PRESS RELEASE

Ctac N.V. 2021 half year results

CTAC
ENABLING YOUR AMBITION

About Ctac

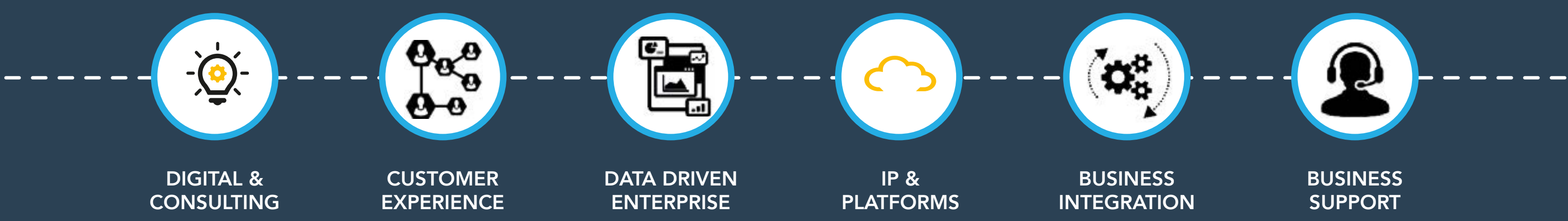
As a Business & Cloud Integrator, Ctac helps its clients realise their ambitions. Ctac creates the required business value through constant innovation. Ctac offers a broad portfolio of solutions, including SAP and Microsoft 'on any cloud' solutions, and provides services in the fields of IT modernisation, Connected Intelligence, Transformation & Change management, Security & Trust and Business Transformation.

In addition, Ctac has a number of its own products, including the XV Retail Suite, which consists of an omnichannel-driven Point-of-Sale & Loyalty platform, and SaaS solutions for housing corporations and commercial real estate, respectively Fit4Woco and Fit4RealEstate.

In 2021, Ctac had been in business for 29 years and over the years has built up extensive experience and material know-how in the retail, wholesale, manufacturing and real estate sectors.

Ctac has a balanced workforce in terms of age, expertise and experience. Ctac sees working together to realise common goals as a high priority. Ctac is listed on the Euronext Amsterdam stock exchange (ticker: CTAC) and has offices in 's-Hertogenbosch and in Wommelgem (Belgium).

PORTFOLIO PILLARS



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In this press release

FINANCIAL CALENDAR

28 October 2021 : Publication of Q3 2021 press release

25 February 2022 : Publication annual results

PRESS RELEASE

Ctac posts relatively strong revenue increase and maintains medium-term outlook

's-Hertogenbosch, 30 July 2021 – Business & Cloud Integrator Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today announces its results for the first half of 2021.

Highlights first half 2021

- Net revenue rises 23.2% to € 52.1 million, driven by broad-based organic growth and the acquisition of Oliver
- EBITDA rises to € 5.7 million, an increase of 46.2%
- Net result almost triples to € 1.9 million, compared with € 0.7 million in H1 2020
- Free cash flow comes in at € - 5.4 million due to the payment of deferred taxes (Covid-19) and the acquisition of Oliver

Highlights second quarter 2021

- Net revenue rises to € 25.7 million, an increase of 26.0%, with 18% of this organic, largely driven by higher contribution from secondment and projects
- EBIT comes in at € 1.2 million, an increase of 140%
- Cash position normalised due to the absence of Covid-19 measures seen in second quarter 2021

Key figures € mln	H1 2021	H1 2020	Delta	Q2-2021	Q2-2020	Delta
Revenue*	52.1	42.3	+23.2%	25.7	20.4	+26.0%
EBITDA*	5.7	3.9	+46.2%	2.5	1.7	+47.1%
EBIT*	2.9	1.3	+123.1%	1.2	0.5	+140.0%
Net result	1.9	0.7	+171.4%			
Free cash flow	-5.4	7.2	+175.0%			
Net cash (30 June)	1.7	6.7	-74.6%			

*) Excluding discontinued operations in France

Henny Hilgerdenaar, Chief Executive Officer:

"We can look back on a strong second quarter and we made solid progress on a large number of fronts. The quarter was marked by the refinement of our strategy, the boosting of our pipeline and the integration of new talent in our organisation. We successfully executed and completed various Data Management and Data & Analytics projects, partly thanks to stronger collaboration and cross pollination across our various teams. We redefined our cloud strategy, putting greater focus on multi-cloud adoption, strategic collaboration with cloud hyperscalers and the expansion of the types of cloud services we offer, such as those within Security. We also explicitly sought to increase collaboration with our chain partners, including Microsoft, AWS and SAP.

We also made solid progress on our SaaS solutions. For instance, we continued to develop our XV Platform for the Retail & Wholesale sector, leading to the launch of our first micro services. This means we can now provide our clients with optimum support in the field of unified commerce, with hybrid solutions across all channels: web, store and/or mobile. In the coming months, we will continue to enhance the XV platform, with a particular focus on more complex pricing & promotion actions, and open the platform to more ERP back-end systems in addition to SAP. This is how we will ready the platform for the future, while also setting a new standard in this field."

Pieter-Paul Saasen, Chief Financial Officer:

"Following a good first quarter, we saw the upward line continue across the board in the second quarter, despite seasonal influences. We are seeing a clear recovery in the willingness to invest in IT projects, which had an especially positive impact on our secondment and project business. The strong revenue growth in the second quarter was inhibited somewhat by the low number of workable days and the relatively large number of public holidays. The sharp increase in EBIT and the EBIT margin was in line with our projections. Oliver made a solid and better-than-expected contribution to our results. This underlines the success of our growth strategy. We continue to work on the strengthening and growth of Ctac, with the returns that go hand in hand with that growth."

GROUP PERFORMANCE

Revenue and gross margin

Revenue increased by € 9.8 million, or 23.2%, to € 52.1 million in the first half of 2021 (H1 2020: € 42.3 million, excluding Ctac France). We saw a clear recovery in the willingness to invest in IT projects. On the back of this recovery, secondment and projects recorded a strong rise in revenue, driven in part by the acquisition of Oliver (impact of € 3.1 million). Cloud Services recorded modest revenue growth, as more clients migrated from private cloud to public cloud environments.
License sales came in at € 1.0 million, around € 0.4 million higher than in 2020. The positive market sentiment for our sector-specific SaaS solutions remained just as strong as in the first quarter. In general terms, clients in a number of sectors, including the cooperative sector, are still cautious on investments in new software solutions.

Revenue per service € mln	H1 2021	H1 2020	Delta
Secondment and projects	**30.5**	21.6	+41.2%
Cloud services	**20.6**	20.1	+2.5%
License and hardware sales	**1.0**	0.6	+66.7%
Total	**52.1**	**42.3**	**+23.2%**

Staff and productivity FTE (unless otherwise state)	H1 2021	H1 2020	Delta
Secondment and projects (30 June)	**205**	165	+24.2%
Productivity	**75.9%**	69.6%	+6.3%
Year-end (30 June)			
Direct	**326**	284	+14.8%
Indirect	**104**	98	+6.1%
Total	**430**	382	+12.6%
Average			
Direct	**322**	287	+12.2%
Indirect	**102**	97	+5.2%
Total	**424**	384	+10.4%

The number of FTEs had risen by 14.8% on 30 June 2021, largely as a result of the acquisition of Oliver.

The average number of direct FTEs rose by 5.9%. Revenue per employee (on the basis of the average number of FTEs) increased by more than 10.2% to € 162,000 in the first six months of 2021 (H1 2020: € 147,000).

Operating result and margin € mln (unless otherwise stated)	H1 2021	H1 2020	Delta
EBITDA	**5.7**	3.9	+46.2%
Margin	***10.9%***	*9.2%*	*+1.7%*
Depreciation and amortisation	**2.8**	2.6	+7.7%
EBIT	**2.9**	1.3	+123.1%
Margin	***5.6%***	*3.1%*	*+2.5%*

EBITDA came in 46.2% higher at € 5.7 million (H1 2020: € 3.9 million). This increase was driven by the higher revenue, improved project results, the higher contribution from acquisitions and higher license sales.

EBIT rose by 123.1% to € 2.9 million, increasing the EBIT margin to 5.6%.

The EBIT includes around € 0.3 million in one-off expenses (2020: € 0.8 million). In 2021, these expenses included the amortisation of intangible fixed assets and consultancy costs in connection with the acquisition of Oliver. In 2020, these included consultancy costs in connection with two acquisitions and redundancy costs. Ctac's acquisition strategy has led to a clear increase in the impact of the amortisation of intangible fixed assets on earnings (EBIT).

PERFORMANCE PER CORE REGION

Figures include inter-company transactions.

The Netherlands € mln (unless otherwise stated)	H1 2021	H1 2020	Delta
Revenue	**43.1**	36.6	+17.8%
EBIT	**1.9**	1.5	+26.7%
EBIT margin	**4.4%**	4.1%	+0.3%

In the Netherlands, revenue was up by 17.8%, largely driven by the growth in revenue from both projects and secondment, together with the acquisition of Oliver. The workable days in the first half of 2021 were the same as in 2020.

Profitability also improved, while the amortisation of intangibles fixed assets as a result of the acquisition of goodwill as a result of the acquisition Oliver and Purple Square had a slightly negative impact.

Belgium € mln (unless otherwise stated)	**H1 2021**	**H1 2020**	Delta
Revenue	**11.6**	7.3	+58.9%
EBIT	**0.9**	-0.2	+550.0%
EBIT margin	**7.6%**	-2.7%	+10.5%

In Belgium, revenue was up 58.9%, largely due to an increase in revenue from projects in the retail sector and growth in secondment. The workable days in the first half of 2021 were the same as in 2020.

Our Belgian business recorded a sharp rise in profitability, largely driven by improved project results.

NET PROFIT

Net profit € mln (unless otherwise stated)	**H1 2021**	**H1 2020**	Delta
Financial expenses (net)	**0.2**	0.1	+100.0%
Taxes	**-0.7**	-0.2	-250.0%
Net result	**1.9**	0.7	+171.4%
Earnings per share (in eurocents)	**0.13**	0.05	+160.0%

The tax rate increased to 28.1% in the first half of 2021 (H1 2020: 17.8%), due in part to the liquidation loss for Alpha Distri B.V. in 2020, for which we had not previously recognised a deferred tax asset, and partly due to an increase in the tax rate for the innovation box in 2021.

The net result for the first half of 2021 rose to € 1.9 million (2020: € 0.6 million). This resulted in a sharp rise in the earnings per weighted average outstanding ordinary share to € 0.13 in 2021, from € 0.05 in 2020.

The total number of outstanding ordinary shares stood at 13,637,312 at end-June 2021, a rise of 0.6% or 82,109 shares. This increase was due to the fact that the dividend for the 2020 financial year was partly paid out in shares.

FINANCIAL POWER

€ mln (unless otherwise stated)	H1 2021	H1 2020	Delta
Net cash flow	**-5.4**	7.2	-175.0%
Net cash (at year-end)	**1.7**	6.7	-74.6%
Solvency (at year-end)	**35.9%**	34.9%	+1.0%

Ctac recorded a negative net cash flow of € 5.4 million in the first half of 2021 (H1 2020: positive € 7.2 million). In the first half of 2021, Ctac paid for the acquisition of Oliver, paid out a part of the dividend for 2020 in cash and paid out bonuses. In addition, Ctac paid off all (tax) payments, including those permitted by the government last year in connection with Covid-19. The regular working capital management (receivables and payables management) did not include any exceptional items.

Ctac did not make use of its current credit facility and this stood at € 7.2 million at end-June 2021, as a result of which Ctac had headroom of € 12.3 million. In the period under review, this facility was committed for a period of three years. In 2021, Ctac paid off € 0.5 million in loans.

In the first half of 2021, Ctac's net cash position normalised vis-a-vis year-end 2020 and stood at € 1.7 million (end-June 2020: positive € 6.7 million). Solvency (shareholders' equity / balance sheet total) improved in the first half of 2021 and stood at 35.9% at end-June 2021 (year-end 2020: 34.9%).

Ctac's liquidity and capital position is good and gives the company a solid basis for continued growth.

BALANCE SHEET

Intangible fixed assets increased as a result of the acquisition of Oliver.

Trade and other receivables had increased by around € 4.9 million to € 21.8 million as per end-June 2021, largely as a result of the higher revenue, which also led to a higher receivables position and revenue still to be invoiced.

Trade and other payables stood at € 25.0 million at end-June 2021 (end-June 2020: € 23.4 million).
This increase was partly due to the consolidation of Oliver.

Deferred tax liabilities increased in connection with the intangible fixed assets attached to the acquisition of Oliver.

OUTLOOK

Due to the ongoing Covid-19 pandemic, clients in a number of sectors are still cautious, which is putting pressure on the growth of our organisation, something that is also being impacted by the limited availability of IT talents. Barring unforeseen circumstances, Ctac expects to record higher revenue and EBIT in the second half of this year, when compared the same period in 2020. This will put us on track to achieve our revenue goal of € 100 million and the related EBIT margin target of 6%.

ADDENDA

Condensed consolidated balance sheet (before profit appropriation)
(amounts in € x 1,000)

	30-06-2021	31-12-2020
ASSETS		
FIXED ASSETS		
Intangible fixed assets	27,675	24,052
Right of use assets	10,966	10,607
Tangible fixed assets	868	921
Deferred tax assets	1,324	1,316
Financial fixed assets	251	251
	41,084	**37,147**
CURRENT ASSETS		
Trade receivables and other receivables	21,738	16,821
Cash and cash equivalents	5,116	10,552
	26,854	**27,373**
	67,938	**64,520**
LIABILITIES		
Issued share capital	3,273	3,253
Share premium reserve	11,526	11,546
Other reserves	6,796	4,658
Result financial year	1,765	3,032
SHAREHOLDERS EQUITY	**23,360**	**22,489**
Minority interest	1,025	-
GROUP EQUITY	**24,385**	**22,489**
LONG TERM LIABILITIES		
Long term bank liabilities	2,475	2,925
Lease obligations	8,062	7,974
Other long term liabilities	1,512	1,921
Deferred tax liabilities	1,311	820
	13,360	**13,640**
SHORT TERM LIABILITIES		
Lease obligations	3,074	2,770
Short term bank liabilities	900	900
Provisions	444	578
Trade creditors and other liabilities	24,986	23,351
Taxes	789	792
	29,793	**28,391**
	67,938	**64,520**

Note to the balance sheet
The intangible fixed assets increased as a result of the acquisition of Oliver.

Trade and other receivables increased by around € 4.9 million to € 21.8 million as per end-June 2021, primarily as a result of the higher revenue, which in turn led to a higher receivables position and a higher revenue still to be invoiced.

Trade and other payables stood at € 25.0 million at end-June 2021 (end-June 2020: € 23.4 million). This increase was partly due to the consolidation of Oliver.

Deferred tax liabilities increased in connection with the intangible fixed assets included in the acquisition of Oliver.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(amounts in € x 1,000)

	H1 2021	H1 2020
Revenue from contracts with clients	52,131	42,274
EXPENSES		
Cost of materials	3,950	2,579
Subcontractors	12,946	11,456
Personnel costs	24,197	19,201
Depreciation and amortisation	2,840	2,565
Other operating costs	5,340	5,143
Total operation expenses	**49,273**	**40,944**
Operating result (EBIT)	**2,858**	**1,330**
EBITDA	**5,698**	**3,895**
Financial income	-	37
Financial expenses	-229	-179
Total financial income and expenses	**-229**	**-142**
Result before taxes	**2,629**	**1,188**
Taxes	-740	-212
Net result from continued operations	1,889	976
Net result from discontinued operations	-	-315
Net result	**1,889**	**661**
Attributable to shareholders Ctac N.V.	**1,765**	**661**
Attributable to minority interest	**124**	**-**

CONSOLIDATED TOTAL RESULTS
(amounts in € x 1,000)

	H1 2021	H1 2020
Net result H1	1,889	661
Other total result, not settled through the result	-	-
Total result for the financial year	**1,889**	**661**
Attributable to shareholders Ctac N.V.	1,765	661
Attributable to minority interest	124	-
Total result for the financial year	**1,889**	**661**
From continued activities	1,765	976
From discontinued activities	-	-315
Total result attributable to shareholders Ctac N.V.	**1,765**	**661**

CONSOLIDATED CASH FLOW STATEMENT

(amounts in € x 1.000)

	H1 2021	H1 2020
Operating result	2,859	973
Provisions	-302	-6
Depreciation and valuation differences earn out	2,840	2,566
	5,397	**3,533**
Changes in working capital		
Receivables	-4,056	624
Short term debt	-40	5,163
	-4,096	**5,787**
Cash flow from operations	**1,301**	**9,320**
Interest paid	-190	-175
Incomed tax paid	-825	-128
Cash flow from operating activities	**286**	**9,017**
Acquisition of 51% Oliver	-2,350	-
Acquisition of 70% Purple Square	-	-3,914
Investments in intangible assets	-16	12
Investments in tangible assets	-136	-473
Cash flow from investment activities	**-2,502**	**-4,375**
Long term debt	-	4,500
Repayment of long term debt	-450	-
Lease payments	-1,856	-1,802
Settlement of share based payments	-168	-107
Dividend payments to shareholders	-746	-
Cash flow from financing activities	**-3,220**	**2,591**
Net cash flow	**-5,436**	**7,233**
Net balance of cash and cash equivalents as per 1 January	10,552	1,464
Net balance of cash and cash equivalents as per 30 June	5,116	8,697
	-5,436	**7,233**
Cash flow from operational activities discontinued operations	-	68
Cash flow from investment activities discontinued operations	-	-
Cash flow from financing activities discontinued operations	-	-

Note to the statement of cash flows

The net cash flow came in at a negative € 5.4 million in the first half of 2021 (H1 2020: positive € 7.2 million, as a result of the payment for the acquisition of Oliver, the repayment of an acquisition loan, a dividend pay-out, bonus payments, plus Ctac made payments deferred in the first half of 2020 as a result of Covid-19 (including taxes). The regular working capital management (receivables and payables management) did not include any exceptional items.

PROFIT (LOSS) PER SHARE

	H1 2021	H1 2020
Net result (in € x 1,000)	1,889	661
Net result from continued operations attributable to shareholders Ctac N.V. (in € x 1,000)	1,765	661
Net result from continued operations attributable to minority interest (in € x 1,000)	124	-
Net result from continued operations attributable to shareholders Ctac N.V. (in € x 1,000)	1,765	976
Net result from discontinued operations attributable shareholders Ctac N.V. (in € x 1,000)	-	-315
Number of shares		
Number of ordinary shares outstanding (start-of-year)	13,555,203	12,931,401
Number of ordinary shares outstanding (year-end)	13,637,312	12,931,401
Weigthed average of shares outstanding	13,568,888	12,931,401
Net result from continued operations attributable to shareholders Ctac N.V. per weighted average share outstanding (in €)	**0.13**	**0.07**
Net result from discontinued operations attributable to shareholders Ctac N.V. per weighted average share outstanding (in €)	**-**	**-0.02**
Net result attributable to shareholders Ctac N.V. per weighted average share outstanding (in €)	**0.13**	**0.05**
Potential dilution of ordinary shares	296,585	296,585
Number of potential shares outstanding for diluted profit per share	13,865,473	13,227,986
Net result from continued operations attributable to shareholders Ctac N.V., per share after potential dilution (in €)	**0.13**	**0.07**
Net result from discontinued operations attributable to shareholders Ctac N.V., per share after potential dilution (in €)	**-**	**-0.02**
Net result attributable to shareholders Ctac N.V., per share after potential dilution (in €)	**0.13**	**0.05**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(amounts in € x 1.000)

H1 2021	**Issued capital**	**Premium share**	**Other reserves**	**Undis-tributed profit**	**Attributable to shareholders Ctac N.V.**	**Non controlling interests**	**Group Equity**
Balance as per 1 January 2021	**3,253**	**11,546**	**4,658**	**3,032**	**22,489**	**-**	**22,489**
Net result H1	-	-	-	1,765	1,765	124	**1,889**
Appropriation of the result in previous financial year	-	-	2,286	-2,286	-	-	**-**
Dividend	20	-20	-	-746	-746	-	**-746**
Minority interest	-	-	-	-	-	921	**921**
Paid to third parties	-	-	-148	-	-148	-20	**-168**
Balance as per 30 June 2021	**3,273**	**11,526**	**7,696**	**1,765**	**23,360**	**1,025**	**24,385**

H1 2020	**Issued capital**	**Premium share**	**Other reserves**	**Undis-tributed profit**	**Attributable to shareholders Ctac N.V.**	**Non controlling interests**	**Group Equity**
Balance as per 1 January 2020	**3,104**	**11,695**	**3,396**	**1,262**	**19,457**	**-**	**19,457**
Net result H1	-	-	-	661	661	-	**661**
Appropriation of the result in previous financial year	-	-	1,262	-1,262	-	-	**-**
Balance as per 30 June 2020	**3,104**	**11,695**	**4,658**	**661**	**20,118**	**-**	**20,118**

Note to equity attributable to group shareholders

The equity attributable to shareholders Ctac N.V. amounted to € 23,360 thousand at 30 June 2021. The movements in the first half of 2021 can be specified as follows:

- The net result from the previous financial year was added to the other reserves.
- The dividend for 2020 was paid in cash and in shares. Ctac issued 82,109 shares.
- The net result attributable to shareholders Ctac N.V. in the first half of 2021 was recognised as unappropriated profit.

Note to equity attributable to minority interest

The equity attributable to the minority interest amounted to € 1,025 thousand at 30 June 2021. The movements in the first half of 2021 can be specified as follows:

- As a result of the acquisition of Oliver, Ctac acquired a minority interest of 39%, this being € 921 thousand. For the valuation of this interest, see the note to the acquisition of Oliver.
- The net result attributable to minority interest in the first half of 2021 was € 124 thousand.
- The payment of the interim dividend of € -20 thousand.

SEGMENT RESULTS

The segment information should be in line with the internal information the Board of Directors, as the chief operational decision maker, uses to evaluate the results, to assign resources and to take decisions. The Board of Directors manages Ctac on the basis of two geographical segment, namely 'the Netherlands' and 'Belgium', and an 'Other' segment consisting of Purple Square, Oliver and other activities, including the holding company.

The segment results can be specified as a follows:

RESULTS PER SEGMENT
(amounts in € x 1,000)

H1 2021	The Netherlands	Belgium	Other	France (Terminated activities)	Elimination	Consolidated
Revenue from client contracts	38,658	11,608	6,233	-	-4,367	52,132
Operating result (EBIT)	2,735	927	-804	-	-	2,858
Result before taxes	2,679	927	-977	-	-	2,629

H1 2020	The Netherlands	Belgium	Other	France (Terminated activities)	Elimination	Consolidated
Revenue from client contracts	34,792	7,266	2,843	38	-2,627	42,312
Operating result (EBIT)	1,771	-187	-254	-357	-	973
Result before taxes	1,719	-215	-316	-394	-	794

ACQUISTITIONS AND DIVESTMENTS

Acquisition Oliver B.V.

On 14 January 2021, Ctac acquired 51% of the shares in Oliver B.V. Oliver is a specialist in the fields of integration and software development. Oliver is based in 's Hertogenbosch (Den Bosch) and was founded in 2009. The Oliver team currently consists of around 40 employees. Oliver works according to the motto 'Redefining Simplicity' and is the market leader in the fields of integration, web & mobile solutions.

Ctac's strategy is focused on gaining leading positions in the following domains: IT modernisation, Connected Intelligence, Transformation & Change management, Security & Trust and Business Transformation. The acquisition of the majority stake in Oliver is a seamless fit with Ctac's business model and strategy.

Ctac entered this business combination with a view to the generation of certain synergy benefits with respect to the integration of the sales function. For instance, Ctac will be able to offer Oliver's products and services to its existing clients and Ctac's products to Oliver's existing clients. These process-related synergies of the business combination will create goodwill that arises from the business combination of Ctac and Oliver.

Purchase price

The details of the acquisition are as follows.

(amounts in € x 1,000)

Paid in cash	2,400
Deferred conditional payment	99
Put option obligations	408
Total	**2,907**

Deferred conditional payment

Ctac has agreed that if Oliver meets a set threshold amount with respect to the targeted operating result, Ctac will make an additional payment of € 200 thousand. The additional payment / conditional payment was valued at € 99 thousand at 30 June 2021.

Obligation with respect to the put option provided

The obligation with respect to the put option provided pertains to the purchase of 10% of the minority interest in Oliver, as agreed at the time of the acquisition in January 2020. The purchase price for the remaining obligation is a fixed amount, unless Oliver's operating result in 2021 is higher than the set amount. The calculated obligation has been recognised at cash value (discount rate of 1.1%). The obligation will be settled as follows:

- The purchase of 10%, to be paid in cash before 31 March 2022.

Acquisition-related costs
The costs related to the acquisition, such as legal costs and the costs of due diligence, have been recognised in the other operating costs in 2020 and 2021.

Identified assets

(amounts in € x 1.000)	Carrying value	Fair value adjustments	Fair value
Intangible fixed assets client relations	-	1,386	1,386
Intangible fixed assets brandname	-	457	457
Intangible fixed assets Technology	80	360	440
Tangible fixed assets	55	-	55
User rights lease cars	459	-	459
Cash and cash equivalents	50	-	50
Other current assets	861	-	861
Short term liabilities (excluding lease obligations)	-886	-	-886
Lease obligations	-467	-	-467
Deferred tax liabilities	6	-571	-565
Total received net assets	**158**	**1,632**	**1,790**

The other current assets include € 0.8 million in receivables and amounts still to be invoiced. Ctac has not recognised any credit losses.

Oliver's client relations and brand name have been valued as part of the Purchase Price Allocation as follows:
- Oliver's client relations have been valued at € 1.4 million and will be depreciated over a period of nine to eleven years;
- The Oliver brand name has been valued at € 0.5 million and will be depreciated over a period of ten years;
- Oliver's technology has been valued at € 0.4 million and will be depreciated over a period of seven years.

Due to the fact that these depreciation costs are not defined as expenses in fiscal terms, Ctac has formed a deferred tax asset of 25.0% of the total of the intangible fixed assets related to client relations, brand name and technology. In the first half of 2021, the total depreciation costs amounted to € 97.5 thousand after tax.

The value was determined on the basis of the income approach, in which the fair value is determined on the basis of future cash flows attributed to the intangible fixed assets, based on a life of nine to eleven years for client relations, ten years for the brand name and seven years for the technology.

The cash flows were converted into cash using a discount rate, in which the risk of the cashflows was discounted.

Goodwill

The goodwill ensuing from the acquisition was determined as follows.

(amounts in € x 1,000)

Total purchase price 61%	2,907
Minority interest 39%	921
Minus: net received assets and liabilities	-1,790
Goodwill	**2,038**

The goodwill is largely attributable to the qualified consultants and the expected revenue growth as a result of synergies.

The minority interest has been valued at 39% of the identified assets and liabilities, excluding the deferred tax asset.

Revenue and result

Revenue was € 3.1 million in the first half of the 2021 financial year, while the operating result was € 421 thousand and the net result was € 319 thousand.

France

Ctac legally completed the termination of its French operation in the first half of 2021.

NOTES TO THE CONSOLIDATED HALF YEAR REPORT

General information about Ctac
Ctac N.V. is a public limited company, established and with offices in the Netherlands, with its head offices and statutory seat at Meerendonkweg 11, 5216 TZ in 's-Hertogenbosch (the Netherlands). This consolidated interim report covers the company and all its subsidiaries (together referred to as Ctac).

The group financial year is the same as the calendar year. The consolidated interim results for the first six months ending 30 June 2021 were approved for publication by both the Board of Directors and the Supervisory Board on 29 July 2021.

Statement of compliance
This consolidated interim report for the first six months of the year ending 30 June 2020 was prepared in line with IAS 34 "Interim financial reporting" and does not include all the information and explanatory notes required for drawing up full-year financial statements. The consolidated interim report should be viewed in conjunction with the consolidated financial statements for 2020, which were drawn up in accordance with IFRS as accepted within the European Union.

Accounting policies (condensed)
For an explanation of the accounting policies for the valuation, the measurement of the result and the statement of cash flows, see the consolidated financial statements for 2020. The consolidated financial statements for 2020 were prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of same as determined by the International Accounting Standards Board (IASB), as accepted for use in the European Union and the legal provision of Title 9 Book 2 of the Dutch Civil Code

The same accounting policies were used for the interim results, with the exception of any new accounting policies, amendments to accounting policies and interpretations, which have been recognised and found relevant for Ctac. The valuation principles have been applied consistently by all subsidiaries for all periods, as presented in these consolidated financial statements.

Estimates
The preparation of the consolidated interim financial statements in accordance with IFRS regulations requires the management to make judgements, estimates and assumptions, which may influence the application of the guidelines and the valuations for assets, liabilities, income and expenses. The estimates and assumptions made are based on historical experience and various other factors that are considered realistic in the given circumstances. The estimates and assumptions made served as a basis for the assessment of value of the recognised assets and liabilities. However, actual results and circumstances may differ from these estimates and assumptions.

For an overview of the main estimates and assumptions, see the section ‘key estimates and assumptions’ in the consolidated financial statements for 2020. In the first half of 2021, there were no significant changes in the estimates explained in these financial statements.

Impairment test
Ctac conducts an impairment test once a year. At this point in time, the results realised in the first half and the expectations for the development of results in the second half year do not give cause to presume an impairment trigger.

Risk profile
Ctac described the most relevant risk and any mitigating measures in its 2020 annual report. Ctac makes a distinction between strategic, financial and operational risks and control measures. Ctac has evaluated the identified risks and determined that said identified risks are still applicable.

Revenue from contracts
See the press release for a specification and explanation of the revenue from contracts.

Financing facility
Liquidity management is centralised at Ctac. To this end, in the Netherlands Ctac makes use of a centrally managed credit facility with ABN AMRO Bank, in which context Ctac and ABN AMRO agreed a fully committed credit facility in the total amount of € 6.3 million in April 2021. The term of the credit facility is three years.

The covenant in the credit facility consists of a senior net debt/EBITDA ratio. Said ratio has been set at a maximum of 2.0. Senior debt is understood to include all interest-bearing bank borrowings, less cash and cash equivalents immediately payable on demand. EBITDA is earnings before the depreciation of tangible and intangible assets, interest and other financing income and expenses, the results from participating interests and taxes. Ctac is in compliance with this ratio.

In Belgium, Ctac makes use of a credit facility with ING Bank amounting to € 0.9 million. Ctac has pledged receivables, business equipment, IP rights and shares as collateral for this facility. The bank can lower or terminate this facility at any time.

With respect to its short-term, interest-bearing bank borrowings, i.e. the credit facility, Ctac pays a variable basic interest rate. This interest consists of a one-month average Euribor, plus a Euribor market supplement and a fixed supplement. In the credit agreement amended in April 2021, this fixed supplement was set at 2.70%. The bank has the option of changing the supplement each quarter. No such change has been made.

Related parties
Parties related to Ctac include the group companies, the members of the Supervisory Board, the members of the Board of Directors and any major shareholders. The main transactions with related parties are the remuneration of the Board of Directors and the remuneration of the Supervisory Board. The remuneration of the Board of Directors is based on the remuneration policy. The members of the Supervisory Board receive a fixed annual remuneration.

Seasonal influences
Ctac's revenue and results are subject to a limited degree of seasonal influences. These seasonal influences pertain primarily to the lower number of working days in the first half of the year compared with the second half. As a result, Ctac's project and secondment-related revenue is generally higher in the second half of the year than in the first half.

Off-balance sheet liabilities
As at 30 June 2021, the nature and scope of Ctac's off-balance sheet liabilities did not differ materially from those stated in the consolidated financial statements for the 2020 financial year.

Events after the balance sheet date
After 30 June 2021, there were no events that could have a material impact on the consolidated interim financial statements.

Management statement
In accordance with Section 5:25d (2) (c) of the Dutch Financial Supervision Act, the Board of Directors declares that that to the best of their knowledge:

- the interim financial statements give a true and fair view of the assets and liabilities, and the financial position as at 30 June 2021 and the results for the first six months of 2021 of Ctac N.V. and the companies included in the consolidation; and
- the Board of Directors' interim report incorporated in this 2021 interim report gives a true and fair view of the information required pursuant to Sections 5:25d (8) and, insofar as applicable, 5:25d (9) of the Dutch Financial Supervision Act.

's-Hertogenbosch, 30 July 2021

Henny Hilgerdenaar – CEO
Pieter-Paul Saasen – CFO

Disclaimer

This press release contains statements that provide forecasts of future results for Ctac N.V. and expresses certain intentions, objectives and ambitions on the basis of current insights. Such forecasts are, of course, not free of risks and, in view of the fact that there is no certainty about future circumstances, there is a certain degree of uncertainty. There is a multitude of factors that may underlie the fact that the actual results and forecasts may differ from those described in this document. Such factors may include: general economic and technical developments, scarcity in the labour market, the pace of internationalisation of the market for IT solutions and consulting activities as well as future acquisitions and/or divestments.