

PRESS RELEASE

Trading update Q3 2021 Ctac N.V.



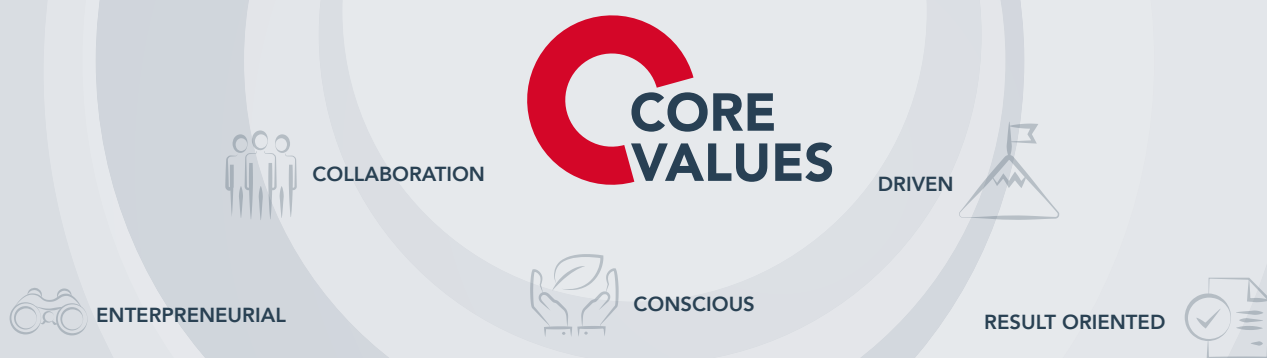
About Ctac

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.

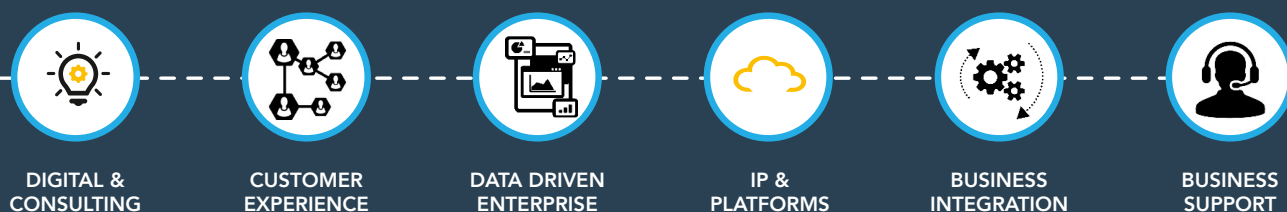
In addition, Ctac has a number of its own products, including the XV Retail Suite, which consists of an omnichannel-driven Point-of-Sale & Loyalty platform, and SaaS solutions for housing corporations and commercial real estate, respectively Fit4Woco and Fit4RealEstate.

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



More information

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Pieter-Paul Saasen | CFO and interim CEO

Ctac on track for higher revenue and EBIT in 2021

's-Hertogenbosch, 28 October 2021 – Business & Cloud Integrator Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today publishes a trading update on the first nine months and the third quarter (Q3) of 2021.

Highlights first nine months of 2021

- Net revenue rises 21.6% to € 77.0 million, driven by strong organic growth and the acquisition of Oliver IT
- EBITDA up by 26.2% to € 8.2 million
- EBIT rises to € 4.1 million, compared with € 2.7 million in same period of 2020, an increase of 51.9%

Highlights third quarter of 2021

- Net revenue rises to € 24.9 million, an increase of 18.6%, with 11.9% of this organic growth
- EBITDA comes in at € 2.5 million, a slight decline of 3.8%
- EBIT comes in at € 1.2 million, a decline of € 0.2 million, due to lower license sales

Key figures

€ mln (unless stated otherwise)

| | 2021 YTD | 2020 YTD | Delta | 2021 Q3 | 2020 Q3 | Delta |
|------------|-------------|-------------|--------|------------|------------|--------|
| Revenue* | 77.0 | 63.3 | +21.6% | 24.9 | 21.0 | +18.6% |
| EBITDA* | 8.2 | 6.5 | +26.2% | 2.5 | 2.6 | -3.8% |
| EBIT* | 4.1 | 2.7 | +51.9% | 1.2 | 1.4 | -14.3% |
| Net result | 2.7 | 1.6 | +68.8% | 0.8 | 0.9 | -11.1% |

*) Excluding discontinued activities in France

Pieter-Paul Saasen,
CFO and interim CEO, Ctac:



Ctac's revenue in the first nine months of this year was on a clearly higher level than in the comparable period of 2020, driven by both organic growth and the acquisition of Oliver IT. We also improved our profitability in the first nine months of this year, thanks in part to a more robust contribution from our Belgian operations and the strong performance delivered by our programme management activities via Purple Square.

As we expected, our revenue growth and profitability in the third quarter came under a certain amount of pressure due to the high number of leave days taken by our employees as a result of the lifting of Covid-19-related travel restrictions. In addition to this, we did record lower license sales, primarily due to the recognition of a large XV license deal in the third quarter of 2020.

In the third quarter, we took steps on a number of fronts in the implementation of our strategy, which we refined in June of this year. We also defined the focus within our portfolio pillars and IP strategy in more concrete terms. We expanded our Cybersecurity team and embedded the synergies between Oliver IT and Ctac on the integration & cloud development front. In cooperation with SAP, we are one of the first companies in the Netherlands to initiate an implementation based on the new SAP RISE platform. Our Data Services proposition will meet the undiminished market demand for these services and is now creating commercial traction. Ctac recently won the Partner Project of the Year EMEA and Partner of the Year Benelux Awards, given out by PIM software provider inRiver. We also started work on setting up a Journey to Cloud strike team that will enable our clients to accelerate their public cloud adoption.

We have developed a generic ERP integration module (API) for our XV platform, which has increased the potential sales market for XV in the retail sector. Our first platform service (Floating Basket) now supports the Mobile SelfScan customer journey. In the coming period, we will continue to develop our Unified Commerce services. On top of this, the acquisition of Digisolve-Mijn ICT, effective 1 October, has strengthened our private cloud activities, and we are now in a much better position to address the various dynamics within cloud domains.

We also made solid progress in terms of the recruitment and retention of IT talent. Thanks to more active recruitment, the more intensive involvement of colleagues in the referral programme and due to the greater use of digital options, we have raised our profile among relevant target groups. This has resulted in the recruitment of a total of 86 new employees so far this year, with around 70% of these the result of these initiatives. On 1 October, we also started the Ctac Masterclass, which we will use to provide our own training programme for the first group of 9 young, ambitious starters. This will help us to strengthen our position on the labour market and to create a stronger basis for the recruitment and retention of young talents in the future.

The continuing Covid-19 pandemic is still making clients in certain sectors cautious and pressuring the growth of our organisation, which is also being impacted by the limited availability of experienced IT talent. Barring unforeseen circumstances, we expect to record higher revenue and EBITDA in 2021 than in 2020, which puts us on track to achieve our revenue target of € 100 million and the related EBIT target of 6%. Investments in the Ctac Masterclass and our Cybersecurity spearhead will be visible from the fourth quarter of this year.

GROUP PERFORMANCE

Revenue

Revenue came in at € 24.9 million in the third quarter of 2021, an increase of 18.6%, with 11.9% of this organic growth. The organic growth was once again driven by a stronger contribution from secondment and projects. In addition to this, the acquisition of Oliver IT accounted for 6.7% of our revenue growth.

Employees

The number of direct FTEs had increased by 18% to 332 at end-September 2021, as a result of the acquisition of Oliver IT and our recruitment efforts. The average number of direct FTEs increased by 14.0%. The revenue per employee (on the basis of the average number of FTEs) increased by more than 6.8% to € 237,000 (up to and including Q3 2020: € 222,000).

Partly due to the start of the Ctac Masterclass and the acquisition of Digisolve-Mijn ICT (consolidated as of 1 October 2021), we expect to record further growth in the number of direct FTEs in the remainder of the year.

Operating result and margin

EBIT for Q3 2021 decreased by € 0.2 million (-14.3%) compared to Q3 2020 to € 1.2 million. The EBIT margin declined to 4.8% (Q3 2020: 6.7%), partly due to the relatively large number of leave days taken and lower license sales.

FINANCIAL POSITION

Ctac's financial position is solid. Solvency stood at 37.4% at end-September 2021 (31 December 2020: 34.9% and 30 September 2021: 36.0%).

Net cash flow came in at a negative € 4.3 million in the first nine months of 2021 (first nine months of 2020: positive € 5.5 million), primarily as a result of the outgoing payment in connection with the acquisition of Oliver IT and Digisolve-Mijn ICT and the dividend paid out for the 2020 financial year. Cash flow has normalised in the course of 2021 and does not include any materially distortive Covid-19 effects.



FINANCIAL CALENDAR

- 25 February 2022 : Publication annual results 2021
- 29 April 2022 : Publication press release on first quarter
- 4 May 2022 : Annual General Meeting of Shareholders

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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.