

PRESS RELEASE

Ctac N.V. 2022 half year results



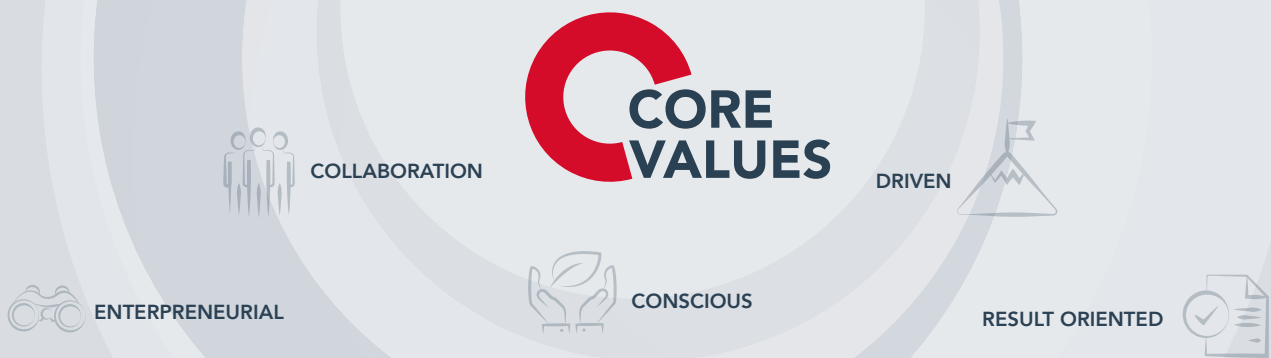
About Ctac

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 Modern Workplace, Integration, 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 commercial real estate, Fit4RealEstate.

In 2022, Ctac had been in business for 30 years and over the years has built up extensive experience and material know-how in the retail, wholesale, manufacturing, real estate and professional services. In 2021, Ctac recorded revenue of € 106 million with on average 430 FTE and 161 professional hires.

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).



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Pieter-Paul Saasen | CEO

In this press release

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FINANCIAL CALENDAR

30 September 2022 : Capital Markets Day

26 October 2022 : Trading update Q3 2022

17 February 2023 : Publication annual results 2022

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Ctac books higher revenue and profit in first half year

Implementation of Ignite change programme on schedule

's-Hertogenbosch, 29 July 2022 – Business & Cloud Integrator Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today publishes its results for the first half of 2022.

Highlights H1 2022

- Revenue rises 10.2% to € 57.4 million, driven by organic growth (+8.3%) and acquisitions
- EBITDA comes in at € 5.7 million, equal to H1 2021; margin declines to 9.9%
- EBIT up 3.4% at € 3.0 million; margin declines slightly to 5.2%, partly due to planned investments in Ignite change programme and strengthening of service offering
- Net result rises 5.6% to € 1.9 million
- Net cash at € 1.6 million negative due to acquisitions and purchase of minority stakes

Highlights Q2 2022

- Revenue rises +12.5%, driven by strong contribution from Secondment and projects
- EBITDA, including book profit Fit4Woco and non-recurring costs due to investments in Ignite change programme and strengthening our IT services offering

Outlook FY 2022

- Single-digit organic revenue growth and EBITDA margin of 10%-12%

Key figures

€ mln (unless stated otherwise)

	H1 2022	H1 2021	Delta	Q2-2022	Q2-2021	Delta
Revenue (incl. other income)	57.4	52.1	+10.2%	28.9	25.7	+12.5%
EBITDA	5.7	5.7	+0.0%	2.9	2.5	+16.0%
EBIT	3.0	2.9	+3.4%	1.5	1.2	+25.0%
Net result	1.9	1.8	+5.6%			
Operational cash flow	-3.8	0.3	-4.1			
Net cash (at end-June)	-1.6	1.7	-3.3			

Pieter-Paul Saasen, Ctac Chief Executive Officer:



"This year is all about transforming Ctac into an even more client and talent-oriented organisation and the strengthening of our organisation for continued growth in the coming years. By investing in the Ignite change programme and in strengthening our IT services offering, we are positioning ourselves more explicitly as a Business & Cloud integrator. In the first half of the year, while investing in talent and knowledge development, we were also able to grow our secondment and cloud services business and increase our revenue and profit.

The expansion into the SAP Rise programme, which we did in anticipation of the growing demand for (public) cloud solutions, has translated into a number of new projects due to start in the second half of the year. With the recent acquisition of Technology2Enjoy and the associated broadening of our SAP services, we can now expand this into other market segments. On top of this, we welcomed a number of new clients for our XV Retail Suite platform and made a start on the implementations. In the coming period, we will continue to develop our range of services in this Unified Commerce platform and expand our client base. With respect to Fit4RealEstate, we recently started the implementation at a large player in the commercial real estate sector. In April, we completed the sale of the housing corporation software service Fit4Woco. Following the successful upgrade and migration to the SAP Cloud, we transferred Fit4Woco to the buyer.

We have increased our focus on building partnerships that will enable us to provide our clients with better support in their digital transformations. In the past six months, this resulted in achieving Select Partner status with AWS (Amazon Web Services). Working in partnerships strengthens our position as a Business & Cloud integrator. Cloud technology is no longer concentrated solely on infrastructure, but is increasingly being used to solve functional and social issues. Together with our subsidiary Oliver, we are also taking steps in this direction. This puts us in a better position to translate our clients' strategic objectives into future-proof IT roadmaps, architecture and advice. Thanks to this approach, we will be able to fulfil the role of trusted advisor to our clients more explicitly and add more value."

GROUP PERFORMANCE

Revenue

In the first half of 2022, revenue came in at € 57.4 million, an increase of 10.2%, with 8.3% of this organic growth and the remainder through acquisitions. The organic growth was visible across all IT services.

Revenue per service € mln (unless stated otherwise)	H1 2022	H1 2021	Delta
Secondment and projects	33.0	30.5	+8.2%
Cloud services	22.6	20.6	+9.7%
Licence and hardware sales	1.1	1.0	+10.0%
Other income	0.7	-	+100.0%
Total revenue	57.4	52.1	+10.2%

Revenue from **Secondment and projects** came in 8.2% higher, driven by organic growth in secondment activities and the acquisition of Digimij and Technology2Enjoy in October 2021 and June 2022 respectively. Growth in revenue from **Cloud services** was primarily driven by the migration of more clients from private to public cloud environments. The revenue from **Licence and hardware sales** increased by 10.0%. The lower sales of XV Licence was partly compensated by an increase in hardware sales as a result of the Digimij acquisition. **Other income** relates to the book profit from the sale of Fit4Woco.

Staff FTEs (unless stated otherwise)	H1 2022	H1 2021	Delta
End-June			
Direct	362	326	+11.0%
Indirect	97	104	-6.7%
Total	459	430	+6.7%
Average			
Direct	352	322	+9.3%
Indirect	100	102	-2.0%
Total	452	424	+6.6%
Professional temporary staff	174	139	+25.2%

The average number of direct FTEs increased by 9.3% as a result of the acquisition of Digimij and Technology2Enjoy and due to the recruitment of new talent. The average number of FTEs also increased by 6.6%. In addition, we saw an increase in the number of professional temporary staff, which was related to the higher levels of activity and revenue growth in Secondment and projects.

Partly due to investments in talent development, knowledge development and training as part of the implementation of the Ignite change programme, revenue per employee (based on the average number of direct FTEs, including temporary staff) declined by 4.4% to € 108,000 in H1 2022 (H1 2021: € 113,000).

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EBITDA and EBIT

€ mln (unless stated otherwise)

	H1 2022	H1 2021	Delta
EBITDA	5.7	5.7	+0.0%
<i>EBITDA margin</i>	9.9%	10.9%	-1.0%
Depreciation and amortisation	2.7	2.8	-3.6%
EBIT	3.0	2.9	+3.4%
<i>EBIT margin</i>	5.2%	5.6%	-0.4%

EBITDA came in at € 5.7 million, the same as the EBITDA recorded in the first half of 2021, resulting in an EBITDA margin of 9.9%.

EBIT increased by 3.4% to € 3.0 million, taking the EBIT margin to 5.2%. The decline in operating margins was primarily due to the Ignite change programme, as well as to the strengthening of services such as IT security, higher costs due to inflation and lower sales of XV licences.

PERFORMANCE PER CORE REGION

The figures include inter-company transactions.

The Netherlands

€ mln (unless stated otherwise)

	H1 2022	H1 2021	Delta
Revenue	48.7	43.1	+13.0%
EBITDA	4.7	4.6	+2.2%
<i>EBITDA margin</i>	9.7%	10.7%	-1.0%
EBIT	2.1	1.9	+10.5%
<i>EBIT margin</i>	4.3%	4.4%	-0.1%

In the Netherlands, revenue increased by 13.0% to € 48.7 million, mainly driven by growth in both projects and secondment services, plus the acquisition of Digimij and Technology2Enjoy. The order portfolio for large IT projects is still limited. EBIT came in at € 2.1 million, an increase of 10.5% due to the sale of the Fit4Woco housing corporation software service, which had a one-off positive impact on EBIT of € 0.7 million. The number of workable days in the first half of 2022 was the same as in 2021.

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Belgium € mln (unless stated otherwise)	H1 2022	H1 2021	Delta
Revenue	11.3	11.6	-2.6%
EBITDA	1.0	1.1	-9.1%
<i>EBITDA margin</i>	<i>8.8%</i>	<i>9.5%</i>	<i>-0.7%</i>
EBIT	0.9	0.9	+0.0%
<i>EBIT margin</i>	<i>8.0%</i>	<i>7.8%</i>	<i>+0.2%</i>

In Belgium, revenue declined by 2.6% to € 11.3 million, primarily due to a strong comparative basis in the same period of last year, which included a large project in the retail sector. EBIT came in at € 0.9 million and remained stable. The first half of 2022 included one additional workable day compared with the first half of 2021.

NET PROFIT

Net profit € mln (unless stated otherwise)	H1 2022	H1 2021	Delta
Financial expenses (net)	-0.3	-0.2	+50.0%
Taxes	-0.6	-0.7	-14.3%
Net result	1.9	1.8	+5.6%
Earnings per share (in eurocents)	0.14	0.13	+7.7%

The tax rate fell to 22.1% (H1 2021: 28.1%), due on the one hand to higher depreciation for tax purposes related to capitalised assets from acquisitions and, on the other hand, to the higher tax rate from any revenue above € 395,000 that is applicable as of 2022.

The net result attributable to Ctac shareholders for the first half of 2022 increased to € 1.9 million (2021: € 1.8 million). This resulted in an increase of the earnings per weighted average outstanding ordinary share to € 0.14 in the first half of 2022 from € 0.13 in the first half of 2021.

The total number of outstanding ordinary shares at the end of June 2022 stood at 13,931,648, an increase of 2.2% or 294,336 shares. The increase was due to the fact that the dividend for the 2021 financial year was partly paid out in shares.

FINANCIAL STRENGTH

€ mln (unless stated otherwise)	H1 2022	H1 2021	Delta
Operational cash flow	-3.8	0.3	-4.1
Net cash (end-H1)	-1.6	1.7	-3.3
Headroom (end-H1)	8.1	12.3	-4.2

The operational cash flow came in at a negative € 3.8 million in the first half of 2022. This was the result of higher bonuses paid and more holidays taken. The regular working capital management (accounts receivable and accounts payable management) did not include any exceptional items. Revenue growth did place an increasing burden on the working capital.

In the first half of 2022, Ctac paid in cash for the acquisition of Technology2Enjoy, 10% of the remaining equity interest in Oliver, 20% of the remaining Purple Square shares and an earn-out to Digimij.

At the end of June 2022, net debt amounted to € 1.6 million. The current credit facility amounted to € 7.2 million at the end of June 2022, resulting in a headroom of € 8.1 million. The facility is committed through to April 2024. In the first six months of 2022, Ctac repaid € 0.5 million in loans.

Solvency improved in the first half of the year and stood at 39.6% at the end of June 2022 (year-end 2021: 35.9%).

Ctac's liquidity and capital position are healthy and put the company in a good position for continued growth.

BALANCE SHEET

Compared with year-end 2021, intangible fixed assets declined on balance by € 0.6 million to € 28.8 million at end-June 2022 due to € 0.8 million of investments related to the acquisition of Technology2Enjoy and the sale of Fit4Woco and regular depreciation.

Deferred tax assets increased as a result of the formation of a deferred tax asset of € 1.4 million on the basis of the recognised tax loss carry-forwards from the Technology2Enjoy acquisition.

Other non-current receivables increased due to the fact that part of the purchase price for the sale of the housing corporation software service Fit4Woco has yet to be received.

Compared with year-end 2021, trade and other receivables increased by approximately € 5.2 million to € 26.7 million at end-June 2022, mainly as a result of the higher revenue and higher prepaid expenses.

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Other non-current liabilities declined by € 1.0 million due to the purchase of the minority interest in Purple Square Management Partners.

Deferred tax liabilities increased in connection with the intangible fixed assets associated with the acquisition of Technology2Enjoy.

Compared with year-end 2021, trade and other payables fell by € 2.3 million to € 26.5 million at end-June 2022 due to earn-out payments, the payment of holiday allowances and bonuses over 2021.

OUTLOOK

The uncertain economic outlook is leading to hesitation to invest among clients in certain sectors, which is clouding the longer-term growth prospects. Although we successfully attracted and retained talent in the first half of the year, the persistent scarcity of IT talent may also put a brake on that growth. We will continue to focus on our cost structure and bring it in line with market developments. For the full year 2022, we reiterate our guidance of single-digit organic revenue growth and an EBITDA margin of 10%-12%, barring unforeseen circumstances.

ADDENDA

Condensed consolidated balance sheet (before profit appropriation)

(amounts in € x 1,000)

	30-06-2022	31-12-2021
ASSETS		
FIXED ASSETS		
Intangible fixed assets	28,817	29,382
Right of use assets	10,398	10,715
Tangible fixed assets	876	824
Deferred tax assets	2,189	782
Financial fixed assets	1,138	400
	43,418	42,103
CURRENT ASSETS		
Inventories	149	64
Trade receivables	13,143	13,154
Other receivables	13,519	8,285
Cash and cash equivalents	915	10,404
	27,726	31,907
	71,144	74,010
LIABILITIES		
Issued share capital	3,344	3,273
Share premium reserve	11,455	11,526
Other reserves	10,200	6,796
Result financial year	1,948	4,455
Shareholders equity	26,947	26,050
Minority interest	1,257	1,111
GROUP EQUITY	28,204	27,161
LONG TERM LIABILITIES		
Long term bank liabilities	1,575	2,025
Lease obligations	7,723	7,941
Other long term liabilities	861	1,902
Deferred tax liabilities	1,723	1,610
	11,882	13,478
SHORT TERM LIABILITIES		
Lease obligations	2,901	2,973
Short term bank liabilities	900	900
Provisions	248	433
Trade creditors and other liabilities	26,520	28,869
Taxes	489	196
	31,058	33,371
	71,144	74,010

Note to the balance sheet

Compared with the end of 2021, intangible fixed assets had declined by € 0.6 million to € 28.8 million at end-June 2022, as a result - on balance - of € 0.8 million of investments related to the acquisition of Technology2Enjoy, the sale of Fit4Woco and regular depreciation.

Deferred tax assets increased as a result of the formation of a deferred tax asset of € 1.4 million on the basis of the recognised tax loss carry-forwards from the Technology2Enjoy acquisition.

Other non-current receivables increased due to the fact that part of the purchase price for the sale of the housing corporation software service Fit4Woco has yet to be received.

Compared with year-end 2021, trade and other receivables increased by approximately € 5.2 million to € 26.7 million at end-June 2022, mainly as a result of the higher revenue and higher prepaid expenses.

The cash position decreased by € 9.5 million compared to December 31, 2021. The main reasons for this are an increase in trade receivables due to revenue growth, earn-out payments and the acquisition of Technology2Enjoy.

Other non-current liabilities declined by € 1.0 million due to the purchase of the minority interest in Purple Square Management Partners.

Deferred tax liabilities increased in connection with the intangible fixed assets associated with the acquisition of Technology2Enjoy.

Compared with year-end 2021, trade and other payables fell by € 2.3 million to € 26.5 million at end-June 2022 as a result of earn-out payments, the payment of holiday allowances and bonuses over 2021.

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(amounts in € x 1,000)

	H1 2022	H1 2021
Revenue from contracts with clients	56,664	52,131
Other income	704	-
Expenses		
Cost of materials	4,725	3,950
Subcontractors	16,196	12,946
Personnel costs	24,634	24,197
Depreciation and amortisation	2,735	2,840
Other operating costs	6,127	5,340
Total operating expenses	54,417	49,273
Operating result (EBIT)	2,951	2,858
Financial income	-	-
Financial expenses	-264	-229
Total financial income and expenses	-264	-229
Result before taxes	2,687	2,629
Taxes	-593	-740
Attributable to minority interest	146	124
Attributable to shareholders Ctac N.V.	1,948	1,765
Net result	2,094	1,889
Net result from continued operations attributable to shareholders Ctac N.V per share (in €)	0.14	0.13
Net result from continued operations attributable to shareholders Ctac N.V., per share after dilution (in €)	0.14	0.13
Number of shares		
Number of ordinary shares outstanding (year-end)	13,931,648	13,637,312
Weighted average number of ordinary shares outstanding	13,686,368	13,568,888
Weighted average of ordinary shares outstanding for the calculation of the diluted result per share	13,696,072	13,865,473

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CONSOLIDATED OVERVIEW TOTAL RESULTS

(amounts in € x 1,000)

	H1 2022	H1 2021
Net result	2,094	1,889
Other total result (not settled through income statement)	-	-
Total result for the first half of the financial year	2,094	1,889
Net result attributable to shareholders Ctac N.V.	1,948	1,765
Net result attributable to minority interest third parties	146	124
Total result for the first half of the financial year	2,094	1,889

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CONSOLIDATED CASH FLOW STATEMENT

(amounts in € x 1,000)

	H1 2022	H1 2021
Operating result	2,951	2,859
Depreciation	2,735	2,840
Profit from sale of intangible fixed assets	-704	-
Provisions	-185	-302
Valuation differences long term liabilities	-2	-
Changes in working capital		
Inventories	-85	-
Receivables	-4,819	4,056
Short term debt	-3,064	-40
Cash flow from operations	-3,173	1,301
Interest paid	-269	-190
Income tax paid	-403	-825
Cash flow from operating activities	-3,845	286
Acquisitions	-951	-2,350
Desinvestments intangible fixed assets	684	-16
Profit from sale of intangible fixed asset	704	-
Investments in tangible fixed assets	-248	-136
Investments in financial fixed assets	-738	-
Cash flow from investment activities	-549	-2,502
Long term debt	-450	-450
Dividend payments to shareholders Ctac N.V.	-309	-746
Dividend payments to minority shareholders of acquired subsidiaries	-742	-168
Paid earn-out obligations	-1,786	-
Lease payments	-1,808	-1,856
Cash flow from financing activities	-5,095	-3,220
Mutation cash and cash equivalents	-9,489	-5,436
Net balance of cash and cash equivalents as per 1 January	10,404	10,552
Net balance of cash and cash equivalents as per 30 June	915	5,116
Mutation cash and cash equivalents	-9,489	-5,436

Note to the cash flow statement

Net cash flow came in at a negative € 9.5 million in the first half of 2022. This was due to the following developments:

- Lower cash flow from operating activities due to higher bonus pay-outs in 2022 compared with 2021 and lower reserve for holidays due the higher number of holidays taken in the first half of 2022. On the other hand, all previously deferred tax payments were paid in the first half of 2021, resulting in lower corporate income tax paid in the first half of 2022. The regular working capital management (accounts receivable and accounts payable management) did not include any exceptional items.
- The payment for the acquisition of Technology2Enjoy in the first half of 2022, compared with the payment for the acquisition Oliver in the first half of 2021.
- The cash flow from financing activities included the earn-out payments for 10% of the remaining equity interest in Oliver, 20% of the remaining equity in Purple Square and an earn-out payment to Digimij.

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PROFIT (LOSS) PER SHARE

	H1 2022	H1 2021
Net result (in € x 1,000)	2,094	1,889
Net result from continued operations attributable to shareholders Ctac N.V. (in € x 1,000)	1,948	1,765
Net result from continued operations attributable to minority interest (in € x 1,000)	146	124
Number of shares		
Number of ordinary shares outstanding (start-of-year)	13,637,312	13,555,203
Number of ordinary shares outstanding (year-end)	13,931,648	13,637,312
Weighted average of shares outstanding	13,686,368	13,568,888
Net result from continued operations attributable to shareholders Ctac N.V. per weighted average share outstanding (in €)	0.14	0.13
Potential dilution of ordinary shares	9,704	296,585
Number of potential shares outstanding for diluted profit per share	13,696,072	13,865,473
Net result attributable to shareholders Ctac N.V., per share after potential dilution (in €)	0.14	0.13

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(amounts in € x 1.000)

H1 2022	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 2022	3,273	11,526	6,796	4,455	26,050	1,111	27,161
Net result H1	-	-	-	1,948	1,948	146	2,094
Appropriation of the result in previous financial year	-	-	4,146	-4,146	-	-	-
Dividend	71	-71	-	-309	-309	-	-309
Minority interest	-	-	-	-	-	-	-
Paid to third parties	-	-	-742	-	-742	-	-742
Balance as per 30 June 2021	3,344	11,455	10,200	1,948	26,947	1,257	28,204

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 acquisition	-	-	-	-	-	921	921
Paid to third parties	-	-	-148	-	-148	-20	-168
Balance as per 30 June 2022	3,273	11,526	7,696	1,765	23,360	1,025	24,385

Note to the equity attributable to group shareholders

The equity attributable to group shareholders amounted to € 28,204 thousand as at 30 June 2022. The changes in the first half of 2022 were related to:

- The addition of the net profit for the previous financial year to the other reserves.
- Dividend over 2021 paid in cash and in shares. The number of shares issued was 294,336.
- The net result attributable to group shareholders for the first half of 2022 recognised as distributed profit.

Note to equity attributable to minority interests

Equity attributable to minority interests stood at € 1,257 thousand as at 30 June 2022. The changes in the first half of 2022 were related to:

- The net result attributable to minority interests for the first half of 2022 was € 146 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 segments, namely 'the Netherlands' and 'Belgium', and an 'Other' segment consisting of Digisolve-Mijn ICT and the other activities, including the holding company.

The segment results can be specified as follows:

RESULTS PER SEGMENT

(amounts in € x 1,000)

H1 2022

	The Netherlands	Belgium	Other	Elimination	Consolidated
Revenue from client contracts	52,138	11,292	934	-7,996	56,664
Other income	704	-	-	-	704
Operating result (EBIT)	3,556	852	-1,457	-	2,951
Result before taxes	3,489	833	-1,635	-	2,687

H1 2021

	The Netherlands	Belgium	Other	Elimination	Consolidated
Revenue from client contracts	47,390	11,608	3	-6,870	52,131
Operating result (EBIT)	3,735	927	-1,804	-	2,858
Result before taxes	3,669	927	-1,967	-	2,629

ACQUISITIONS

Acquisition of Technology2Enjoy B.V.

On 1 June 2022, Ctac acquired 100% of the shares in Technology2Enjoy B.V. Technology2Enjoy provides IT consultancy services for the application, implementation and integration of SAP (Business ByDesign and S/4HANA), Oracle Peoplesoft and Oracle Cloud software. Technology2Enjoy is primarily active as an implementation partner of SAP Business ByDesign. The team currently consists of approximately 20 employees.

This acquisition is a seamless fit with our strategy to strengthen our position as a Business & Cloud integrator. With the onboarding of Technology2Enjoy, we are further expanding our ERP portfolio and responding to the trend in the market, which is seeing organisations opt for a simple ERP core according to the principle of 'keep the core clean'. SAP Business ByDesign meets this growing need for greater agility and effectiveness, and we expect to see further growth in this segment of the ERP market.

The acquisition of Technology2Enjoy is a seamless fit with Ctac's strategy, which is aimed at providing clients with support in their digital transformation by, among other things, offering the most suitable end-to-end IT solutions. Ctac is looking to carve out leading positions in the following domains: ERP solutions, Cloud Services, Modern Workplace, Integration and Security. In addition, this acquisition offers junior consultants more opportunities to learn to oversee and understand the full scope of business processes relatively early in their training as consultants. This contributes to Ctac's shift to a more client and talent-oriented organisation.

Purchase price

The details of the acquisition are as follows.

(amounts in € x 1,000)

Paid in cash	1,057
Deferred payment	352
Total	1,409

Deferred payment

Ctac agreed that part of the purchase price, this being € 352 thousand plus statutory commercial interest (in accordance with article 6:119a of the Dutch Civil Code), will be paid in cash by 30 December 2022. The deferred payment has been valued at € 365 thousand.

Acquisition costs

The costs associated with the acquisition, such as legal fees and due diligence costs of € 15 thousand, have been recognised in other operating expenses in 2022.

Identified assets*(amounts in € x 1,000)*

	Carrying value	Fair value adjustments	Fair value
Intangible fixed assets client relations	-	811	811
Tangible fixed assets	14	-	14
User rights lease cars	106	-	106
Deferred tax assets	-	1,400	1,400
Cash and cash equivalents	106	-	106
Other current assets	403	-	403
Short term liabilities (excluding lease obligations)	-987	-127	-1,114
Lease obligations	-108	-	-108
Deferred tax liabilities	-	-209	-209
Total received net assets	-466	1,875	1,409

The other current assets consist of € 0.4 million in accounts receivable and amounts still to be invoiced. Ctac has not recognised any credit losses.

Technology2Enjoy's client relationships, as part of the Purchase Price Allocation, are valued as follows:

- the client relationships are valued at € 0.8 million and will be amortised over a period of fourteen to seventeen years.

As these amortisation costs are not an expense for tax purposes, Ctac has recognised a deferred tax asset of 25.8% of the total intangible assets of customer relationships, this being € 209 thousand.

Fair value is determined on the basis of future cash flows attributable to the intangible assets, assuming a life of fourteen to seventeen years for the customer relationships.

The cash flows are discounted at a rate that reflects the risk of the cash flows.

Goodwill

The goodwill ensuing from the acquisition was determined as follows.

(amounts in € x 1,000)

Total purchase price	1,409
Minus: net received assets and liabilities	-1,409
Goodwill	0

No goodwill ensued from the acquisition. The purchase price is equal to the net received assets and liabilities.

Revenue and result

The revenue in June 2022 was € 0.2 million. The operating result and net result are nil.

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS

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 half year financial statements cover the company and all its subsidiaries (together referred to as Ctac).

The group financial year is the same as the calendar year. The consolidated half year financial statements for the first six months ending 30 June 2022 were approved for publication by both the Board of Directors and the Supervisory Board on 26 July 2022.

Statement of compliance

These consolidated half year financial statements for period ending 30 June 2022 were prepared in line with IAS 34 "Interim financial reporting" and do not include all the information and explanatory notes required for drawing up the full-year financial statements. The consolidated half year financial statements should be viewed in conjunction with the consolidated full year 2021 financial statements, which were drawn up in accordance with IFRS as accepted within the European Union.

The condensed consolidated half year financial statements of Ctac are prepared in Dutch and English, for which the Dutch version is leading.

Accounting policies (condensed)

For an explanation of the accounting policies for the valuation, the measurement of the result and the statement of cash flows is referred to the consolidated full year 2021 financial statements. The consolidated full year 2021 financial statements 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 2022 half year 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 this half year report.

The condensed consolidated half year financial statements are presented in euro's. Amounts are in thousands of euros, unless otherwise stated.

Standards, amendments and interpretations

Insofar as applicable, all published IFRS standards, amendments and interpretations effective as of 1 January 2022 have been applied by the group. Ctac has not prematurely applied any published but not yet effective standards, amendments or interpretations. Various adjustments and interpretations are required with effect from 2022. but have no impact on the condensed half year financial statements.

Estimates

The preparation of the consolidated half year 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 serve 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 2021 annual financial statements. In the first half of 2022, 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 2021 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

For a specification and explanation of the revenue from contracts. The below clarification is provided:

NATURE OF THE CONTRACTS (SUPPLIES OR SERVICES)

(in € x mln)	H1 2022	H1 2021
Secondment and projects	33.0	30.5
Cloud services	22.6	20.6
Licence and hardware sales	1.1	1.0
Total revenue from client contracts	56.7	52.1

TIMING OF REVENUE ACCOUNTABILITY

(in € x mln)	H1 2022	H1 2021
Goods transferred 'at a point in time'	1.1	1.0
Services provided 'over time'	55.6	51.1
Total revenue from client contracts	56.7	52.1

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. The term of the credit facility is three years (April 2024).

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 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 year than in the first half year.

Off-balance sheet liabilities

As at 30 June 2022, the nature and scope of Ctac's off-balance sheet liabilities did not differ materially from those stated in the consolidated half year financial statements.

Events after the balance sheet date

After 30 June 2022, there were no events that could have a material impact on the consolidated half year financial statements.

PRESS RELEASE

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 consolidated half year financial statements give a true and fair view of the assets and liabilities, and the financial position as at 30 June 2022 and the results for the first six months of 2022 of Ctac N.V. and the acquired companies included in the consolidation; and
- The report of the Board of Directors' incorporated in this 2022 half year report gives a true and fair view of the information required pursuant to Sections 5:25d (8) and, insofar as applicable, (9) of the Dutch Financial Supervision Act.

's-Hertogenbosch, 29 July 2022

Pieter-Paul Saasen – CEO

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.