PRESS RELEASE

Ctac N.V. 2023 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 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 2023, Ctac has been in business for 31 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 2022, Ctac recorded revenue of € 118 million with on average 463 FTE and 182 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).

CORE VALUES

COLLABORATION

DRIVEN

ENTREPRENEURIAL

CONSCIOUS

RESULT ORIENTED

PORTFOLIO PILLARS

DIGITAL & CONSULTING

CUSTOMER EXPERIENCE

DATA DRIVEN ENTERPRISE

IP & PLATFORMS

BUSINESS INTEGRATION

BUSINESS SUPPORT

More information

Ctac N.V.
Meerendonkweg 11, 5216 TZ 's-Hertogenbosch
PO Box 773, 5201 AT 's-Hertogenbosch

www.ctac.nl
info@ctac.nl
+31 (0)73 - 692 06 92

Paul de Koning | CFO

ENABLING YOUR AMBITION

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Ctac continues revenue growth

's-Hertogenbosch, 28 July 2023 – Business & Cloud Integrator Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today publishes its results for the first half of 2023.

Highlights H1 2023

- Revenue +14.5% (+12.3% organically) to € 64.9 million
- Normalised EBITDA comes in at € 5.5 million, equal to H1 2022. Including one-time effects, EBITDA decreased to € 4.9 million (-14.0%) at a 7.6% margin
- Normalised net profit comes in at € 1.9 million, equal to H1 2022. Including one-time effects, net profit decreased to € 1.4 million (-33.3%)
- Operating cash flow of € 1.9 million and net cash position of € 3.0 million

Highlights Q2 2023

- Revenue +13.5% due to strong contribution from Projects and secondment and growth of Cloud services activities
- Normalised EBITDA stable at € 2.4 million

Outlook 2023

- While maintaining the long-term targets, the outlook for 2023 is partially revised based on the one-time effects and adjusted to higher organic revenue growth of 9 to 12% at a lower EBITDA margin of 8 to 10%
- Realignment of strategy under new leadership team expected in the second half of 2023

Key figures € mln (unless stated otherwise)	H1 2023	H1 2022	Delta	Q2-2023	Q2-2022	Delta
Revenue	**64.9**	56.7	+14.5%	**32.0**	28.2	+13.5%
EBITDA*	**4.9**	5.7	-14.0%	**2.4**	2.9	-17.2%
EBIT*	**2.3**	3.0	-23.3%	**1.1**	1.5	-26.7%
Net result**	**1.4**	2.1	-33.3%			
Operational cash flow	**1.9**	-3.8	+150.0%			
Net cash (at end-June)	**3.0**	-1.6	+287.5%			

*) Including one-time effects of € 0.6 million in H1 2023 (H1 2022: € -0.2 million) and € 0 in Q2-2023 (Q2-2022 € -0.5 million)
**) Including one-time effects of € 0.5 million in H1 2023 (H1 2022: € -0.2 million)

CTAC ENABLING YOUR AMBITION

In case of any inconsistencies the Dutch version of this press release is leading.
The information in this half year report is unaudited.

Paul de Koning, CFO Ctac:

"The strong revenue growth we recorded in the first three months of the year continued in the second quarter. While activity levels are increasing across the board, we are at the same time seeing a reluctance among our clients to make major investments in digital transition, ERP implementation and cloud migration. The need for investment in cloud infrastructure remains high and we expect to see a sharp rise in demand for cloud migration solutions in the coming years.

We have made solid progress on several fronts, including the integration of the various acquisitions we have made in recent years. We have centralised expertise, knowledge and skills and secured these more effectively, plus we have strengthened reciprocal commercial collaboration. This enables us to provide clients with a broader range of services to help solve their digitalisation issues. Furthermore, following the completion of the Ignite change programme, we have shifted our focus to the optimisation of our processes and improving our productivity. We also improved the governance within our organisation, giving us better and real-time insights to enable us to focus more effectively on performance indicators.

Against the background of challenging market conditions, we are well positioned and see more than enough opportunities for continued growth in the coming years. The recruitment process for a new CEO is currently underway. Once we have completed this process, in the second half of the year, we will review our strategy and extend our horizon. In addition to this, we will focus on further strengthening our positioning as a strategic partner and continue to optimise internal commercial collaboration."

GROUP PERFORMANCE

Revenue

Revenue came in at € 64.9 million in the first half of 2023, an increase of 14.5%, 12.3% of which was organic. The organic increase was visible across the whole range of Ctac's IT services.

Revenue per service € mln (unless stated otherwise)	H1 2023	H1 2022	Delta
Projects and secondment	**38.4**	33.0	+16.4%
Cloud services	**25.4**	22.6	+12.4%
Licence and hardware sales	**1.1**	1.1	+0.0%
Total revenue from contracts with clients	**64.9**	**56.7**	+14.5%
Other income	**-**	**0.7**	-100.0%

Revenue at **Projects and secondment** increased by 16.4%, with higher revenue from both project and secondment activities. In addition, the acquisition of Technology2Enjoy, acquired in June 2022, contributed to the revenue growth, while the share of revenue from the public sector also increased to € 4.3 million in the first six months of 2023 (H1 2022: € 2.5 million). The increase in revenue at **Cloud services** was due to an increase in the number of new clients, in addition to a rate adjustment. Security services revenue is divided between Projects and secondment and Cloud services and came in at around € 2.3 million. Revenue from **Licence and hardware sales** remained unchanged from the first half of 2022 at € 1.1 million. The item **Other income** in 2022 relates to the book profit from the sale of Fit4Woco.

Staff FTE (unless stated otherwise)	H1 2023	H1 2022	Delta
End-June			
Direct	**371**	362	+2.5%
Indirect	**90**	97	-7.2%
Total	**461**	**459**	+0.4%
Average			
Direct	**376**	352	+6.8%
Indirect	**92**	100	-8.0%
Total	**468**	**452**	+3.5%
Professional temporary staff (direct)	**220**	**174**	+26.4%

The average number of direct FTEs increased by 6.8%, due to the acquisition of Technology2Enjoy and the recruitment of new talent. The average number of indirect FTEs declined by 8.0%, due to the optimisation of our indirect organisation. In addition, we saw an increase in the number of professional temporary staff in connection with the with revenue growth in Projects and secondment.

Revenue per employee (based on average number of direct FTEs, including professional temporary hires) increased slightly to € 109,000 in H1 2023 (H1 2022: € 108,000). This was primarily driven by a shift to greater demand for short-term projects and secondment.

EBITDA and EBIT € mln (unless stated otherwise)	**H1 2023**	**H1 2022**	Delta
EBITDA	**4.9**	5.7	-14.0%
EBITDA margin	*7.6%*	*10.1%*	*-2.5%*
Depreciation and amortisation	**2.6**	2.7	-3.7%
EBIT	**2.3**	3.0	-23.3%
EBIT margin	*3.5%*	*5.3%*	*-1.8%*

EBITDA declined by 14.0% to € 4.9 million, which translated into an EBITDA margin of 7.6%. Ctac was generally able to pass on labour cost inflation. However, margin development did come under pressure as revenue growth came primarily from secondment and smaller projects. This latter development makes it a challenge to optimise staff utilisation.

In the first half of 2023, Ctac incurred additional costs of € 0.6 million related to the tightening of the organisation. In the first half of 2022, consultancy costs related to the Ignite change programme and the sale of the Fit4Woco corporate software service had an adjusted impact € 0.2 million on the margin. Excluding one-off effects, EBITDA remained flat at € 5.5 million (2022: € 5.5 million).

EBIT declined by 23.3% to € 2.3 million, taking the EBIT margin to 3.5%.

PERFORMANCE PER CORE REGION

Figures include intercompany transactions.

The Netherlands € mln (unless stated otherwise)	**H1 2023**	**H1 2022**	Delta
Revenue	**55.1**	48.7	+13.1%
EBITDA	**3.6**	4.7	-23.4%
EBITDA margin	*6.5%*	*9.7%*	*-3.2%*
EBIT	**1.1**	2.1	-47.6%
EBIT margin	*2.0%*	*4.3%*	*-2.3%*

In the Netherlands, revenue increased by 13.1%, driven by organic growth and the acquisition of Technology2Enjoy. EBIT came in at € 1.1 million, a drop as a result of one-off effects and due to smaller projects, making the optimisation of staff utilisation a challenge. The first half of 2023 had one more workable day than the first half of 2022.

Belgium € mln (unless otherwise stated)	**H1 2023**	**H1 2022**	Delta
Revenue	**12.4**	11.3	+9.7%
EBITDA	**1.3**	1.0	+30.0%
EBITDA margin	*10.5%*	*8.8%*	*+1.7%*
EBIT	**1.2**	0.9	+33.3%
EBIT margin	*9.7%*	*8.0%*	*+1.7%*

In Belgium, revenue came in 9.7% higher, mainly due to a large project in the manufacturing sector. EBIT increased to € 1.2 million, a rise of 33.3%. The number of workable days in the first half of 2023 was the same as in 2022.

NET PROFIT

Net profit € mln (unless otherwise stated)	**H1 2023**	**H1 2022**	Delta
Financial expenses (net)	**-0.2**	-0.3	-33.3%
Taxes	**-0.6**	-0.6	+0.0%
Net results	**1.4**	2.1	-33.3%
Earnings per share (in €)	**0.09**	0.14	-35.9%

The tax rate increased to 31.5% (2022: 22.1%) due to the reduction of the threshold, an increase in the effective corporate tax rate and an adjustment from previous years.

Net profit fell by 33.3% to € 1.4 million. This corresponds to earnings per share of € 0.09 (H1 2022: € 0.14).

The total number of outstanding ordinary shares stood at 14,149,023 at the end of H1 2023, an increase of 1.6% or 217,375 shares. This increase was due to the fact that the dividend for the 2022 financial year was paid partly in shares.

FINANCIAL STRENGTH

€ mln (unless otherwise stated)	H1 2023	H1 2022	Delta
Operational cash flow	**1.9**	-3.8	+150.0%
Net cash (end-H1)	**3.0**	-1.6	+287.5%
Headroom (end-H1)	**11.7**	8.1	+44.4%

The operational cash flow came in at a positive € 1.9 million (H1 2022: a negative € 3.8 million). The increase was due to a rise in current liabilities related to higher receipts from pre-invoiced revenue. In addition, the regular working capital management (accounts receivable and accounts payable) did not include any exceptional items.

At the end of H1 2023, net cash stood at € 3.0 million. The leverage ratio (net debt / EBITDA) came in at -0.61 in H1 2023 and improved compared with H1 2022 (0.27). The current credit facility amounted to € 7.2 million at the end of H1 2023, resulting in headroom of € 11.7 million. The facility is committed through to April 2024. In H1 2023, Ctac repaid € 0.5 million in loans.

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

BALANCE SHEET

Compared with year-end 2022, intangible assets declined by € 0.7 million to € 27.9 million at the end of June 2023, due to regular depreciation. Property, plant and equipment increased by € 0.7 million to € 1.9 million at the end of June 2023, due to investments in hardware for the data centre and regular depreciation.

Compared with year-end 2022, trade and other receivables increased by approximately € 4.2 million to € 29.6 million at the end of June 2023, mainly due to higher revenue and higher prepaid expenses.

Shareholders' equity increased to € 31.1 million (year-end 2022: € 30.9 million). Solvency had improved to 41.0% at the end of June 2023 (year-end 2022: 39.4%).

Current and long-term lease liabilities stood at € 9.7 million (year-end 2022: € 10.1 million). Bank borrowings are entirely related to the financing of Purple Square and stood at € 1.6 million, € 0.9 million of which is short-term.

Compared with year-end 2022, trade and other payables increased by € 1.4 million to stand at € 31.0 million at the end of June 2023, due to a higher position of pre-invoiced revenue.

On the other hand, Ctac had a number of lower balance sheet positions related to earn-out payments, holiday pay and bonuses over 2022.

OUTLOOK

Macroeconomic uncertainty due to inflation and geopolitical turmoil is also affecting the IT services market. At the same time, digital transformation by companies and public sector organisations is expected to accelerate further in the coming years.

Ctac is well positioned to benefit from this and to continue its growth in the coming years. The company's solid financial position also provides sufficient room for potential new acquisitions.

While maintaining the long-term targets, the outlook for 2023 is partially revised based on the one-time effects and adjusted to higher organic revenue growth of 9 to 12% at a lower EBITDA margin of 8 to 10%.

We have started the recruitment process for a new CEO and once this is complete we will review our strategy and extend our horizon in the second half of the year.

OTHER

Ctac N.V.'s home Member State for the purposes of the European Union Transparency Directive (Directive 2004/109/EC, as supplemented) is the Netherlands.

ADDENDUM

CONSOLIDATED BALANCE SHEET (before profit appropriation)

(amounts in € x 1,000)

	30-06-2023	31-12-2022
ASSETS		
FIXED ASSETS		
Intangible fixed assets	27,946	28,694
Right of use assets	9,470	9,908
Tangible fixed assets	1,890	1,227
Deferred tax assets	1,305	1,340
Other long term receivables	889	1,378
	41,500	**42,547**
CURRENT ASSETS		
Inventories	219	200
Trade receivables	14,713	14,747
Other receivables	14,904	10,645
Cash and cash equivalents	4,537	7,439
	34,373	**33,031**
	75,873	**75,578**
LIABILITIES		
Issued share capital	3,396	3,344
Share premium reserve	11,403	11,455
Other reserves	14,078	10,234
Result financial year	1,256	4,728
Shareholders equity	30,133	29,761
Minority interest	999	1,171
GROUP EQUITY	**31,132**	**30,932**
LONG TERM LIABILITIES		
Long term bank liabilities	675	1,125
Lease obligations	7,213	7,279
Other long term liabilities	714	1,054
Deferred tax liabilities	1,497	1,620
	10,099	**11,078**
SHORT TERM LIABILITIES		
Lease obligations	2,502	2,858
Short term bank liabilities	900	900
Provisions	98	58
Trade creditors and other liabilities	30,977	29,543
Taxes	165	209
	34,642	**33,568**
	75,873	**75,578**

Note to the balance sheet

Compared with year-end 2022, intangible assets declined by € 0.7 million to stand at € 27.9 million at the end of June 2023, due to regular depreciation. Property, plant and equipment increased by € 0.7 million to € 1.9 million at the end of June 2023, due to investments in hardware for the data centre and regular depreciation.

Compared with year-end 2022, trade and other receivables increased by approximately € 4.2 million to € 29.6 million at the end of June 2023, mainly due to higher revenue and higher prepaid expenses.

Shareholders' equity increased to € 31.1 million (year-end 2022: € 30.9 million). Solvency had improved to 41.0% at the end of June 2023 (year-end 2022: 39.4%).

Current and long-term lease liabilities stood at € 9.7 million (year-end 2022: € 10.1 million). Bank debt is entirely related to the financing of Purple Square and stands at € 1.6 million, € 0.9 million of which is short-term.

Compared with year-end 2022, trade and other payables increased by € 1.4 million to € 31.0 million at the end of June 2023, due to a higher position of pre-invoiced revenue. On the other hand, Ctac has a number of lower balance sheet positions related to earn-out payments, holiday pay and bonuses over 2022.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(amounts in € x 1,000)

	H1 2023	H1 2022
Revenue from contracts with clients	64,920	56,664
Other income	-	704
Expenses		
Purchase cost of hard- and software	5,880	4,725
Subcontractors	20,884	16,196
Personnel costs	26,670	24,634
Depreciation and amortisation	2,614	2,735
Other operating costs	6,611	6,127
Total expenses	**(62,659)**	**(54,417)**
Operating result (EBIT)	**2,261**	**2,951**
EBITDA	**4,875**	**5,686**
Financial expenses	(231)	(264)
Total financial expenses	**(231)**	**(264)**
Result before taxes	**2,030**	**2,687**
Taxes	(639)	(593)
Net result	**1,391**	**2,094**
Attributable to minority interest	135	146
Attributable to shareholders Ctac N.V.	1,256	1,948
Net result	**1,391**	**2,094**
Net result from continued operations attributable to shareholders Ctac N.V. per share (in €)	0.09	0.14
Net result from continued operations attributable to shareholders Ctac N.V. per share after dilution (in €)	0.09	0.14
Number of shares		
Number of ordinary shares outstanding (end-H1)	14,149,023	13,931,648
Weighted average number of ordinary shares outstanding	14,004,106	13,686,368
Weighted average of ordinary shares outstanding for the calculation of the diluted result per share	14,004,106	13,696,072

CONSOLIDATED OVERVIEW TOTAL RESULTS

(amounts in € x 1,000)

	H1 2023	H1 2022
Net result	1,391	2,094
Other total result (not settled through income statement)	-	-
Total result for the first half of the financial year	**1,391**	**2,094**
Net result attributable to minority interest third parties	135	146
Net result attributable to shareholders Ctac N.V.	1,256	1,948
Total result for the first half of the financial year	**1,391**	**2,094**

CONSOLIDATED CASH FLOW STATEMENT

(amounts in € x 1,000)

	H1 2023	H1 2022
Operating result	2,261	2,951
Depreciation	2,614	2,735
Profit from sale of intangible assets	-	(704)
Provisions	40	(185)
Valuation differences long term liabilities	-	(2)
Changes in working capital		
Inventories	(19)	(85)
Receivables	(3,736)	(4,819)
Short term debt	1,738	(3,064)
Cash flow from operations	**2,898**	**(3,173)**
Interest paid	(231)	(269)
Income tax paid	(772)	(403)
Cash flow from operating activities	**1,895**	**(-3,845)**
Acquisitions	-	(951)
Divestments/investments intangible fixed assets	-	1,388
Investments tangible fixed assets	(941)	(248)
Investments financial fixed assets	-	(738)
Cash flow from investment activities	**(941)**	**(549)**
Long term debt	(450)	(450)
Lease payments	(1,572)	(1,808)
Paid earn-out obligations	(641)	(1,786)
Dividend payments to shareholders Ctac N.V.	(818)	(309)
Dividend payments to minority shareholders	(375)	(742)
Cash flow from financing activities	**(3,856)**	**(5,095)**
Net cash flow	**(2,902)**	**(9,489)**
Cash and cash equivalents as per 1 January	7,439	10,404
Net balance of cash and cash equivalents as per 1 January	7,439	10,404
Cash and cash equivalents as per 30 June	4,537	915
Net balance of cash and cash equivalents as per 30 June	4,537	915
Mutation cash and cash equivalents	**(2,902)**	**(9,489)**

Note to the statement of cash flows

Net cash flow came in at a negative € 2.9 million in the first half of 2023. This was due to the following developments:

- Operational cash flow came in at a positive € 1.9 million (H1 2022: a negative € 3.8 million). The increase was due to an increase in current liabilities related to higher receipts from pre-invoiced revenue. In addition, regular working capital management (accounts receivable and accounts payable) did not include any exceptional items.

- Cash flow from investment activities was lower due to the payment of the Technology2Enjoy acquisition in the first half of 2022.

- Cash flow from financing activities included earn-out payments with respect to 10% of the remaining shareholding in Purple Square and 15% of the remaining shareholding in Digimij. Ctac also paid out a dividend for the 2022 financial year to Ctac N.V. shareholders and minority shareholders.

PROFIT (LOSS) PER SHARE

	H1 2023	H1 2022
Net result (in € x 1,000)	1,391	2,094
Net result from continued operations (in € x 1,000)	1,391	2,094
Net result from continued operations attributable to shareholders Ctac N.V. (in € x 1,000)	1,256	1,948
Number of shares		
Number of ordinary shares outstanding (start-of-year)	13,931,648	13,637,312
Number of ordinary shares outstanding (ultimo)	14,149,023	13,931,648
Weighted average of shares outstanding	14,004,106	13,686,368
Net result from continued operations attributable to shareholders Ctac N.V. per weighted average share outstanding (in €)	**0.09**	**0.14**
Potential dilution of ordinary shares	-	9,704
Number of potential shares outstanding for diluted profit per share	14,004,106	13,696,072
Net result attributable to shareholders Ctac N.V., per share after potential dilution (in €)	**0.09**	**0.14**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(amounts in € x 1,000)

H1 2023	**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 2023	**3,344**	**11,455**	**10,234**	**4,729**	**29,762**	**1,171**	**30,933**
Net result H1	-	-	-	1,256	1,256	135	**1,391**
Appropriation of the result in previous financial year	-	-	3,911	(3,911)	-	-	**-**
Dividend	52	(52)	-	(818)	(818)	-	**(818)**
Paid to third parties	-	-	(67)	-	(67)	(307)	**(374)**
Balance as per 30 June 2023	**3,396**	**11,403**	**14,078**	**1,256**	**30,133**	**999**	**31,132**

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)**
Paid to third parties	-	-	(742)	-	(742)	-	**(742)**
Balance as per 30 June 2022	**3,344**	**11,455**	**10,200**	**1,948**	**26,947**	**1,257**	**28,204**

Note to equity attributable to group shareholders
The equity attributable to group shareholders stood at € 30,133 thousand at 30 June 2023. The changes in the first half of 2023 were related to:

- The addition of the net profit for the previous financial year to other reserves.
- Dividend for 2022 paid in cash and shares. Number of shares issued was 217,375.
- The net profit attributable to group shareholders for the first half of 2023 recognised as undistributed profit.

Note to equity attributable to minority interests
Equity attributable to minority interests stood at € 999 thousand at 30 June 2023. The changes in the first half of 2023 were related to:

- Net profit attributable to minority interests for the first half of 2023.
- Dividend for 2022 paid in cash.

SEGMENT RESULTS

The segment information should match the internal information on the basis of which the Board of Directors, as chief operational decision maker, assesses the results, allocates resources and makes 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 B.V. and the other activities, including the holding company.

The results per segment can be specified as follows:

RESULTS PER SEGMENT

(amounts in € x 1,000)

H1 2023

	The Netherlands	Belgium	Other	Elimination	Consolidated
Revenue from client contracts	54,853	12,403	1,047	(3,383)	**64,920**
Other income	-	-	-	-	**-**
Operating result (EBIT)	2,528	1,166	(1,433)	-	**2,261**
Result before taxes	2,479	1,153	(1,602)	-	**2,030**

H1 2022

	The Netherlands	Belgium	Other	Elimination	Consolidated
Revenue from client contracts	46,570	11,292	934	(2,132)	**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**

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

General information on Ctac
Ctac N.V. is a public limited liability company, established and with offices in the Netherlands, with its head office and statutory seat at Meerendonkweg 11, 5216 TZ 's-Hertogenbosch. These consolidated interim financial statements include the company and all its subsidiaries (together referred to as 'Ctac').

The group's financial year is the same as the calendar year. The consolidated interim financial statements for the first six months ended 30 June 2023 were approved for publication by both the Board of Directors and the Supervisory Board on 25 July 2023.

Statement of compliance
The consolidated interim financial statements for the first six months ended 30 June 2023 were prepared in accordance with IAS 34 'interim financial reporting' and do not include all the information and disclosures required in the preparation of full year financial statements. The consolidated interim financial statements should be read in conjunction with the consolidated full year 2022 financial statements, which were prepared in accordance with IFRS, as adopted in the European Union.

Ctac's condensed consolidated interim financial statements have been prepared in Dutch and in English and 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, please see to the consolidated full year 2022 financial statements. The consolidated full year 2022 financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of same as adopted by the International Accounting Standards Board (IASB), as accepted for use within the European Union, and the statutory provisions of Title 9, Book 2 of the Dutch Civil Code.

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

These condensed consolidated interim financial statements are presented in euros. Amounts are stated in thousands of euros unless otherwise indicated.

Standards, amendments and interpretations
Insofar as applicable, the group has applied all published IFRS standards, amendments and interpretations effective as of 1 January 2023. Ctac has not opted for the early application of any published but not yet effective standards, amendments or interpretations. Various amendments and interpretations are required with effect from 2023, but have no impact on these condensed interim financial statements.

Estimates
The preparation of the consolidated interim financial statements in accordance with IFRS regulations requires the Board of Directors to make judgements, estimates and assumptions that influence the application of policies and measurements for assets, liabilities, revenue 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 have served as the basis for the assessment of the value of recognised assets and liabilities. However, actual results and circumstances may differ from the estimates made.

For an overview of the key estimates and assumptions, please see the section key estimates and assumptions in the consolidated full year 2022 financial statements. In the first half of 2023, there were no significant changes to the estimates disclosed in the full year financial statements.

Impairment test
Ctac performs an impairment test once a year. The results realised in the first half of the year and the expectations regarding the development of the results for the second half of the year currently do not give cause to presume the presence of an impairment trigger.

Risk profile
Ctac described the most relevant risks and mitigating measures in its 2022 annual report. Ctac makes a distinction between strategic, financial, cyber and operational risks and control measures. Ctac has assessed the identified risks and determined that said identified risks are still applicable.

Revenue from contracts
For a specification of the revenue from contracts with customers recognised by Ctac, please see the table below.

NATURE OF THE CONTRACTS (SUPPLIES OR SERVICES)

(in € x mln)	**H1 2023**	**H1 2022**
Projects and secondment	38.4	33.0
Cloud services	25.4	22.6
Licence and hardware sales	1.1	1.1
Total revenue from client contracts	**64.9**	**56.7**

TIMING OF REVENUE ACCOUNTABILITY

(in € x mln)	**H1 2023**	**H1 2022**
Goods transferred 'at a point in time'	1.1	1.1
Services provided 'over time'	63.8	55.6
Total revenue from client contracts	**64.9**	**56.7**

Financing facility
Ctac's liquidity management is centralised. For this purpose, in the Netherlands Ctac makes use of the centrally managed committed credit facility agreed with ABN AMRO Bank, totalling € 6.3 million. The credit facility has a term of three years (to April 2024).

The covenant included in the credit facility is a senior net debt/EBITDA ratio. The ratio may not exceed 2.0. 'Senior net debt' refers to all interest-bearing bank borrowings, less any cash on demand. The EBITDA is earnings before depreciation of tangible and intangible assets, interest and other financing income and expenses, results from participating interests and taxes. Ctac is in compliance with the required ratio.

In Belgium, Ctac uses the € 0.9 million credit facility with ING Bank. As security, Ctac has pledged receivables, business equipment, IP rights and shares. The bank can reduce or cancel this facility at any time.

Ctac pays a variable basic interest rate the short-term interest-bearing bank borrowings, i.e. the credit facility. The interest consists of one-month average Euribor, plus a Euribor market margin and a fixed margin. This fixed margin is set at 3.00% in the credit agreement. The bank has the option to change this margin quarterly. There has been no such change.

Related parties
Ctac N.V.'s related parties include the group companies, the members of the Supervisory Board and the members of the Board of Directors, the minority shareholders and major shareholders. The most important 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. The seasonal influences are mainly related to the lower number of working days in the first half of the year compared with the second half of the year. As a result, Ctac's project and secondment revenue is generally higher in the second half of the year than in the first half.

Off-balance sheet liabilities
The nature and extent of the off-balance sheet liabilities as at 30 June 2023 have not materially changed from that stated in the consolidated financial statements for the 2022 financial year.

Post-balance sheet events
There have been no events with a material impact on the consolidated interim financial statements after 30 June 2023.

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

- The consolidated interim financial statements provide a true and fair view of Ctac N.V.'s assets, liabilities and financial position as at 30 June 2023 and its result for the first six months of 2023, plus those of the companies included jointly in the consolidation, and
- The interim report of the Board of Directors in the 2023 interim financial statements provides a true and fair view of the information required pursuant to Sections 5:25d (8) and, insofar as applicable, 5:25d (9) of the Financial Supervision Act.

’s-Hertogenbosch, 28 July 2023

Paul de Koning, CFO