services relating to infrastructure and outsourcing and Business Process Outsourcing. As a committed service provider, we seek to enter into long-term partnerships with our customers and we work

continuously on innovating and expanding our software and services. We decided to focus in particular on sector-specific solutions for the public sector, financials and the European retail market. These are all branches in which we are able to use our in-depth industry expertise to make a difference for our customers. In addition to this, we are also focusing on the international expansion of our managed services and staffing services.

We have, for example, further verticalised our staffing activities internationally. Our professionals have an in-depth knowledge of customers' processes, which they are able to combine with, for instance, their financial or IT knowledge. With this approach, customers can rely on experienced discussion partners with in-depth expertise and extensive knowledge of the market. We have also used our industry expertise to create uniform workplace designs for the public sector, the financial sector, and the supply chain. With this hybrid workspace, our customers benefit immediately during the roll-out and management of workplace environments.

International Managed Services collaboration

Our data centres in Belgium, Norway and Sweden collaborate intensively and, as a result, we can offer much more added value and step up our contribution to our customers' business operations. Our data centres and service desks in these countries now all share an identical design and uniform processes, enabling customers to benefit from in-depth expertise and a high level of availability, no matter which country they are in. Our new, modern data centres and well-trained consultants put us in an ideal position to significantly ease our customers' workload.

Collaboration between Staffing Services and Managed Services in Scandinavia has also been stepped up so our customers can rely on integrated services. Customers can use our staffed, on-site service desks and then decide to have Centric take care of management remotely from one

of our centralised service desks in the various countries. This and our uniform international data centres will soon enable us to serve our customers regardless of which country they are in.

Innovation in the cloud

In 2017, together with our development organisation, we worked hard on the creation of new, innovative products, the development of our private cloud and the SaaSification of our solutions. We also transferred the office environments for a large number of our customers to the public cloud. The combination of expertise of our software and infrastructure professionals gives Centric a considerable advantage over other organisations and is helping to further reinforce our hybrid cloud proposition, which provides access to our own applications and our customers' applications and their office environments. By managing customers' business-critical infrastructure and applications in the cloud, we are ensuring optimum continuity and quality for our customers.

Highlights

Public sector:

For the public sector, we have restructured our organisation to better align with developments in the local councils market. In addition, a three-person management team has been appointed to give direction to the organisation and to intensify both internal and external cooperation. In the year under review, we also devoted a lot of attention to our new HR system Motion. Employees and managers can use this system to carry out tasks previously taken care of by HR professionals.

Supply chain:

Within retail, we have made further improvements to our Omnichannel Business Platform, making it easier for our customers to fulfil their online ambitions. This robust platform interconnects all touchpoints in real time, including stores and online shops, and all devices. Mobile solutions currently dominate in this area. Additionally, more and more customers are opting for cloud-based solutions so that they no longer have to concern themselves with management and development.

Financials:

The launch of our pension administration activities saw Centric take another major step in the financial sector in 2017. Five industry pension funds from Syntrus Achmea made a conscious decision to contract out the administration to an IT company like Centric. We are convinced that IT will make a crucial difference in pension administration optimisation in the future. As a versatile IT company with extensive knowledge of administrative processes for the banking industry and other sectors, we can accelerate the pace of our innovations for this customer group and its members in the coming years.

Staffing Services

Talented, well-educated people have been making the difference at Centric for years now. The year under review saw an increase in the number of professionals joining the company, and sales from these activities remained stable – an excellent result given today's tight labour market. The challenge for the next year lies in further expanding our stable group of professionals by bringing in new colleagues. The ways we intend to achieve this include hosting regular events, such as the Tech Event, and through Craft, our successful growth and knowledge programme for the IT community. This programme helps profile Centric as a good employer (a company where employees can hone their skills). Moreover, it helps us retain our current employees, as they can actively contribute to developing their field and are able to share their knowledge and experience both with each other and the Craft community.

Another significant development is the 'verticalisation' of staffing activities. We are now focusing on a limited number of sectors in which we are quickly able to deploy well-trained IT, financial and care professionals to different customers on the basis of their extensive experience and specialist knowledge. In addition to this, the first group of Dutch trainees has now begun in-house training at our Romanian site. Participants who have successfully completed the traineeship will work with our customers in the Netherlands on a secondment basis.

Employees

We believe it is important for our employees to be fascinated by their work, work together with enthusiasm for the sake of our customers and continue to develop. And that is why we focus on our employees. We invest in personal guidance, a pleasant working environment and interesting career opportunities. In 2017, new projects like the implementation of an onboarding tool, the introduction of the FIT vitality programme and the career centre all helped to keep our employees captivated and committed by promoting their development even more.

Corporate Social Responsibility

Centric wants to be – and stay – successful for clients, employees and partners. That is why we do business without ever losing sight of our environment. We are firmly committed to being an inclusive employer, reducing energy and developing products and services that contribute towards the sustainable growth of both our customers and our own business.

In 2017, we worked with our partners to further develop an inclusive way of working using the social return principle. As a partner of *De Normaalste Zaak*, we and other employers are dedicated to garnering increased support for inclusive entrepreneurship within Dutch businesses. Through training and work experience placements, we have helped people with poor job prospects on their way to finding a new job.

Saving energy with green software

PhD research on sustainable software conducted by one of our Centric colleagues revealed that an adaptation to the software architecture could yield energy savings of up to 67%. Centric is using the results from this research on 'green software' to take further steps towards making our software development more sustainable and reducing our IT systems' energy consumption.

We maintained our commitment to the objectives of LTA3 in 2017 by means of an energy efficiency plan covering the period up to and including 2020. Using this agreement as a basis, we can effectively increase our energy

efficiency by 2% per year. Three of our sites were also once again awarded ISO 14001 environmental management certification in 2017.

Risks

Doing business always carries a certain amount of risk. Since its founding, Centric has been striving to strike a healthy balance in its markets and activities, aiming to secure continuity for both customers and employees. Diversification enables us to absorb any negative consequences of risks taken in a specific country or focus area.

GDPR

In May 2018, the General Data Protection Regulation (GDPR) will replace the Dutch Personal Data Protection Act (*Wet Bescherming Persoonsgegevens* [Wbp]). The GDPR describes the requirements governments and other organisations must meet, from safeguards when processing personal data to appointing a data protection officer. This is an important topic for our company, and for our customers as well. Within our own company, we paid a great deal of attention in 2017 to analysing our own processes and databases, looking closely at the processing of personal data and the measures needed to safeguard this data. Risk management in this area has also been further improved. Centric is also helping its customers meet the GDPR requirements, with a tool for logging privacy-related information for example.

Nearshoring of software development and infrastructure services

In terms of the availability of infrastructure specialists and software professionals, the labour market has remained tight, which can be a threat to our services in the long term. Centric is responding to this situation by moving part of its development activities to countries where sufficient specialists are available. For instance, we have already been operating in Romania for a number of years, where software projects for specific customers are now also being carried out in addition to the development of some of our own software. In 2018, we will further expand into Lithuania, where we will

establish an international service desk alongside other activities. For practical as well as legal reasons, Centric endeavours to only expand its teams within the boundaries of the EU.

Upscaling of local government

Local government is undergoing a trend towards upscaling. This can be seen both in the municipal boundary reforms and in the increasing number of collaborations. For example, some local councils are working together with other councils across one or several areas, and civil servants are engaging in joint arrangements (official joint ventures). Of course, the scale of these collaboration activities has implications for the supporting software, which needs to be multi-tenant, flexible and scalable. Centric is therefore investing significantly in the SaaSification of its solutions, and has set up a project approval board to ensure the quality and efficient development of the solutions.

These measures adequately address the main risks that could threaten profit growth and the company's continuity. There is no interest rate risk because there are no outstanding loans and, with a current ratio of 1,3, the organisation's liquidity is more than sufficient. The largest part of the company by far is active in euro countries, which means that the currency risks do not have a material impact on the operating profit.

Outlook

The choice for a strategic focus on the public sector and financial sector in the Netherlands and on the international supply chain, in combination with far-reaching international collaboration and growth of our Staffing Services and IT Outsourcing activities is contributing to the stability and continuity of our company. We are convinced that, thanks to our investments in our employees in the nearshore locations and in the western European countries, we can meet the demands of our customers. We therefore go into 2018 full of confidence, and with the commitment to keep working on solutions and services that will help our customers get ahead.

Executive board of Centric

Karim Henkens – CEO

Hans Schrijver – CCO

Guust Sturm – COO

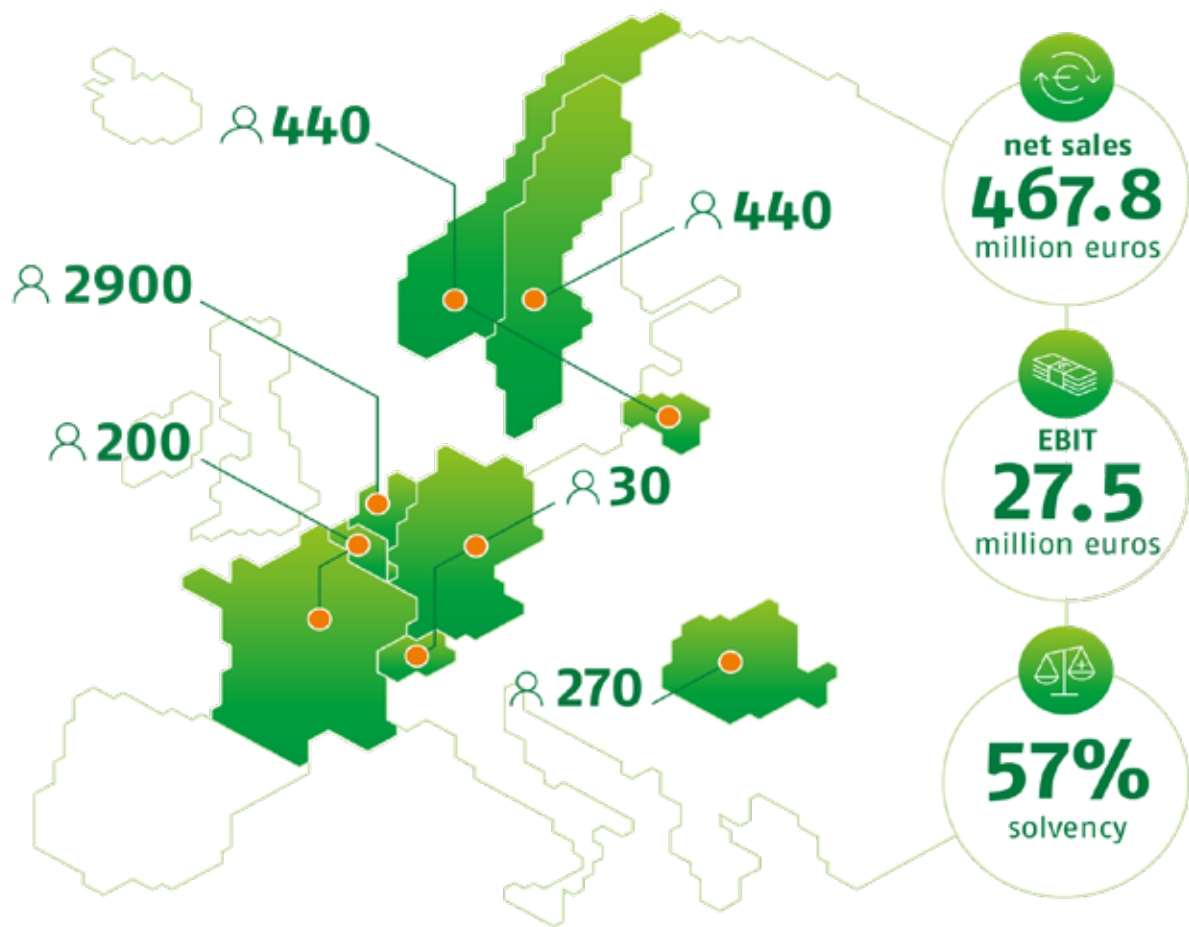
Non-Executive board of Centric

Gerard Sanderink

Martijn Janmaat

Aike Schoots

Gouda, 26 march 2018



KEY FIGURES

In thousands of euros

	2017	2016	2015
Group equity	153,398	142,281	132,305
Total assets	269,114	260,485	254,949
Solvency ratio	57%	55%	52%
Net cash flow	4,915	3,961	1,102
Total operating income	467,758	451,609	462,739
Profit after taxation	21,279	20,209	18,588
Depreciation & amortisation	4,481	4,884	5,151
Taxes (corporate income tax)	6,001	6,079	6,845
EBIT	27,513	26,511	25,864
Average number of employees	4,250	4,292	4,498



financial statement

Centric Holding B.V.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

After profit appropriation proposal

In thousands of euros

	Notes		2017		2016
ASSETS					
Fixed assets					
Intangible fixed assets	1.1	1,048		98	
Tangible fixed assets	1.2	10,754		8,496	
Financial fixed assets	1.3	<u>115,232</u>		<u>120,152</u>	
			127,034		128,746
Current assets					
Inventories	2.1	9,233		8,214	
Receivables	2.2	99,127		94,731	
Cash at bank and in hand		<u>33,720</u>		<u>28,794</u>	
			142,080		131,739
TOTAL ASSETS			269,114		260,485
SHAREHOLDERS' EQUITY AND LIABILITIES					
Equity	3.1	153,402		142,187	
Minority interests	3.2	<u>-4</u>		<u>94</u>	
Group equity			153,398		142,281
Provisions	4		7,158		6,833
Current liabilities	5		108,558		111,371
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			269,114		260,485

CONSOLIDATED PROFIT AND LOSS ACCOUNT

In thousands of euros

	Notes	2017	2016
NET SALES	6	467,771	451,531
Other operating income		-13	78
Total operating income		467,758	451,609
Cost of raw materials and consumables and equipment	7.1	50,929	41,137
Outsourced activities	7.2	73,956	63,846
Wages and salaries	7.3	250,592	251,474
Depreciation and amortization	7.4	4,481	4,884
Other operating expenses	7.5	60,287	63,757
Total of operating expenses		440,245	425,098
Operating profit		27,513	26,511
Finance income and expenses	8	-204	-81
Profit/loss before taxation		27,309	26,430
Income taxes		-6,001	-6,079
Share in profit (loss) on participating interests			-100
Profit/loss after taxation		21,308	20,251
Minority interests in profit / (loss)		-29	-42
Profit / (loss) after taxation		21,279	20,209

CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euros

		2017		2016
Profit/loss after taxation	21,279		20,209	
Non cash movements:				
Minority interests in group results	-98		34	
Income tax	6,001		6,079	
Depreciation and amortization	4,481		4,884	
Movements in provisions	325		-1,658	
Cash flow from operating activities	31,988		29,548	
Changes in working capital:				
Accounts payable	8,554		2,917	
Accrued current liabilities	-11,289		-4,933	
Inventories	-1,019		-1,846	
Accounts receivable	-1,535		-6,949	
Other receivables, prepayments and accrued income	-2,861		-4,092	
Changes in working capital	-8,150		-14,903	
Income tax paid	-6,079		-6,845	
	-14,229		-21,748	
Cash flow from operating activities		17,759		7,800
Investments in tangible fixed assets	-1,254		0	
Acquisition of financial participations	-6,565		-2,861	
Disposals in tangible fixed assets, incl. other changes	130		123	
Changes in other financial fixed assets	4,845		8,899	
Cash flow from investing activities		-2,844		6,161
Dividends paid to parent company	-10,000		-10,000	
Cash flow from financing activities		-10,000		-10,000
Total net cash flow		4,915		3,961
Balance of cash and cash equivalents on 1 January		28,794		24,903
Exchange and translation gain and losses on cash and cash equivalent		-106		-70
Balance of cash and cash equivalents on 31 December		33,603		28,794

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2017

In thousands of euros

		2017		2016
Consolidated profit after taxation		21,279		20,209
Translation differences concerning foreign activities	-181		-267	
Net other comprehensive income recognized directly in group equity		-181		-267
Total comprehensive income for the period		21,098		19,942

ACCOUNTING POLICIES

General

Financial year

The financial year starts at 1 January 2017 and ends at 31 December 2017.

Group activities

Companies and government can approach Centric Holding B.V. and its subsidiaries for temporary assistance in secondment of professionals, software products that support business processes and the total outsourcing of IT infrastructure or specific business processes.

Parent company

The company is fully owned by Sanderink Investments B.V. in Gouda (ultimate parent company).

Visitor address

Antwerpseweg 8
2803 PB Gouda
Netherlands
Chamber of Commerce registration number: 38023630

Judgments and estimates

The Group's management makes various judgments and estimates when applying the accounting policies and rules for preparing the financial statements. The main judgments and estimates, including the associated assumptions, are stated below.

Basis for consolidation

All companies over which Centric Holding B.V. exercises control are included in the consolidated financial statements of Centric Holding B.V.

The profit or loss of companies that have been acquired are recognised in the consolidated profit and loss account from the date on which control is obtained until the date that control no longer exists.

Minority interests in group companies are part of group equity. Minority interests in profit or loss of group companies are deducted from group profit or loss after taxation.

The following companies are fully consolidated in the consolidated financial statements.

Centric Netherlands Holding B.V., Gouda
Centric International Holding B.V., Gouda
Centric Offices Holding B.V., Gouda
Centric Pensioenbelangen Personeel B.V., Gouda

All financial participations are fully owned subsidiaries unless stated otherwise.

A full list of financial participations and associated capital interests has been filed with the Rotterdam Chamber of Commerce.

Principles of accounting for the valuation of assets and liabilities

The financial statements have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code.

CURRENCY

The euro, the group's functional and presentation currency, is the currency used in the consolidated financial statements. Every entity within the group determines its own functional currency and the items in the financial statements for every entity are valued on the basis of this functional currency.

A transaction denominated in foreign currencies is initially carried at the functional exchange rates ruling at the date of transaction. Monetary balance sheet items denominated in foreign currencies are translated at the functional exchange rate on the balance sheet date. Non-monetary balance sheet items in foreign currencies, which have been valued at historical cost, are translated at the functional exchange rate on the transaction date.

Non-monetary balance sheet items that are measured at current value are translated at the functional exchange rates ruling at the date of valuation.

Exchange rate differences arising on the settlement or translation of monetary items denominated in foreign currencies are taken to the profit and loss accounts, with the exception of exchange differences resulting from net investments in business activities in foreign countries or from loans taken out in to finance or effectively hedge net investments in foreign activities.

These exchange-rate differences are recognised directly in revaluation reserve. The revaluation reserve has been included under the "Statutory Reserves" item. On the balance sheet date, the assets and liabilities in foreign activities are converted into the group's presentation currency (the euro) at the rate on the balance sheet date; and the income and expenses in the profit and loss accounts is translated at the average rate for the year. The resulting exchange-rate differences are recognised directly in the statutory reserves in the "revaluation reserve". Upon disposal of the foreign activities, the relevant accumulated sum of the translation differences that was included in the shareholders' equity in the profit and loss accounts is accounted for as part of the sales profits.

Fair value

The fair value of the financial instruments is determined using available market information or estimation methods. The following estimation methods are used to determine the fair value:

- The fair value is derived from the fair value of its components or a comparable instrument if a reliable fair value can be identified for the components or a comparable instrument.
- Generally accepted valuation models and valuation techniques are used.

Amortized cost

The amortized cost is determined using the effective interest method minus any write-downs (directly, or by creating a provision) due to impairment or uncollectable debt. In the calculation, premiums/discounts at the time of acquisition are taken into account, as are transaction expenses and fees that are an integral part of the effective interest rate.

ASSETS

Intangible fixed assets

Goodwill, paid when acquiring companies, is the amount by which upon the initial incorporation the cost of an entity exceeds the net fair value of the identifiable assets and liabilities.

If, when acquiring an entity, separately identifiable intangible assets can be identified, these are capitalised and amortized over the relevant amortization period. An amortization period varying from 4 to 12 years applies to the value of a customer portfolio and acquired software, depending on the type and expected churn rate. An amortisation period of 0.5 to 6 years applies for the value of an order portfolio. This period is based on the order portfolio's term.

Goodwill paid on the acquisition of operations is capitalised and amortized over a period varying from 3 to 12 years.

Intangible fixed assets relating to the capitalisation of software packages developed in-house are amortized during the period in which the sale of the packages concerned is expected to occur.

Tangible fixed assets

The tangible fixed assets are valued at purchase price less depreciation using the straight-line method, based on the estimated useful economic lives.

In the year of investment, the depreciation is proportional to time.

The depreciation rates are:

<i>Computer systems (hardware and software):</i>	33 1/3 %
<i>Computer software:</i>	33 1/3 %
<i>Renovations and other operating assets:</i>	20 %
<i>Buildings and premises:</i>	0 – 10%

Financial fixed assets

Acquisitions are incorporated into the financial statements using the purchase accounting method. This means that, on the acquisition date, the acquired assets and liabilities are valued at fair value. The difference between the purchase price and the company's share in the fair value of the acquired identifiable assets and liabilities at the moment of the transaction of participating interests is recognised as goodwill.

Financial fixed assets include participating interests recognised at net asset value, as well as loans valued at fair value plus the directly attributed transaction expenses and subsequently valued at amortised cost as per the effective interest method.

Participating interests where the company does not exercise significant influence over financial or business policy are valued at the purchase price, or the realisable value if lower. Dividend is designated as income and recognized under financial income and expense. Minority interests in financial participations with a negative shareholders' equity are valued at nil. If valuation of a financial participation at the net asset value returns a negative figure, it will be valued at nil. If and insofar as the company fully or partly guarantees

the debts of the financial participation, or firmly intends to enable the financial participation to pay its debts, a provision will be formed.

Deferred tax assets are valued based on current tax rates. Deferred tax assets are recognised if it can be reasonably assumed that they can be set off against taxes payable in the next few years. Deferred tax assets and liabilities within the same group tax entity are shown netted. Insofar as a receivable has an estimated term of more than one year, this receivable is recognised as a financial fixed asset.

Inventories

Goods for resale are carried at the lower cost and recoverable amount less a provision for obsolete stock if applicable. The inventory of work in progress is valued on the basis of direct expenses incurred and an attributed share of the indirect expenses, less any provisions deemed necessary and instalments billed.

Trade accounts receivable and other receivables

Trade accounts receivable and other receivables are initially measured at fair value and subsequently carried at amortised cost less a provision for doubtful debts based on estimates of creditworthiness of the accounts receivable in question, while also taking historical data into account. The recognised provision is the best estimate of the outstanding amount that the company will not be able to collect. Doubtful debts are written off as soon as it is determined that they are uncollectable.

Cash

Cash is valued at the nominal value. Cash that is expected not to be at the group's free disposal for over twelve months is classified as a financial fixed asset.

Impairment of financial assets

If there are objective indications of impairment for any category of financial assets that are valued at cost/amortised cost, the extent of the loss will be determined based on the impairment and recognised in the profit and loss account.

For financial assets that are valued at amortised cost, the extent of the loss is the difference between the book value of the asset and the best possible estimate of future cash flows, converted to their net present value at the effective interest rate of the financial asset as calculated upon first recognition of the instrument. A previously included valuation loss will be reversed, provided that the reduction of the impairment is related to an objective event after amortisation, up to a maximum of the amount needed to value the asset at amortised cost at the time of the reversal if there would not have been an impairment. The reversed loss must be recognised in the profit and loss account. The book value of the receivables is reduced using a provision for uncollectability.

Classification of shareholders' equity and loan capital

A financial instrument or its separate components are classified in the consolidated financial statements as loan capital or as shareholders' equity in line with the economic reality of the contractual agreement from which the financial instrument ensues. In the individual financial statements, a financial instrument is classified in line with legal reality. Interest, dividends, income and expenses relating to (part of) a financial instrument are recognised in the financial statements depending on the classification of the financial instrument as liability or equity.

LIABILITIES

Provisions

Provisions are carried at non-discounted value, with the exception of the provision for pensions and the provision for anniversary allowances. The provision for anniversary allowances is based on actuarial calculations of future payments, which have been converted to their net present value, taking into account the probability of leaving the company and of death. A provision for deferred tax liabilities has been created based on the current taxation rate. If this can be set off against tax losses, it is taken into account when calculating the deferred tax. Deferred tax debits will only be taken into account if it may be reasonably assumed that they can be set off.

Provisions/impairments/deferred tax assets

Restructuring provision

The restructuring provision accounted for is based on a detailed formal reorganisation plan. Restructuring provisions are only included if a reliable estimate can be made.

Deferred tax assets

Deferred tax assets are only valued if the management expects future profits on them.

Pension plans

Contributions payable to the pension provider is recognized as an expense in the profit and loss account.

Contributions due at year-end are recognized under 'Accruals and deferred income' and 'Prepayments and accrued income' respectively. A provision is formed for liabilities other than the contribution payable to the pension plan if, on the balance sheet date, there is a legally enforceable or actual liability towards the pension plan and/or employees, if it is probable that settlement of these liabilities will entail an outflow of resources and if a reliable estimate can be made of the amount of liability. The provision for additional liabilities to the pension plan administrator and/or employees is based at the best estimate of the amounts needed to settle these liabilities concerned at the balance sheet date. The provision is carried at present value if the effect of the time value of money is material (with the discount rate before taxation reflecting the actual market rate).

A pension receivable in respect of surplus available at the pension plan administrator is recognized if the group controls the surplus, if it is probable that it yields future economic benefits for the group and if it can be reliably determined. A pension surplus is calculated using the same method as is used for provisions.

Long-term liabilities

Long-term liabilities are measured at fair value of the consideration and subsequently valued at amortized cost using the effective interest method. The part of long-term liabilities that must be repaid within one year is accounted for as a long-term liability repayment liability under the 'Current liabilities'.

Current liabilities

Current liabilities are carried at fair value of the consideration and subsequently valued at the amortised cost using the effective interest method.

Netting

Assets and loan capital items are only netted in the financial statements if and to the extent that:

- a legal instrument is available to simultaneously settle the asset and the loan capital item netted; and
- there is a definitive intent to settle the balance as such or both items simultaneously.

Derecognition of financial assets and liabilities in the balance sheet

A financial instrument is derecognized if a transaction results to all or virtually all entitlements to economic benefits and all or virtually all risks relating to the position have been transferred to a third party.

PRINCIPLES OF ACCOUNTING FOR THE DETERMINATION OF THE PROFIT OR LOSS

Sales

Net sales are recognised in the period in which the major rights to economic benefits and significant risks relating to the goods have been transferred to the buyer and the income is probable to be received.

Expenses

Expenses are determined with due observance of the aforementioned principles of valuation and are allocated to the financial year to which they relate. Losses are recognized into account in the year in which they are foreseeable.

Depreciation

Depreciation/amortisation is spread evenly over time according to the estimated service life. Depreciation/amortisation on purchases made in the financial year is in proportion to the time period.

Result from financial participations

Result from financial participations is recognised according to the net asset value method.

Extraordinary income and expenses

The 'Extraordinary income and expenses' item comprises any income and expenses not stemming from ordinary activities.

Taxation

Taxation is calculated on the basis of the profit accounted for, taking into account any items eligible for tax exemption and expenses that are fully or partially non-deductible. The taxation is allocated to the profit on ordinary activities and the extraordinary profit in proportion to its share.

PRINCIPLES OF ACCOUNTING FOR THE STATEMENT OF CASH FLOWS

The cash flow statement has been prepared in accordance with the indirect method. Amounts received and paid relating to interest and profit taxes are included in the cash flow from operating activities. The sums for acquiring new group companies, if paid in cash, are included in the cash flow from investing activities. Upon acquisition, the cash available in new group companies is recognised in the cash flow from investing activities.

NOTES TO THE CONSOLIDATED BALANCE SHEET

In thousands of euros

Mergers and acquisitions

On 1 January 2017, Centric Pension and Insurance Solutions B.V. (formerly Centric Gouda 2 B.V.) took over activities aimed at carrying out pension fund administration from Centric BPO Services B.V.

On 1 September 2017, pension administration for several industry pension funds was transferred from Syntrus Achmea Pensioenbeheer N.V. to Centric Pension and Insurance Solutions B.V. The move involved a transfer of assets and liabilities.

On 1 February 2017, Centric Netherlands B.V. acquired 100% of the shares in Bitlibre B.V.

On 18 December 2017, Centric Netherlands B.V. acquired 20% of the shares in VyZyr B.V.

Together with Antea Nederland B.V., Centric Offices Holding B.V. set up a new company, Antea Ventures Beheer B.V., on 22 December 2017. Both companies own 50% of the shares in the new enterprise. Centric Offices Holding also acquired a 49.99% share (on 27 December 2017) in the newly launched company CAG Ventures C.V.

Several name changes took place in Scandinavia in 2017: Centric Office AS was rebranded as Centric Finance AS, and Centric Professionals AS became Centric Finance Professionals AS.

On 1 October 2017, Centric Partner Network AB purchased the shares in Sellcore Consulting AB. This company's activities were transferred to Centric Partner Network AB by means of a transfer of assets and liabilities.

A new company, Centric Partner Network AS, was set up in Norway in November 2017.

At the end of 2017, Centric Nordic Holding AS acquired the remaining 5% of the shares in Centric Professionals AB.

On 3 February 2017, Centric International Holding B.V. in Lithuania set up a new company, Centric Lithuania Holding UAB.

This company acquired 51% of the shares in Centric Care UAB (formerly UAB Medicinos Personalas).

Events after the balance sheet date

On 1 January 2018, Centric International Holding B.V. acquired 100% of the shares in Summit Retail BVBA.

1.1 Intangible fixed assets

The intangible fixed assets relate to purchased goodwill paid upon the acquisition of activities, as well as the capitalised software packages developed in-house.

Movements in intangible fixed assets were as follows:

	2017	2016
Balance at 1 January	98	209
Investments or acquisitions	1,254	0
Amortization	281	111
Exchange-rate gains/losses	-23	0
Balance at 31 December	1,048	98
Cost	4,683	3,452
Accumulated amortization	3,635	3,354

Investments in goodwill in 2017 concern the goodwill acquired from Bitlibre B.V., the acquisition of the remaining 5% in Centric Professional Services AB and the purchase of the 51% share in Centric Care UAB (formerly UAB Medicinos Personalias) in Lithuania.

1.2 Tangible fixed assets

	Buildings and renovations	Computer (Machinery and equipment)	Other fixed operating assets	Total
Balance at 31 December 2015	4,086	4,224	2,221	10,531
Investments or acquisitions	75	2,126	660	2,861
Depreciation	1,349	2,419	799	4,567
Exchange-rate gains/losses	7	8	6	21
Disposals / retired assets	121	65	164	350
Balance at 31 December 2016	2,698	3,874	1,924	8,496

	Buildings and renovations	Computer (Machinery and equipment)	Other fixed operating assets	Total
Balance at 31 December 2016	2,698	3,874	1,924	8,496
New in consolidation	10	319	16	345
Investments or acquisitions	1,287	2,192	2,741	6,220
Depreciation	1,166	2,104	884	4,154
Exchange-rate gains/losses	-56	-30	-12	-98
Disposals and sales	12	13	30	55
Balance at 31 December 2017	2,761	4,238	3,755	10,754
Cost	10,105	28,843	8,084	47,032
Accumulated depreciation	7,344	24,603	4,329	36,276

1.3 Financial fixed assets

	2017	2016
Deferred tax assets	0	270
Loans receivable	115,182	119,882
Participating interests	50	0
	115,232	120,152

	Deferred tax assets	Loans receivable	Participating interests	Total
Balance at 31 December 2015	502	128,746	0	129,248
Impairment	-232	-8,864	0	-9,096
Balance at 31 December 2016	270	119,882	0	120,152

	Deferred tax assets	Loans receivable	Participating interests	Total
Balance at 31 December 2016	270	119,882	0	120,152
Purchase of majority stake	0	0	0	0
Impairment	-270	-4,700	0	-4,970
Addition	0	0	50	50
Exchange-rate results	0	0	0	0
Balance at 31 December 2017	0	115,182	50	115,232

In 2017, Centric Netherlands B.V. purchased 20% of the shares in VyZyr B.V.

Loans receivable concerns Centric Holding B.V.'s cash as part of the cash pool with Sanderink Investments B.V. that is not at the free disposal of Centric Holding B.V.

Available fiscal losses in Belgium of EUR 8,322,422 are not included under deferred tax assets.

2.1 Inventories

	2017	2016
Finished products and goods for resale	9,233	8,214
	9,233	8,214

2.2 Receivables

	2017	2016
Trade receivable	75,366	75,356
Provision for doubtful debts	-1,801	-2,145
Receivables from group companies	3,158	1,977
Taxation and social security contributions	794	126
Pension claims	555	0
Prepayments and accrued income	21,055	19,417
	99,127	94,731

An amount of EUR 1,933,600 with a term of longer than one year has been included under prepayments and accrued income.

Movement in provisions for doubtful debts are as follows

	2017	2016
Balance at 1 January	-2,145	-1,593
Additions	253	794
Withdrawals	581	59
Release	16	183
Balance at 31 December	-1,801	-2,145

2.3 Cash

The bank accounts of the company are included in the interest and balance compensation (cashpool) of Sanderink Investments B.V., for which joint and several liability has been agreed. As a result, the balance is not at the free disposal of the company.

3.1 Shareholders' equity

Please refer to the company balance sheet for more information on the shareholders' equity.

3.2 Minority interests

Balance at 31 December 2016		94
<i>Changes:</i>		
Expansion through acquisitions	-7	
Exchange-rate gains/losses	-3	
Result of minority interests in group results	29	
Purchase/expansion	-117	
		-98
Balance at 31 December 2017		-4

4. Provisions

	Jubilee	Pension	Other	Total
Balance at 31 December 2016	2,339	435	4,059	6,833
Addition	1,509	45	4,012	5,566
Withdrawal/release	1,464	17	3,760	5,241
Balance at 31 December 2017	2,384	463	4,311	7,158

The jubilee provision can be considered to be long term.

The other provision relates to legal cases (long term), costs for terminating contracts, and onerous contracts regarding the rental of buildings. A provision for loss-making contracts has also been included, and the additional tax liabilities over the past years are covered.

5. Current liabilities

	2017	2016
Trade creditors	31,659	23,135
Liabilities to group companies	0	48
Pension obligations	0	1,552
Taxation and social security contributions	15,427	21,993
Corporate income tax payable	5,524	4,940
Other liabilities, accruals and deferred income	55,948	59,703
	108,558	111,371

FINANCIAL INSTRUMENTS

General

The main financial instruments are bank loans and credit facilities and cash and cash equivalents. The primary objective of the financial instruments is to obtain financing for business activities. Furthermore, there are various other financial assets and liabilities, for example trade accounts receivable and debts to suppliers, that result directly from business activities. There are no derivatives or financial instruments for trading purposes.

Interest risk

Interest risks with respect to the interest-bearing loans and bank liabilities have not been hedged. The amount paid in interest is linked to the EURIBOR rate.

Currency risk

Most of the group's activities are carried out within the euro zone. The subsidiaries outside of the euro zone generally trade in their own national currencies. The transaction risk for shareholders' equity and loans extended to subsidiaries outside of the euro zone is not hedged. The currency risk is limited to the foreign subsidiaries.

Arrangements and commitments not shown in the balance sheet

The total contractual obligation for payment of rental, lease and purchase commitments are as follows.

	2017	2016
Within 1 year	18,583	20,621
After 1 year but within 5 years	36,265	34,465
After 5 years	5,404	4,174
	60,252	59,260

EUR 4.2 million in purchase commitments have been included under these commitments not shown in the balance sheet. Of this amount, EUR 1.8 million expires within 1 year, EUR 1.5 million within 5 years, and EUR 0.9 million has a term of more than 5 years.

Centric Holding B.V. and its subsidiaries have issued bank guarantees totalling €3.0 million.

The bank accounts of the company are included in the interest and balance compensation (cashpool) of Sanderink Investments B.V., for which joint and several liability has been agreed.

The Dutch group companies together form a fiscal unity for corporate income tax and VAT and are therefore liable as a whole for the tax debt of the fiscal unity.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

In thousands of euros

6.1 Net Sales

	2017	2016
Licences	10,380	13,624
Maintenance and management	159,277	133,602
Services	239,963	256,872
Trade	54,545	44,155
Other	3,606	3,193
Total to third parties	467,771	451,446
Group companies	0	85
	467,771	451,531
Sales in the Netherlands	346,974	336,260
Sales in Europe	118,337	113,395
Other	2,460	1,876
	467,771	451,531

6.2 Other operating income

	2017	2016
Other operating income	-13	78
	-13	78

7.1 Cost of sales for hardware and software

	2017	2016
Cost of goods sold	50,929	41,137
	50,929	41,137

7.2 Subcontracted work

	2017	2016
Subcontracted work	73,867	63,242
Subcontracted work for group companies	89	604
	73,956	63,846

7.3 Wages and salaries	2017	2016
Salaries	205,676	202,332
Pension expenses	10,312	10,403
Social security taxes	34,604	38,739
	250,592	251,474

Employees	2017	2016
Number of employees at year-end	4,669	4,588
<i>Average number of employees expressed as full-time equivalents (FTEs)</i>		
Directors	52	48
Sales & marketing	140	157
General management	602	628
Production	3,456	3,459
	4,250	4,292

With 1,589 of these employees working outside the Netherlands (2016: 1,511).

Recognition of remuneration of executive and non-executive directors

	2017	2016
Executive directors	1,145	1,105
Non-executive directors	30	31
	1,175	1,136

Remuneration is made up of fixed pay, social security taxes paid by the employer, pension obligations, early retirement obligations, anniversary allowances, continued payment during a sabbatical, entitlement to top-up of social benefits etc., profit sharing and bonuses.

7.4 Depreciation	2017	2016
Intangible fixed assets	281	111
Tangible fixed assets	4,154	4,567
Impairment	46	206
	4,481	4,884

7.5 Other operating expenses	2017	2016
Other personnel expenses	32,827	32,541
Office expenses	13,723	12,001
Communication expenses	2,742	2,557
Accommodation	11,754	11,904
Sales and marketing expenses	4,395	4,195
Temporary staff	658	1,301
Miscellaneous expenses	-1,416	-742
Miscellaneous income	-4,396	0
	60,287	63,757

The receivable of a claim in a long-standing lawsuit has been reported under miscellaneous income.

8. Finance income and expenses

	2017	2016
Finance income	88	84
Finance expenses	-186	-95
Foreign exchange gains/losses	-106	-70
	-204	-81

2017 profit appropriation

At the General Meeting, where the 2017 financial statements will be presented and approved, it will be proposed to assign the profit of €21,279,000,- to the other reserves. This proposal has been included in the balance sheet at 31 December.

Income tax position at 31 December 2017

Add: Income/loss from ordinary activities before taxation		27,309
Fixed amount for mixed expenses		594
Less: Result from subsidiaries and joint ventures before taxation:		
Bakerware B.V.	263	
SPL Technology B.V.	0	
Centric Nordic Holding AS	1,309	
Quadris NV	-6	
Centric Waregem NV	-2	
Centric Oostkamp NV	200	
Centric Belgium NV	-678	
Centric Germany GmbH	504	
Centric France SAS	-17	
Centric Lithuania Holding UAB	8	
Centric IT Solutions Romania SRL	1,039	
		2,620
Less: Difference between valuation for tax purposes and commercial valuation		1,999
Taxable amount in the Netherlands		23,284
Correction of taxable profit from innovation box in 2015	597	
Taxable profit from innovation box in 2017	2,433	
Corporate income tax at 5% deducted from profit for financial year (group tax entity)		152
Corporate income tax at 25% deducted from profit for financial year (group tax entity)		5,064

Bakerware B.V.	43	
Centric Nordic Holding AS	547	
Centric Belgium NV	38	
Centric IT Solutions Romania SRL	158	
Corporate income tax for companies not part of the group tax entity:		786
Corporate income tax for Centric Holding BV		6,001

Effective corporate income tax is 22%.

Centric Holding B.V. is part of the fiscal unity with Sanderink Investments B.V.

The Dutch corporate income tax for the financial year is settled through the intercompany current accounts.

COMPANY BALANCE SHEET AS AT 31 DECEMBER

After profit appropriation proposal

In thousands of euros

ASSETS	Notes		2017		2016
Fixed assets					
Financial fixed assets	9	<u>123,547</u>	123,547	<u>132,594</u>	132,594
Current assets					
Receivables	10.1	348		262	
Cash at bank and in hand	10.2	<u>29,998</u>	30,346	<u>9,839</u>	10,101
TOTAL ASSETS			153,893		142,695
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	11		153,402		142,187
Current liabilities	13		491		508
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			153,893		142,695

COMPANY PROFIT AND LOSS ACCOUNT

In thousands of euros

	2017	2016
Share in profit on financial participations	21,517	20,228
Other income and expenses after taxation	-238	-19
Profit / (loss) after taxation	21,279	20,209

NOTES TO THE COMPANY BALANCE SHEET

In thousands of euros

General

The company has prepared the company financial statements in accordance with the legal stipulations given in the Dutch Civil Code, Part 9, Book 2. The financial statements were prepared on 26 March 2018. The principles of accounting for the valuation and determination of profit for the company financial statements are the same as the principles specified for the consolidated financial statements.

Consolidated group companies are recognised at net asset value. The profit from financial participations corresponds to the share of the profit for the companies in question in that financial year.

The company profit and loss account was compiled in compliance with Article 402 of the Dutch Civil Code, Book 2.

Notes to mergers and acquisitions are included in the notes to the consolidated balance sheet.

9. Financial fixed assets

The financial participations item has developed as follows:

	2017	2016
Balance at 1 January	132,594	124,883
Profit/loss for financial year	21,517	20,228
New financial participations	117	0
Capital contribution	1,000	0
Dividend	-31,500	-12,250
Foreign exchange adjustment	-181	-267
Balance at 31 December	123,547	132,594

10.1 Receivables

	2017	2016
Trade accounts receivable	45	246
Receivables from group companies	286	6
Taxation and social security taxes	17	7
Other receivables, prepayments and accrued income	0	3
	348	262

10.2 Cash

The bank accounts of the company are included in the interest and balance compensation (cashpool) of Sanderink Investments B.V., for which joint and several liability has been agreed.

As a result, the balance is not at the free disposal of the company.

11. Shareholders' equity

	Subscribed capital	Share premium	Other reserves	Total
Balance at 31 December 2016	16	-504	142,675	142,187
Profit	0	0	21,279	21,279
Exchange rate difference	0	-181	0	-181
Changes in ownership interest in subsidiary	0	0	117	117
Dividend	0	0	-10.000	-10.000
Balance at 31 December 2017	16	-685	154,071	153,402

The authorised share capital amounts to €56,723 divided into 200 shares of €226.89 each. 70 shares have been issued and paid up.

The statutory reserve is for exchange rate differences for foreign financial participations.

12. Current liabilities

	2017	2016
Trade accounts payable	281	290
Pension obligations	201	202
Other liabilities, accruals and deferred income	9	16
	491	508

13. Audit fees

Audit firm's fees:

	2017	2016
Audit of financial statements	293	294
Other assurance services	488	804
Other non-assurance services	88	59
	869	1.157

Audit firm's fees are presented in accordance with Article 382a of the Dutch Civil Code, Part 9, Book 2.

OTHER INFORMATION

Profit appropriation

Provisions in the articles of association on profit on profit appropriation.

Profit appropriation takes place in accordance with statutory provisions. Accordingly the profit is declared at the General Meeting.

Branch offices

In addition to the head office in Gouda (the Netherlands), the company has branch offices in the Netherlands in Almere, Assen, Badhoevedorp, Capelle a/d IJssel, Den Bosch, Deventer, Emmen, Groningen, Hoogeveen, IJsselstein, Moordrecht, Son en Breugel, Weesp and Zoetermeer, as well as branch offices in Mechelen (Belgium), Oostkamp (Belgium), Zaventem (Belgium), Ratingen (Germany), Orléans (France), Vilnius (Lithuania), Bergen (Norway), Drammen (Norway), Hamar (Norway), Oslo (Norway), Stavanger (Norway), Tønsberg (Norway), Trondheim (Norway), Tromsø, (Norway), Iasi (Romania), Gothenburg (Sweden), Jönköping (Sweden), Linköping (Sweden), Örebro (Sweden), Malmö (Sweden), Stockholm (Sweden) and Eggenwil (Switzerland).

INDEPENDENT AUDITOR'S REPORT

To: the shareholder and the board of Centric Holding B.V.

Report on the audit of the financial statements 2017 included in the annual report

Our opinion

We have audited the financial statements 2017 of Centric Holding B.V., based in Gouda.

In our opinion the accompanying financial statement give a true and fair view of the financial position of Centric Holding B.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.

The financial statements comprise:

- The consolidated and company balance sheet as at 31 December 2017
- The consolidated and company profit and loss account for 2017
- The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

We are independent of Centric Holding B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Report on other information included in the annual report

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

- The management board's report
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have 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.

The board is responsible for the preparation of the other information, including the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of the board for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board is responsible for such internal control as management 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, the board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board 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 non-executive board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective 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 material errors and fraud.

Misstatements can arise from 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 of identified misstatements on our opinion.

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

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive 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 the board.
- Concluding on the appropriateness of the board use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 conditions may cause a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the 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 carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the board regarding, among other matters, 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.

We provide the board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Rotterdam, 26 March 2018

Ernst & Young Accountants LLP

Signed by J.W. van der Steen



Acknowledgements

Edited by	Centric
Design	Creatieve Vogels / Offermans Design
Read more	At www.centric.eu/publicreport
Head offices	Antwerpseweg 8 P.O. Box 338 2800 AH Gouda The Netherlands Phone: +31 182 64 80 00 www.centric.eu
Other addresses	The address details of all Centric branches are available at www.centric.eu/contact .