In case of inconsistency, the Dutch annual report is leading.

ANNUAL REPORT 2021

Foreword

Ctac can look back on an extraordinary year, one in which we posted both the highest level of revenue and the highest headcount in our history. This was achieved in spite of staff across the whole of Ctac having to work from home and our offices in the Netherlands and Belgium being largely empty for months on end. Looking back over the year, and casting our eyes to the future, we feel an overwhelming sense of optimism and pride – optimism about the future and the course that Ctac is following, and pride in the fact that we are creating an environment in which our people are able to do the right things for our clients.

Before you is our annual report for 2021. Reflecting on the past year, I can safely say that Ctac has had one of the best years in its history. First of all, we achieved revenue in excess of a hundred million euros. A high return was also realised on the Ctac share. In addition, Ctac posted a record headcount, with approximately 473 people employed at the end of 2021. In spite of the overstrained labour market, we managed to increase our workforce, both organically and by means of acquisitions.

At the same time, it was also a rather strange year. The coronavirus pandemic kept us further apart than ever. Most of our new colleagues have barely seen our Dutch and Belgian offices from the inside. All staff worked mainly from home and client visits were kept to a minimum, which also fits in with our ambitions in the area of sustainability. Maintaining a personal connection with clients, colleagues, partners and suppliers was extremely difficult.

I am therefore tremendously proud of my team. While I am delighted, of course, with the excellent result that we ultimately achieved, I am particularly proud of the incredible resilience and flexibility demonstrated by everyone at Ctac.

Robust strategy

How did Ctac manage to perform so well in 2021? Closer inspection reveals that a number of developments were crucial. One factor that should not be underestimated is our growth strategy. This long-term strategy is extremely robust. Last year we achieved the first phase and in the second phase we will be focusing explicitly on organic growth.

As part of our vision in the areas of growth and development we are constantly on the lookout for companies that are a good fit with our organisation and enhance our offering. In January 2021 we therefore completed the acquisition of Oliver. Nine months later we acquired a majority share in Digisolve-Mijn ICT. These are two excellent acquisitions that deliver real added value for Ctac. Thanks to the contribution of these two acquisitions, we are on course to achieve revenue of 150 million euros on completion of the final phase of our growth strategy in 2023.
In addition, we have examined our portfolio of products and services and given it greater focus. We have also taken steps to reorganise the company and in 2021 started working in expertise groups. Within these expertise groups our people can challenge each other better about work content and also provide our clients with better advice.

Through the services we offer we can give our clients full, comprehensive support. This can be summed up in three words: Think, Build, Run. The Think phase involves analysing the challenge and identifying the most appropriate solution. During the Build phase we develop and implement this solution. Run revolves around issues such as hosting, maintenance and optimisation.

People are the engine

Besides our strong growth strategy and refined portfolio, our people are the main reason for our success. We are not the kind of business that has machines, shelves and stocks, so we have to rely on our people. At Ctac we do all we can to help people perform to their very best. That was also the case in 2021, in spite of the coronavirus pandemic and in spite of the distance to colleagues and clients. Our core ambition here is connectedness. After all, this is a prerequisite if Ctac as a whole is to function as a well-oiled machine – one that strives every day to do better than the day before.
This connectedness stems from the many different ways in which we motivate and retain our people. Take our CtacAcademy, masterclasses and intensive communication, for example, but also the coffee meetings we use to catch up with one another. Being connected is also about pride: pride in our company and pride in the fantastic things we do for our clients. The extent to which people feel connected is directly linked to employee satisfaction, the pleasure our

people derive from their work and the way they develop. This in turn is linked to the quality of the work that we deliver. To put it in simple terms: greater connectedness leads to enthusiastic colleagues, better work and satisfied clients. This clear vision forms the bedrock of Ctac's success.

Dialogue

Alongside the relationship with our clients and employees, we also attach great importance to our relationship with stakeholders. In 2021 we took steps to deepen this relationship in a number of different ways.

The success of a relationship depends on good, ongoing dialogue. In the summer of 2021 we therefore organised a Capital Markets Day for the first time. On 11 June 2021 we presented our strategy aimed at delivering successful growth and acceleration for Ctac through to the end of 2025. This event was not only a good time to unveil our ideas for the coming years, but was also the perfect opportunity to listen to our investors and people who are considering investing in Ctac.

One of the points to emerge from this dialogue is the value that our stakeholders attach to a party that continues to challenge itself, does not take success for granted and is keen to keep pushing itself to ensure it remains distinctive and relevant. That is a message that we have very much taken on board.

A dialogue should not be based purely on gut feeling, but should also be underpinned by facts. We are therefore pleased that two analyst firms regularly put the Ctac share under the microscope. ABN AMRO – ODDO BHF has been carrying out research on Ctac since 2020. In 2021 Degroof Petercam Equity Research also started researching the Ctac share. Degroof Petercam carries out sponsored research.

Summary

All in all 2021 was an exciting and extraordinary year in various respects. All the ingredients are in place to help us carry the success we have enjoyed in 2021 forward into the new year. By continuing to put our clients and employees at the centre of everything we do, I expect us to be able to steadily build on Ctac's success. I have every confidence that this annual report will lead you to a similar conclusion. Putting Ctac even more firmly on the map: that is the challenge we will be tackling together, in 2022 and beyond.

Pieter-Paul Saasen
Chief Executive Officer (CEO)

Content

Notes to the reader

Disclaimer
This document is only a 'website version' and is not the official annual financial reporting, including the audited financial statements thereto pursuant to article 361 of Book 2 of the Dutch Civil Code. The official annual financial reporting, including the audited financial statements and the auditor's report thereto, are included in the single report package which can be found via a https://www.ctac.nl/wp-content/uploads/2022/03/Jaarverslag-2021-Ctac-N.V.-ESEF.zip.

In case of any discrepancies between the website version and the annual financial reporting package, the aforementioned financial reporting package prevails.

Note that the auditor's opinion included in the website version does not relate to the website version but only to the official annual financial reporting. No rights can be derived from using the website version, including the unofficial copy of the auditor's report. Our auditors did not determine (nor do they need to) that the website version is identical to the official version.

Ctac in figures

Key figures

	2021	2020
Results (in € x 1 million)		
Revenue from contracts with clients*	106.4	87.3
Operating result*	6.5	4.7
Operating result + depreciation and amortisation (EBITDA)*	12.0	10.2
Result before taxes*	6.0	4.3
Net result attributable to the shareholders of Ctac N.V.	4.5	3.0
Operational cash flow	9.5	15.1
Employees and professional external staff hired (in FTE)		
Employees as at 31 December*	445	382
Employees averaged over the year*	430	382
Professional external staff hired, averaged over the year	161	119
Revenue per employee, incl. external staff hired (per FTE x € 1,000)	180	174
Revenue per direct employee, incl. external staff hired (per FTE x € 1,000)	217	215
A selection of balance sheet figures (in € x 1 million)		
Shareholders' equity (net value)	27.2	22.5
Cash and cash equivalents	10.4	10.6
Bank liability	2.9	3.8
Total assets	74.0	64.5
Ratios		
Operating result / revenue from contracts with clients	6.1%	5.3%
Operating result + depreciation and amortisation (EBITDA) / revenue from contracts	11.3%	11.7%
Net result / revenue from contracts with clients	4.2%	3.5%
Net result / average shareholders' equity	17.9%	14.5%
Shareholders' equity / total assets	36.7%	34.9%
Data per share of € 0.24 nominal value		
Number of weighted average shares outstanding	13,603,100	13,243,302
Net result (attributable to the shareholders of Ctac N.V.)	0.33	0.23
Operational cash flow	0.70	1.14
Shareholders' equity (net value)	2.00	1.70
(Proposed) dividend	0.11	0.08

* For 2020 excluding the discontinued operations in France.

Profile

As an experienced Business & Cloud Integrator, Ctac enables you to respond effectively and intuitively to any changes in your market. By unburdening you when it comes to using the right knowledge and technology, we increase your agility, competitiveness and results. In other words, as a business enabler Ctac helps you make sure your organisation is ready for the future!

We have been doing this since 1992 on the basis of sound technological knowledge combined with an in-depth knowledge of sectors and business processes. Ctac operates from the Netherlands and Belgium. In 2022 we will be turning 30! This is an anniversary that we intend to celebrate extensively, together with our clients, partners and employees.

We describe our objective as "Offering appropriate, innovative and future-proof products and services at the interface of business and technology in order to enable our clients to realise their ambitions". This objective has been incorporated into our mission statement, *Enabling your ambition by getting you towards a futureproof business*, as well as in our tagline: *Enabling Your Ambition.*

Enabling Your Ambition

The starting point here is to deliver suitable and reliable IT solutions that result in improvements and profitability for our clients. Those solutions support organisations as they strive for sustainability, continuity and profitability, but also in their efforts aimed at growth, flexibility, strength, lower costs, more efficient operations, and better products, services and/or larger market share. In short: a greater competitive advantage in more areas.

Business enabler

Organisations need solutions that they can benefit from quickly, with the shortest possible implementation times and at controllable costs. They form the basis for the agility that every organisation needs to have nowadays. Ctac provides an effective answer for this with its products and services portfolio: unique and powerful industry solutions that achieve an optimal coordination between employees, technology and business processes. These can be easily linked to a broad, modular solution (e.g. an end-to-end solution, such as our Fit4 platform that provides support to the real estate sector). Ctac also provides the XV platform for all types of sales, loyalty, and transaction processing functionality as well as solutions for such aspects as security, integration, data and analytics.

A number of our propositions are realised in cooperation with our business partners. Here, Ctac works to a policy based on entering into strategic partnerships with professional parties whose product and service portfolios represent a meaningful addition to Ctac's broad portfolio. Besides SAP, Microsoft and AWS, we work together with leading players such as Boomi, Winshuttle and inRiver.

Markets

The Ctac organisation focusses on strategic markets in which it excels in terms of business knowledge for clients and their essential business processes. The solutions we contribute are specific to the relevant segment and are supported on a project or interim basis. Drawing from a broad pool of knowledge, experience and their networks, Ctac's specialists speak the client's language. Time and time again, they are the first to signal market changes and to transform them into innovative IT solutions. Ctac operates in the markets identified below. In addition, Ctac serves its clients across the market and with a cross-industry philosophy in the areas of cloud services, security and modern workplace.

• *Retail*

In retail, companies prefer not to have to think too much about the basics - IT should happen automatically. A streamlined and flexible system tailored to the sector offers the best conditions for growth. We use solutions that are geared to retail processes, developed after years of experience in this sector. Solutions that provide companies with insight, analyses and efficiency for their 'clicks', as well as their 'bricks'.

As ever, the retail market is rapidly evolving, particularly at this time during the challenging period of the pandemic. Ctac's clients are embracing the digital transformation. Physical shops are becoming increasingly integrated with online shops, and ever more intensively, and customer experience is trending. As a business enabler, Ctac can help here too and is continuously expanding its portfolio to include complementary solutions.

• Wholesale

Increasingly, wholesale processes are coming to resemble the processes we know in retail. Making the client central, providing an omnichannel experience and adopting a direct-2-customer approach are established practices in the wholesale sector. Wholesalers sending boxes that only contain one product has now become quite common. And those packages have to arrive at end users as soon as possible. Wholesalers have to deliver more orders and orders have to be delivered faster. These requirements determine how wholesale companies organise their operations. They are increasingly having to act as chain directors. Finding, binding and surprising customers is key. That sounds simple. But it has a major impact on all aspects of the organisation, from logistics and customer engagement to service, finance and aftersales.

• Manufacturing

The smartest factory is built on a solid foundation - one that Ctac helps companies to create. This foundation gives them maximum insight into schedules, purchase orders, actual costing, delivery reliability and stocks. We also help manufacturers handle any changes in customer expectations and the relevant interaction better. We have everything required for them to monitor their margins, respond successfully to changing customer demands, create optimal returns, and become more resilient through increased agility.

• Real estate

Tailored to the commercial real estate market, we offer a future-proof real estate solution. Ctac makes end-to-end business applications available 100% in the cloud. This enables our clients to start using the business applications they actually need. This allows them to start small and then to scale up the number of users and the functionality if and as necessary. The platform supports all administration, project organisation, maintenance, supply chain management, and client contact processes. We thus cover both the tactical and operational processes of real estate organisations.

• Professional services

Our portfolio includes more services than only those that relate to retail, wholesale, manufacturing and real estate. Ctac offers a range of specialisms, for example, which enable it to serve its clients across the market. Within the professional services market, we work for business service providers in the accountancy, finance, legal and temporary employment sectors.

"CTAC TAKES CARE OF EVERYTHING THROUGH THE THOUGHTFUL BUILDING AND SUSTAINABLE MAINTAINANCE OF THE SOLUTION."

Think, Build, Run (& Optimise)

Scale is crucial to facilitating our clients' ambitions. We are therefore also able to conceive, build and optimise almost any IT solution required. By employing this combination of *Think, Build & Run*, we offer our clients peace of mind by taking care of everything, from inspiration to design, from design to implementation and from implementation to ongoing optimisation.

Strategic priority areas

In addition to its broad portfolio of products and services, Ctac places an additional focus on the following six priority areas:

1. SAP S/4HANA
2. Data services
3. Integration
4. Modern workplace
5. Cyber security
6. XV platform

Innovation Partner

In order to be able to make ambitions come true, changing business processes, systems and people is a requirement. Since this change is often driven by technological innovation, it is high on our clients' agendas. This is especially true for sustainable solutions with added value, because organisations invest in technology with a view to long-term profitability. Ctac proactively seeks out new possibilities for making the IT environments of organisations future-proof and keeping them future-proof. We draw on trends such as machine learning, augmented reality and Internet of Things to deliver added value for our clients. In doing this, we anticipate the latest questions from customers: how do you deal with data and its security? How can you use apps to work more efficiently? What advantages are there to working in the cloud? How do you decide which cloud(s) you are going to use? What is the added value of SAP S/4HANA and how and when is the best moment to get on board? These are relevant questions, but they can have far-reaching consequences if they are not answered correctly. Through different sessions, we, together with our business consultants and enterprise architects, help to find and if relevant implement appropriate solutions for this. We also supervise and embed the change within the client's organisation.

Over the past years, our professionals have built up an extensive and in-depth expertise in business processes within various markets. That knowledge forms the basis for our wide range of innovative solutions for virtually all core processes within companies. These solutions have been developed in close cooperation with market parties and are therefore optimally tailored to the ambitions of the client. Due to this process of co-innovation, companies can bring their information processing to the desired level more quickly and immediately operate more efficiently.

Ctac also actively contributes to innovation programmes at our technology partners and our clients. Furthermore, Ctac is active in the innovative ecosystem in the 's-Hertogenbosch (Den Bosch Innovation District) and Eindhoven (Brainport High Tech Software Cluster) region.

Portfolio

In addition to industry-specific propositions, we provide a broad range of generic solutions. We have built up an excellent position in integration, such as the integration of the different private/public clouds, in a short time. This helps us safeguard flexibility for our clients so that data and information in and about all systems is available to them quickly, and in the secure and easily adjustable manner required by the business. Ctac completes its broad product range with a series of high-quality services that enable clients to make the most of their IT investments. These range from business consultancy, programme and change management and software development to cloud services and secondment.

Ctac guarantees an optimal service level, regardless of whether this concerns the implementation of business software or the management of systems.

This increasingly means that we act as a director for our clients in such situations, a role that we are pleased to assume. If desired, working together with critically selected third parties, to successfully implement and maintain the total solution together.

Selecting the right licence model for an organisation can be a challenge. After it has been procured, both the client and the licence model are subject to changes. Ctac has specialist knowledge of software asset management (SAM), and Microsoft and SAP. We thus sustainably support our clients to help them find the right model for their organisation, keeping the cost of licences and maintenance as low as possible.

In line with our strategy of being a business enabler, the Ctac product and services portfolio has been further tailored to the latest demands of the market. The retail, wholesale and manufacturing markets in particular are showing a transition from process- and product-driven to customer-driven business, where predictive analysis can be of particular help to support business processes.

The following themes from Ctac's portfolio are among our specialisms:

• Consultancy

Markets are increasingly competitive and dynamic, as a result of which processes change regularly. Business software cannot afford to lag behind in this process of adaptation. Whether such adaptation involves changes to SAP or Microsoft software, or entirely new applications - Ctac makes it all possible. Ctac supplies business applications that can be immediately implemented with seamless integration into any environment whatsoever, thus making the desired progress as painless as possible.

• Cloud

The ability to adapt to a changing market and portfolio with agility is the most important argument in favour of the cloud for many companies. Ctac anticipates this need with a total package of state-of-the-art cloud services that are available 24/7. No investments in infrastructure or licences, always the latest software updates, and guaranteed availability. This enables customers to focus on their core business again in the secure knowledge that their applications are in safe hands.

• Data services

For us, data and analytics are more than simply making raw data accessible and then analysing and understanding this data. It is all about translating it into useful information that can result in action and produce an operational, tactical or strategic result by applying knowledge. Knowledge that is then preferably offered to the functionary in question directly, instead of them having to ask for these reports. Effective, of a high quality and therefore efficient. Ctac therefore ensures that your investments in data and analytics also lead to a real competitive advantage: the rationalised management of processes and better risk control. The use of SAP Analytics Cloud is a good example of this.

Following on from the staggering growth of data, there is an urgent call from the market to increase the return from data. The objective is to transform data into information, since decisions are not taken on the basis of data but on the basis of information. A combination of poor quality data and a lack of proper and strategic information management can make itself felt to companies through operational inefficiency, bad decisions, and the inability to exchange data within the ecosystem. Ctac supports organisations in the broad domain of data management with a focus on data governance, data consistency, data management tooling, and data lifecycle management.
Ctac has a strategic partnership with Winshuttle for both data management and workflow.

When it comes to Product Information Management and Digital Asset Management, Ctac supplies the products of its (strategic) partner inRiver and its partner Bynder.

• Modern workplace

People determine the success of an organisation. Optimised collaboration among employees, partners and clients is essential to consolidate and enhance this success. For example, the creation of virtual offices in which various people, teams and companies can work together on the same objects - independent of time, location or device. Information becomes easier to find, is offered to the user in a better way, and insights are shared more effectively. This increases productivity and the organisation's strength.

Business operations are increasingly shifting to online and the cloud. Ctac's modern workplace ensures users of the maximum availability of their office/workstation. Via our online workplace services, we create secure access to the digital business environment from any device, anywhere in the world. The benefits: the ability to work at any time and everywhere with the latest software at predictable costs.

• Continuous improvement

The demand from organisations for having their IT landscape worries taken out of their hands is increasing. Ctac caters to this need by offering application management for SAP, Microsoft and office automation. These services provide a suitable answer to issues regarding continuity, performance, capacity and optimisation. In this way, we establish the foundation for professional service provision, supplemented by a service desk and a 24/7 self-service portal.

• Change management and adoption

Every functional and technical IT implementation and optimisation strengthens an organisation. Ctac is also an excellent partner for the change component. Together with our colleagues at Purple Square, we not only provide subject-matter expertise, but we also make sure that the stakeholders in your organisation will respond well to the change. The change component should not be underestimated, since, in the end, the actual result is achieved by your colleagues in the workplace.

After an intensive implementation process, organisations want their SAP/Microsoft systems and office automation implemented and/or integrated by Ctac to provide optimal performance, and they also want this to be sustained in the future. As SAP's Platinum partner and as Microsoft Gold Partner, Ctac has the right tools and know-how in house to provide a suitable answer to all emerging issues concerning required new functionality, continuity, performance, capacity and optimisations. More than 450 consultants and experts stand ready to make ambitions a reality every time. It is precisely our integrated approach to technical and functional management that ensures a smooth and cost-effective approach. Besides traditional management according to the ITIL Framework, Ctac also supports 'mode-2' organisations, with Ctac ensuring integral, continuous improvement in conjunction with the customer.

• XV Platform

Since 2007 Ctac has been supplying a product of its own: XV Retail Suite, which enables us to add significant value in the shopping processes of our retail and wholesale clients. This product is fully integrated with SAP. Both the primary payment processes and the secondary processes that ensure a closed flow of money and goods on the shop floor can be supported by XV Retail. In these times where there is increasing pressure on physical shops, Ctac is innovating and investing in its solution, and thus transforming it from being just an in-store channel to a set of services that provide price & promotions calculations, shopping basket functionality, new forms of ordering and paying, and loyalty, on any channel.

Here, we support several clients, some of whom have a presence in many European countries. The package includes various country-specific requirements (e.g. currency) and statutory requirements (e.g. tax) for this purpose. A few years ago, the suite was completely rebuilt and upgraded to the latest technology to be even more scalable and to handle large capacity. This new XV5 version has already proven its quality, capacity, performance and reliability in the market.

The future of the XV platform is moving further towards a (micro)services-driven platform which can support organisations throughout the market in transaction processing and loyalty, regardless of the (user) interface. XV thus forms the generic gateway in unified commerce environments.

The Ctac share

Financial schedule 2022

25 February 2022	publication of the 2021 financial figures
23 March 2022	publication of the 2021 annual report
29 April 2022	publication of the quarterly report for the first quarter of 2022
4 May 2022	General Meeting of Shareholders
29 July 2022	publication of the half-year figures for 2022
26 October 2022	publication of the quarterly report for the third quarter of 2022

Dutch Financial Supervision Act

The register of the Dutch Authority for the Financial Markets (AFM) in connection with the disclosure of major holdings of shareholders in securities-issuing institutions as at 31 December 2021 contained the following investors with participating interests higher than 3% (source: AFM).

Date of disclosure	Disclosing Party	Interest
1 March 2016	Alpha Holding B.V., Elpico B.V., Invenet B.V.	4.99%
1 September 2017	D. Lindenbergh	10.00%
30 March 2021	P.C. van Leeuwen	5.16%
11 May 2021	Value8 N.V.	27.76%
13 July 2021	J.P. Visser	14.99%
16 July 2021	MI Chelverton European Select Fund	3.26%

Key figures per ordinary share
In € (unless mentioned otherwise)

	2021	2020
Weighted average of shares outstanding	13,603,100	13,243,302
Highest closing price	4.88	2.94
Lowest closing price	2.86	1.23
Closing price at year-end	4.25	2.86
Net result	0.33	0.23
Operating result	0.48	0.35
Operating result + depreciation and amortisation (EBITDA)	0.89	0.77
Net cash flow	0.70	1.14
Shareholders' equity	2.00	1.70
(Proposed) dividend	0.11	0.08
Dividend yield based on closing price	2.6%	2.8%

Issued share capital

The authorised share capital amounts to € 9,600,000 and is divided into 40,000,000 shares of € 0.24 as follows: 19,999,999 ordinary shares, 20,000,000 preference shares and 1 priority share. The issued share capital consists of 13,637,312 ordinary shares and 1 priority share.

Development of share capital

The number of outstanding ordinary shares on 31 December 2021 was 13,637,312.

Dividend policy

In principle, Ctac's dividend policy aims to pay out 30 to 40% of the net profit, with the shareholders being offered an optional dividend. Shareholders who do not indicate their preference will automatically be awarded a dividend in the form of shares. Ctac may depart from this policy in connection with the financing of future growth.

Board of directors

Mr P.P.J.G. Saasen (1975),
Dutch nationality.

Director under the articles of association
Chief Executive Officer since 15 November 2021
(Chief Financial Officer until 15 November 2021)

Vacancy

Director under the articles of association
Chief Financial Officer (CFO)

Supervisory board

Mr H.J.G. Hendriks (1950),
Dutch nationality.

Chair of the supervisory board.

Chair of the supervisory board of Pala Groep and board member of Stichting PSV Voetbal.

Appointed to the supervisory board of Ctac in May 2021. The current term is for four years until the date of the 2025 Annual General Meeting of Shareholders.

Mr L.A.M. Vernaus (1965), Dutch nationality.

Appointed to the supervisory board of Ctac in May 2021. The current term is for four years until the date of the 2025 Annual General Meeting of Shareholders.

Ms E. Karsten (1954),
Dutch nationality.

Appointed to the supervisory board of Ctac in May 2014. The current term is for four years until the date of the 2022 Annual General Meeting of Shareholders.

Report of the board of directors

Introduction

Overview of key figures.

Results
(in € x 1,000)

	2021	2020*	2019*	2018	2017
Revenue from contracts with clients	106,424	87,307	81,232	82,998	81,597
Operating result	6,462	4,661	2,389	2,412	3,669
Net result attributable to the shareholders of Ctac N.V.	4,455	3,032	1,262	1,715	2,800
Employees					
Average number of employees (FTE)	430	382	377	418	425
Ratios					
Operating result/revenue from contracts with clients	6.1%	5.3%	2.7%	2.9%	4.5%
Net result/revenue from contracts with clients	4.2%	3.5%	1.6%	2.1%	3.4%

* As was the case for 2019, the figures for 2020 do not include Ctac France due to discontinued operations.

Ctac strategy

Enabling Your Ambition

Ctac helps organisations in the retail, wholesale, manufacturing, real estate and professional services sectors to realise their ambitions. We do this by transforming the advantages of information technology into 'business value'. This may result in lower costs, but the main benefits are higher margins, more efficient processes, happy customers and proud employees.

We believe that digitisation enables organisations to perform better and consequently remain relevant for their customers. That said, the active application of technology alone is not enough. We trust in our approach in which collaboration, trust, knowledge and technology are the pivotal factors for achieving the ambitions of a future-proof organisation.

Our strategy is aimed at unburdening our clients and inspiring our employees. We unburden our clients by combining business knowledge with technological knowledge on the basis of these priority areas:

- *SAP S/4HANA*

As SAP's previous generation of ERP solutions are nearing their 'end of life', the need for S/4HANA, SAP's new standard, is growing. We enable organisations to focus on those matters in which they can make a difference in their markets. We provide a standard, sound foundation through implementation while making sure that daily operations can continue as usual.

- *Data services*

Ctac helps organisations to work in a data-driven manner. We do this by helping our customers collect, enrich, provide access to, collate and analyse data and immediately apply their findings to their processes. We thus transform 'data' into valuable management information.

- *Integration*

Organisations use several cloud and other systems and applications to support their business processes. They are also active in an ever expanding ecosystem of business partners. Together with Ctac family member Oliver, Ctac can seamlessly integrate all these solutions and partners and ensure optimum communication between them, thus streamlining processes and minimising the risk of errors. This also offers the necessary agility in the collaboration with customers, suppliers and other parties.

- *Cyber security*

Digital security has become an essential aspect for all organisations in no time. Ctac has the knowledge, expertise, hardware and software to prevent fraud, hacks, data leaks, espionage and ransomware attacks. By advising our clients on how they can keep their data and systems safe and secure, we help them safeguard the continuity of their operations or to be back online as soon as possible in the event of an emergency.

- *XV platform*

The XV platform is our Unified commerce platform which organisations, including retailers and wholesalers, use to organise all their online and offline transactions and payment processes and to ensure a smooth purchase experience.

- *Modern workplace*

The ideal workplace offers optimum support to employees in carrying out their tasks. regardless of whether they are at home, en route, or in the office. Everything should be okay, from hardware and software to streamlined access to systems. Ctac provides safe and modern workplaces which comply with every single one of these requirements.

We also offer some additional proprietary products and platforms, including:

Fit4RealEstate
Fit4RealEstate is our all-in-one platform to support the tactical and operational processes of commercial real estate organisations, from institutional investors to property managers. Our SAP S/4HANA-based platform accommodates processes related to customer contact, management & maintenance, contract management, document management and finance & reporting.

Focus on value creation

Ctac lifts business operations to a higher level by offering innovative solutions which seamlessly integrate with our customer's industry, organisation and challenges. As a modern IT partner, we are aware of what is happening in our customer's market, what this means for their organisation and how we can optimally support their employees. This is how we create value. It is not a matter of *hit and run*. Since supporting customers to help them achieve their ambitions and creating value is a continuous process, we expressly invest in long-term relationships with our customers, with the people who work for our customers, and with our own employees.
Customers appreciate this (or: our) continuous striving for permanent value creation. They see Ctac as their trusted IT partner and will therefore less readily look for alternatives in the market. Our customers' employees feel explicitly empowered by the added value that Ctac offers. This mutual trust is a sound base for deepening and broadening our relationship and it increases customer satisfaction.

Our own people enjoy being able to make a valuable contribution to our customers' success whilst working with a pleasant employer and promoting their own professional growth.

This combination of customer satisfaction and employee satisfaction is a powerful driver which strengthens Ctac's name in the market and further reinforces our position as a successful IT party and attractive employer.

Think, Build, Run

Helping customers achieve their ambitions is a continuous process which is driven both by our customers' goals, and by external factors. Examples are changes in legislation and regulations, political movements, market developments, technological innovations or even the consequences of pandemics. This means that we must be able to switch quickly and apply a broad perspective, both as regards IT and our business.

In the past few years, Ctac has developed into a leading Business & Cloud Integrator. In 2021, the company focussed on setting up and strengthening integrated, market- and/or knowledge-oriented business units which are optimally resourced to provide clients with high-quality, specialist solutions and to optimally unburden them according to the three-stage Think, Build, Run principle.

- *Think* – Together with the customer, we devise the most elegant, most effective and most appropriate solution to a problem.
- *Build* – We build the solution, integrate it seamlessly into the IT landscape and make sure that everyone can work with it.
- *Run* – We make sure that the solution is hosted securely - on-premise, in the cloud or hybridly. We also make sure that the solution continuously adapts to customer demand and technological developments.

Market developments
The sector in which Ctac operates is constantly changing. At present, a consolidation process is taking place in which smaller parties start working together or become part of large national or international companies. On balance, there will be fewer players left in the market. However, those individual players will offer a much broader range of activities than is now the case, or they will exclusively specialise in a certain market niche.

At the same time, worldwide dominance of leading tech giants such as Amazon, Google and Microsoft is increasing. They dominate the landscape and dictate the speed and direction of automation development. Ctac adapts to this to enable us to make smart use of the opportunities this offers.

We also see how technological developments are maturing at a high pace. Examples are predictive analytics, robotics, artificial intelligence (AI) and the Internet of Things (IoT). These technologies open the door to new value chains, eco systems and business models. We have seen that companies need parties which help them fully utilise the potential offered by these digitisation possibilities. That is why we expect that the Dutch and Belgian markets will show a greater need for business consultancy support.

The adoption of cloud and the emergence of 'as-a-service' have increased pressure on traditional business models, have changed the role played by system integrators and have changed the nature of IT projects. Standard software is increasingly becoming the norm. This software is easier to configure and implement.

We expect a decrease in licence revenues since more and more customers pay directly to their cloud providers. We also expect that we will be doing fewer large-scale new SAP implementations since this market has become practically saturated and that we will actually be doing many more relatively smaller sub-projects, possibly at our own expense and risk, or through an outsourcing model. What's more, these projects will not necessarily land in our own private cloud hosting environment, but on the cloud servers of the tech giants referred to above, or even on-premise.

Strategic objectives
Considering all developments, it is clear to us that Ctac cannot afford to not take action. We have to continue to focus strongly on the interests of our customers and our employees. We remain relevant by realising our customers' and our employees' ambitions.

In addition, Ctac's strategy will expressly remain focused on growth. We will not only achieve this through organic growth, but through the right strategic acquisitions as well. Our recent acquisitions of Oliver (2021), Digisolve-Mijn ICT (2021) and Purple Square (2020) are good examples of this.

Ctac draws a distinction between the following strategic objectives:

- To further evolve from being an ERP service provider into a distinctive Business Consultancy service provider. We provide our business consultancy services to further our clients' sustainable growth, both socially and commercially. We do this by designing our clients' processes such that they create value and reduce costs by improving efficiency.
- To further strengthen Ctac's distinctiveness and become less dependent on other parties by broadening our portfolio. Broadening our hardware, software, hosting and services portfolio in a smart way will enable us to become less dependent on specific suppliers and to have our services match market requirements better.
- To unburden national and international medium-sized and large companies by offering appropriate and reliable IT solutions at attractive rates. IT has acquired a strategic role now that technology has become highly integrated into our society. Ctac helps its clients to use IT as a strategic asset.
- To help clients make maximum use of the potential offered by digitisation. We design and manage complex projects and programmes in conjunction with our clients to help them convert their investments into business value. Our clients' employees also accept this business value because Ctac supports them in bringing the change in line with their values.
- To be an innovative business enabler. A prerequisite for the successful application of innovations is to combine the focus on technology with a particular focus on the business/users by giving each equal importance. We do so by bringing innovation to life in co-creation workshops.
- To develop further as a Business & Cloud Integrator. We are doing this in several ways: by using our own IP solutions, such as our XV Point-of-Sale and loyalty platforms, the iPaaS integration platform and our Fit4 solution for the real estate sector.

Strengthening organisation culture
In addition to these strategic objectives, we attach great importance to establishing a strong organisational culture. An organisational culture that matches our vision, mission and strategy, and that makes clients, employees and suppliers our ambassadors.

Our organisational culture is based on the five core values of Together, Ambitious, Results-oriented, Enterprising and Aware.

Employees must feel safe and appreciated, and they must be able to identify with our vision, mission and strategy. This will enable us to create a culture where people can reach their full potential. Where people take pleasure in and are passionate about achieving great things and creating tangible added value, not only for clients, but for all stakeholders – customers, employees, suppliers, partners and shareholders.

Markets where Ctac is active

The pandemic, with the varying restrictive measures and relaxations which have been imposed, new variants which have emerged, and the different policies in different countries, has impacted on almost all sectors. Share prices have been influenced by this across a broad front, the fledgling economic recovery has been accompanied by increasing inflation, and scarcity – both of human resources and of raw materials – has prevented increased demand for goods and services from being fulfilled. The pandemic has brought about some changes in behaviour which are likely to become permanent changes. Working from home has become an established practice, office space will become available for housing, and consumers have increased their online shopping activities. We are recognising all these developments with our clients in the market segments which are important to Ctac.

Ctac approaches the markets in which it operates – retail, wholesale, manufacturing, real estate and professional services – in a way that is consistent with the propositions and the portfolio. We refine or update our strategy at regular intervals, with specialist knowledge of different markets acting as a binding factor. In close collaboration with its business partners, Ctac has taken concrete steps to achieve strategic collaborations with public cloud providers in a multi-vendor landscape. Ctac never ceases to develop its competences and portfolio, in line with the changing role of the integrator in a hybrid cloud world.
Ctac targets existing and newly defined markets and areas where it wishes to and can play an active role, and where its portfolio model based on business consultancy, cloud and management services and SAP, InRiver, Dell Boomi, Winshuttle and Microsoft software products can be applied.

Similar disciplines are grouped together in our company structure. Ctac has defined three such units: Business Services (Sales and Business Development), Delivery Services (IP, Projects and Management) and Professional Workforce (People and Development).

Business Services
This discipline contains the sales and business development activities. The emphasis here is not only on acquiring new assignments, but also on developing new Value Propositions and further developing existing ones. This makes this business unit a driving force behind the scope of our services and product portfolio and its being up to date.

Delivery Services - IP and Projects
This unit contains all SAP and Microsoft related activities for specific markets and across markets. It forms the basis for Ctac's operations in the following specific market sectors: retail, wholesale, manufacturing and real estate. As a generic sector, the Professional Services segment completes the five sectors in which Ctac is active.

Ctac's strategic own products (IP), the XV platform for the retail and wholesale sectors as well as the Fit4 platform focussing on real estate organisations, are also part of this unit. Both the development of the product, as well as maintaining and adjusting it, is carried out in close consultation with the clients. XV now holds a leading position in a highly competitive market both in the Netherlands and in Belgium. Our XV product operates internationally, is used in seven different countries and complies with statutory and tax rules that apply in those countries.

Delivery Services - Management
Delivery Services and Management are among the services provided by Ctac's Cloud Services department. Cloud Services offers hosting services through Ctac's private cloud environment as well as public cloud services (Microsoft Azure, Amazon Web Services) which Ctac configures and continuously optimises for our customers. In addition, Cloud Services offers cloud transformation and migration services, i.e. programmes where we help our customers migrate from on-premise and/or private cloud environments to public cloud environments (multi-cloud and/or hybrid cloud). The focus of the management services provided by Cloud Services is mainly on SAP FAM (functional application management) and TAM (technical application management) and on workplace management of

Microsoft 365 and legacy Office environments. The services provided by Cloud Services are not restricted to specific market sectors, except for some elements of the FAM services. Through its Cloud Services, Ctac takes over the management of its clients' systems and applications. Cloud Services supports the whole life cycle of systems and applications, so that clients can focus fully on their core business. Cloud Services increasingly focuses on cloud integration and security (including cyber security), enabling us to unburden our customers by safely integrating the multi or hybrid clouds from which they purchase services.

The rising threat from cyber crime combined with increasing dependency on information management systems means that Ctac continuously tightens up and professionalises its security measures. This is an ongoing process to enable us to continue to guarantee the integrity, availability and confidentiality of customers' information. The current Ctac Cyber Security portfolio consists of several services which are provided as part of the standard propositions. These propositions have been set up as part of both Modern Workplace management (Microsoft) and Cloud Services (Windows OS & PaaS management). The Ctac cyber security portfolio consists of Monitoring & Control, Advice & Consultancy, Vulnerability Management, and Basic IT Security services. These expertises are increasingly being applied as separate services with our customers as well.

The combination of Ctac's focus on our customers' business combined with in-depth knowledge of SAP and other business applications makes customers willing to hand over the operation of their IT landscape to Ctac (after implementation).

In addition to the commercial operation of our customers' integrated business backbone (business software, integration and underlying infrastructures), 2021 saw a significant growth in our workplace management service provision (including Microsoft Office, Teams, SharePoint and device management where the acquisition of Digisolve-Mijn ICT which was completed in October 2021 played an important role). This not only involves one-off implementation and onboarding services, but it has also increasingly led to long-term management contracts and licence agreements, and to further consumption of Ctac's data services provision and supplementary (Azure) cloud services.

Time and again, this combination of services makes Ctac the primary contact for the customer for all its IT operations, whereby it assumes control of the entire range of service providers for that customer.

Professional Workforce

Our main asset is not listed on our balance sheet, since this is our people. They should be able to continuously develop and feel challenged to go the extra mile. This keeps our people focused, keeps the work fun and is the driving force behind successful innovation, implementations, satisfied customers and satisfied employees. When we refer to our 'professional workforce', we mean all Ctac employees who are or can be directly and indirectly involved in the service provision to our customers. Broadly speaking, these employees deliver our delivery services, consisting of 'Think services' (advisory services), 'Build services' (consultancy and implementation services) and 'Run services' (our cloud services and managed services). Strategic personnel planning – partly based on our market approach and our broad portfolio of propositions – helps us to decide on the required composition of the workforce for the near future and establish an appropriate recruitment and training strategy. In so doing, we create a balanced workforce to respond to our customers' short-term and long-term delivery demand.

We increase our employees' personal growth and commitment through our internal and external training opportunities, certifications, masterclasses, expertise groups and several other internal initiatives which focus on sharing knowledge with each other, celebrating successes and having fun.

Data Centre Facilities

Ctac has moved its data centre activities for operating SAP and Microsoft services to Equinix, Digital Realty and Interxion. These data centres were selected carefully to enable us to market our private cloud propositions extremely stably and securely. Due to their unique position and redundant direct connection to the Amsterdam Internet exchange (AMS-IX), one of the world's largest data communication hubs, there are almost unlimited opportunities for fast, secure service provision anywhere in the world. Ctac unburdens customers by helping them to structure, maintain and renew high-quality IT infrastructure and to develop and implement sector-specific iPaaS (integration-Platform-as-a-Service), PaaS (Platform-as-a-Service, IaaS (Infrastructure-as-a-Service) and SaaS (Software-as-a-Service) solutions. Capacity management of these data centre facilities and infrastructures is arranged in such a way that it can flexibly scale up or down in line with needs and market trends, such as public cloud adoption, hybrid cloud operation and multi-cloud integration.

Ctac Resourcing

Ctac's secondment operations are positioned under Ctac Resourcing. Ctac has successfully focused on the secondment of SAP consultants for many years through Resourcing. Since mid-2019, consultants have been seconded to broader IT areas. That led to a broader service provision in 2021 as well, particularly at larger clients, and a considerable increase in revenue. Resourcing's aim is to further expand this broader service provision to existing and new clients in the coming years.

It is not only IT end users who have acknowledged the quality of the services provided by Ctac Resourcing. In 2021, partnerships were also started with two major international consultancy providers and this has resulted in some assignments which are currently ongoing.

Resourcing also continues to develop where it concerns new business with end customers. In 2021, assignments were won with some new clients, aiming to work together more in the next few years.

In the past, Resourcing activities were operationally integrated with Cloud Services and Consulting activities. This had a positive effect on the development of and collaboration between the various business units, and on flexibility and continuity. In addition to the secondment of consultants to clients, Resourcing is also responsible for hiring external consultants for Ctac Resourcing, Ctac Consulting and Ctac Cloud Services. When hiring consultants, Resourcing makes use of a large, high-quality network of freelancers and a number of partners who employ consultants.
Ctac Resourcing also employs its own consultants who work according to a freelance+ model, formerly known as 'midlance'. In this model, consultants' income is largely determined by the revenue they generate each month. This form of employment is a cross between employment on a fixed salary and working on a freelance basis.
All these options put Ctac in an excellent position to cater not only to today's labour market but also future labour markets.

Key developments

Selection of new partnerships/projects/contracts

New partnerships

Presentation Partner: Presentation Partner has been a staple in the world of innovative audiovisual solutions for over thirty years. Microsoft Teams has become an indispensable element of our contemporary world where people communicate and work together and its use has grown enormously with the number of people working from home skyrocketing during the Covid pandemic. Presentation Partner has a partnership with Ctac for fitting out meeting rooms with Microsoft Teams-certified equipment. This easy to use equipment enables people to conference and work together professionally, with the highest audiovisual quality. We use this both for our own purposes and in our relationships with clients.

AskRoger!: Ctac has set up a partnership with AskRoger! in the digital world of working together and communicating in which the modern workplace and traditional telephony environments come together in Microsoft Teams. Ctac and AskRoger! are jointly creating an impactful customer experience, both for our clients' customers and for our clients' employees. This ranges from using Microsoft Teams for telephony to full customer contact centres and support for primary business processes.

Official Partner of PSV: Our partnership with PSV took explicit shape in 2021. We will be an Official Partner of the Eindhoven football club until 2024. This means that the Ctac logo will feature prominently on PSV's training shirts in the next few years. We in turn will support PSV where it concerns IT. We have seen that our partnership with PSV has enabled us to significantly strengthen our employer brand in a more targeted manner. The intensive collaboration with PSV has helped us to become noted by young and talented people who aspire to a job in IT. We look forward to helping PSV develop further with our passion for technology and our keen eye for business processes.

New projects and contracts

We entered into an agreement with **Royal de Boer Stalinrichtingen BV** in Leeuwarden (the Netherlands) in June 2021. Royal de Boer produces barn equipment. Royal de Boer commissioned Ctac to supply new SAP licences, host a dedicated SAP environment and pro-actively manage the SAP system. The implementation has already taken place.

Aspen Oss, part of the South African Aspen Pharmacare group, produces active ingredients for pharmaceutical companies all over the world. Master data plays an important role in the supply chain; lead times in pharmaceutical production tend to be quite long (the process from raw material to finished product can take six to eighteen months). Information must always be traceable, also in order to comply with laws and regulations concerning the pharmaceutical industry. Aspen Oss has followed Ctac's advice and has decided to use the Winshuttle workflow solution for its data flows. The licence contract has been taken out via Ctac and our consultants are helping Aspen Oss to further roll out this project.

This partnership between Ctac and Oliver is bearing fruit. The **Meubelfabriek de Toekomst** furniture factory has decided to have a new website and customer/dealer portal built, making it easier for De Toekomst employees to enter orders through this order portal. This means that the portal will be integrated with SAP (and that the necessary modifications will be made to SAP). Ctac is optimising the SAP configuration, Oliver is providing the IT solution which communicates with clients, dealers and users.

Ctac has been involved in the SAP S/4HANA implementation programme at **Technische Unie** for several years. The key projects which are part of the programme were completed in late 2021. The go-live of the projects was successful, with a particular focus on integrations in Technische Unie's hybrid landscape. We worked together well and after some planned weekends which were devoted to scaling up, the go-lives of the entire volume of sales offices, customers and orders were implemented in a controlled manner.

HLB Witlox Van den Boomen combines the knowledge and expertise of its more than six hundred employees to provide entrepreneurs with high-level advice on accountancy, tax, legal, corporate-finance and HR issues, making maximum use of the possibilities offered by IT and data. HLB Witlox Van den Boomen opted for Ctac as their trusted CSP (Cloud Solution Provider) partner to offer support and advice on all Microsoft licences and services.

The Dutch **Raad voor Rechtsbijstand** (Legal Aid Board) is an independent governing body, responsible for organising and supervising subsidised legal aid in the Netherlands and on the BES islands: Bonaire, St Eustatius and Saba. This board also implements certain parts of the Dutch Debt Rescheduling (Natural Persons) Act *(Wet schuldsanering natuurlijke personen - Wsnp)* and the Dutch Sworn Interpreters and Translators Act *(Wet beëdigde tolken en vertalers - Wbtv).* In collaboration with AskRoger!, Ctac is going to help and advise the Legal Aid Board to enable it to achieve this objective. As part of this, a new telephony and contact centre environment will be developed and built within a new modern workplace and Microsoft Teams.

After a thorough preliminary study, Ctac migrated **Bridgestone Mobility Solutions B.V.**'s (formerly Webfleet Solutions) SAP ECC environments to S/4HANA. Bridgestone is the market leader in Europe for vehicle tracking and fleet management software. Bridgestone's new environment went live in November 2021, exactly as planned. This has laid a new basis on which to take further action for the innovations and optimisations planned.

Boretti, an Italian lifestyle brand, was looking for a scalable and flexible PIM solution to support its growth. This solution should match the company's omnichannel and e-commerce requirements, the main one of which was: having a central location where to enrich and from which to distribute product information. Ctac implemented inRiver PIM starting from an MVP (Minimal Viable Product) solution which will be linked to the new e-commerce platform later.

Sumitomo Chemical Europe is a subsidiary of Sumitomo Chemical Company (Japan) and acts as the coordinator between the Sumitomo Chemical sites in Europe and the headquarters in Tokyo. When Sumitomo Chemical Europe wanted to get a better understanding of its data and increase the speed of its decision-making process, the company decided to renew their BI environment. They chose BW/4HANA, SAP's latest data warehouse solution. This solution enables the company to use its data more quickly and more intuitively.

WAAK is a unique Belgian company which has been creating sustainable and appropriate employment for people distanced from the labour market since 1965. Ctac is helping WAAK replace its custom-made ERP system by implementing the private cloud edition of SAP S/4HANA Cloud.

Clarebout is a Belgian family business which has become one of the most important players in the world in the field of frozen potato products for private labels. Ctac, together with Winshuttle, is helping Clarebout capture and structure the flow of information. Clarebout has opted to use Winshuttle Evolve for its workflow and thus streamline its processes.

Assurance statements / certifications

ISAE3402 type II report
EY issued an ISAE3402 type II report for the calendar year 2021. This report considers the design, existence and operation of Ctac's control framework. The scope of this control framework focuses on the different Ctac cloud services.

ISO27001:2013 Information security
Ctac has held an ISO27001 certificate for many years. Ctac successfully passed a re-certification audit by KIWA in September 2021 and can continue using this certificate.

ISO9001:2015 quality
Ctac is not only ISO27001 certified, but it also holds an ISO9001 certificate. An audit completed in September 2021 confirmed that this certificate can also be continued.

SNA quality mark/NEN4400-1
Ctac holds the SNA Quality Mark for its Resourcing services. This quality mark is issued to companies that comply with the NEN4400-1 standard. The annual audit by Bureau Cicero confirmed that Ctac can rightfully maintain this quality mark.

BOVIB quality mark
Ctac Resourcing B.V. was awarded the BOVIB quality mark in 2019. This quality mark, which was initiated by the sector itself, is an assurance of independence and quality.

CTAC'S MISSION IS TO FACILITATE ITS CLIENTS' AMBITIONS BY TRANSFORMING INFORMATION TECHNOLOGY INTO ACTUAL BUSINESS VALUE

Financial trends

Revenue

Revenue came in at € 106.4 million in 2021, an increase of 21.9%, with 14.3% of this through organic growth. Not only did the acquisitions contribute to the increase in revenue, but there was also an organic increase in revenue across the board.

Secondment and projects saw revenue increase by 38.0% because of the organic growth of the secondment activities and the contribution by integration and software specialist Oliver which was acquired in January 2021. Revenue in Cloud services mainly increased because more customers decided to migrate from a private to a public cloud environment. Revenue from licence and hardware sales increased by 6.7%, partly as a consequence of the acquisition of Digisolve-Mijn ICT in October 2021.

Revenue broken down into individual services
€ mln

	2021	2020	Delta
Secondment and projects	61.0	44.2	+38.0%
Cloud services	42.2	40.1	+5.2%
Licence and hardware sales	3.2	3.0	+6.7%
Total	106.4	87.3	+21.9%

Employees

The average number of FTEs increased by 12.6% to 430, particularly due to the acquisitions of Oliver and Digisolve-Mijn ICT. The average number of direct FTEs increased by 14.6%. The acquisitions also led to an increase in the number of indirect FTEs. The number of direct professional external staff hired also increased. This increase is related to growth in Secondment and projects. The revenue per employee (on the basis of the average number of direct FTEs including professional external staff hired) increased by more than 3.8% to € 217,000 in 2021 (2020: € 215,000).

Employees
FTE (unless otherwise stated)

	2021	2020	Delta
Year-end			
Direct	340	294	+15.6%
Indirect	104	90	+15.6%
Total	444	384	+15.6%
Average			
Direct	329	287	+14.6%
Indirect	101	95	+6.3%
Total	430	382	+12.6%
Professional external staff hired (direct)	161	119	+35.3%

EBITDA and EBIT

EBITDA increased by 17.6% to € 12.0 million. The EBITDA margin decreased slightly to 11.3% compared to 11.7% in 2020. The decrease was mainly due to investments in the Ctac Masterclass and in Ctac Security.

EBIT increased by 38.2% to € 6.5 million. The EBIT margin went up to 6.1%. This means that the previously announced target of 6% for 2021 was achieved. EBIT included a one-off expense of approximately € 1.0 million (2020: € 1.8 million). In 2021, these one-off expenses consisted of consultancy fees for acquisitions and redundancy costs for the former CEO. Excluding one-off expenses, EBIT increased by 15.2% to € 7.5 million (2020: € 6.5 million).

EBITDA and EBIT
€ mln (unless otherwise stated)

	2021	2020	Delta
EBITDA	12.0	10.2	+17.6%
Margin	*11.3%*	*11.7%*	*-0.4%*
Depreciation and amortisation	5.6	5.6	+0.0%
EBIT	6.5	4.7	+38.3%
Margin	*6.1%*	*5.4%*	*+0.7%*

Net profit and and result per share

The tax burden increased to 22.2% (2020: 9.2%). In 2020, there was a liquidation loss for which no deferred taxes had been recognised yet.

Net result increased to € 4.5 million in 2021. This corresponds to earnings per weighted average outstanding ordinary share of € 0.33 (2020: € 0.23), a 43.5% increase.

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

Net profit and result per share
€ mln (unless otherwise stated)

	2021	2020	Delta
Financial expenses (net)	-0.5	-0.4	+25.0%
Taxes	-1.3	0.3	+533.3%
Net result attributable to the shareholders of Ctac N.V.	4.5	3.0	+50.0%
Earnings per share (in €)	0.33	0.23	+43.5%

Balance sheet

The intangible fixed assets increased by € 5.3 million as a consequence of the acquisitions and due to deferred hours in connection with the further development of the XV5 omnichannel platform.

Trade receivables and other receivables increased by approximately € 4.6 million to € 21.4 million.

The short-term and long-term lease liabilities stood at € 10.9 million at year-end 2021 (year-end 2020: € 10.7 million).

Ctac's bank borrowings are fully related to the financing of the Purple Square acquisition and stood at € 2.9 million at year-end 2021, with € 0.9 million of these short-term borrowings. The total earn-out obligations to the minority shareholders at year-end 2021 were € 2.8 million, € 1.3 million of which were short-term obligations.

Trade creditors and other liabilities stood at € 28.9 million at year-end 2021 (year-end 2020: € 23.4 million). This increase was partly due to the consolidation of Oliver and Digisolve-Mijn ICT.

On balance, shareholders' equity had grown by 17.0% to € 27.1 million by year-end 2021 (2020: € 22.5 million). As a consequence of the acquisition of Oliver, a minority interest of 39%, i.e. € 0.9 million, and the result for 2021 attributable to the minority shareholders of Oliver, i.e. € 0.2 million, was recognised under shareholders' equity as a minority interest. The net result for 2021 (€ 4.5 million), the dividend for 2020 which was partly paid out in shares (€ -0.7 million) and the dividend to minority shareholders (€ -0.2 million) were recognised in shareholders' equity by year-end 2021.

The deferred tax liability increased as a consequence of the intangible fixed assets associated with the acquisitions of Oliver B.V. and Digisolve-Mijn ICT B.V.

Cash flow and investments
Our financial strength continued to increase in 2021. Although operational cash flow decreased, both the net cash position and borrowing capacity improved. The decrease in operating cash flow is explained by a corporation tax cash-out for 2020 and 2021. Due to Covid-19, hardly any corporation tax was paid in 2020.

In addition to this, there was nothing out of the ordinary as regards regular working capital management (receivables and payables). Revenue from major customers increased in the fourth quarter, leading to a higher than average increase in our accounts receivable balance by year-end 2021. However, this does not apply to the percentage of maturities.

In 2021, the acquisitions of Oliver and Digisolve-Mijn ICT were paid in cash, part of the dividend was paid in cash (in 2020: full stock dividend) and the bonuses were paid in full again (in 2020: 60% of the bonuses).

The existing credit facility was not used and stood at € 7.2 million as at year-end 2021, putting headroom at € 17.6 million. The facility was committed in 2021 for a period of three years, and in connection with the acquisition of Oliver it was expanded by € 0.3 million. Receivables, fixtures and fittings, and IP rights have been pledged as collateral. An amount of € 0.9 million was repaid on loans during 2021. Ctac's liquidity position is good and gives the company a solid basis for continued growth.

Cash flow and investments
€ mln (unless otherwise stated)

	2021	2020	Delta
Operational cash flow	9.5	15.1	-37.1%
Net cash (at year-end)	7.5	6.7	+11.9%
Headroom (at year-end)	17.6	17.5	+0.6%

Dividend proposal
The proposal submitted to the general meeting of shareholders is to pay out an optional dividend of € 0.11 per ordinary share for the 2021 financial year (2020: € 0.08 per share). This corresponds to a pay-out ratio of around 34% of the net profit, in line with the dividend policy. Shareholders who do not express a preference during the option period will be paid their dividend in the form of shares.

Legal structure
In 2021, Ctac acquired a 51% interest in Oliver B.V. and an 80% interest in Digisolve-Mijn ICT B.V.

Events after the balance sheet date
There were no events after the balance sheet date.

Personnel developments

Focus on employees
Ctac's tag line is 'Enabling Your Ambition'. This directly concerns our employees: the only way for Ctac to realise its ambitions is through highly qualified and motivated employees. Employees are Ctac's main asset. Their talent is critical to our strategy: realising our customers' ambitions. By implication, we also enable our employees to achieve their personal ambitions at Ctac. Ctac's human resources policy therefore aims to create a working climate in which there is room for personal growth, development and initiatives. This responsibility is shared by employees, managers and Ctac alike. Work-life balance continues to be an important part of our human resources policy. This was particularly true in 2021 when the boundary between our employees' private lives and their work was more diffuse.

Some short 'pulse' surveys into how people perceived their work, the effects of coronavirus and vitality were held in 2021. They have given an good view of employees' perceptions and experiences. An employee satisfaction survey was conducted in the Netherlands and Belgium in November 2020, with the help of Effectory. The findings were shared and discussed intensively with the employees in the first half of 2021. Areas for improvement and an action programme were identified for the individual teams and followed up on.

Ctac is active in a competitive labour market. IT has become a key aspect of virtually all organisations. Our sales market is very dynamic and places great demands on our employees' skills. Therefore, investing in our employees remains essential. Ctac consequently embraces the necessity of structured training as a tool, not only to maintain knowledge and skills, but also to respond to employees' personal training and development needs. The guiding principles for this development are formulated each year by the employee in consultation with their manager. These personal goals are based on the employee's ambitions and support Ctac's ambitions. The implementation of the CtacAdemy with effect from April 2021 has led to an incremental and structural reinforcement of the 'body of knowledge and skills'.

Senior level structure
In 2021, there was a change in the board of directors. Mr H.L.J. Hilgerdenaar retired as the CEO and was succeeded by Mr P.P.J.G. Saasen who had been involved with Ctac as a director under the articles of association in the position of CFO since 2019. It is expected that a structural solution to fill the CFO position and replace the interim CFO will be found in 2022.

Strategic Personnel Planning
Ctac is actively implementing Strategic Personnel Planning (SPP) and Future Workforce Planning (FWP). The strategic context is changing and the workforce will have to change along with this. As part of this approach, increasing attention is paid to translating technology developments into the talent Ctac needs. Arrangements will be put in place for succession planning, talent management and recruitment through SPP and FWP. SPP and FWP were implemented and translated into action plans in Belgium and the Netherlands in 2021.

CtacAdemy
Learning and development are key aspects of the human resources policy. These activities have been bundled in the CtacAdemy to increase their impact and improve the learning climate in the company. In-house pathways are offered where the Ctac method is implemented by and for our own employees, complementing a soft skills development programme organised with external partners. By offering an easily accessible platform which gives all employees plenty to choose from, Ctac has also increased the commitment and sustainable employability of its talents.

Talent management
Competition in the labour market is fierce. Attracting and developing employees is therefore of great importance and talent management features very high on the HR agenda. 'Enabling Your Ambition' also applies to employees' talents. The Talent & Career programme was developed for a group of employees capable of forging ahead in their careers and ambitious to do so. This programme was also started in 2021, with a group of colleagues from the Netherlands and Belgium. This customised programme allows us to respond to development needs. And this also benefits our longer-term succession planning. Ctac thus optimally leverages its talent to ensure the continuity of the organisation.

Diversity and inclusiveness
Diversity is what people see and perceive, inclusiveness is what they feel. On average, 22% of employees at Ctac were female in 2021. However, diversity is not only about gender ratios, it is especially about respect for the differences between employees and/or their sociocultural backgrounds and attitudes to life. Ctac attaches particular value to diversity within the organisation, where the key focus is not on a single employee's knowledge or capability, but on the collective knowledge and capabilities of all employees. Ctac is open to everyone as shown by the opportunities employees are given to grow. This is also reflected in the company's recruiting efforts by hiring talent from various different population groups and non-Dutch speakers.

The company has demonstrated that it actively advocates diversity through the dialogue on this subject between management and employees. Ctac employees share the feeling that everyone is entitled to a safe working climate, where working together based on respect is the norm. Ctac communicates its diversity policy to the labour market by means of a diversity clause in its vacancy texts.

Connection between people is a precondition for success. Ctac started offering a method (Insights Discovery) this year to make employees become aware of their behavioural preferences and thus get to understand others better. This enhances individual and personal growth and it strengthens collaboration within teams and with our partners.

Vitality

Vitality is a prime focus. A multidisciplinary team developed a varied programme, based on this principle, which programme was started in 2021. Ctac takes an active approach to vitality by frequently offering mentally and physically focused workshops. Vitality is also part of our absenteeism policy: Ctac has taken various measures to pursue an active absenteeism policy in order to prevent absenteeism, and particularly long-term absenteeism. In so doing, Ctac has managed to reduce absenteeism due to illness. In 2021, absenteeism due to illness decreased to 3.1% (2020: 3.8%). There is an active focus on absenteeism management to prevent absenteeism and promote the employability of employees. This has led to a stable level of absenteeism.

Fit employees are a key to sustainable success. Better health awareness among employees leads to a more vital workforce. Employees who actively practice sports are more productive and fitter, and their average absenteeism figures are lower. As an employer, Ctac wants to encourage its employees to adopt a healthy lifestyle including sufficient exercise. That is why we offer our employees a company fitness scheme.

Continuation of Preventative Medical Examinations

Preventive Medical Examinations (PMO) have been found to be of great value in increasing the health awareness of employees who participated. Findings at organisational level have been translated into a vitality policy. In 2021, one hundred employees were involved in a PMO in collaboration with the Jeroen Bosch Hospital.

Recruitment and Employer Branding

A new 'working with' website was launched in 2021 and Ctac's labour market efforts were intensified. Ctac's online recognisability was strengthened by sharing consistent content about Ctac, our proposition and our projects with the relevant target groups. The online candidate journey is assessed for each target group and optimised where necessary.

In 2021, a campaign under the name of 'Jouw Talent' (Your Talent) led to an influx of new talent. Our own employees were enlisted for this: they talk about their jobs, experiences and challenges at Ctac, specifically targeting relevant groups on social media.

Ctac is in very close contact with universities, including universities of applied sciences, e.g. by taking part in speed meetings and by facilitating guest lectures and traineeships in order to introduce Ctac to the talents of the near future. There is a growing number of trainees.

Our employees are an important recruitment channel; they are our main ambassadors on the labour market. Any 'referrals' by colleagues are appreciated and eventually result in a relevant recruitment bonus. Putting this referral scheme in the spotlight has our continuous attention. Some 35% of the influx has come from the networks of existing employees.

Masterclass

Scarcity in the IT labour market is here to stay. Demand for IT professionals is growing faster than supply. Digital transformation in organisations is increasingly becoming an essential business requirement, increasing demand for IT professionals. In 2021, Ctac explicitly focused on recruiting junior IT professionals and this led to a masterclass being started. After an intensive training programme, the first professionals started working on customer projects. This initiative is expected to be repeated in 2022.

Employee participation in decision making

Five consultation meetings with the works council took place in 2021. This will not only benefit formal employee participation, but also the informal dialogue between the board of directors and the works council. All aspects of the company's operations are discussed on a regular basis. A member of the supervisory board attended one of these meetings in 2021. Recurring agenda items in these meetings are market and result trends, organisational changes, and the human resources policy. The works council again made a positive contribution in 2021 by providing their opinion and/or consent in various matters. Examples include:

- Ctac acquisitions;
- appointment of new supervisory directors;
- changing the appraisal system;
- terms of employment
  (cost allowances, bonus scheme).

Covid-19

The effects of the global Covid-19 pandemic, which broke out in 2020, on our employees and on how we work together continued to be felt in 2021. Since mid-March 2020, our staff have been working primarily from home and occasionally in the office. The flexibility required of employees is substantial as is their ability to adapt. Our team has admirably managed to adapt to this reality. A consequence of the Covid-19 situation has been an increase in the use of digital solutions to enable people to interact. This has also opened up possibilities for new connections and acquaintances. Service to customers and internal collegiality remained at a high level. The requirements set on working together, leading and communicating have changed. We have noticed that employee vitality and personal well-being have taken a more prominent place. The need for this has resulted in a vitality programme being set up.

Sustainable business practices

Corporate Social Responsibility at Ctac

The long-term vision and continuity of Ctac are the most important themes regarding corporate social responsibility. In addition, there is clear awareness of sustainable business practices in the IT market. The scarcity of natural resources and the finiteness of fossil fuels have also affected the sector. For instance, the Dutch government endeavours to procure all of its products and services in a sustainable manner, including IT services. Ctac endorses the importance of sustainability in the provision of services both to its customers and to society in general.

Ctac maps its energy consumption and prepares a Carbon Footprint report every year. Our efforts to reduce our energy consumption where possible and lower our CO_2, emission are actively promoted by providing evidence for our energy consumption and drawing up a Carbon Footprint report. It is Ctac's goal to lower the outcome of its Carbon Footprint report every year.

Ctac actively considers the three Ps of corporate social responsibility (People, Planet, Profit). This comprehensive approach enables Ctac to achieve progress in terms of sustainability: socially and societally, as well as economically.

The P for People represents the ability of employees to realise their ambitions. Ctac aims to create a working climate in which there is room for growth, development, and new challenges. Ctac invests in its employees and offers them the opportunity to develop.

Optimising the Carbon Footprint was the starting point for Ctac's approach to the P for Planet. The Carbon Footprint reports produced in recent years show that the majority of the CO_2 emissions is caused by the fuel consumption of lease cars. One of the objectives that Ctac had set for itself was to reduce the fuel consumption of its lease cars. CO_2 emissions decreased in the past years. This objective will be maintained for the next few years, but the reduction will be less. In 2021, Ctac's CO_2 emissions were 1.5% less, compared to our fuel consumption in 2020, i.e.: 8.62 tonnes of CO_2 less. Ctac has noticed that employees are making more use of electric vehicles and expects a further decrease in CO_2 emissions in the near future. As was the case in 2020, CO_2 emissions in 2021 were less due to the Covid-19 situation where many people worked from home.

For the P for Profit, products and services are being used/developed whereby the focus is on sustainability. These products will generate savings for Ctac's customers in terms of energy, waste and CO_2 emissions. Ctac works with customers, suppliers and business partners to contribute to a healthier environment.

Sustainability

Most customers have developed a sustainability policy that generally devotes very little attention to the role of ICT, while ICT – in part based on the use of software – can play an important role in curbing energy consumption.

The ambition is to gradually achieve goals related to mobility (reduction in mileage, electric transportation), energy savings in company buildings (insulation, lighting, energy management or optimisation of existing installations), or the use of solar panels.

Ctac continues to reduce the CO_2 emissions of its car fleet. Ctac attaches great value to monitoring the CO_2 emissions resulting from its operations. This is why it has prepared a Carbon Footprint report for several years in a row. It makes it possible to analyse the differences between years and it provides a point of reference for taking measures designed to increase the organisation's level of sustainability.

Besides the company's goal to reduce the CO_2 emissions of its car fleet, sustainable waste processing was the focus for 2021. This included separate waste collection and reducing waste, e.g. by replacing disposable crockery by recyclable products.

Ctac's Carbon Footprint in 2021
The energy consumption data related to accommodation, the internal and external data centres, and employee mobility in 2021 were used to calculate the overall CO_2 emission for the Ctac organisation.

The categories incorporated in the international Greenhouse Gas Protocol (GHG Protocol) guidelines were used to establish the operational scope. This protocol makes a distinction between three sources of emission: scopes 1, 2 and 3. The CO_2-generating activities that Ctac has included in its calculations are defined for each scope.

Ctac's total emissions, for the Netherlands and Belgium added together, in the 2021 calendar year amounted to 901.88 tonnes of CO_2. This represents a decrease in emissions of almost 5% compared to the 2020 calendar year. The primary reason for the decrease was the fewer number of kilometres driven in connection with the Covid-19 pandemic. Since the number of leased cars has remained roughly the same, the target has been achieved. Lowering this CO_2 emission once again will also be an objective for 2022.

Scope 1
Scope 1 is concerned with the direct emission of greenhouse gases. The direct emission of CO_2 is caused by the use of fossil energy carriers (natural gas, petrol, etc.). To calculate the CO_2 emissions, the use of fossil fuels is identified and converted into CO_2 emissions using predetermined specific conversion factors.

For Ctac, only the fuel consumption of its lease cars was recorded, based on total consumption for business and private purposes. Taken together, this resulted in the emission of 558.52 tonnes of CO_2 in 2021 (2020: 573 tonnes). This decrease can be explained by the substantial drop in commuting in 2021 as a consequence of measures taken to combat Covid-19. The Scope 1 CO_2 emission accounts for the largest share of the total emissions. This is generally the case for companies involved in providing commercial services. Emissions produced by fuel consumption are the most important contributing factor.

Scope 2
Aside from the direct emission of greenhouse gases (Scope 1), the CO_2 footprint also includes indirect CO_2 emissions resulting from the consumption of electricity. While the conversion of electric power into 'usable' energy does not release any CO_2 emissions (in other words, there is no combustion inside an electric appliance), when electricity is produced in a power plant, emissions do occur. Ctac is therefore indirectly responsible for these CO_2 emissions through its purchase of electricity.

Ctac's total Scope 2 CO_2 emission in 2020 was 383 tonnes. This is lower than in 2020 since, for Ctac, this scope was 194.96 tonnes in 2021. This is a 49% decrease.

Scope 3
Finally, organisations release indirect CO_2 emissions which, although a consequence of their activities, are generated by sources not owned or managed by these organisations. For example, CO_2 emissions are generated by employees commuting, business travel using private cars, the processing of waste generated by the organisation, the production of the materials procured by the organisation, etc. The organisation has no direct influence on these emissions. These indirect emissions fall under Scope 3 emissions.

In the context of Scope 3, Ctac has identified a limited number of CO_2 emission sources. Ctac's total CO_2 emissions in this scope in the 2021 calendar year amounted nearly to 0 tonnes (in 2020: 0.07 tonnes) because only green electricity is used.

Outlook for 2022
Ctac is in a transitional phase where sustainable business practices are concerned. Our ambition is to give the sustainability policy a boost. A project team will develop a new policy in 2022 and the employees will be involved in this. The guiding principle for this new policy will be the Sustainability Development Goals, as formulated by the United Nations.

Ctac quality, information security and privacy

Ctac has had a clear information security policy, firmly rooted in our organisation, for several years. This policy is based on several pillars, standard parts of which include employee awareness, the configuration of various processes and internal and external audits of processes and methods. Ctac has been ISO27001 certified since 8 December 2008. Because information security is an integral part of Ctac's services and is instrumental in defining the quality of its services,

Ctac has held an ISO9001 certificate since 2009. The ISO certificates have never been ends in themselves; they help Ctac to make sure the company will not lose the focus on its services. Ctac seeks to achieve a continuous process of optimisation and improvement, including by applying the principle of 'security by design' which raises the quality of our processes, product delivery and our working methods.

In 2022, Ctac's situation as regards certificates was still excellent. KIWA Nederland B.V. conducted a follow-up audit of the ISO27001:2013 and ISO9001:2015 control measures in 2021, as a result of which Ctac can retain its ISO certificates. This is proof that Ctac has reliably mastered specific organisation elements, including ownership, process responsibility and management participation.

Privacy is and will remain a key element in Ctac's strategy. As an IT organisation, we not only owe it to ourselves but also to our customers. The privacy aspect and the implementation of the measures described in the GDPR will remain a permanent part of Ctac's activities.

In addition to the ISO certifications and the continuation of the GDPR, ISAE3402 type II reporting for 2021 has also been implemented, resulting in a report that carefully tests the functioning of the Plan Do Check Act cycle of the Ctac ISAE3402 framework. This audit was once more conducted by EY in 2021. Ctac also passed this audit and can produce a sound, unconditional ISAE3402 type II report again in 2022.

Besides our continuous effort to safeguard optimally functioning cross-domain management systems with the corresponding tests and certificates, there is of course also always room for possible additional requests from our clients.

Risk profile and risk management

Risk attitude
The board of directors has final responsibility for the risk management system. It endeavours to limit risks and to avoid taking any substantial risks without their being reduced to a level acceptable to Ctac. In order to identify, analyse and mitigate risks, Ctac has prepared a risk framework. This framework is used to measure the effectiveness of measures implemented in order to improve the Ctac-related business processes. The internal controls are constantly evaluated and further professionalised. Ctac has implemented a continuous process of internal controls and measurements to provide for optimum monitoring and timely identification and, if necessary, mitigation of risks that arise.

General
Ctac's long-term strategy is directed at the continuity of the company and long-term value creation for all stakeholders through growth and a positive profitability trend. Ctac aims to achieve this long-term value creation by systematically coordinating its technical and commercial activities as part of its strategy and adapting the nature and size of the organisation accordingly. Ctac plans to accelerate its long-term value creation by means of strategic majority interests. A structural risk management programme enables Ctac to continue to deliver the continuity of our services and our service provision to our customers. Our focus for our own IP products in 2021 was on the further development of functionalities and improvements. Ctac aims to continue to achieve revenues in the longer term through these products. Investing in employees and offering them opportunities to enable them to develop further contributes to long-term value creation.

Ctac's strategy is discussed extensively with the supervisory board every year. The risk management system with its control mechanisms and mitigating measures is also a regularly recurring item on the agenda of the supervisory board. In addition, the administrative organisation and the internal controls are evaluated in terms of design, existence and operation as part of the audit of the financial statements by the external auditor each year.

Risk management is an integral part of the planning and control cycle. Together with the directors of the various business units, the board of directors translates Ctac's strategic objectives into business plans and budgets for each business unit. The business plan contains concrete business objectives, financial objectives and some Key Performance Indicators (KPIs). The progress of these targets is measured and assessed throughout the year. The board of directors and the directors of the various business units compare the operational and financial results per business unit with the results of the previous year and the budgets drawn up for the current year. If necessary, further actions are defined and expectations adjusted. The main KPIs at Ctac have both an internal and an external focus. Internally, Ctac measures its staffing level, prices, number of direct and indirect FTEs and efficiency of the processes. The main external KPI is customer satisfaction which is measured from the various contacts with clients. Examples of this are calls that are completed with the applicant indicating how satisfied they are, customer reviews, and the reviews of individual consultants. Where necessary, appropriate measures are taken to enable us to continue to deliver the high standard.

Ctac uses uniform work processes, procedures and information systems as much as possible and has laid down responsibilities, authorities, segregations of functions, guidelines, procedures and processes in a clear and accessible manner.

Ctac worked on the further optimisation of risk management and internal control systems again in 2021. Ctac is aware that such systems cannot offer absolute certainty. A distinction can be made between the following important elements in Ctac's system of risk management and control:
- Strategic risks;
- Financial risks;
- Cyber risks;
- Operational risks.

The sections below outline the most relevant risks with which Ctac is confronted at present. Risks that have not been identified at present or that are not considered to be material are not included below.

Strategic risks
Ctac intends to continually develop effective IT solutions. The developments in the markets in which Ctac operates occur at a rapid pace. There is a risk that Ctac may not be sufficiently able to anticipate and respond to market developments in good time by developing and offering new products and services. To prevent this from happening, Ctac works with its permanent partners to stay up to date with the latest developments in the market and at the same time, collaborates as much as possible with customers to improve their processes so that these new technologies can be introduced. There remains a growing desire among customers to enter into a fully-fledged partnership. Organisations increasingly depend on optimally functioning IT systems to support their business processes. Consequently, customers need a one-stop-shop solution, offering in-depth knowledge of the vertical market in combination with a broad range of solutions, as offered by Ctac.

- The IT services market is a mature market. The emergence of niche players is putting pressure on prices and margins. Ctac tries to mitigate this risk by making clear strategic choices regarding its positioning in the market and by continuously investing in the development of its employees' competencies and skills.
- If Ctac acquires any companies, its ultimate objective is to maximise the synergies envisaged. If acquisitions are involved, the first step is to assess whether there is a sufficient 'strategic and cultural fit'. Ctac will then establish a realistic price and an adequate Post-Merger Integration path.
- In order to mitigate downside risks concerning its revenue, Ctac has set itself the objective of ultimately generating approximately 50% of its total annual revenue from long-term contracts and from the day-to-day services demanded by our existing customer base. Ctac serves some 600 customers in several different sectors. This broad exposure to relatively large customers is Ctac's way of minimising any downside risks for its turnover.
- In order to be able to anticipate a potential reduction in IT services and projects, Ctac attempts to limit the consequences of any reduction in such demand by making efficient and flexible use of its own employees and, where necessary, by hiring external staff.
- More and more companies are exploring the possibilities of the public cloud and the integration of applications which different cloud providers offer. It is difficult to estimate the speed at which this process will develop in the future. Ctac continuously adjusts its business propositions in order to optimally respond to this from a commercial point of view. Ctac tries to prevent any adverse effects on its revenue and results due to the migration of clients' systems from Ctac to public cloud providers by correctly defining contracts with both clients and suppliers and optimising the duration of contracts where possible. For example, every three months, Ctac monitors how to estimate the situation in the next three years in order to assess whether its practices need to be adjusted.
- To identify, analyse and mitigate risks as adequately as possible, Ctac has positioned its IT risk management separately within its organisation.

Financial risks
Ctac is subject to a number of financial risks, such as market risk (interest rate risk and currency risk), credit risk, liquidity risk and capital risk. In addition, goodwill has emerged from acquisitions. These acquisitions have been extensively integrated with the Ctac organisation. Annual audits for the presence of impairment triggers are carried out. A description of the financial risks and the management of these risks can be found in the notes to the consolidated financial statements. Ctac aims to identify potential risks in a timely manner and mitigates them where possible.

- Ctac is exposed to interest rate risks that are exclusively limited to the eurozone. To minimise these risks, the goal of the interest rate risk policy is to limit the interest rate risks related to the financing of the company. The interest rate risk pertains to the company's long-term financing as well as its short-term financing. Ctac continuously analyses the development of its cash and cash equivalents in relation to the available financing facilities and interest rate fluctuations. Ctac has not arranged any financial instruments to mitigate the interest rate risk. Ctac has no significant interest-earning assets. Revenues from the group are therefore almost entirely independent of changes in interest rates.
- All companies within Ctac are located in the eurozone. Most of the revenue is generated within the eurozone. Consequently, the euro is Ctac's reporting and functional currency. Ctac does not have any assets or liabilities outside the eurozone. The board of directors of Ctac considers the exchange rate risks to be very limited at year-end 2021.
- Credit risk is the risk of financial loss for Ctac if a customer or counterparty of a financial instrument fails to comply with the contractual obligation entered into. Credit risk management is centralised at Ctac. The credit risk arises from cash at bank and at hand and transactions with clients, including accounts receivable. Ctac only accepts professional parties in the Netherlands as banks and financial institutions. Ctac's financing facility for the Netherlands is with ABN AMRO Bank and for Belgium with ING Bank. They are professional market parties whose credit quality is qualified as good. The credit ratings of these parties are at least A.
The creditworthiness of clients is determined in advance on the basis of acceptance criteria. If available, external credit ratings are used for this purpose. If no external credit ratings are available, Ctac assesses the customer's creditworthiness on the basis of its financial position, past experiences, and other factors. Credit risks relating to customers are continually assessed. Ctac N.V.'s board of directors is of the opinion that the credit risk relating to customers is limited, given the individual sizes and independent positions of the various customers. We have been doing business with many of our clients for several years and in the past there have only been some rare cases where clients were unable to meet their obligations. Customers are continually individually assessed for compliance with agreements concerning payment conditions.
- Liquidity management is centralised at Ctac. In the Netherlands, use is made of a combined facility totalling € 6,300,000 million for this purpose as at 31 December 2021. In Belgium, use is made of the credit facility with ING Bank of € 900,000 million as at 31 December 2021. Receivables, fixtures and fittings, IP rights and shares have been pledged as collateral. The banks may lower or cancel this facility at any time.
The aim of liquidity management is to make the best possible use of the available cash and cash equivalents and credit facilities at Ctac. To this end, liquidity forecasts are drawn up periodically for both the short term and the medium term. These forecasts are adjusted at regular intervals based on realisation and any adjusted projections.
- Capital management is centralised at Ctac and is aimed firstly at ensuring the continuity of Ctac and secondly at optimising the capital structure to reduce the cost of capital and generate return for shareholders. Instruments to achieve an optimal capital structure include the dividend policy, the possibility of repurchasing own shares, and the possibility of issuing shares, in particular, in connection with the financing of possible acquisitions or the reduction of debt positions.
- Ctac develops customer solutions and software partly in-house. Part of the cost is recognised on the balance sheet as deferred costs. Technological developments and changing market conditions may make it impossible to recover deferred costs. Ctac is cautious about deferring costs. In addition, an assessment is carried out every year to check that the relevant value as recognised on the balance sheet can still be recovered.
- As Ctac is liable for tax, it runs tax risks when performing its activities. Ctac manages these risks by keeping its tax knowledge up-to-date, consulting experts, proactively identifying and managing tax risks, and carrying out random checks on its accounting records. Since Ctac has entered into a compliance covenant with the Dutch Tax and

Customs Administration, it is subject to 'Horizontal Supervision', implying mutual proactive collaboration between the Tax and Customs Administration and Ctac. Ctac is also working on the implementation of a tax control framework. Specifically, Ctac's tax losses at year-end 2021 were € 3.2 million. A deferred tax asset of € 0.7 million was created for this. There is a risk that it will not be possible to offset these losses in time, necessitating an impairment of all or part of the deferred tax asset. Tax losses were lower than they were in 2020 and Ctac expects that it will be possible to offset these losses against the profit in the coming years.

- There is a shortage of well-trained IT professionals in the Netherlands and Belgium. This shortage is both economic cycle-related and structural: there is little supply and a relatively low influx from universities, including universities of applied sciences, into the labour market when compared to the high demand for digitisation. Due to this scarcity, some customers and competitors are attractive to our employees. In the face of the current number of vacancies, a substantial recruitment effort continues to be necessary in order to attract experienced professionals. This situation can also lead to increasing personnel costs or high costs for hiring external parties. In order to attract and retain employees, Ctac has brought its employer branding in line with its strategy. Our employer branding focuses on several target groups. Ctac wants to be an attractive employer for starters, young professionals and experienced staff. Talent management, diversity and vitality are important areas of attention in this regard and they are reflected in our recruitment efforts. We also make use of our successful referral channel where our employees interest talent in a career with Ctac, and we have intensified our ties with the educational institutions.

Cyber risks

As a provider of general ICT and cloud services, Ctac naturally pays attention to identifying and addressing the cyber risks related to the services it provides. The Corporate Information Security Officer (CISO) and the Privacy Officer, together with the various business units and the internal staff departments, identify these risks. The necessary mitigating measures are implemented in consultation with these departments and senior management in order to reduce these risks to an acceptable level.

- Ctac has based its Information Security Management System (ISMS) on the ISO27001 standard and an ISAE3402 framework. The design, existence and operation of all mitigating actions and activities are periodically tested by means of internal and external audits.
- As part of this ISMS, Ctac has had an internal operational security team for some years. This team ensures that the entire IT landscape is monitored continuously and will react immediately to any threat.
- Alongside detection measures, Ctac also has numerous preventive measures in operation at the different levels of the IT landscape.
- Ctac has taken out cyber security insurance so that, if a cyberattack takes place, it can enlist the aid of more specialised parties to support its own security team.

Operational risks

Ctac has identified a number of operational risks resulting from its business operations. Ctac carries out projects for customers, provides cloud services, and works with various suppliers and partners as part of the service chain. Since every form of service provision comes with its own specific risks, Ctac always makes sure that independent, substantive and legal tests of all contracts are conducted before entering into them.

- An important part of Ctac's revenues is generated by projects for customers. Where a direct and complete influence of a risk on the result to be achieved can be attributed to Ctac, Ctac will of course assume this responsibility. How these projects and assignments are executed can have an important influence on Ctac's performance and results. In order to minimise the risks in connection with this, the Ctac organisation has an internal quality and control system. For this purpose the project review board monitors risks from the pre-sales phase to the offer and, if relevant, the presentation at the customer's in order to mitigate any risks. Project and assignment control is one of the most important pillars for Ctac in carrying out projects and assignments.
- Employees are the company's most important assets for an IT service provider such as Ctac. Ctac can only grow further because of its employees. Scarcity in the labour market can inhibit growth in IT knowledge from a quality perspective, or growth in turnover from a quantity perspective. That is why Ctac has a human resources policy aimed at creating a stimulating working environment, in which there is room for growth, employee development and new challenges for employees. The retention and recruitment of expert employees is an important objective and will remain a prime focus together with recruiting talented employees.
- Due to the increasingly complex business in which Ctac operates, disputes with clients occasionally arise. In its services, Ctac is constantly alert to preventing such disputes and endeavours to resolve any disputes that do occur quickly and to the customer's satisfaction. In order to ensure continuity in the event of claims, Ctac has general and comprehensive professional liability insurance.

In control statement

The effectiveness and operation of the internal risk management and control systems are discussed annually with the audit committee and the supervisory board. Taking account of the risks described above and the control measures for them, and in accordance with the best practice provision I.4.3 of the Dutch Corporate Governance Code, the board of directors declares that, to the best of its knowledge:

- The report provides sufficient information on any shortcomings in the operation of the internal risk management and control system;
- The above systems provide a reasonable assurance that the financial accounts are free from material misstatement;
- The current state of affairs justifies the preparation of the financial accounts on a going-concern basis;
- The report discloses the material risks and uncertainties that are relevant to the expectation of the continuity of the company for a period of 12 months after the preparation of the report.

In addition, in line with Section 5:25c of the Dutch Financial Supervision Act, the board of directors declares that, to the best of its knowledge:

- The financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and of the companies included in the consolidation;
- The report of the board of directors gives a true and fair view of the situation on the balance sheet date, the state of affairs at the issuer and at its affiliated companies during the financial year, the details of which are presented in the financial statements, and that the report of the board of directors describes the fundamental risks facing the issuer.

The obligation to file a statement at the Commercial Register of the Chamber of Commerce, as referred to in Section 153 of Book 2 of the Dutch Civil Code was complied with on 4 February 2021.

Outlook

As all companies, Ctac was confronted with the economic and social consequences of the worldwide pandemic in 2021. Although the pandemic seems to be on its way out, geopolitical and economic uncertainties are affecting our customers' willingness to invest. This may impact on the timing of future investments in IT services. However, the long-term outlook remains intact, i.e. that digitisation will become ever more important as an accelerator of business models and strategies. We therefore expect that our activities will continue to grow.

The board of directors sees no reason to doubt the continuity estimate for Ctac's services – the current performance and financial position give the board of directors confidence in Ctac's future.

Barring unforeseen circumstances, a further absolute increase in revenue and EBITDA is expected in 2022. Our target is single-digit organic revenue growth and an EBITDA margin of 10% - 12%.

Investments to replace hardware, including data centre hardware, in 2022 are expected but will be limited. Regular investments to expand data centre capacity were made in 2021. In the longer term, investments in the company's own data centre are expected to decrease as a consequence of the migration from private to public cloud environments.

A word of thanks

Just like 2020, 2021 was an extraordinary year in all respects, predominated by the consequences of the pandemic. Thanks to the great efforts and commitment of all our colleagues, Ctac has nevertheless managed to grow and to achieve a good financial result. We would like to take this opportunity to thank everyone who contributed to this.

's-Hertogenbosch, 15 March 2022

The board of directors

Mr P.P.J.G. Saasen (CEO)

Compliance with the Dutch Corporate Governance Code

In principle, the supervisory board and the board of directors, which are jointly responsible for Ctac's corporate governance structure, endorse, and as much as possible apply, the principles and best practices laid down in the Dutch Corporate Governance Code. Ctac only departs from this code on a limited number of points. These derogations are explained in this section (the numbers in brackets refer to the relevant provisions of the Corporate Governance Code of 8 December 2016).

- Ctac monitors its internal processes in several ways. For example it has a receivables board, a project review board, and a contract management system. The internal audit function and the internal risk control systems have therefore been integrated with the administrative organisation/internal controls (1.2 and 1.3). Since risks and derogations are reported adequately, and derogations can be corrected afterwards, a separate internal audit function is not deemed to be necessary. Every year, both the external auditor and Ctac itself consider whether the internal assessment system is still sufficient and whether having an internal audit function is necessary for the organisation at a certain moment.

- Ctac has not appointed a secretary for the board of directors as this position does not fit in with the size of the company and its management structure (2.3.10). Ctac fills in this position in a different manner than prescribed by the Code.

- Under special circumstances, Ctac makes use of webcams and/or other technical devices to enable third parties to follow analyst meetings and other meetings, and shareholders to participate in meetings (4.2.3). The presentations that Ctac gives to these target groups are made available to everyone via the website.

- With due consideration of the statutory provisions, the members of the board of directors are appointed by the General Meeting of Shareholders from a binding nomination to be drawn up by the Priority Foundation. A binding nomination is drawn up within a term that commences on the date the vacancy occurred and ends seven days prior to the date of the notice convening the General Meeting of Shareholders in which the vacancy is filled. The General Meeting of Shareholders is free to make an appointment if no binding nomination has been made within this term. In derogation of the Code (4.3.3), the General Meeting of Shareholders may resolve that a nomination is not binding by means of a resolution adopted by a majority of at least two thirds of the votes cast representing more than half of the issued share capital. If the binding nomination is for a candidate for a position to be filled, then a resolution concerning the nomination will result in the candidate's appointment, unless the binding character of the nomination is revoked.

Detailed information about Ctac's Corporate Governance can be found on Ctac's website under 'About Ctac', Corporate Governance.

Explanation of the diversity policy and its implementation

The supervisory board has drawn up a diversity policy for the composition of the board of directors, the supervisory board and senior management, which addresses the specific diversity objectives and the diversity aspects that are relevant to Ctac, such as age, gender, nationality, educational background and professional experience. An explanation of the diversity policy and its implementation in the past financial year is provided below.

In order to ensure sufficient diversity in terms of education and professional experience, different background profiles have been formulated for the members of the board of directors, the supervisory board and senior management. These profiles are taken into account whenever appointing new board members or senior managers, and they may serve as the basis for further training efforts if necessary, prior to appointment.

Whenever there are any vacancies on the board of directors, the supervisory board or in senior management, the possibilities of achieving the target male/female ratio as set out in the diversity policy (at least 30% of these positions to be filled by men and at least 30% by women) will be considered with due observance of other diversity aspects as well. In the event of equal suitability for a role, preference will be given to a woman if the target percentage has not been reached. Ctac also strives to achieve sufficient diversity - again without losing sight of the other aspects of diversity - in terms of age.

Board of directors

The board of directors of Ctac is responsible for formulating objectives and strategy, and for carrying out the company's strategic and operational policy. In fulfilling its tasks, the board of directors focuses on the interests of the company and the companies that are affiliated with it. In doing so, the board of directors takes the interests of all stakeholders into account. For this purpose, KPI-based, short-term and long-term incentives have been promised to the board of directors.

In 2021, the board of directors of Ctac consisted of Mr Henny Hilgerdenaar and Mr Pieter-Paul Saasen. Henny Hilgerdenaar resigned from his position as CEO of Ctac with effect from 1 November 2021 and has stepped down as director under the articles of association. Pieter-Paul Saasen was appointed as CEO with effect from 15 November 2021. Further information about the members of the board of directors can be found on page 14.

Supervisory board

The supervisory board is primarily responsible for supervising the policy and management of the board of directors, both from a strategic and an operational point of view. In addition, the supervisory board acts as an advisory body to the board of directors. The procedures and the profile of the supervisory board are laid down in rules of procedure and in a profile description, both of which are published on our website.

The supervisory board currently consists of Mr Harry Hendriks (chair), Mr Ton Vernaus and Ms Liesbeth Karsten. Mr Gert van de Weerdhof and Mr Ed Kraaijenzank were active as supervisory board members up to the General Meeting of Shareholders on 12 May 2021. Ms Karsten maintains contact with the works council on behalf of the supervisory board. Supervisory board members are appointed in accordance with the Corporate Governance Code, i.e. in principle they are appointed for a term of two times four years, and any subsequent appointment will be justified in the report of the supervisory board. Further information about the members of the supervisory board can be found on page 15.

General Meeting of Shareholders
A General Meeting of Shareholders is convened once a year. All decisions are taken based on the 'one share, one vote' principle. Resolutions are adopted by an absolute majority of votes, unless a larger majority is prescribed by law or by the articles of association.

The main powers of the General Meeting of Shareholders of Ctac are:
- adopting the financial statements;
- adopting the profit appropriation and the dividend;
- discharging the board of directors from liability for the management of the company;
- discharging the supervisory board from liability for the supervision of the policy pursued and the management of the company by the board of directors;
- the appointment, suspension and dismissal of the members of the board of directors and the supervisory board;
- appointing the external auditor;
- decisions regarding amending the articles of association following a motion by the Priority Foundation;
- authorising the board of directors to repurchase the company's own shares;
- determining the remuneration of the members of the supervisory board;
- approving important decisions of the board of directors.

Communication
Ctac attaches great value to open and transparent communication with the financial community in general and with its investors in particular. Ctac maintains regular contact with analysts and investors, as well as with the financial media that form the most important sources of information for private investors. In its communication with these target groups, Ctac relies on information published by means of press releases. In a disclosure policy, Ctac has laid down which information is published and when this information is published. This guarantees the accurate and simultaneous provision of information to all shareholders.

Code of conduct
Ctac N.V. has a code of conduct. The code of conduct intends to make the company's employees aware of how to act with integrity by laying down what should be considered desirable or non-desirable behaviour. The code of conduct applies to all employees of the company and its subsidiaries, and also to anyone working for the company on the basis of a temporary contract or a flexible relationship. Detailed information about Ctac's code of conduct can be found on Ctac's website under 'About Ctac', Corporate Governance, Code & regulations.

Report of the supervisory board

Composition of the supervisory board
The year under review had a particular dynamic in view of the composition of both the supervisory board and the board of directors. At the General Meeting of Shareholders on 12 May 2021, Mr Gert van de Weerdhof and Mr Ed Kraaijenzank both stepped down as members of the supervisory board. Harry Hendriks, also chair of the supervisory board, and Ton Vernaus, also chair of the audit committee, were appointed in their place. Together with Liesbeth Karsten, they make up the supervisory board, which is composed of three members. Ms Karsten is also chair of the remuneration committee. Her term of office expires in 2022. With a view to maintaining continuity, she will be nominated for a two-year extension at the next shareholders’ meeting. The personal details and profiles of the supervisory board members can be consulted on Ctac's website.

The composition of the supervisory board complies with the Corporate Governance Code guidelines and the diversity desired. In the opinion of the supervisory board, the stipulations of best practice provision 2.1.7 have been satisfied. All supervisory board members are independent in the sense of best practice provision 2.1.8. The chair of the supervisory board is independent within the meaning of best practice provision 2.1.9.

Supervisory board and committee meetings
In 2021, the supervisory board met thirteen times in the presence of the board of directors and six committee meetings were held. No supervisory board members were absent during the supervisory board and audit committee meetings, meaning that the attendance rate was 100%.

Recurring topics at the meetings - besides strategy - were the development in results, the budget and its realisation, market developments and the revenue pipeline, the organisational structure and culture, the general and operational course of affairs, and risk management. The chair of the remuneration committee attends a meeting of Ctac's works council twice a year, but the entire supervisory board also spoke with the works council on several occasions. The supervisory board is pleased to note that it has a healthy and open dialogue with the works council.

Strategy
Ctac continues to focus on growth, which we aim to achieve both organically and through acquisitions. The board of directors is making good progress towards achieving the ambitious growth targets. In January 2021 the acquisition of Oliver was completed and that of Digisolve-Mijn ICT followed on 1 October 2021.

In 2021, the detailed reports provided by the board of directors enabled the supervisory board to closely monitor the impact of the acquisitions of Oliver and Digisolve-Mijn ICT on the growth strategy. In both cases, the supervisory board established that the acquisitions are in line with Ctac’s strategic objectives.

Both acquisitions fit seamlessly into the strategy chosen which involves Ctac offering its customers added value in their digital transformation journey, not only by offering the right ICT solution, but also through active involvement during the business transformation.

Risk management

In 2021 Ctac definitively wound up its activities in France, after a long-running dispute in this country had been brought to a conclusion in 2020. No new disputes with customers or suppliers arose in 2021.

After the supervisory board had approved the newly defined internal control framework in December 2020, this was implemented in 2021 and the details were further refined. Given the small size of the organisation, Ctac has not established an internal audit function. The supervisory board agrees with the board of directors' decision not to establish an internal audit function in the year 2022 either.

The subject of fraud prevention and risk management was on the agenda during joint meetings of the supervisory board, the auditor, and the board of directors. No indications of any fraud or non-compliance have been identified.
The supervisory board has taken note of the fraud risk analysis conducted by the board of directors and deems it to be appropriate.

Evaluation

Since two of the three supervisory board members were replaced at the General Meeting of Shareholders held on 12 May 2021, the new supervisory board has familiarised itself intensively with the ins and outs of the organisation. The supervisory board has held meetings with various stakeholders in order to identify any organisational changes that may be needed. In consultation with the board of directors, the supervisory board has also given specific consideration to refining the strategy and risk management.

As the composition of the supervisory board changed in 2021, mini-evaluations were held at the end of each meeting. In 2022 this evaluation process will be standardised further, via an evaluation meeting. A performance review has been held with Mr Saasen.
In 2021 the supervisory board maintained intensive contact outside ordinary meetings, both amongst themselves and with the organisation.

"THE BOARD OF DIRECTORS IS MAKING GOOD PROGRESS TOWARDS ACHIEVING THE AMBITIOUS GROWTH TARGETS."

Henny Hilgerdenaar resigned from his position as CEO of Ctac with effect from 1 November 2021 and has stepped down as director under the articles of association. He has been closely connected with the company since its foundation and had been CEO for the last ten years. The supervisory board is very grateful to Henny Hilgerdenaar for his great commitment and the contribution he has made to Ctac. Pieter-Paul Saasen, Ctac's CFO until this point, has been appointed as his successor. The process to find a successor to Pieter-Paul Saasen has begun.

Corporate governance

The supervisory board and the board of directors subscribe to almost all of the principles and best practices in the Dutch Corporate Governance Code. Ctac only departs from this code on a limited number of points, see pages 36 to 38 of this annual report. During the year under review, there were no transactions with members of the board of directors and/or the supervisory board which might have involved a conflict of interest. All transactions between the company, the members of the supervisory board, and the members of the board of directors are published in the annual report. This complies with best practice provisions 2.7.3 and 2.7.4.

General Meeting of Shareholders

In 2019 and early 2020, the remuneration committee prepared a new remuneration policy for the members of the board of directors. This proposal did not achieve the required 75% approval on 1 July 2020. Subsequently, on 12 May 2021, the General Meeting of Shareholders also rejected the amended version. In contrast to 2020, the proposal to grant the power to issue shares did achieve the required two-thirds majority in 2021.

The remuneration of the supervisory board is not linked to the results of the company. No changes will be made to the remuneration established in 2017. Reference is made to pages 42 to 47 of this report for the remuneration report of the supervisory board.

2021 financial statements

Ctac ended the 2021 financial year with a net result of € 4.5 million. The board of directors has submitted the 2021 financial statements and the report of the board of directors to the supervisory board for its approval. The audit was carried out by PricewaterhouseCoopers Accountants NV, which issued an unqualified opinion. The audit opinion is included on pages 112 to 125 of this annual report.

The supervisory board has established that the report of the board of directors over 2021 satisfies the requirements of transparency and that the 2021 financial statements give a true and fair view of the financial position and the profitability of the company. Therefore, it is proposed that the General Meeting of Shareholders adopts the 2021 financial statements and discharges the board of directors for the management of the company and the supervisory board for the supervision of the management of the company over the past financial year.

Appropriation of the result

The supervisory board also agrees with the board of directors' proposal to distribute a dividend of € 0.11 per share to holders of ordinary Ctac shares.

In conclusion

The supervisory board would like to express its special appreciation to all employees, the management and the board of directors. Despite 2021 once again being a difficult year, following the outbreak of Covid-19 in 2020, the way Ctac managed to work its way through it was outstanding. The implementation of Oliver and Digisolve-Mijn ICT is proceeding according to plan. We have positive foundations in place for the future and to achieve our associated growth targets.

Ctac N.V. remuneration report

This remuneration report has been prepared in accordance with Section 2:135b of the Dutch Civil Code and article 3.4.1 of the Dutch Corporate Governance Code ('Code'). For this purpose, account has been taken of the relevant remuneration principles, as incorporated in the Code and the revised European Shareholders' Directive that entered into force in 2019. This report describes how the remuneration policy was implemented in 2021.

The composition of the board of directors and supervisory board changed in the year under review. Mr H.L.J. Hilgerdenaar, a director under the articles of association, stepped down from this role on the company's board of directors on 1 November 2021 by mutual consent. Mr P.P.J.G. Saasen was appointed CEO (by the supervisory board) on 15 November 2021. Mr E. Kraaijenzank and Mr G. van den Weerdhof stepped down as members of the supervisory board during the General Meeting of Shareholders held on 12 May 2021, while Mr H.J.G. Hendriks and Mr L.A.M. Vernaus were appointed as new members of the supervisory board during the meeting.

Remuneration policy

The aim of Ctac N.V.'s remuneration policy is to provide a clear picture of the policy that should be followed with regard to the remuneration of the members of the board of directors and managers, this also in view of being able to ensure that the company can attract and retain qualified and experienced managers. The remuneration policy contributes to the company's corporate strategy, long-term interests and sustainability.

Such a policy cannot be viewed separately from the following basic principles:

- The customer's interest is key. This interest is served when the members of the board of directors and the managers satisfy the most stringent professional requirements, and they therefore deserve adequate remuneration.
- The remuneration reflects the expertise, commitment and involvement demonstrated by the members of the board of directors and the managers for the benefit of Ctac N.V.
- The level of the remuneration is in line with the remuneration of the members of boards of directors and the managers at comparable companies and contains a fixed and a variable component.
- The remuneration must be partly in line with the results achieved by Ctac N.V., and is therefore an annual item on the agenda for the supervisory board meeting in which, among other things, the performance criteria (as a component of the short-term and long-term variable remuneration) upon which an assessment will take place are determined.

The remuneration committee reassesses the remuneration levels on a regular basis, referring to objective salary scales that are in line with the market. This ensures that no remuneration is awarded that would not be socially acceptable inside or outside the company. When determining remuneration levels, consideration is also given to the remuneration and terms of employment of Ctac employees, as well as the internal pay ratio, to ensure that the remuneration of the board of directors remains in line with the identity, mission and values of Ctac.

The remuneration committee performs annual scenario analyses. These are both quantitative and qualitative in nature. Matters considered include whether the strategic objectives of Ctac N.V. are aligned with the objectives set for directors. For 2021 the chosen objectives were assessed as appropriate.

Variable remunerations

In the area of variable remunerations, the board of directors' remuneration policy includes both a short-term and a long-term incentive. The aim of this system is both to promote the achievement of more of Ctac's short-term targets and to create long-term value. This is also taken into account when the performance criteria, and their weightings, are determined annually. These variable remuneration components constitute an incentive part, albeit limited, of the total remuneration. They are influenced by market developments and the company's performance.

With regard to these incentives, it should be noted that the company is entitled to claim them back, entirely or in part, if payment was made on the basis of incorrect information about the targets on which the bonus was based having been achieved or about the conditions which had to be fulfilled for the incentive to be paid. The claim may also be instituted by the supervisory board on behalf of the company. In 2021 no bonus was claimed back pursuant to Section 2:135, paragraph 8, of the Dutch Civil Code.

Short-term incentive (STI)

The maximum amount of the STI is 45% of the fixed annual salary; it depends on the extent to which targets and budgets are achieved. The remuneration committee determines the relevant targets annually, some of which are linked to financial targets and some to non-financial targets. In the event of at-target performance, 35% of the fixed salary will be awarded; if targets have been achieved at a level of 110% or more, the maximum score of 45% will be awarded. Achieving the targets at a level of 90% will result in 25% of the fixed salary being awarded, which will decrease to 10% if the targets have only been achieved at a level of 80%, and the minimum bonus of 5% of the fixed salary will be awarded if target achievement is 75%. If the targets have been achieved at a level of less than 75%, no bonus will be awarded.

Long-term incentive (LTI)

On the basis of the applicable remuneration policy, the LTI applies to the 2018-2022 period and is determined based on a number of phantom shares for the CEO and the CFO as of the start of this period or, if the CEO or CFO joined the company during this period, from the moment when their employment contract took effect. The number of phantom shares is set at 200,000 for the CEO and at 170,000 for the CFO. Payment is made in cash at the end of the LTI period, provided that the official in question is still in the company's employment then.

Whether or not payment is made depends on two conditions.

1. Share price gain: the LTI is based on the share price on the 2018 reference date plus the dividend paid during the LTI period, using the share price on the 2022 reference date to calculate the difference in share price gain. The reference dates are the second Monday in January 2018 and the second Monday in January 2022. The resulting share price gain times the fictitious number of shares determines the amount of the incentive.

2. Achievement of the budget:
   - if the budget is achieved at a level of 100%, 100% of the LTI will be accrued/paid;
   - if the budget is achieved at a level of 99-90%, 75% of the LTI will be accrued/paid;
   - if the budget is achieved at a level of 89-75%, 50% of the LTI will be accrued/paid;
   - if the budget is achieved at a level of < 75%, no LTI will be accrued/paid.

Remuneration in 2021

The fixed and variable remuneration of the members of the board of directors for 2021 was as follows.

(in € x 1,000)		H.L.J. Hilgerdenaar CEO 01-01/01-11	P.P.J.G. Saasen CFO 01-01/14-11	P.P.J.G. Saasen CEO 15-11/31-12
Fixed remuneration		293	253	41
Company car and other additional benefits		26	26	3
Variable remuneration	STI	81	103	-
	LTI	140	207	-
Pension and disability benefit insurance and other employer's contributions		26	18	3
Extraordinary items		497	-	-
Total remuneration		**1,063**	**607**	**47**
Variable share in % *		21%	51%	0%
Fixed share in % **		79%	49%	100%

* variable remuneration / total remuneration
** (fixed remuneration + company car and other additional benefits + pension and disability benefit insurance + extraordinary items) / total remuneration

Termination of employment contract of H.L.J. Hilgerdenaar
Mr Hilgerdenaar's employment contract will be terminated with effect from 1 May 2022. He stepped down as a director under the articles of association on 1 November 2021. The severance payment due to him amounts to € 309,000, which is consistent with the guidelines set out in the Dutch Corporate Governance Code.

Ctac made separate agreements with Mr Hilgerdenaar regarding variable remuneration. For 2021 Mr Hilgerdenaar has a pro-rata bonus entitlement for the period up to 1 November 2021 in accordance with the applicable STI regulations. This means that when the value of the pro-rata bonus entitlement is calculated, his performance over the period from 1 January 2021 to 1 November 2021 will be taken as a basis. For information on the agreed targets and their achievement please refer to the section on the short-term incentive. For the long-term incentive a fixed sum of € 140,000 was agreed.

2021 short-term incentive (STI) calculation
For 2021 the following STI targets were set; the target for the CEO applies to Mr Hilgerdenaar and the target for the CFO applies to Mr Saasen. The STI targets for Mr Saasen were set in line with his targets as CFO for the whole of 2021, even though Mr Saasen was appointed as CEO from 15 November.

Target CEO	Weight in allocation at target	Score	Allocation to scale	Pro-rata bonus accrual
Financial targets				
Achievement of revenue in accordance with budget	15%	105%	35%	5.25%
Achievement of EBITDA in accordance with budget	25%	97%	25%	6.25%
Recurring revenue 30%	20%	134%	45%	9.00%
Achievement of EBITDA by Purple Square and Oliver in accordance with budget	15%	112%	45%	6.75%
Increase in share of cloud-service-provider revenue by 30%	5%	117%	45%	2.25%
Conclusion of one Fit4 contract with regular gross margin	5%	0%	0%	0.00%
Non-financial targets				
Achievement of employee satisfaction score above 7*	5%	0%	0%	0.00%
Establishment of corporate social responsibility team and communication structure	5%	100%	35%	1.75%
Conclusion of five contracts in connection with SAP S4/HANA implementations	5%	0%	0%	0.00%
Total	**100%**			**31.25%**

* The employee satisfaction score is 0%, as no survey was carried out, with the exception of a number of pulse surveys.

Target CFO	Weight in allocation at target	Score	Allocation to scale	Pro-rata bonus accrual
Financial targets				
Achievement of revenue in accordance with budget	15%	106%	35%	5.25%
Achievement of EBITDA in accordance with budget	25%	102%	35%	8.75%
Recurring revenue 30%	20%	132%	45%	9.00%
Achievement of EBITDA by Purple Square and Oliver in accordance with budget	15%	108%	35%	5.25%
Working capital development is positive	15%	100%	35%	5.25%
Refinancing of credit facility including three-year commitment period	5%	100%	35%	1.75%
Non-financial targets				
Achievement of employee satisfaction score above 7*	5%	0%	0%	0.00%
Total	**100%**			**35.25%**

2021 long-term incentive (LTI) calculation
The share price was € 3.45 on 8 January 2018 (second Monday) and € 4.35 on 10 January 2022 (second Monday). The dividend paid in 2018, 2019, 2020 and 2021 was € 0.08 per share per year. The share price on the reference date in 2022 (€ 4.35) plus four times the dividend payment € 0.08 (€ 0.32) = € 4.67.

This amount is higher than the share price on the reference date in 2018, which means the first condition (share price gain) is met. The second condition (achievement of the budget) is also met. The fair value of the LTI for Mr Saasen is € 207,000 on 31 December 2021. An LTI payment will therefore be made in 2022. As noted above, the LTI was also settled as part of the termination of the employment contract with Mr Hilgerdenaar. Please refer to the information provided on this matter on page 44, under the heading "Termination of employment contract of H.L.J. Hilgerdenaar".

Pension
The salary is pensionable up to an amount of € 112,189 a year. Ctac has a defined contribution pension scheme with a defined contribution percentage according to a graduated age scale.

For Mr Saasen the accrual based on the extra-statutory part up to 14 November 2021 is discounted into the gross salary, in accordance with a fixed premium of 12.5% of the extra-statutory part of the salary. For Mr Hilgerdenaar, and for Mr Saasen from 15 November 2021, the pension compensation is an additional payment based on the graduated contribution scale applied to the extra-statutory part as used within Ctac.

Employment relationships
Mr Hilgerdenaar's employment contract will be terminated with effect from 1 May 2022. He stepped down as a director under the articles of association on 1 November 2021.

Mr Saasen was appointed as a director under the articles of association during the Extraordinary General Meeting of Shareholders held on 24 September 2019. A directorship agreement was subsequently concluded with him. A new directorship agreement was concluded with effect from 15 November 2021, in view of his appointment as CEO. This directorship agreement took effect on 15 November 2021 for a fixed term and will end after the shareholders' meeting to be held in 2025. It includes a fixed severance payment of one year's salary.

The members of the board of directors do not receive any additional remuneration from subsidiaries for their board positions in the group.

Development of remuneration of the board of directors

(in € x 1,000)	2021	2020	2019**	2018	2017
Directors' remunerations *)					
CEO H.L.J. Hilgerdenaar (until 1 November 2021)	634	470	444	449	408
CEO P.P.J.G. Saasen (with effect from 15 November 2021)	47	-	-	-	-
CFO P.P.J.G. Saasen (until 14 November 2021)	607	384	347	-	-
CFO D.G.H. van der Werf (until 14 May 2019)	-	-	-	427	385
Development of operating result					
Revenue	106,424	87,534	81,872	82,998	81,597
Net result attributable to the shareholders of Ctac N.V.	4,455	3,032	1,262	1,715	2,800
Average remuneration on a full-time basis					
Directors	644	427	396	438	396
Employees	106	109	94	100	96
Directors' pay ratio	6.1	3.9	4.2	4.4	4.1
CEO's pay ratio	6.0	4.3	4.7	4.5	4.3

*) In a year where there was a change of management, these figures were based on the annual remuneration of the most recent holder of the position in question.

**) Covid-19 led to 60% of the reserved incentive having been distributed in 2020. This resulted in an adjustment to the remuneration for 2019.

Pay ratio
The remuneration ratio between the board of directors and other employees within Ctac, i.e. the 'pay ratio', is shown above. This serves to promote consistent remuneration ratios and is in accordance with best practice provision 3.4.1, point iv, of the Dutch Corporate Governance Code.

This pay ratio has been calculated by dividing the average costs of the board of directors over 2021, excluding the costs associated with the termination of the employment contract of Mr H. Hilgerdenaar, by the average costs per employee for Ctac, excluding the members of the board of directors. The average costs of employees have been calculated on the basis of the total personnel costs, excluding other personnel costs in accordance with the financial statements, plus car expenses recognised under other operating costs. The pay ratio for the board of directors for 2021 is 6.1 (2020: 3.9).

With effect from 2021, and in anticipation of future developments, the ratio is also being calculated by presenting the relationship between the total annual remuneration of the CEO and the average annual remuneration of the company's own employees. This pay ratio is 6.0 (2020: 4.3).

In view of the nature of the company (by virtue of which the costs of external hires would provide a different impression compared to the costs of Ctac's own employees and thus distort the picture), and contrary to the provisional recommendation of the Corporate Governance Monitoring Committee, external hires have been disregarded.

The pay ratio has risen by comparison with the previous year. This is because the costs associated with the variable remunerations of the board of directors have increased and the average costs per employee have decreased. The increase in variable remunerations is linked to the long-term incentive. In 2022 the long-term incentive has a significant impact, as this incentive reached the end of its term in 2022 and the fair value has increased substantially in 2022 due to the rise in the share price.
The decrease in average personnel costs per employee can be explained by higher redundancy costs in 2020.

Remuneration of the members of the supervisory board
The remuneration for members of the supervisory board in 2021 was € 45,000 for the chairman and € 32,500 for the members.

The members of the supervisory board do not receive any remuneration in the form of shares or share options. The remuneration does not depend on the company's results, nor on any changes to the control of the company. The members of the supervisory board do not receive any additional remuneration from subsidiaries for their board positions in the group.

The remunerations paid to the individual members of the supervisory board during the past five years are listed below.

(in € x 1,000)	2021	2020	2019	2018	2017
H.J.G. Hendriks (with effect from 12 May 2021)	28	-	-	-	-
L.A.M. Vernaus (with effect from 12 May 2021)	21	-	-	-	-
E. Karsten	33	33	33	33	33
G. van de Weerdhof (with effect from 10 May 2017 until 12 May 2021)	17	45	45	45	29
E. Kraaijenzank (until 12 May 2021)	12	33	33	33	33
H.G.B. Olde Hartmann (until 10 May 2017)	-	-	-	-	11
Total remuneration	**111**	**111**	**111**	**111**	**106**

General Meeting of Shareholders of 12 May 2021
A proposal to amend the remuneration policy for the board of directors was made at the General Meeting of Shareholders on 12 May 2021. This proposal was not adopted by the meeting. However, an advisory vote on the remuneration report for the 2020 financial year was held at the General Meeting of Shareholders on 12 May 2021 and the outcome was positive. After consultations with a number of shareholders who had voted against the amendment of the remuneration policy, the proposal was amended to accommodate their objections. The amended proposal will be submitted to the General Meeting of Shareholders for adoption on 4 May 2022.

The (former) members of the board of directors held Ctac shares in 2021. No shares were allocated to the board of directors as part of a remuneration scheme.

Other
No transactions with members of the supervisory board or the board of directors involving possible conflicts of interest occurred during the year under review. Neither the company nor its subsidiaries granted any loans, advances and/or guarantees to the members of the board of directors or the supervisory board.

The remuneration policy and the decision-making process for implementing the remuneration policy were not deviated from in 2021.

Financial Statements

Consolidated balance sheet as at 31 December (before profit appropriation)
(in € x 1,000)

	Note	2021	2020
ASSETS			
FIXED ASSETS			
Intangible fixed assets	1	29,382	24,052
Right-of-use assets	2	10,715	10,607
Tangible fixed assets	3	824	921
Deferred tax assets	4	782	1,316
Other long-term receivables	5	400	251
		42,103	**37,147**
CURRENT ASSETS			
Stocks	6	64	-
Trade receivables	7	13,154	9,842
Other receivables	7	8,285	6,979
Cash and cash equivalents	8	10,404	10,552
		31,907	**27,373**
		74,010	**64,520**
LIABILITIES			
Shareholders' equity	9		
Issued share capital		3,273	3,253
Share premium reserve		11,526	11,546
Other reserves		6,796	4,658
Result for financial year		4,455	3,032
Attributable to shareholders Ctac N.V.		26,050	22,489
Minority interests		1,111	-
GROUP EQUITY		**27,161**	**22,489**
LONG-TERM LIABILITIES			
Long-term bank liabilities	10	2,025	2,925
Lease obligations	2	7,941	7,974
Other long-term liabilities	11	1,902	1,921
Deferred tax liabilities	4	1,610	820
		13,478	**13,640**
SHORT-TERM LIABILITIES			
Lease obligations	2	2,973	2,770
Short-term bank liabilities	10	900	900
Provisions	12	433	578
Trade creditors and other liabilities	13	28,869	23,351
Taxes		196	792
		33,371	**28,391**
		74,010	**64,520**

Consolidated statement of profit and loss for
(in € x 1,000)

	Note	2021	2020
Revenue from contracts with clients	14	106,424	87,307
Expenses			
Cost of materials		9,388	8,819
Subcontractors		26,956	19,661
Personnel costs	15	47,162	38,831
Amortisation of intangible fixed assets	1	1,507	1,283
Depreciation of right-of-use assets	2	3,599	3,601
Depreciation of tangible fixed assets	3	481	482
Impairment of intangible fixed assets	1	-	200
Other operating costs	16	10,869	9,769
Total operation expenses		**(99,962)**	**(82,646)**
Operating result		**6,462**	**4,661**
Financial income	17	-	72
Financial expenses	17	(465)	(482)
Total financial income and expenses		**(465)**	**(410)**
Result before taxes		**5,997**	**4,251**
Taxes	18	(1,332)	390
Net result from continued operations		4,665	4,641
Net result from discontinued operations		-	(1,609)
Net result		**4,665**	**3,032**
Minority interests		210	-
Attributable to shareholders Ctac N.V.		4,455	3,032
Net result		**4,665**	**3,032**
Profit per share	**19**		
Net result per share (in €) from continued operations		0.33	0.35
Net result per share after dilution (in €) for continued operations		0.32	0.34
Net result per share (in €) from discontinued operations		-	(0.12)
Net result per share after dilution (in €) from discontinued operations		-	(0.12)
Number of ordinary shares (year-end)		13,637,312	13,555,203
Weighted average of shares outstanding		13,603,100	13,243,302
Weighted average of shares outstanding for the calculation of the diluted earnings per share		13,911,837	13,539,887

Consolidated statement of comprehensive income
(in € x 1,000)

	2021	2020
Net result for the financial year	4,665	3,032
Other total result, not recognised in the result	-	-
Total result for the financial year	**4,665**	**3,032**
Net result attributable to the shareholders of Ctac N.V.	4,455	3,032
Net result attributable to minority interests	210	-
Total net result for the financial year	**4,665**	**3,032**
From continued operations	4,455	4,641
From discontinued operations	-	(1,609)
Total result for the financial year attributable to shareholders Ctac N.V.	**4,455**	**3,032**

Consolidated statement of changes in equity in 2021
(€ x 1,000)

	Issued share capital	Share premium reserve	Other reserves	Undistri-buted profit	Attributable to shareholders Ctac N.V.	Minority interests	Group equity
Balance as at 1 January	**3,253**	**11,546**	**4,658**	**3,032**	**22,489**	**-**	**22,489**
Net result for the financial year	-	-	-	4,455	4,455	210	4,665
Total result for the financial year	**-**	**-**	**-**	**4,455**	**4,455**	**210**	**4,665**
Appropriation of the result in previous financial year	-	-	2,286	(2,286)	-	-	-
Dividend	20	(20)	-	(746)	(746)	-	(746)
Minority interest in acquired participation	-	-	-	-	-	921	921
Paid to third parties	-	-	(148)	-	(148)	(20)	(168)
Balance as at 31 December	**3,273**	**11,526**	**6,796**	**4,455**	**26,050**	**1,111**	**27,161**

Consolidated statement of changes in equity in 2020
(in € x 1,000)

	Issued share capital	Share premium reserve	Other reserves	Undistri-buted profit	Attributable to shareholders Ctac N.V.	Minority interests	Group equity
Balance as at 1 January	**3,104**	**11,695**	**3,396**	**1,262**	**19,457**	**-**	**19,457**
Net result for the financial year	-	-	-	3,032	3,032	-	3,032
Total result for the financial year	**-**	**-**	**-**	**3,032**	**3,032**	**-**	**3,032**
Appropriation of the result in previous financial year	-	-	1,262	(1,262)	-	-	-
Paid to third parties	149	(149)	-	-	-	-	-
Balance as at 31 December	**3,253**	**11,546**	**4,658**	**3,032**	**22,489**	**-**	**22,489**

Consolidated cash flow statement
(in € x 1,000)

	Note	2021	2020
CASH FLOW STATEMENT			
Operating result		6,462	4,063
Amortisation of intangible fixed assets	1	1,507	1,283
Depreciation of right-of-use assets	2	3,599	3,601
Depreciation of tangible fixed assets	3	481	482
Impairment of intangible fixed assets	1	-	200
Change in provisions	12	(145)	359
Valuation differences of long-term liabilities	11	192	(235)
Changes in working capital			
Stocks		(11)	-
Receivables		(3,606)	1,614
Short-term debt		3,020	4,439
Cash flow from operations		**11,499**	**15,806**
Interest paid		(423)	(332)
Income tax paid		(1,534)	(326)
Cash flow from operating activities		**9,542**	**15,148**
Acquisition of participating interest		(3,345)	(3,914)
Investments in intangible assets	1	(601)	(788)
Investments in tangible assets	3	(237)	(130)
Investments in financial fixed assets	5	(149)	(45)
Cash flow from investment activities		**(4,332)**	**(4,877)**
Long-term bank liabilities	10	(900)	2,925
Earn-out obligations paid	11	-	(399)
Dividend payments to shareholders Ctac N.V.	9	(746)	-
Dividend payment to minority shareholders of acquired participating interests	9	(168)	-
Lease payments	2	(3,544)	(3,709)
Cash flow from financing activities		**(5,358)**	**(1,183)**
Movement in cash and cash equivalents		**(148)**	**9,088**
Cash and cash equivalents	8	10,552	1,864
Short-term bank liabilities	10	-	(400)
Balance of cash and cash equivalents as at 1 January		10,552	1,464
Cash and cash equivalents	8	10,404	10,552
Net balance of cash and cash equivalents as at 31 December		10,404	10,552
Movement in cash and cash equivalents		**(148)**	**9,088**
Cash flow from operational activities discontinued operations		-	(197)
Cash flow from investment activities discontinued operations		-	284
Cash flow from financing activities discontinued operations		-	-

Notes to the cash flow statement

The cash flow statement is reconciled as far as possible with the amounts stated in the statement of profit and loss and balance sheet movements.

As regards the cash flow from operating activities, non-cash transactions are identified separately in the cash flow statement.

Movements in cash flow from operating activities cannot be reconciled directly with balance sheet movements in all cases. This is because the opening balance sheets of the acquisitions have not been recognised in the comparative figures.

The tax paid on profits is the tax on profits according to the statement of profit and loss, minus the non-cash movements in the deferred tax liabilities and the movements in the corporation tax balance sheet item.

The outgoing cash flow for the acquisition has been recognised in the cash flow statement for the purchase price less cash and cash equivalents. The contribution value and purchase price of acquisitions are listed in note 22.

The movement in long-term bank liabilities concerns the original principal less the repayments made in 2021 and less the repayments to be made within twelve months of the balance sheet date. These are included in the change in working capital.

The total movement (short-term and long-term) in the earn-out liability was caused by the non-cash amortisation of the liability, an addition of a new liability as a result of acquisitions (see note 22), amortisation of the liability as at the balance sheet date, and the cash payment of earn-out liabilities. See the summary of changes in note 11.1.

As regards the 2020 dividend, only a stock dividend was paid to the shareholders, so no cash transactions took place. In 2021 part of the dividend was settled in cash and part was paid as a stock dividend.

Notes to the consolidated financial statements

General information about Ctac

As a Business & Cloud Integrator, Ctac helps its customers realise their ambitions. Ctac innovates continuously in order to create the business value needed for this. The organisation provides a broad portfolio of SAP and Microsoft solutions 'on any cloud', as well as business consultancy, managed services, project, learning and secondment services. In addition, Ctac has some products of its own, 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, i.e. Fit4Woco and Fit4RealEstate. Ctac's customer base is made up of approximately six hundred organisations of every size and in various sectors. At year-end 2021, Ctac employed 473 people. Ctac operates in the Netherlands and Belgium. The winding-up of the company's operations in France was legally completed in 2021. The head office is located in 's-Hertogenbosch, at Meerendonkweg 11, the Netherlands. Ctac N.V.'s registered office is also located here. It is registered under Chamber of Commerce file number 16066162. The company is listed on the Euronext Amsterdam stock exchange (ticker: CTAC).

The board of directors prepared the financial statements and approved them for publication on 15 March. The financial statements will be submitted to the General Meeting of Shareholders for adoption on 4 May 2022.

Statement of compliance with International Financial Reporting Standards

The consolidated financial statements and notes have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretation of these standards, as laid down by the International Accounting Standards Board (IASB) and accepted within the European Union, and Part 9, Book 2 of the Dutch Civil Code (Dutch accounting rules). The valuation principles applied by Ctac comply with the applicable IFRS.

Main accounting principles for the financial statements

Ctac N.V.'s financial statements have been prepared in Dutch and in English, with the Dutch version prevailing. The financial statements are presented in euros, with amounts stated in thousands of euros, unless indicated otherwise. The euro is Ctac N.V.'s functional and presentation currency. Where necessary, the figures for 2020 were reclassified to enable a comparison with those for 2021. The activities discontinued in France in 2020 resulted in an offsettable liquidation loss. The associated tax gain of € 1,280 thousand in the 2020 financial statements was allocated to the result from continued operations of Ctac N.V., as it was able to offset this loss. To provide a normalised insight into the development of the figures, it is now our preference to allocate this tax gain to the cause of these losses and therefore to the result from discontinued operations. This has been applied accordingly in the press release and 'Historical Summary'. The comparative figures have not been adjusted in the financial statements.

The consolidated financial statements of Ctac N.V. have been prepared on the basis of historical cost, unless a different method of valuing and determining the result of specific items is prescribed by IFRS.

Preparing the consolidated financial statements requires the board of directors to make assessments, estimates and assumptions that influence the application of the guidelines and the valuation of assets, liabilities, revenues and expenses. The estimates and assumptions that were made are based on historical experiences and various other factors that are deemed realistic under the given circumstances. The estimates and assumptions that were made have served as the basis for the assessment of the value of the reported assets and liabilities. However, actual results and circumstances can differ from the estimates that were made. Estimates and underlying assumptions are constantly assessed and if necessary adjusted. Changes in estimates and assumptions are recorded in the period in which the estimates are revised, if the revision only concerns the period in question, or in the period of revision and future periods if the revision influences both the current and future periods. Estimates and assessments made by the board of directors when applying IFRS that have a significant effect on the financial statements and future periods can be found in the section on 'Key estimates and assumptions'.

The financial statements for Ctac N.V. are based on the going-concern assumption. Taking into account the known and expected effects of Covid-19, the board of directors concludes that the use of this assumption is justified based on current insights for the coming twelve months.

Application of amended and new accounting principles

Ctac applied new and amended IFRS standards and IFRIC interpretations during the financial year under review. Except for the explanatory notes below, their application in 2021 does not have a material effect on Ctac's capital and results, nor on the explanatory notes in the financial statements.

IFRS standards and interpretations that have been published and do not yet apply to accounting periods starting on 1 January 2021 have not been adopted early. Ctac will apply these standards and interpretations as soon as they come into force. This concerns the following standards:

- Implementation of IFRS 17 'Insurance Contracts' – Replacement of IFRS 4 by IFRS 17. Not applicable to Ctac;
- Amendment of IAS 16 'Property, Plant and Equipment: proceeds before intended use'. This amendment means that potential (temporary) proceeds may no longer be deducted from the initial cost of a tangible fixed asset. The amendment is mandatory with effect from 1 January 2022;
- Amendment of IFRS 3 'Reference to the Conceptual Framework'. The amendment adds an expectation element to the accounting principle of IFRS 3. The amendment is mandatory with effect from 1 January 2022;
- Amendment of IAS 37 'Onerous Contracts – Cost of Fulfilling a Contract'. The direct related cost approach will apply when determining the scope of a loss-making contract. The amendment is mandatory with effect from 1 January 2022;
- Amendment of IFRS 9 'Financial Instruments – Fees in the 10 percent test for derecognition of financial liabilities'. Clarification of how fees should be included in the assessment when changes are made to contractual loan conditions and the potential impact of this on the recognition of the financial instrument. The amendment is mandatory with effect from 1 January 2022;
- Amendment of IFRS 16 'Leases'. Amendment of illustrative example 13 by removing the payments made by the lessor relating to modifications to leased properties, to avoid any confusion regarding the treatment of lease incentives. The amendment is mandatory with effect from 1 January 2022;
- Amendment of IFRS 1 'First-time Adoption of International Financial Reporting Standards'. The amendment allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. The amendment is mandatory with effect from 1 January 2022;
- Amendment of IAS 41 'Agriculture'. Not applicable to Ctac;
- Amendment of IAS 1 'Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current'. The amendment makes clear that liabilities are classified as current or non-current depending on the right that exists at the end of the accounting period. The classification is not influenced by the entity's expectations or an event after the

balance sheet date. This amendment also clarifies what is meant by ‘settlement’ of a liability in IAS 1. The amendment is mandatory with effect from 1 January 2023;

- Amendment of IAS 1 ‘Presentation of Financial Statements – Disclosure of Accounting Policies’. Obligation to disclose ‘material’ instead of ‘significant’ accounting policies. What this means is also defined in the amendment. It is also made clear that non-material information about accounting policies does not have to be disclosed. The amendment is mandatory with effect from 1 January 2023;
- Amendment of IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates’. The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendment is mandatory with effect from 1 January 2023;
- Amendment of IAS 12 ‘Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction’. The amendment requires entities to account for deferred tax on transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. This is often the case with transactions such as leases and decommissioning obligations and requires the inclusion of additional deferred tax assets and liabilities. The amendment must be applied to transactions that occur on or after the beginning of the comparative period. The cumulative effect of applying these amendments is recognised in other reserves or another component of equity. The amendment is mandatory with effect from 1 January 2023;
- Amendment of IFRS 10 ‘Consolidated financial statements’ and IAS 28 ‘Investments in associates and joint ventures’ – ‘Sale or contribution of assets between an investor and its associate or joint venture’. The amendments clarify the accounting treatment of the sale or contribution of assets between an investor and its associates or joint ventures. This depends on whether the non-monetary assets sold or transferred to the associate or joint venture constitute a business (as defined in IFRS 3 ‘Business Combinations’). If the non-monetary assets constitute a business, the investor must recognise the full gain or loss resulting from the sale or contribution. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investors’ interests in the associate or joint venture. The amendments must be applied prospectively. It is not yet known when this amendment will take effect.

The new standards applicable after 2021 are not expected to have a material effect on Ctac's capital and result or on the explanatory notes to the financial statements.

Ctac N.V. has been applying the following standards and changes to standards since 1 January 2021:

- ‘Covid-19-related rent concessions’ – amendment to IFRS 16.

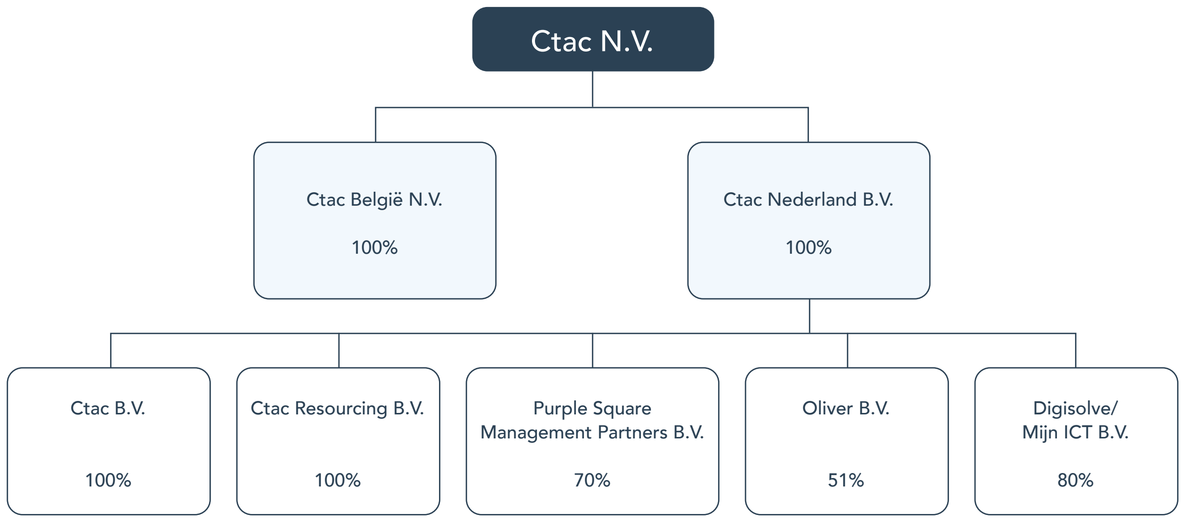
The amendments to IFRS 16 make it easier for lessees to apply IFRS 16 guidelines in relation to the accounting treatment of rent concessions that are a direct consequence of the Covid-19 pandemic. As a practical expedient a lessee can opt not to assess whether a Covid-19-related rent concession from a lessor is a lease modification. A lessee who takes up this option accounts for any change in lease payments resulting from the Covid-19-related rent concession as he would recognise the change under IFRS 16 if it were not a lease modification. Ctac N.V. has not taken advantage of this practical expedient.

The above changes did not affect the figures reported in prior periods. Furthermore, the changes did not have any material effect on Ctac's capital and result or on the explanatory notes to the financial statements.

Accounting principles for consolidation
Ctac N.V. is the head of the group. Ctac N.V. and all participations over which Ctac N.V. can exercise decisive control are included in the consolidation. There is decisive control if Ctac can directly or indirectly determine the financial and operational management of a company. The financial statements of these participations have been included in the consolidated financial statements as from the date on which dominant control was acquired until the time when Ctac N.V. loses dominant control. Ctac N.V. is the head of the group.

The consolidation includes the following participations.

Participations	Place of business	Participation as a % year-end 2021	Participation as a % year-end 2020
Ctac Nederland B.V.	’s-Hertogenbosch	100	100
Ctac B.V.	’s-Hertogenbosch	100	100
Ctac Resourcing B.V.	’s-Hertogenbosch	100	100
Purple Square Management Partners B.V.	Weert	70	70
Oliver B.V.	’s-Hertogenbosch	51	-
Digisolve-Mijn ICT B.V.	Helmond	80	-
Ctac België N.V.	Wommelgem, Belgium	100	100
Ctac France SAS	Paris, France	-	100



Inter-company balance sheet positions, transactions and unrealised profits on such transactions are eliminated when preparing the consolidated financial statements.

The accounting principles for valuation and determination of the results as included in these financial statements are applicable to the balance sheets and the profit and loss accounts of all group companies included in the consolidation.

Discontinued operations
Ctac France SAS ceased operations in 2020 and the process of winding up this company was legally completed in 2021. Ctac France SAS has been presented in the comparative figures of the financial statements as a discontinued operation.

A discontinued operation is a component of an entity that is either divested or held for sale and meets one of the following characteristics:

- it concerns a distinct and significant product group or geographical area;
- it is part of a separate coordinated plan to discontinue a significant product group or geographical area;
- it is a subsidiary which was acquired with the sole intention of reselling it.

A 'component of an entity' consists of activities and cash flows that can be clearly distinguished from the rest of the legal entity operationally and for reporting purposes; it is actually a cash-generating unit or a group of cash-generating units. The results will be recognised separately so that the financial impact of the discontinued operation can be evaluated.

Business combinations
A business combination is recognised on the basis of the purchase accounting method at the acquisition date. This is the date on which decisive control was transferred to Ctac N.V.

The transaction price of a newly acquired participation is determined on the basis of the amount of money agreed upon for the acquisition of such participation and, if applicable, the fair value at acquisition of any other consideration (equity instruments issued) provided by Ctac.

Costs related to an acquisition are recognised as a loss when and as they occur.

Determination of fair value
A number of Ctac's principles and disclosures require the fair value of financial liabilities to be determined. An indication is provided of the level in the fair value hierarchy in which such valuations are categorised.

In accordance with IFRS 13, a number of valuation levels are defined for determining the fair value of recognised financial instruments:

- Level 1: quoted market prices (uncorrected) in active markets for identical assets and liabilities.
- Level 2: input other than quoted market prices included within Level 1 that is observable for the asset or liability, either directly (in the form of a price) or indirectly (derived from a price).
- Level 3: input for the asset or liability that is not based on observable market data (unobservable input). When determining fair values Ctac makes use of generally accepted valuation models.

The methods employed to determine the fair value are presented below for the relevant items in the financial statements.

Intangible fixed assets
Goodwill
Goodwill that may result from the acquisition of participations is the difference between the purchase price of the acquired company minus the balance of the net fair value of the identifiable assets and the fair value of the liabilities acquired of the company.

Payments related to the acquisition are valued on the basis of the cash and cash equivalents paid and payable as at the date of the transaction and, if applicable, at the fair value of the equity instruments (i.e. shares) used to finance the acquisition. Contingent elements of the acquisition price are measured at fair value upon acquisition and are also recognised as a liability, with variances due to differences in value being recognised through the statement of profit and loss.

Goodwill is valued at cost price minus cumulative impairments.

Goodwill is attributed to cash-generating units. An impairment of goodwill, where relevant, is charged to the statement of profit and loss. An impairment relating to goodwill is never reversed. Upon the sale of an entity, the book value of the goodwill is included in the result.

Inclusion of a deferred tax liability in the event of adjustments to fair value affects the level of the goodwill.

Information about the contingent liabilities and a description of the factors that have contributed to the cost price that result in the recognition of goodwill cannot always be immediately provided because in some cases business plans are not yet sufficiently detailed. The fair value that is still to be accorded, if applicable, to the intangible fixed assets will be worked out and determined at a later stage. Where applicable, this will take place within twelve months from the acquisition date.

Customer and contract portfolios
The intangible fixed assets related to acquired customer and contract portfolios pertain to the intangible fixed assets of acquisitions identified in accordance with IFRS 3 and are valued at cost, i.e. the fair value at the time of acquisition.

The fair value at the time of acquisition of acquired customer and contract portfolios is based on the so-called Multi-Period Excess Earnings Method ('MPEEM') on the basis of estimated future cash flows.

Customer and contract portfolios are capitalised and, if necessary, cumulative impairments are deducted. Customer and contract portfolios are amortised on the basis of the useful life for each individual component.

Brand names
The intangible fixed assets related to acquired brand names pertain to the intangible fixed assets of acquisitions identified in accordance with IFRS 3 and are valued at cost, i.e. the fair value at the time of acquisition.

The fair value of the acquired brand names at the time of acquisition is based on the so-called relief-from-royalty method (RFR). This method is based on the premise that the only value that a purchaser of the assets receives is the exemption from paying a royalty for its use. In accordance with this method the value is estimated by calculating the royalties saved by owning the brand name.

The brand names are capitalised and, if necessary, cumulative impairments are deducted. Brand names are amortised on the basis of the useful life for each individual component.

Intangible fixed assets produced in-house
These intangible fixed assets pertain to products developed in-house and the distribution rights connected thereto. Development costs are capitalised based on the costs incurred to acquire and prepare the software for use. Internally developed software is capitalised to the extent that the cost price results from a project's development and testing phase and if it can be demonstrated that:

- the project is technically feasible so that it will be suitable for use;
- completing the project and using the software are intended;
- the software will generate demonstrable economic benefits in the future;
- technical, financial and other resources are available to complete and use the software;
- it is possible to reliably determine the expenditure that can be attributed to the software developed.

The costs of company staff related directly to the products developed are capitalised at direct cost. The costs of any services rendered by third parties in connection with the products developed are capitalised at cost.

Software has a finite useful life and is stated at cost less amortisation and impairment. Amortisation is charged to the statement of profit and loss on a straight-line basis over the estimated useful life. Software produced in-house is amortised from the date that it is taken into use.

Expenditure after initial investment
Expenditure on capitalised intangible fixed assets after the initial investment is only capitalised when this expenditure results in an increase of the future economic benefits arising from the investment. All other expenses are recognised as charges in the statement of profit and loss.

Amortisation of intangible fixed assets
Amortisation charges are charged to the statement of profit and loss in accordance with the straight-line method based on the useful life of an intangible asset. Goodwill is assessed annually on the balance sheet date for impairments. Other intangible fixed assets are amortised from the date that they are taken into use. The useful life of the intangible fixed asset, based upon which the amortisation is determined, is as follows:

- customer and contract portfolios 8 years - 12 years
- brand names 10 years
- intangible fixed assets produced in-house 3 years - 7 years

The amortisation periods are evaluated annually and adjusted when necessary.

An explanation of impairment of intangible fixed assets is given in the 'Impairment of assets' section.

Right-of-use assets and lease obligations
Ctac has a large number of operating lease contracts for hardware and passenger cars, and some long-term real estate leases. When entering into a new agreement, Ctac assesses whether the contract is in keeping with the definition of what constitutes a lease. A lease is defined as 'a contract or part of a contract that gives the right to use an asset for a period of time in exchange for a consideration'. To verify whether this definition is applicable, the contract is assessed for three main criteria, i.e.:

- the contract contains an asset that is explicitly or implicitly identified in the contract;
- Ctac has the right to obtain substantially all of the economic benefits from using the asset identified during the period of use, given its rights within the defined scope of the contract; and
- Ctac has the right to use the asset identified for the entire period of use. Ctac assesses whether it has the right to determine how and for which purpose the asset will be used during the period of use.

Contracts defined as leases are recognised in the balance sheet as right-of-use assets and lease obligations.

Right-of-use assets
A right-of-use asset is recognised at the moment when the lease is entered into and the relevant asset is available for use. The right-of-use asset is stated at cost less cumulative depreciation and impairments, and is corrected for changes resulting from revaluation of the lease obligation. The book value of the right-of-use asset comprises the amount of the recognised lease obligation, initial direct costs associated with the lease and lease payments made before or upon entering into the lease, less any lease incentives. Right-of-use assets are depreciated on a straight-line basis over the useful life of the asset or the lease term if the latter is shorter, to the extent that there is no reasonable certainty that Ctac will become the owner of the leased asset at the end of the lease term. The lease contracts entered into by Ctac do not contain any purchase options that are reasonably likely to be exercised. Right-of-use assets are assessed for impairment.

Lease obligations
The lease obligation is initially valued based on the present value of the future lease payments during the term of the contract. The non-lease components are excluded from the calculation of the lease obligation. Lease liabilities are discounted using the interest rate implicit in the lease if this is readily available or the incremental interest rate on the start date of the contract. This is the interest rate that might have been available to the lessee on the start date of the lease to borrow the amount required to purchase the asset through a loan with a similar period and with similar collateral. Lease obligations are presented separately on the balance sheet. After commencement of the lease, the lease obligation is increased with interest and reduced by the lease instalments paid. In addition, the lease obligation is adjusted if there has been a change or amendment to the contract, the term, or the lease payments. Interest relating to the increase in the lease obligation is charged to the result under financial expenses.

Tangible fixed assets
Tangible fixed assets owned by the company
Tangible fixed assets are stated at cost less cumulative depreciation and impairments. The cost includes the additional costs that are directly attributable to the acquisition or production of the asset. Costs incurred after the asset is initially recognised in the financial statements are included in the book value of the asset or are recognised as a separate asset when it is probable that the future economic benefits generated by the asset will accrue to Ctac and the costs of the asset can be determined in a reliable manner. Maintenance costs are recognised in the statement of profit and loss in the period in which they are incurred.

Book losses and gains upon the disposal of tangible fixed assets are recognised in the statement of profit and loss.

Depreciation of tangible fixed assets
The tangible fixed assets are recognised at acquisition price minus depreciation, calculated on a straight-line basis, based on the expected useful life. The annual depreciation rates are as follows for:

• structural modifications to leased buildings	10 years
• ICT hardware	2 years - 5 years
• fixtures and fittings	4 years - 10 years

Renovations are depreciated over the remaining term of the lease agreements for the buildings in question or the service life if this is shorter. The residual value, which is often set at zero, and the useful life of the tangible fixed assets are assessed each year on the balance sheet date and adjusted if necessary. Assets on order are not depreciated.

Impairment of assets
Periodic reviews are conducted into any impairment trigger to the book values of assets that qualify for impairment. If there are such indications, an estimate is made of the realisable value of the asset based on the cash value of the expected future cash flows, or their direct realisable value. If it is not possible to determine the realisable value for the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined. An impairment is charged to the result if the carrying amount exceeds the realisable amount.

For other intangible fixed assets, tangible fixed assets and right-of-use assets Ctac has defined the identified segments as the cash-generating unit.

Calculation of the recoverable amount
The recoverable amount of an asset or cash-generating unit is the fair value less disposal costs or the value in use, whichever is higher. The fair value is the realisable value resulting from the sale of a cash-generating unit to a third party (in an 'at arm's length transaction'). The value in use is the present value of the expected cash flows from an asset or cash-generating unit. When determining the value in use, the present value of the estimated future cash flows is calculated using a discount rate before tax that reflects both the current market estimates of the time value of money and the specific risk relating to the asset. For an asset that does not generate cash flows which can be determined individually, the economic value is determined for the cash-generating unit to which the asset belongs.

Reversal of impairments
An impairment relating to goodwill is never reversed. An assessment is made each year as to whether there are indications that the impairment of an asset that was recognised in earlier periods no longer exists or has possibly decreased. If an impairment ceases to exist, the carrying amount of the asset is increased to the revised realisable amount, excluding goodwill, but never above the carrying amount that would have been recognised had the impairment not been recognised.

Deferred tax assets and deferred tax liabilities
Deferred taxes are calculated based on established tax rates and laws that are applicable or which have already been materially decided upon on the balance sheet date, and that are expected to be applicable at the time that the deferred tax asset is realised or the deferred tax liability is paid.

Deferred tax assets in connection with losses available for set-off against taxes are only capitalised to the extent that it is probable that the settlement can take place against profits to be achieved in the coming years. Deferred tax assets and liabilities with the same term and at the same tax entity are set off against each other in the balance sheet, provided that such setting off is permitted by law.

Stocks
Stocks of merchandise are stated at cost or acquisition price, applying the FIFO ('first in, first out') method, or at realisable value, if lower.

The cost is made up of the acquisition or production cost (all costs associated with acquisition or production) and costs incurred to transport the stocks to their current location and in their current condition.

The realisable value is the estimated sale price less directly attributable sale costs. Obsolescence of stocks is taken into account when determining the realisable value.

Financial instruments
Non-derivative financial instruments
Non-derivative financial instruments comprise:
- other long-term receivables;
- trade receivables and other receivables;
- cash and cash equivalents;
- long-term bank liabilities
- lease obligations (the 'Right-of-use assets and lease obligations' section);
- other long-term liabilities;
- short-term bank liabilities;
- trade creditors and other liabilities.

On initial recognition, non-derivative financial instruments are recorded at fair value. After initial recognition, financial instruments, other than derived financial instruments, are valued at amortised cost price less impairments. Settlement date accounting is used for initial recognition and derecognition.

Whilst applying IFRS 9 'Financial Instruments', a provision is made for trade receivables, revenue yet to be invoiced with regard to contracts based on subsequent costing and fixed monthly instalments and contract assets, and the simplified approach is used to calculate expected credit losses throughout the lifetime. A matrix of provisions is used to calculate expected credit losses. This matrix is used as the basis for mapping expected credit losses for groups of different customer segments and, if any credit losses are expected, trade receivables, revenue yet to be invoiced with regard to contracts based on subsequent costing, and fixed monthly instalments and contract assets are written down.

The expected loss rates are based on the payment profiles of sales over a period of sixty months prior to 31 December 2021 and on the corresponding historical credit losses incurred within this period. Historical loss rates are adjusted to reflect current and forward-looking information about macroeconomic factors that affect customers' ability to settle claims.

Macroeconomic conditions in the country of sale have been identified as the most relevant factor and accordingly, historical loss rates are adjusted based on expected changes to this factor.

The other current receivables relate to amounts still to be invoiced in respect of contracts based on retrospective costing and fixed monthly instalments, contract assets, other receivables and prepayments and accrued income. Contract assets are the right to compensation in exchange for goods or services transferred to the customer. If this right to compensation arises before the customer pays it or before the payment is due, a contract asset will be recognised. The contract assets are recognised under other short-term assets to the extent that these contract assets exceed the contractual obligations for these projects. A contractual obligation is the obligation to transfer goods or services to a customer to the extent that Ctac has received compensation from the customer. Contractual obligations are recognised as revenue when Ctac meets its contractual performance obligation.

If the contractual obligations for current projects exceed the contract assets, the balance relating to these projects is recognised under other short-term liabilities. In this context, reference is also made to the accounting principles for recognising turnover (see accounting principle 'Revenue from contracts with clients').

Cash and cash equivalents and short-term bank liabilities
The cash and cash equivalents relate to cash in hand and cash balances in current accounts at credit institutions and are stated at amortised cost. The amounts listed under the credit facility in the current account are recognised under short-term bank liabilities.

Long-term bank liabilities
On initial recognition in the financial statements, loans are valued at fair value plus transaction costs. After initial recognition, loans are valued at amortised cost price.

Other long-term liabilities
The financial statements include financial liabilities for obligations relating to the buy-out of minority shareholders. These obligations arise from put/call agreements with minority shareholders. The put option is the right of minority shareholders to sell the remaining stake. The call option is the right of Ctac to buy the remaining stake from the minority shareholders. Due to the mirrored provisions in the put/call agreement, it can be assumed that Ctac will eventually acquire 100% of the share capital. Ctac therefore accounts for these agreements as an earn-out obligation.

The earn-out obligation is stated at fair value at the time of acquisition. The follow-up valuation is the fair value through profit or loss. The fair value is determined by calculating the present value of estimates of future operating results, derived from the business plans of the companies in question, with changes in this liability being recognised in the statement of profit and loss as part of Other operating costs. The cost of amortisation of earn-out obligations is recognised under financial income and expenses as part of financial expenses.

Trade creditors and other liabilities
On initial recognition in the financial statements, trade creditors and other liabilities are carried at fair value plus transaction costs. After initial recognition, trade creditors and other liabilities are carried at amortised cost.

Liabilities regarding wages and salaries, including non-cash benefits, holiday pay, annual leave, benefits or accrued sick leave, which are expected to be settled entirely within twelve months after the end of the period in which the employees performed the service in question, are recognised on the basis of the actual performance during the accounting period. If there are any liabilities related to settlement agreements, the liability is recognised at the amount expected to be paid when settling the liability. The liabilities are presented in the balance sheet under accruals and deferred income. The LTI liability is valued at fair value. The follow-up valuation is the fair value through profit or loss.

Derivative financial instruments (derivatives)
Ctac has no derivative financial instruments.

The valuation principles for financial instruments were applied to the following balance sheet items.

(in € x 1,000)	Amortised cost price	Fair value through profit or loss	Fair value through capital	Derivates	Total
Balance as at 31 December 2021					
Other long-term receivables	400	-	-	-	400
Trade receivables and other receivables	21,439	-	-	-	21,439
Cash and cash equivalents	10,404	-	-	-	10,404
Long-term bank liabilities	2,025	-	-	-	2,025
Lease obligations	10,914	-	-	-	10,914
Other long-term liabilities	412	1,490	-	-	1,902
Short-term bank liabilities	900	-	-	-	900
Trade creditors and other liabilities	27,255	1,614	-	-	28,901
Balance as at 31 December 2020					
Other long-term receivables	251	-	-	-	251
Trade receivables and other receivables	16,821	-	-	-	16,821
Cash and cash equivalents	10,552	-	-	-	10,552
Long-term bank liabilities	2,925	-	-	-	2,925
Lease obligations	10,774	-	-	-	10,774
Other long-term liabilities	254	1,667	-	-	1,921
Short-term bank liabilities	900	-	-	-	900
Trade creditors and other liabilities	23,351	-	-	-	23,351

Liabilities are stated at fair value, i.e. the expected settlement value.

Shareholders' equity
Issued share capital
The authorised share capital amounts to € 9,600,000 and is divided into 40,000,000 shares of € 0.24 as follows: 19,999,999 ordinary shares, 20,000,000 preference shares and 1 priority share. At year-end 2021, the issued share capital consisted of 13,637,321 ordinary shares and 1 priority share. All issued shares are fully paid up.

Repurchase of own shares
When Ctac N.V. repurchases its own shares (known as Treasury Shares), the amount of the compensation for this repurchase, including any directly attributable costs (less taxes) is charged to the other reserves until the time that the shares in question are cancelled, reissued or sold. If repurchased own shares are sold or reissued, then the amount received, less directly attributable costs (less taxes), is recognised in favour of the other reserves.

As at 31 December 2021, no own shares were held by Ctac N.V. or by any of its subsidiaries.

Dividend
A dividend distribution to Ctac N.V. shareholders is recognised as a liability at the time that the General Meeting of Shareholders passes a resolution to that end.

Statutory reserves
In accordance with statutory obligations, a statutory reserve is established in the company financial statements for the amount of the capitalised costs of intangible fixed assets developed in house. The statutory reserve cannot be distributed. The other reserves can be freely distributed. Please refer to note 29 for an explanation of the reserves.

Minority interests
Minority interests as part of group equity are stated at the amount of the net interest in the net assets of the group companies in question.

If the group company concerned has a negative net asset value, the negative value and any further losses are not allocated to minority interests, unless the third-party shareholders have an actual obligation and are able to bear the losses. Results are allocated to minority interests as soon as the group company's net asset value returns into positive territory.

Provisions
A provision is included in the balance sheet if the following conditions are met:
- A legally enforceable or actual obligation of Ctac exists as a result of an event in the past;
- It is probable that the settlement of this obligation will result in an outflow of funds;
- A reliable estimate can be made of the outflow of funds which are deemed necessary for the settlement of the obligation.

Anniversary provision
The terms and conditions of employment of the various group companies include an anniversary scheme pursuant to which employees receive a gross payment that is independent of their salary when they reach a certain number of years of service. In accordance with the IAS 19 'Employee Benefits', a provision has been made for the conditional obligation resulting from this anniversary scheme. This provision is valued at the present value of the future payments for anniversary purposes. The provision is made on the basis of the projected average number of years of service per employee and the size of the payment, and is recognised at the present value (discount rate of 1%).

Loss-making contracts
A loss-making contract is a contract where the unavoidable costs of complying with the obligations pursuant to the contract exceed the economic benefits expected to be received. If there are any loss-making contracts with clients, a provision will be recognised and valued to the extent that the unavoidable costs of completing the contract exceed the contract price.

Revenue from contracts with clients
Revenue from contracts with clients is recognised as soon as the performance obligation has been fulfilled and the power to dispose of the service or goods delivered has been transferred to the customer. Revenue is recognised over time, i.e. during the term of the contract, if one of the following conditions has been fulfilled:
1. the customer obtains and uses the benefits of the product or service over time;
2. Ctac manufactures a good ('project in progress') for the account and at the risk of the customer;
3. Ctac manufactures a good on behalf of the customer which Ctac cannot use in an alternative manner and for which it is entitled to payment before the good's manufacture is completed.

If the criteria for the recognition of revenue during a period have not been met, the revenue is recognised at a point in time.

Ctac enters into service contracts with its customers. The contract is an agreement with one or more parties which has given rise to the rights and obligations. Ctac assesses whether there are any separate performance obligations as part of a contract. A performance obligation concerns a commitment to the customer for the provision of services and/or goods. A performance obligation can concern the provision of an individual service or good or a series of individually distinguishable services or goods having substantially identical characteristics and identical delivery patterns. A performance obligation is established at the start of the contract, based on the contract terms and agreements.
Revenue is recognised for each individual performance obligation to the amount expected to be received for the individual performance obligation, taking into account, if applicable, variable payments, significant financing elements, non-cash payments and payments made to the customer. Ctac recognises the following main performance obligations or combinations thereof.

Management and hosting contracts
Services under management and hosting contracts are provided in accordance with the service levels laid down in the service level agreements (SLAs) and consist of various service elements, each of which consists of several service components. These elements are briefly described in the agreement including the selling prices associated with them. A detailed description will be included in the Service Catalogue attached to the agreement. Ctac recognises its turnover from management and hosting contracts 'over time', since the performance obligation is complied with during the term of the contract, provided that the progress of the work can be reasonably and sufficiently reliably estimated.

Secondment contracts
Secondment services concern the provision (deployment) of employees based on a previously agreed number of hours. Revenue from secondment contracts is recognised over time during the term of the contract, with the performance obligation having been complied with when the hours have been worked.

Project agreements
The service provision consists of the delivery of the project (or project elements) in accordance with the predefined criteria as set out in the project plan. Revenue from project agreements based on subsequent costing is also recognised 'over time'. Revenue is recognised at the point in time when the hours have been worked and the power of disposal has been transferred; at this point the performance obligation has been complied with. Ctac recognises revenues from projects with a fixed contract price based on the ratio of the actual costs to the budgeted costs. Revenue is recognised according to the POC ('percentage of completion').

Licence sales
The service provision consists of the delivery of the perpetual right of use of software. Ctac recognises revenue from the sale of licences at a point in time since the performance obligation is complied with at the point in time when the licences are delivered. The power of disposal is transferred at that point in time.

Maintenance contracts
The service provision consists of maintenance work according to predefined services. This usually concerns error detection and repair, non-specified adjustments due to external developments, such as changes in legislation and regulations, and other non-specified updates if available. This revenue is recognised 'over time'. The revenue is recognised at the moment when the service is delivered.

Hardware sales
The performance obligation relates to the delivery of the hardware ordered in accordance with the specifications as stated. Revenue from hardware sales is recognised 'at a point in time'. The performance obligation is complied with at the point in time when the hardware has been delivered, the power of disposal is transferred at that time.

Combination contracts
Licence sales / Management and hosting contracts
If a software right of use is delivered in combination with management and hosting services, the buyer can use such goods or services on its own. The criterion of distinctness is complied with because the management and hosting activities do not significantly modify the software product, nor integrate it as one combined product/combined service with a high degree of mutual dependency.

Licence sales / Maintenance contracts
Maintenance contracts may be offered in combination with software contracts, but there is no combined purchase obligation. If offered in combination, the two contracts are considered to be separate performance obligations. Software usage rights can be used independently or maintenance can be purchased via another buyer. If a customer does not purchase any general maintenance services, this will not critically affect the functionality of the software.

Licence sales / Project agreements
The provision of services will usually comply with the condition of independence and distinctness because the services requested often do not concern any significant modifications ('customization') which would substantially change the functionality of the software bought.

Hardware sales / Project sales or Management and hosting assignments
Hardware sales are a category of performance obligations that can be used independently (hardware can be used for other purposes or in combination with other external, non-Ctac services) and which can be distinguished from other goods or services (hardware can be purchased through other buyers).

Project agreements / Management and hosting contracts
As regards our service provision that consists of delivering the project related to the on-boarding of the SaaS service of a customer's own IP and our service provision for managing and hosting the SaaS service, the project cannot be distinguished from the management and hosting service provision. The services are interlinked in such a way that separate performance obligations cannot be taken to exist. The combination contract is accounted for as if it were a single performance obligation. The revenue is recognised over time for the term of the management and hosting contract.

The transaction price is the amount of money that Ctac expects to receive in exchange for delivering its product or service. Variable payments are taken into account when determining the transaction price insofar as it is highly probable that there will not be a significant reversal of this variable payment. Discounts are charged to the revenue unless it is highly probable that the discount will not be given to the customer.

Depending on the form of discount as defined in the contract, the discount is determined on the basis of the revenue already recognised and the estimate of the total revenue to be recognised. There is no financing element since a relatively short credit period is applicable to the sales.

Purchase value of hardware, software and outsourced activities
Expenses relating to the purchase value of hardware, software and outsourced work are recognised at historical cost in the period in which these expenses were incurred. Ctac always acts as the principal in outsourced work arrangements.

Costs incurred on contracts with clients that can be attributed to performance in future periods are capitalised as contract assets to the extent that these costs can be directly attributed to the contract with the customer, the costs generate or improve an asset for the future performance of the contract, and to the extent that these costs can be earned back in the contract.

These costs are then amortised as products and services are delivered in future periods.

Personnel costs
Wages and salaries
Wages and salaries paid to personnel are charged to the statement of profit and loss in the period in which the work was done and, if not paid yet, they are recognised in the balance sheet as a liability. If any payments already made to personnel exceed the amounts due, the excess will be recognised as prepaid expenses and accrued income to the extent that there will be a repayment by personnel or set off against future payments by the company.

For wages and salaries where entitlements and bonuses are accrued, the expected expenses during the employment are taken into account. Additions to, and reversals of, liabilities are charged or credited to the statement of profit and loss.

If wages or salaries are paid where no entitlements are accrued (e.g. continued payment in the event of illness or disability), the expected expenses are recognised in the period for which these wages or salaries are due.

National insurance contributions
National insurance contributions are processed based on the terms and conditions of employment in the statement of profit and loss to the extent that they are owed to the tax authority.

Pension charges
Employees at Ctac accrue pensions at their own expense and risk (defined contribution pension scheme). Ctac pays fixed premiums to an insurance company and Ctac has no legal or actual obligation to pay additional premiums if the insurance company has insufficient means to pay current and future pensions. Ctac's pension contribution is recognised under personnel costs in the statement of profit and loss.

Other operating costs
The overheads are determined on a historical basis and applied to the year under review they relate to.

Financial income and expenses
Financial income includes the interest received on current account balances with credit institutions and interest received in connection with the settlement of financial claims. Financial expenses include interest charged by credit institutions on borrowed funds, interest paid in connection with the settlement of tax liabilities, and the amortisation of the earn-out obligations. Financial expenses also include the interest element of the lease obligations (see accounting principle 'Right-of-use assets and lease obligations').

Taxation on the result
Taxation on the result of the financial year comprises taxes due and available for set-off and deferred taxes over the period under review. Tax on the result is recognised in the statement of profit and loss.

The taxes due over the period under review and available for set-off consist of profit tax on the taxable result. This is calculated based on applicable tax rates, taking into account exempt profit components and nondeductible amounts as well as corrections to taxation in previous financial years.

Accounting principle for the cash flow statement

The cash flow statement has been prepared using the indirect method. A distinction is made in the cash flow statement between the cash flows from operational activities, investment activities, and finance activities. Income and expenditure relating to tax on profits and interest income and interest expenses are part of the net cash flow from operational activities. Cash flows resulting from the acquisition or disposal of financial interests (participations and investments) are included under the cash flow from investing activities, taking into account the presence of cash and cash equivalents within these interests. Paid dividends are included in the cash flow from financing activities. The balance of cash and cash equivalents is recorded in the cash flow statement including the amounts drawn from the current account as stated under the short-term liabilities. The non-cash transactions are included in the explanatory notes under the cash flow statement.

Financial risk management

Ctac is confronted with various financial risks, such as market risks, credit risks and liquidity risks. The general risk management within Ctac guided by the board of directors covers a broader spectrum of risks than financial risks alone. This management is geared towards identifying key risks and managing them in a targeted way on the basis of guidelines, procedures, systems, best practices, control and audits. Financial risk management focuses in particular on risks that are relevant for Ctac in this context.

Financial market risk
Interest rate risk
Ctac is exposed to interest rate risks that are exclusively limited to the eurozone. To minimise these risks, the goal of the interest rate risk policy is to limit the interest rate risks related to the financing of the company. The interest rate risk pertains to the company's long-term financing as well as its short-term financing. Ctac continuously analyses the development of its cash and cash equivalents in relation to the available financing facilities and interest rate fluctuations.

Ctac has the following long-term interest-bearing debts:

- € 4.5 million (principal) to finance acquisitions, € 2.9 million remained as at the balance sheet date;
- the lease liabilities under the application of IFRS 16 'Leases'.

In January 2020, a five-year loan was taken out for € 4.5 million. This loan was taken out in order to finance the acquisition of Purple Square Management Partners B.V. This is an interest-bearing loan. The interest rate is three-months Euribor plus a spread of 2.95% per year. The bank has the possibility to change this spread once every three months. Such a change has not taken place.

Ctac owes a variable basic interest rate for the short-term interest-bearing bank loan, i.e. the credit facility. The interest rate is one-month average Euribor plus a Euribor market spread and a spread. This fixed spread was set at 3.00% in the credit agreement as amended in April 2021. The bank has the possibility to change this spread once every three months. Such a change has not taken place. The credit facility is committed for three years from April 2021.

Ctac made very limited use of the credit facility in 2021. If during 2021, the interest rate on the long-term and short-term bank loans with a variable interest rate had been 0.1% higher or lower, while other variables remained constant, this would not have had a material effect on the result after tax. The 0.1% rate used here is based on the volatility of interest rates during 2021.

Ctac does not have any significant interest-bearing assets. As a result, group revenues are virtually completely independent of any changes to interest rates.

Please refer to the cash flow statement for non-cash transactions.

Currency risk
All companies within Ctac are located in the eurozone. The large majority of revenue is generated within the eurozone. Consequently, the euro is Ctac's reporting and functional currency. Ctac does not have any assets or liabilities outside of the eurozone. The board of directors of Ctac considers the exchange rate risks to be very limited at year-end 2021.

Credit risk
Credit risk is the risk of financial loss for Ctac if a customer or counterparty of a financial instrument fails to comply with the contractual obligation entered into.

Credit risk management is centralised at Ctac. The credit risk arises from liquid assets and transactions with customers, including outstanding receivables. Ctac only accepts professional parties in the Netherlands as banks and financial institutions. Ctac's financing facility has been made available by ABN AMRO Bank for the Netherlands and by ING Bank for Belgium.

The creditworthiness of customers is determined in advance on the basis of acceptance criteria. If available, external credit ratings are used for this purpose. If no external credit ratings are available, Ctac assesses the customer's creditworthiness on the basis of their financial position, past experience, and other factors. Credit risks relating to customers are continually assessed. Ctac N.V.'s board of directors is of the opinion that the credit risk relating to customers is limited, given the individual sizes and independent positions of the various customers. We have been doing business with many of our customers for several years and in the past there have only been some rare cases where customers were unable to meet their obligations. Customers are continually individually assessed for compliance with agreements concerning payment conditions. They have not been subdivided into groups. By their nature, the character of all receivables is as described above. Ctac applies the IFRS 9 Expected Credit Loss Model to the category of Trade receivables, revenue still to be invoiced and contract assets.

The maximum credit risk at the balance sheet date is the value of each item from the receivables as described above. Ctac has not obtained any security in respect of these receivables. The maximum credit risk in relation to trade receivables (gross), revenue still to be invoiced with regard to services already provided and contract assets amounted to the following for each segment on the balance sheet date.

(in € x 1,000)	**2021**	**2020**
The Netherlands	16,262	12,531
Belgium	4,269	3,544
Other	-	110
Maximum credit risk as at 31 December	**20,531**	**16,185**

Trade receivables, revenue yet to be invoiced with regard to contracts based on subsequent costing, and fixed monthly instalments and contract assets are written off when there is no reasonable expectation that such amounts can be recovered. Indicators that there is no reasonable expectation of recovery include a debtor's inability to enter into a repayment scheme with the group and their failure to comply with contractual payments for a period of more than 90 days past due. The credit risk did not increase significantly during the past financial year. This was determined on the basis of the ageing of the accounts receivable during the financial year.

Impairments of trade receivables, revenue yet to be invoiced with regard to contracts based on subsequent costing, and fixed monthly instalments and contract assets are presented as net impairments as part of the operating result. Subsequent recoveries of amounts previously written off are credited to the same item.

The expected credit losses can be specified as follows.

(in € x 1,000)	**31 December 2021**				
	Payment term not expired	**Less than 3 months**	**Between 3 and 6 months**	**Between 6 and 12 months**	**More than 1 year**
Expected credit loss	**<0.1%**	**<0.1%**	**<0.1%**	**<0.1%**	**88.0%**
Trade receivables	11,696	1,410	-	26	186
Revenue still to be invoiced	7,042	-	-	-	-
Contract assets	171	-	-	-	-
Expected credit loss	**-**	**-**	**-**	**-**	**164**

The cash and cash equivalents have been placed with professional market parties that have a credit quality that is qualified as good. The credit ratings of these parties are at least A. Other long-term receivables relate only to deposits. In view of their nature, the expected credit loss of these receivables has not been analysed.

Liquidity risk

Liquidity management is centralised at Ctac. For this purpose, in the Netherlands use is made of centrally managed credit facilities with ABN AMRO Bank, which were agreed as follows in April 2021: a combination facility totalling € 6.3 million, with a sublimit in relation to Oliver B.V. of € 0.3 million. In Belgium, use is made of the credit facility with ING Bank of € 0.9 million. Receivables, fixtures and fittings, IP rights and shares have been pledged as collateral. The credit facility is committed for three years.

The covenant within the financing facility is constituted by a 'senior net debt/EBITDA' ratio. The maximum ratio allowed is 2.0. 'Senior net debt' refers to all interest-bearing bank debts less the cash and cash equivalents that are immediately payable on demand. EBITDA is earnings before depreciation and amortisation of tangible and intangible assets, interest and other financial income and expenses, the result from participating interests, taxes and minority interests. In 2021, the ratio was -0.89. The average amount drawn on the credit facility in 2021 was nil. As this ratio has been comfortably met, no sensitivity analysis has been carried out.

The aim of liquidity management is to make the best possible use of the available liquid assets and credit facilities within Ctac. To this end, liquidity forecasts are drawn up periodically for both the short term and the medium term. These forecasts are adjusted periodically based on realisation and any adjusted projections.

The following summary shows an analysis of the financial liabilities broken down by relevant contractual due dates, based on the remaining periods from the balance sheet date to the contractual due dates. The amounts concern the unconditional, contractual cash flows which have not already been taken into account. Where applicable, future interest payments are included in the cash flows stated.

(in € x 1,000)	**31 December 2021**			
	Financial obligation	**< 1 year**	**between 1 and 2 years**	**> 2 years**
Bank liabilities	2,925	900	900	1,125
Lease payments	10,914	2,973	2,161	5,780
Trade creditors and other liabilities	28,869	28,901	-	-
Other long-term liabilities	1,902	-	1,397	505

(in € x 1,000)	**31 December 2020**			
	Financial obligation	**< 1 year**	**between 1 and 2 years**	**> 2 years**
Bank liabilities	3,825	900	900	2,025
Lease payments	10,744	2,770	1,957	6,017
Trade creditors and other liabilities	23,351	23,351	-	-
Other long-term liabilities	1,921	-	626	1,295

Capital risk management

The management of capital is centralised at Ctac and is aimed at, on the one hand, ensuring the continuity of Ctac and, on the other, optimising the capital structure in order to reduce the cost of capital and to generate returns for shareholders.

Instruments to achieve an optimal capital structure include the dividend policy, the possibility of repurchasing own shares, and the possibility of issuing shares, in particular, in connection with the financing of possible acquisitions or the reduction of debt positions.

Solvency at year-end 2021 was approx. 36.7% (year-end 2020: approx. 34.9%). The solvency ratio is determined on the basis of group equity in relation to the balance sheet total. Ctac considers a minimum solvency of 25% to be a responsible minimum. There is no external solvency requirement.

Project risk
Ctac has different forms of contracts with clients. An important part of Ctac's revenues is generated by projects for customers. How these projects and assignments are executed can have an important influence on Ctac's performance and results. There is a risk that projects are not completed in accordance with specifications, agreements and the margins planned. The financial risks are controlled by careful wording of the scope, frequent reporting to a Project Board, and implementation by experienced project management and qualified employees.

Fraud risk management

As part of the process of identifying risks as a result of fraud, consideration has been given to fraud risk factors relating to fraudulent financial reporting, misappropriation of assets, and bribery and corruption. It has been assessed whether these factors provide any indication of the presence of risks. The main fraud risk factors are:

Insider trading
There is a risk of insider trading in Ctac N.V. shares by the company's employees. To mitigate this risk, Ctac N.V. has drawn up an insider policy designed to prevent such insider trading in its shares. The mitigating measures it describes include the following:
- The compliance officer is responsible for keeping an insider list and notifying persons who are added to this list in writing of the prohibitions that apply to persons who possess inside information, as well as the penalties imposed under the Dutch Financial Supervision Act (Wft) if these prohibitions are infringed.
- The compliance officer is responsible for announcing promptly, and before the start of every calendar year at the latest, which periods of the calendar year in question are considered to be close periods, i.e. periods in which trading in Ctac N.V. shares is not permitted.
- Insiders are required to report transactions in Ctac N.V. shares to the compliance officer of Ctac. The compliance officer of Ctac is responsible for reporting transactions to the Dutch Authority for the Financial Markets (AFM), if required by law to do so.

The purpose of the insider policy is to limit the risk that the reputation and business integrity of Ctac N.V. may be harmed as a consequence of such trading.

Cyber risks
As a provider of general ICT and cloud services, Ctac naturally pays attention to identifying and addressing the cyber risks related to the services it provides. Such cyber risks entail a risk of unauthorised access being gained to systems and data of Ctac or its clients. The Corporate Information Security Officer (CISO) and Privacy Officer, together with the various business units and the internal staff departments, ensure that the necessary mitigating measures are put in place to reduce the risk to an acceptable level.
- Ctac has based its Information Security Management System (ISMS) on the ISO27001 standard and an ISAE3402 framework. The design, existence and operation of all mitigating actions and activities are periodically tested by means of internal and external audits.
- As part of this ISMS, Ctac has had an internal operational security team for some years. This team ensures that the entire IT landscape is monitored continuously and will react immediately to any threat.
- Alongside detection measures, Ctac also has numerous preventive measures in operation at the different levels of the IT landscape.
- Ctac has taken out cyber security insurance so that, if a cyberattack takes place, it can enlist the aid of more specialised parties to support its own security team.

Hours wrongly recognised as deferred costs in relation to products developed internally
Ctac develops customer solutions and software partly in-house. Part of the cost is recognised on the balance sheet as deferred costs. There is a risk of internal hours being wrongly recognised in such a way in relation to products developed internally. To mitigate this risk, Ctac periodically assesses which hours qualify for recognition as deferred costs on the basis of the hours recorded and approved. When hours are recorded a distinction is already made between the research and development phase. Only development hours are assessed to determine whether they qualify for recognition as deferred costs.

Unauthorised payments
Making payments is associated with standard risks. There is a risk of unauthorised payments being effected. First and foremost, Ctac has introduced a measure into its process for generating and/or changing creditor master data, which requires any new and/or amended creditor master data in the ERP system to be approved, with a separation of functions applying in all cases. In addition, a separation of functions between the preparation of payments and the authorisation of payments has been incorporated into the banking application.

Bribes
There is a risk of bribes being paid to clients to secure long-term sales contracts. Corruption in the form of bribes is easier to bring about if fewer people are involved in the corrupt acts. In the area of management agreements contracts can cover long periods. Other agreements are relatively short in nature. A number of employees are always involved in selling management services, mitigating the risk of bribes, which is assessed as being very small.

Unauthorised extraction of IP by employees
There is a risk of unauthorised extraction by employees of IP relating to the in-house-developed software XV Retail or Fit4. The source code of the IP was developed by Ctac. This source code is stored in a repository. Access to this repository is organised on a need-to-know basis and using role-based access methods, mitigating the risk of unauthorised extraction.

Key estimates and assumptions

An explanation of the key estimates and assumptions that influence the valuation of assets and liabilities for the coming year is given below.

Estimates with regard to impairment of goodwill
As regards the cash-generating units identified, Ctac carries out at least one assessment a year to identify whether there has been an impairment of the goodwill allocated to the relevant cash-generating units. There has been an impairment if the carrying amount exceeds the realisable amount. The calculations of the realisable amount involve the use of estimates and assumptions. The calculation uses future cash flows based on a multi-year projection for the next five years. The starting point for determining the future cash flows is the budget for the coming financial year, as well as estimates for the multi-year projections as regards growth in revenue and operating result, and assumptions for developments in investments and working capital. Please see note 1.2 for a detailed explanation of the goodwill impairment tests carried out. As at 31 December 2021, the book value was € 20,044 thousand.

Estimates for goodwill and purchased customer and contract portfolios
The financial statements include a material amount for acquisition-related intangible assets in connection with the acquisition of Purple Square Management Partners B.V. (already acquired in 2020), Oliver B.V. and Digisolve-Mijn ICT B.V. The initial valuation at fair value of these assets was made using valuation models. The results are influenced to a major extent by management estimates regarding the assumptions used (such as growth rates, economic life) and future expectations. The difference between the acquisition price and the net fair value acquired of the identifiable assets and liabilities is recognised as goodwill.

The book value of the goodwill relating to the acquisition of Purple Square Management Partners B.V. was € 3,511 thousand, the book value of the associated customer and contract portfolios acquired was € 2,755 thousand and the book value of the brand name was € 294 thousand.

The book value of the goodwill relating to the acquisition of Oliver B.V. was € 2,037 thousand, the book value of the associated customer and contract portfolios acquired was € 1,235 thousand, the book value of the brand name was € 411 thousand and the book value of the technology was € 337 thousand. The technology is presented in the summary of changes in intangible fixed assets under intangible fixed assets produced in-house.

The book value of the goodwill relating to the acquisition of Digisolve-Mijn ICT B.V. was € 611 thousand and the book value of the associated customer and contract portfolios acquired was € 1,263 thousand.

Financial liabilities relating to put/call agreements
The financial statements include financial liabilities for obligations relating to the buy-out of minority shareholders. These obligations arise from put/call agreements with minority shareholders. The earn-out obligation is stated at fair value at the time of acquisition. The follow-up valuation is the fair value through profit or loss. The fair value is determined by calculating the present value of estimates of future operating results, derived from the business plans of the companies in question. The obligations concern put options relating to the acquisitions of Purple Square Management Partners B.V., Oliver B.V. and Digisolve-Mijn ICT B.V.; at year-end 2021 these obligations amounted to € 2.5 million.

Estimates with regard to the capitalisation of assets produced in-house
Whether costs satisfy capitalisation criteria is determined on the basis of estimates and assumptions. This involves assessing whether the costs incurred will result in economic benefits in the future. The cash flows of existing, contracted customers served as the basic assumption for this. Market developments and the timing when existing and/or potential customers reach the end of life stage of their current software and the probability of new customers being acquired should be taken into account to estimate the cash flows.

Estimates with regard to revenue from contracts with clients with a fixed contract price
Where contracts with a fixed contract price are concerned, Ctac estimates the services performed up to the reporting moment as a percentage of the total services to be performed. This estimate is based on the periodically available information regarding the status of the projects concerned. Detailed pre-calculations are used to determine the readiness percentage. Based on the actual results achieved and estimates by project leaders, monthly estimates are made of the services provided for the individual projects as a percentage of the total services to be provided. This information is also used to decide whether a provision for loss-making projects should be formed. This is the case if the costs that Ctac cannot avoid incurring in order to comply with its obligations under the agreement in question exceed the expected benefits to be obtained by Ctac. The actual situation may differ from these estimates. The balance sheet positions related to contracts with a fixed contract price amounted to € 171 thousand recognised as contract assets and € 77 thousand recognised under contract liabilities.

Significant estimates and assumptions when assessing renewal options
Renewal options are included in Ctac's leases. The valuation assesses whether it is likely to expect that the option to extend will be exercised. A possible extension was not taken into account when determining the cash value. Ctac will periodically reassess whether renewal options are being used. The Dutch lease contract includes a five-year extension option.

Segmented reporting

IFRS 8 requires segmented information in the financial statements that should be consistent with the internal information used by the board of directors, as the chief operating decision maker, to evaluate results, allocate resources and make decisions.

The Ctac board of directors manages the company on the basis of two geographic segments, i.e. 'the Netherlands' and 'Belgium', and one segment referred to as 'Other' which consists of Digisolve-Mijn ICT B.V. and the other activities, including the holding company.

An operating segment is considered to be a separately reportable segment if one of the quantity thresholds described in IFRS 8.13 is complied with. As Digisolve-Mijn ICT B.V. does not meet any of these quantitative criteria it is presented in 2021 in the 'Other' segment. The segments of the Netherlands, Belgium and Other generate the following revenues:

- revenues from secondment, i.e. making employees available;
- revenues with regard to delivery or completion of the project or of parts of the project in accordance with the predefined criteria;
- revenues from management and hosting contracts;
- revenues from licence and hardware sales;
- revenues from maintenance contracts.

In spite of the similarities between the service segments of the Netherlands, Belgium and Other, based on the nature of the products / services provided, these segments are not aggregated since not all of the characteristics of IFRS 8.12 have been complied with.

The inter-segment transactions with respect to revenue concern the balance of the hiring of employees between the Netherlands and Belgium.

Prices and terms for inter-segment transactions are determined at arm's length. A segment's capital expenditure is the total cost incurred during the period under review for the segment to acquire assets that are expected to be used for more than one reporting period under review. Management information concerning balance sheet positions is gathered at the levels of the Netherlands, Belgium and Other segments, and analysed for these individual segments.

For one client from the Netherlands segment the revenue realised in 2021 exceeded 10% of total revenue. The revenue generated from this client came to € 11.9 million (2020: € 6.7 million).

The segmented results for the year 2021 can be specified as follows:

2021 Results
(in € x 1,000)

	The Netherlands	Belgium	Other	Inter-segment eliminations	Consolidated
Revenue from contracts with clients	90,518	22,662	626	(7,382)	**106,424**
Operating result	6,346	986	(870)	-	**6,462**
Financial income	-	-	-	-	**-**
Financial expenses	(122)	(45)	(298)	-	**(465)**
Result before tax	6,224	941	(1,168)	-	**5,997**
Taxes	(1,245)	(284)	197	-	**(1,332)**
Net result	**4,979**	**657**	**(971)**	**-**	**4,665**

The segmented results for the year 2020 can be specified as follows:

2020 Results
(in € x 1,000)

	The Netherlands	Belgium	France (discontinued operations)	Other	Inter-segment eliminations	Consolidated
Revenue from contracts with clients	72,496	16,484	254	5,491	(7,164)	**87,561**
Operating result	5,225	77	(598)	(641)	-	**4,063**
Financial income	-	98	137	99	(125)	**209**
Financial expenses	(114)	(221)	(72)	(272)	125	**(554)**
Result before tax	5,111	(46)	(533)	(814)	-	**3,718**
Taxes	(653)	(79)	(1,076)	1,122	-	**(686)**
Net result	**4,458**	**(125)**	**(1,609)**	**308**	**-**	**3,032**

The assets and liabilities per segment as at 31 December 2021 can be specified as follows.

Assets and liabilities as at 31 December 2021
(in € x 1,000)

	The Netherlands	Belgium	Other	Consolidated
Total assets	31,319	7,889	34,802	**74,010**
Total liabilities	24,516	4,323	18,010	**46,849**

The assets and liabilities per segment as at 31 December 2020 can be specified as follows.

Assets and liabilities as at 31 December 2020
(in € x 1,000)

	The Netherlands	Belgium	France (discontinued operations)	Other	Consolidated
Total assets	25,831	5,714	166	32,809	**64,520**
Total liabilities	19,521	3,924	390	18,196	**42,031**

The other segmented information regarding the statement of profit and loss of 2021 is as follows:

Depreciation and amortisation 2021
(in € x 1,000)

	The Netherlands	Belgium	Other	Consolidated
Intangible fixed assets	829	-	678	**1,507**
Right-of-use assets	2,518	365	716	**3,599**
Tangible fixed assets	127	27	327	**481**
Total depreciation and amortisation	**3,474**	**392**	**1,721**	**5,587**

Impairments in 2021
(in € x 1,000)

	The Netherlands	Belgium	Other	Consolidated
Intangible fixed assets	-	-	-	**-**
Tangible fixed assets	-	-	-	**-**
Total impairments	**-**	**-**	**-**	**-**

Investments in 2021
(in € x 1,000)

	The Netherlands	Belgium	Other	Consolidated
Intangible fixed assets	502	-	6,335	**6,837**
Right-of-use assets	2,474	264	-	**2,738**
Tangible fixed assets	30	16	191	**237**
Total investments	**3,006**	**280**	**6,526**	**9,812**

The other segmented information regarding the statement of profit and loss of 2020 is as follows:

Depreciation and amortisation 2020
(in € x 1,000)

	The Netherlands	Belgium	France (discontinued operations)	Other	Consolidated
Intangible fixed assets	753	-	-	530	**1,283**
Right-of-use assets	2,244	408	-	949	**3,601**
Tangible fixed assets	141	50	-	291	**482**
Total depreciation and amortisation	**3,138**	**458**	**-**	**1,770**	**5,366**

Impairments in 2020
(in € x 1,000)

	The Netherlands	Belgium	France (discontinued operations)	Other	Consolidated
Intangible fixed assets	200	-	-	-	**200**
Tangible fixed assets	-	-	-	-	**-**
Total impairments	**200**	**-**	**-**	**-**	**200**

An explanation concerning impairment has been included in note 1.

Investments in 2020
(in € x 1,000)

	The Netherlands	Belgium	France (discontinued operations)	Other	Consolidated
Intangible fixed assets	788	-	-	7,184	**7,972**
Right-of-use assets	2,148	-	-	71	**2,219**
Tangible fixed assets	125	16	1	213	**355**
Total investments	**3,061**	**16**	**1**	**7,468**	**10,546**

The revenue and assets presented by geographical areas are as follows.

	Revenue from contracts with clients		Total assets	
(in € x 1,000)	**2021**	**2020**	**2021**	**2020**
The Netherlands	88,722	75,015	66,121	58,640
Belgium	22,662	16,484	7,889	5,714
France (discontinued operations)	-	254	-	166
Inter-segment eliminations	(4,960)	(4,192)	-	-
Total	**106,424**	**87,561**	**74,010**	**64,520**

1. Intangible fixed assets

The following statement provides an overview of the changes in the assets recognised in this balance sheet item.

	Goodwill		Customer and contract portfolios acquired		Brand names		Intangible fixed assets produced in-house		Total	
(in € x 1,000)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Total acquisition value	29,709	26,198	3,306	-	367	-	7,412	6,624	40,794	32,822
Total amortisation and impairments	(12,313)	(12,313)	(275)	-	(37)	-	(4,117)	(2,946)	(16,742)	(15,259)
Book value as at 1 January	**17,396**	**13,885**	**3,031**	**-**	**330**	**-**	**3,295**	**3,678**	**24,052**	**17,563**
Produced in-house	-	-	-	-	-	-	601	605	601	605
Investments	2,648	3,511	2,690	3,306	457	367	441	183	6,236	7,367
Disposals	-	-	-	-	-		-	-	-	-
Amortisation	-	-	(468)	(275)	(82)	(37)	(957)	(971)	(1,507)	(1,283)
Impairment	-	-	-	-	-	-	-	(200)	-	(200)
Book value as at 31 December	**20,044**	**17,396**	**5,253**	**3,031**	**705**	**330**	**3,380**	**3,295**	**29,382**	**24,052**
Total acquisition value	32,357	29,709	5,996	3,306	824	367	8,454	7,412	47,631	40,794
Total amortisation and impairments	(12,313)	(12,313)	(743)	(275)	(119)	(37)	(5,074)	(4,117)	(18,249)	(16,742)
Book value as at 31 December	**20,044**	**17,396**	**5,253**	**3,031**	**705**	**330**	**3,380**	**3,295**	**29,382**	**24,052**

1.1 Impairments and reversals of impairments

In 2021, as in 2020, Ctac did not recognise any goodwill impairment or reverse any impairments recognised in earlier years.

1.2 Impairment test for cash-generating units (CGU) to which goodwill can be attributed

Goodwill is attributed to cash-generating units (CGU). An impairment test is conducted at this level. Goodwill is divided as follows for each group of CGUs.

CGU
(in € x 1,000)

	2021	**2020**
The Netherlands	13,592	13,592
Purple Square	3,511	3,511
Oliver	2,037	-
Digisolve-Mijn ICT	611	-
Other	293	293
Book value as at 31 December	**20,044**	**17,396**

With effect from the 2021 financial year, goodwill related to the acquisitions of Oliver B.V. and Digisolve-Mijn ICT B.V. has been allocated to the CGUs Oliver and Digisolve-Mijn ICT, respectively. The CGU 'Other' concerns the goodwill related to the Resourcing activities.

The 2021 discount rate before tax has been established with due consideration of the effects of applying IFRS 16. For all CGUs, the discount rate before tax in 2021 was 14.2% (2020: 12.2%).

The recoverable value per CGU is based on the value in use. The value in use is determined on the basis of future cash flow forecasts. A detailed forecast is prepared per CGU for the coming year based on the 2022 budgets, and, for the following years, forecasts are prepared based on assumptions for gross margin growth and margin development. The budgets for the 2022 financial year have been approved by the supervisory board.

The assumptions for all CGUs as of the 2023 financial year are as follows:
- 2% gross margin growth (revenue from contracts with clients less outsourced work and purchase value of hardware and software), and
- the EBITDA margin (percentage of the operating result before depreciation and amortisation) equal to budgeted margin in 2022.

The same assumptions were used for all CGUs.

Cash flows after a period of five years are extrapolated with a growth percentage of 2%. Based on the assumptions chosen, the impairment tests did not lead to an impairment of goodwill at year-end 2021.

Sensitivity analyses were carried out in addition to the impairment test at year-end 2021. The following sensitivity analyses were carried out for all CGUs with:
- a 10% decrease in EBITDA (operating result before depreciation and amortisation), or
- a 2% increase in the discount rate, or
- a 2% increase in the discount rate and a 10% decrease in EBITDA.

These sensitivity analyses did not result in an impairment in any of the CGUs.

As all companies, Ctac was confronted with the economic and social consequences of coronavirus in 2021. However, Ctac proved to be agile and in 2021 the company was hardly affected by Covid-19. Although we incorporated the potential impact into our sensitivity analyses, we did not work out any additional scenarios for this.

1.3 Investments and valuation of acquired customer and contract portfolios and brand name

Investments in 2021 relate to the customer relationships and brand name of Oliver B.V. and the customer relationships of Digisolve-Mijn ICT B.V. They have been identified as part of the Purchase Price Allocation. Please refer to note 22 for a further explanation. The book value of the customer relationships as at 31 December 2021 was € 5.3 million. The remaining term was eight to ten years. The book value of the brand names was € 705 thousand as at 31 December 2021. The remaining term was eight to nine years.

1.4 Intangible fixed assets produced in-house

The book value of 'intangible fixed assets produced in-house' was € 3.4 million at the end of 2021. This book value mainly concerned the development costs of the Fit4Woco and Fit4RealEstate applications, a new release of the XV Retail cash desk software, the Integration-as-a-Service software package Oliver Connect and the cloud development platform Oliver Cloud of Oliver B.V. The investment in 2021 concerned the new functionalities of the XV5 product and Oliver Cloud.

Fit4Woco and Fit4RealEstate

Fit4 is an SaaS product for housing associations and commercial real estate. Its book value as at 31 December 2021 was € 1.0 million. The remaining life of this asset was three years.

Valuation

An assessment was carried out to determine whether an impairment trigger was present. This was not the case.

In 2020, an impairment of € 200 thousand was recognised on intangible fixed assets related to products developed. Ctac noted in 2020 that the commercial roll-out of its IP products, Fit4Woco for housing associations and Fit4Real Estate for the commercial real estate market, had been delayed due to Covid-19. It was therefore decided to implement a downward adjustment of the capitalised development costs by € 200 thousand in 2020.

XV Retail

XV Retail is cash desk software which consists of an omnichannel-driven Point-of-Sale & Loyalty platform. Its book value as at 31 December 2021 was € 1.9 million. The remaining life of this asset is three to six years.

Valuation

The realisable value for XV Retail was assessed as at year-end 2021. Based on this it was concluded that there is no impairment trigger.

Oliver Connect and Oliver Cloud

Oliver Connect is an Integration-as-a-Service software package that takes care of the platform, possible migration of existing interfaces and development of new interfaces. Oliver Cloud is a cloud development platform. This is an open-source-based platform used to achieve efficient application development. Its book value as at 31 December 2021 was € 391 thousand. The remaining life of this asset is five to six years. When the participating interest was acquired the technology was revalued. See the explanation in note 22.

Valuation

An assessment was carried out to determine whether an impairment trigger was present. This was not the case.

2. Right-of-use assets and lease obligations

The changes in the right-of-use assets are as follows:

	Buildings		Lease cars		Other equipment		Total	
(in € x 1,000)	2021	2020	2021	2020	2021	2020	2021	2020
Book value as at 1 January	**6,785**	**2,062**	**2,392**	**2,847**	**1,430**	**1,323**	**10,607**	**6,232**
First-time application of IFRS 16 for newly acquired participating interests	19	-	440	207	-	-	459	207
Book value inclusive of newly acquired participating interests	**6,804**	**2,062**	**2,832**	**3,054**	**1,430**	**1,323**	**11,066**	**6,439**
Investments / new contracts	-	-	1,819	876	919	1,343	2,738	2,219
Interim contract adjustments	536	5,602	(176)	(53)	150	1	510	5,550
Depreciation	(882)	(879)	(1,529)	(1,485)	(1,188)	(1,237)	(3,599)	(3,601)
Book value as at 31 December	**6,458**	**6,785**	**2,946**	**2,392**	**1,311**	**1,430**	**10,715**	**10,607**

The right-of-use assets include contracts with a term of less than one year. At year-end 2021 this was an amount of € 0.4 million (2020: € 0.5 million).

The 'buildings' category includes the lease obligations for three office buildings, the 'lease cars' category includes the lease obligations for the lease cars made available to employees, and the 'other equipment' category mainly includes lease obligations for printers and data centres.

The lease for the head office in the Netherlands runs until 2030. The office in Belgium has a lease with a term that runs until 2026. The Oliver lease runs until 2023. The terms of car lease contracts generally vary between 36 and 48 months. The initial term of contracts for other equipment is 36 months.

The practical exception for leases with a term shorter than one year has not been made use of. There are no low-value leases.

The valuation assesses whether it is likely that an extension option will be exercised. A possible extension was not taken into account when determining the cash value. Ctac will periodically reassess whether renewal options are being used.

Changes in lease obligations can be specified as follows:

(in € x 1,000)	2021	2020
Book value as at 1 January	**10,744**	**6,472**
First-time application of IFRS 16 for newly acquired participating interests	467	212
Book value inclusive of newly acquired participating interests	**11,211**	**6,684**
Investments/new contracts	2,738	2,219
Interim contract adjustments	510	5,549
Interest charges	285	118
Lease payments (including interest component)	(3,830)	(3,826)
Book value as at 31 December	**10,914**	**10,744**
Lease obligations - long-term	7,941	7,974
Lease obligations - short-term	2,973	2,770
	10,914	**10,744**

An incremental interest rate was taken into account to calculate the cash value of the lease liability. The incremental interest rates were determined on the basis of the underlying assets and the term of the relevant lease contracts, and are 2.6%.

The following amounts have been charged to the result in connection with leases.

(in € x 1,000)	2021	2020
Depreciation of right-of-use assets	(3,599)	(3,601)
Interest charges in connection with lease obligations	(285)	(118)
Total	**(3,884)**	**(3,719)**

3. Tangible fixed assets

The following statement provides an overview of the changes in the assets recognised in this balance sheet item.

	Investments leased buildings		ICT hardware		Fixtures and fittings		Assets on order		Total	
(in € x 1,000)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Total acquisition value	1,384	1,388	2,063	4,702	517	624	-	110	3,964	6,824
Total depreciation	(1,130)	(1,001)	(1,465)	(4,119)	(448)	(546)	-	-	(3,043)	(5,666)
Book value as at 1 January	**254**	**387**	**598**	**583**	**69**	**78**	**-**	**110**	**921**	**1,158**
Book value of Oliver as at acquisition date	15	-	32	-	8	-	-	-	55	-
Book value of Digisolve-Mijn ICT as at acquisition date	-	-	-	-	92	-	-	-	92	-
Book value after acquisitions	**269**	**387**	**630**	**583**	**169**	**78**	**-**	**110**	**1,068**	**1,158**
Investments	4	4	220	331	13	20	-	-	237	355
Disposals	-	-	-	-	-	-	-	(110)	-	(110)
Depreciation	(153)	(137)	(291)	(316)	(37)	(29)	-	-	(481)	(482)
Book value as at 31 December	**120**	**254**	**559**	**598**	**145**	**69**	**-**	**-**	**824**	**921**
Total acquisition value	1,520	1,384	2,378	2,063	776	517	-	-	4,674	3,964
Total depreciation	(1,400)	(1,130)	(1,819)	(1,465)	(631)	(448)	-	-	(3,850)	(3,043)
Book value as at 31 December	**120**	**254**	**559**	**598**	**145**	**69**	**-**	**-**	**824**	**921**

3.1 Investments and disposals

The investments in ICT hardware during 2021 mainly concern investments in laptops.
Completely written off assets representing an amount of € 40 thousand were decommissioned in 2021 (2020: € 3.1 million).

3.2 Impairments and reversals of impairments

Ctac did not recognise any impairment of tangible fixed assets in 2021. Furthermore, no impairments recognised in earlier years were reversed in 2021.

4. Deferred taxes

Deferred taxes can be specified as follows:

(in € x 1,000)	2021	2020
Deferred tax assets	782	1,316
Deferred tax liabilities	(1,610)	(820)
Book value as at 31 December	**(828)**	**496**

Changes in deferred tax assets can be specified as follows.

(in € x 1,000)	2021	2020
Balance as at 1 January		
Recognised rights to compensate losses	1,280	1,095
Temporary valuation differences commercial - tax	36	86
Total deferred tax assets	**1,316**	**1,181**
Investment		
Application of IFRS 16 for newly acquired participating interests	2	1
Recognised in the statement of profit and loss		
Recognised rights to compensate losses	73	185
Offsetting of losses	(596)	-
Change in rates	(26)	-
Temporary valuation differences commercial - tax	13	(51)
Balance as at 31 December		
Recognised rights to compensate losses	731	1,280
Temporary valuation differences commercial - tax	51	36
Total deferred tax assets	**782**	**1,316**

The tax losses carry forward position is only recognised when it is expected that any losses available are feasible (total year-end 2021 approx.: € 3.2 million, year-end 2020 approx.: € 5.4 million). The amount is recognised at the nominal rate as applicable to future financial years, without taking any discounting into account. A deferred tax asset totalling € 0.7 million was recognised in respect of tax losses carried forward.

The temporary valuation differences concern the discounting of the lease liability.

As regards the deferred tax assets, an amount of € 0.4 million is expected to have a term longer than twelve months after the balance sheet date. There is no uncertainty regarding the recovery of the tax asset.

Changes in deferred tax liabilities can be specified as follows.

(in € x 1,000)	2021	2020
Balance as at 1 January		
Differences in depreciation/amortisation of (in)tangible fixed assets	820	47
Discounting of earn-out obligation	-	6
Total deferred tax liabilities	**820**	**53**
Investment		
Intangible fixed assets	907	797
Newly acquired participating interests	3	-
Recognised in the statement of profit and loss		
Depreciation/amortisation of (in)tangible fixed assets	(160)	(142)
Change in rate	40	118
Discounting of earn-out obligation	-	(6)
Balance as at 31 December		
Differences in depreciation/amortisation of (in)tangible fixed assets	1,610	820
Discounting of earn-out obligation	-	-
Total deferred tax liabilities	**1,610**	**820**

The deferred tax liability for intangible fixed assets as at 1 January 2021 relates to the costs of those intangible assets produced in-house that have been charged directly to the result for tax purposes.

In 2021, € 907 thousand was added as a deferred tax liability relating to the intangible fixed assets associated with the acquisition of Oliver B.V. and Digisolve-Mijn ICT B.V. The addition in 2020 related to the acquisition of Purple Square Management Partners B.V.

Due to the announced increase in the Dutch tax rate to 25.8% for the coming years, the deferred tax liability has been adjusted to a valuation based on a rate of 25.8%.

It is expected that an amount of € 1.4 million of the deferred tax liabilities will be set off after a period of more than twelve months following the balance sheet date.

5. Other long-term receivables

Other long-term receivables can be specified as follows.

(in € x 1,000)	2021	2020
Balance as at 1 January	**251**	**206**
Deposit payment	149	45
Balance as at 31 December	**400**	**251**

With effect from 2016, Ctac has borne the risk under the Dutch Partially Disabled Workers Act (WGA) all by itself. The mandatory warranty to the Dutch Tax and Customs Administration that a financial institution will take over this obligation should Ctac no longer be able to comply with it has been reinsured. A deposit of € 400 thousand was paid for this. This contract is effective until 2032. The fair value of the deposit is close to the book value.

6. Stocks
Stocks can be specified as follows.

(in € x 1,000)	**2021**	**2020**
Merchandise	64	-
Total stocks as at 31 December	**64**	**-**

Merchandise stated at lower realisable value has a book value of € 0 as at the balance sheet date.

During the financial year an amount of € 0 was charged to the result due to the writing-off of obsolete stock.

7. Trade receivables and other receivables
Trade receivables and other receivables can be specified as follows.

(in € x 1,000)	**2021**	**2020**
Trade receivables	13,318	10,007
Provision for expected credit losses	(164)	(165)
Total trade receivables net	**13,154**	**9,842**
Revenue still to be invoiced with regard to contracts based on subsequent costing and fixed monthly instalments	7,042	6,020
Contract assets	171	323
Other receivables	140	84
Accrued income	932	552
Total other receivables	**8,285**	**6,979**
Total trade receivables and other receivables as at 31 December	**21,439**	**16,821**

Prepayments and accrued income concern prepaid costs. The other receivables mostly have a duration of less than one year both at year-end 2021 and year-end 2020.

The fair value of the trade receivables and other receivables is close to the book value. This applied on 31 December 2021 for an amount of trade receivables of € 1.6 million (31 December 2020: € 2.0 million). The payment term has expired. Although the payment period has elapsed for receivables up to € 1.6 million, there are no indications as at the balance sheet date that the relevant trade debtors will not fulfil their payment obligations, except in the case of invoices that have been outstanding for more than a year. Other provisions have been created for a few of these debtors because there are still outstanding liabilities in relation to the performance of the projects.

The age of the trade receivables is as follows.

	2021			**2020**
(in € x 1,000)	**Trade receivables**	**Provision**	**Trade receivables net**	**Trade receivables net**
Trade receivables for which there is no credit loss and for which the payment period has not yet elapsed	11,696	-	11,696	7,841
Trade receivables for which there is no credit loss and for which the payment period has elapsed				
for less than 3 months	1,410	-	1,410	1,961
between 3 and 6 months	-	-	-	-
between 6 and 12 months	26	-	26	-
more than 1 year	186	(164)	22	40
	1,622	(164)	1,458	2,001
Total trade receivables net as at 31 December	**13,318**	**(164)**	**13,154**	**9,842**

The changes in the provision for expected credit losses are as follows.

(in € x 1,000)	**2021**	**2020**
Balance as at 1 January	**165**	**244**
Addition to the provision	-	8
Write-off in connection with expected credit loss	(1)	(66)
Release from the provision	-	(21)
Balance as at 31 December	**164**	**165**

At year-end 2021, the provision for expected credit losses was € 0.2 million (at year-end 2020: € 0.2 million). The total amount charged to the statement of profit and loss was € 1 thousand (2020: € 13 thousand).

The receivables in respect of trade debtors are exclusively in euros. Amounts included in the provision are usually written off at the time that there is no expectation that any payments in respect of the receivable will take place. The other receivables do not contain any assets with impairment.

8. Cash and cash equivalents
€ 1.0 million of the cash and cash equivalents balance at year-end 2021 were funds in a guarantee account. This part is not at Ctac's free disposal.

9. Shareholders' equity
At year-end 2021, the authorised share capital amounted to € 9,600,000 and was divided into 40,000,000 shares of € 0.24 as follows: 19,999,999 ordinary shares, 20,000,000 preference shares and 1 priority share. The issued share capital consists of 13,637,312 ordinary shares and 1 priority share. All issued shares are fully paid up.

One vote can be cast per ordinary share. No special controlling rights are attached to ordinary shares. Ctac N.V. has not imposed any restrictions on transferring its shares. There are no restrictions on the exercise of voting rights attached to shares.

A transfer of preference shares requires the approval of the supervisory board.

The decision to pay a stock dividend led to 82,109 new shares being issued in 2021 (2020: 623,802 new shares).

The composition of, and the changes in, shareholders' equity over the years 2021 and 2020 are stated on page 48 of the financial statements.

The number of outstanding option rights will not exceed 10% of the total number of outstanding ordinary shares. There are no outstanding option rights.

No changes have taken place with regard to the priority shares. Special controlling rights are attached to the priority share held by the Ctac Priority Foundation. These rights concern the appointment, suspension and dismissal of the members of the board of directors, the issue of shares, pre-emptive rights, amendment of the articles of association, and dissolution of the company.

10. Long-term and short-term bank liabilities

In January 2020, a five-year loan was taken out for € 4.5 million. This loan was taken out in order to finance the acquisition of Purple Square Management Partners B.V. This is an interest-bearing loan. The interest rate is three-months Euribor plus a spread of 2.95% per year.

The existing credit facility with ABN AMRO Bank was renewed in April 2021, with the following being agreed: a combination facility totalling € 6.3 million. The facility is committed for three years. Ctac has agreed a variable base rate for the interest to be paid on the combination facility. The interest rate is one-month average Euribor plus a Euribor market spread and a spread. This fixed spread was set at 3.00% in the credit agreement as amended in April 2021.

The covenant within the ABN AMRO financing facility is constituted by a 'senior net debt/EBITDA' ratio. The maximum ratio allowed is 2.0. 'Senior net debt' refers to all interest-bearing bank debts less cash and cash equivalents. EBITDA is earnings before depreciation and amortisation of tangible and intangible assets, interest and other financial income and expenses, the result from participating interests, taxes and minority interests. In 2021, the ratio was -0.89. The average amount drawn on the credit facility in 2021 was nil.

In Belgium, use is made of the credit facility with ING Bank of € 0.9 million. Receivables, fixtures and fittings, IP rights and shares have been pledged as collateral. The bank may lower or cancel this facility at any time.

(in € x 1,000)	**Nominal amount at inception**	**Repayment commitments after 5 years**	**Repayment commitments from 1 to 5 years**	**Book value as at 31-12-2021**	**Book value as at 31-12-2020**
Long-term loan	4,500	-	2,025	2,025	2,925
Total long-term bank liabilities	**4,500**	**-**	**2,025**	**2,025**	**2,925**

(in € x 1,000)	**2021**	**2020**
Repayment commitment	900	900
Total short-term bank liabilities	**900**	**900**

11. Other long-term liabilities

11.1 Earn-out obligation

The liability in respect of the put/call agreement at year-end 2021 concerns the purchase of the 30% minority interest in Purple Square Management Partners B.V., as agreed at the time of the acquisition in January 2020, the purchase of 10% of the minority interest in Oliver B.V., as agreed at the time of the acquisition in January 2021, and the purchase of the 20% minority interest in Digisolve-Mijn ICT B.V., as agreed at the time of the acquisition in October 2021.

Purple Square Management Partners B.V.

The purchase price of the remaining liability relating to Purple Square Management Partners B.V. depends on the realised net result in 2020, 2021 and 2022. The future results of the entity were estimated on the basis of a detailed forecast for the coming year (2022), which incorporated assumptions for revenue growth and margin development. The liabilities for the remaining years calculated on the basis of the estimated results were recognised at the present value (discount rate of 1.5%). The liability will be settled as follows:

- the acquisition of 10%, payable in cash by 1 January 2022 at the earliest;
- the acquisition of 10%, payable in cash by 1 January 2023 at the earliest;
- the acquisition of 10%, to be paid in Ctac N.V. shares by 1 January 2023 at the earliest, based on the opening price of the Ctac N.V. share on 18 December 2019.

Covid-19 caused the 2020 net result of Purple Square Management Partners B.V. to be lower than the forecast which was used to assess the value of the initial liability of the put/call agreement as at 14 January 2020. In 2020 this resulted in a positive valuation difference of € 0.3 million being recognised in the 2020 statement of profit and loss. No valuation difference has been recognised in 2021.

Oliver B.V.

The purchase price for 10% of the stake in Oliver B.V. is a fixed amount of € 0.4 million, unless the operating result realised by Oliver B.V. in 2021 exceeds this fixed amount. The calculated liability has been recognised at the present value (discount rate of 1.1%). The liability will be settled as follows:

- the acquisition of 10%, payable in cash by 31 March 2022 at the latest.

Digisolve-Mijn ICT B.V.

The purchase price of the remaining liability relating to Digisolve-Mijn ICT B.V. depends on the realised operating result plus depreciation and amortisation in 2022 and 2023. The future results of the entity were estimated on the basis of a detailed forecast for the coming year and assumptions for revenue growth and margin development for 2023. The liabilities for the remaining years calculated on the basis of the estimated results were recognised at the present value (discount rate of 1.5%). The liability will be settled as follows:

- the acquisition of 10%, by 31 January 2023 at the earliest, with 5% to be paid in cash and 5% in Ctac N.V. shares, based on the opening price of the Ctac N.V. share on 1 October 2021;
- the acquisition of 10%, payable in cash by 31 January 2024 at the earliest.

Earn out

The earn-out obligation as at 31 December 2021 relates to Ctac's obligation towards minority shareholders of subsidiaries of Ctac N.V., namely Oliver B.V. and Digisolve-Mijn ICT B.V., with whom earn-out agreements have been made.

Ctac has agreed that if the operating result realised by Oliver B.V. in the first year reaches a set threshold, Ctac will make an additional payment of € 200 thousand. This additional payment/contingent consideration was initially valued at € 99 thousand. Ctac has agreed with Oliver's minority shareholder that it is entitled to a payment of € 100 thousand.

Ctac has agreed that if the EBITDA realised by Digisolve-Mijn ICT B.V. in 2021 reaches a set threshold, Ctac will make an additional payment not exceeding € 173 thousand. This additional payment/contingent consideration was initially valued at € 27 thousand. As the threshold was reached, and Digisolve-Mijn ICT B.V. therefore met the conditions, the payment was valued at € 173 thousand as at 31 December 2021. This resulted in a negative valuation difference of € 146 thousand recognised in the 2021 statement of profit and loss.

The changes in the earn-out obligation are as follows:

(in € x 1,000)	2021	2020
Long-term earn-out obligation	1,667	181
Short-term earn-out obligation	-	98
Balance as at 1 January	**1,667**	**279**
New earn-out obligation	884	2,003
Valuation differences	192	(235)
Amortisation obligation	14	18
Settling the remaining earn-out obligation	-	(398)
Balance as at 31 December	**2,757**	**1,667**
Balance of long-term liability	**1,490**	**1,667**
Balance of short-term liability	**1,267**	**-**

11.2 Discounts received in advance
These are discounts received in advance with a term longer than a year. The fair value of the discount received in advance is close to the book value.

The changes in discounts received in advance are as follows:

(in € x 1,000)	2021	2020
Balance as at 1 January	**254**	**34**
Release of discount received in advance	-	(34)
Addition to discount received in advance	241	349
Transferred to short-term liabilities	(83)	(95)
Balance as at 31 December	**412**	**254**

The maturity dates of the discounts received in advance, including the part under short-term liabilities, are as follows.

(in € x 1,000)	< 1 year	1-2 years	> 2 years	Total including short-term liabilities
Discounts received in advance	83	83	329	**495**
Total discounts received in advance	**83**	**83**	**329**	**495**

12. Provisions
The changes in the provisions are as follows.

(in € x 1,000)					2021	2020
	Anniversary payments	Severance payment	Loss-making contracts	Other	Total	Total
Balance as at 1 January	**94**	**298**	**40**	**146**	**578**	**219**
Additions charged to the result	1	178	-	131	310	490
Released to the result	-	(73)	(10)	(43)	(126)	-
Allocated	(17)	(225)	(30)	(57)	(329)	(131)
Balance as at 31 December	**78**	**178**	**-**	**177**	**433**	**578**

12.1 Provision for anniversary payments
The term of the provision for anniversary payments is longer than one year for an amount of € 60 thousand (2020: € 75 thousand). The provision is formed for anniversary payments awarded in connection with long service. Payment is made in the month following that in which an anniversary falls.

There is a risk of a provision being formed for employees who leave the company before the anniversary date. To address this, probability percentages are applied when determining the amount.

12.2 Provision for severance pay
The entire provision for severance pay concerns the termination of employment contracts. At year-end 2021, the term of this provision was less than one year.

12.3 Provision for loss-making contracts
At year-end 2021 there were no loss-making contracts.

13. Trade creditors and other liabilities
The composition of the trade creditors and other liabilities is as follows.

(in € x 1,000)	2021	2020
Trade creditors	6,976	4,705
Taxes and national insurance contributions	4,633	5,341
Contractual obligations	3,053	3,036
Other liabilities	1,280	159
Accruals and deferred income	12,927	10,110
Total trade creditors and other liabilities as at 31 December	**28,869**	**23,351**

The fair value of the trade creditors and other liabilities is close to the book value.

The contractual obligations concern the obligations to transfer goods or services to a customer to the extent that Ctac has invoiced the customer for this. € 0.2 million of these contractual obligations have a term of more than 1 year (2020: € 0.3 million).

In 2021 the other liabilities item concerned the earn-out obligations to be settled in 2022. In 2020 it concerned an outstanding amount to be paid to Parval B.V. All other liabilities have a term of less than 1 year.

The accrued liabilities item includes liabilities relating to holiday pay, annual leave and bonuses, as well as other items to be paid that are charged to the financial year in accordance with the accounting principles for the determination of the result.

14. Revenue from contracts with clients

The following explanation is given with regard to the recognised revenue from contracts with clients.

Nature of the goods or services
(in € x 1,000)

	2021	2020
Licence and hardware sales	3,236	3,037
Management and hosting contracts	42,206	40,109
Secondment assignments and project agreements	60,982	44,161
Total revenue from contracts with clients	**106,424**	**87,307**

Timing of recognition of revenue
(in € x 1,000)

	2021	2020
Goods transferred 'at a point in time'	3,236	3,037
Services provided 'over time'	103,188	84,270
Total revenue from contracts with clients	**106,424**	**87,307**

No revenue was recognised for performance obligations completed in the previous year. The fulfilment of performance obligations and the receipt of the associated funds are in line with each other. Consequently, there is only a limited timing difference.

Balance sheet positions from contracts with clients
The balance sheet positions related to contracts with clients are as follows.

Balance sheet position regarding contracts with clients
(in € x 1,000)

	31 December 2021	31 December 2020
	13,154	9,842
Revenue still to be invoiced with regard to contracts based on subsequent costing and fixed monthly instalments	7,042	6,020
Contract assets	171	323
Contractual obligations	(3,053)	(3,036)

The increase in trade receivables and revenue still to be invoiced can be attributed to the acquisitions of Oliver B.V. and Digisolve-Mijn ICT B.V.

Trade receivables are non-interest-bearing and have payment terms varying between fourteen and ninety days. Invoicing takes place immediately after the good or service has been delivered, based on the contractual agreements with the customer, generally observing a period of one calendar month. Deviating invoicing agreements may apply to the invoicing of projects.

Revenue still to be invoiced in respect of contracts based on subsequent costing or fixed monthly instalments relates to services or products already delivered which are invoiced to customers in the short-term, after which they are recognised as trade receivables.

Contract assets relate to recognised revenue that is invoiced to customers based on contractually agreed conditions and terms, after which it is recognised under trade receivables.

A provision for credit losses expected for trade receivables, revenue still to be invoiced and contract assets of approx. € 0.2 million was recognised at year-end 2021 (year-end 2020: approx. € 0.2 million).

The contractual obligations relate to amounts already invoiced to customers where the services in question still need to be provided. This revenue is recognised at the moment when the performance obligation has been complied with. Approx. € 0.2 million of the contractual obligations by year-end 2021 will lead to revenue in the years after 2022. The contractual obligations that were recognised by year-end 2020 led to € 2.7 million in revenue being recognised in 2021.

Expiry of contractual obligations
(in € x 1,000,000)

	Within 1 year	1-2 years	After 2 years
Contractual obligations year-end 2020	2.7	0.1	0.2
Contractual obligations year-end 2021	2.9	0.1	0.1

15. Personnel costs

The composition of the personnel costs is as follows:

(in € x 1,000)	2021	2020
Wages	38,704	32,700
Social charges	4,606	4,336
Pension charges	1,954	1,763
Other personnel costs	1,898	32
Total personnel costs	**47,162**	**38,831**

The pension costs concern the payment of contributions in connection with a defined contribution pension scheme. Other personnel costs include recruitment costs, costs associated with agency workers and training costs. The increase in personnel costs can be attributed primarily to the acquisitions of Oliver B.V. and Digisolve-Mijn ICT B.V. Other personnel costs have risen, as in 2020 personnel costs were capitalised in connection with IFRS 15.

Any research and development costs that did not qualify for capitalisation are included under personnel costs in the financial year.

The average staffing (FTEs) over 2021 amounts to 430 (2020: 386). This is divided among the segments as follows.

Number of FTEs per segment	2021	2020
The Netherlands	338	272
Belgium	53	51
France (discontinued operations)	0	4
Other	39	59
Total number of FTEs	**430**	**386**
Professional external staff hired (direct)	**161**	**119**

Number of FTEs per department	2021	2020*
Cloud services	104	101
Consulting & Resourcing	233	195
Staff	55	51
Sales	36	33
BoD	2	2
Total number of FTEs	**430**	**382**

* excluding France

16. Other operating costs

The other operating costs can be specified as follows.

(in € x 1,000)	2021	2020
Car expenses	1,671	1,727
Accommodation expenses	683	607
Infrastructure costs	5,301	5,325
Marketing and sales costs	729	374
Other costs	2,293	1,971
Valuation differences earn-out obligations	192	(235)
Total other operating costs	**10,869**	**9,769**

The other costs include items such as the costs of insurance, auditors' fees and consultancy fees. The consultancy fees of € 0.4 million relating to the acquisitions of Purple Square in 2020 and Oliver B.V. in 2021 were charged to Other costs. € 0.3 million of the total amount of these costs was recognised in the 2020 financial year and € 0.1 million in the 2021 financial year.

Auditors' fees

2021 *(in € x 1,000)*	Auditors	Other network	Total network
Audit of the financial statements	254	20	274
Other audit work	-	-	-
Tax services	-	-	-
Other non-audit services	-	-	-
	254	**20**	**274**

These fees relate to the auditing of the financial statements for the year 2021, regardless of whether the work was already carried out during the financial year.

2020 *(in € x 1,000)*	Auditors	Other network	Total network
Audit of the financial statements	217	13	230
Other audit work	-	5	5
Tax services	-	-	-
Other non-audit services	-	-	-
	217	**18**	**235**

The above fees concern the work performed at the company and the companies involved in the consolidation by external auditors and audit firms as referred to in Section 1(1) Wta (Audit Firms (Supervision) Act) and the fee charged by the entire network to which the audit firm belongs.

17. Financial income and expenses

The financial income and expenses can be specified as follows.

(in € x 1,000)	2021	2020
Financial income	-	72
Financial expenses	(166)	(346)
Amortisation of earn-out obligations	(14)	(18)
Financial expenses of lease obligations	(285)	(118)
Total financial income and expenses	**(465)**	**(410)**

The financial expenses include the interest due with regard to the current account facilities at banks, and the interest due in connection with taxes.

18. Taxes

Taxes can be specified as follows:

(in € x 1,000)	2021	2020
Taxes currently payable for the ongoing financial year	(944)	(831)
Deferred taxes	(416)	1,239
Taxes for prior financial years	28	(18)
Total taxes	**(1,332)**	**390**

The tax burden on the result before taxes amounts to 22.2% (2020: -9.2%) and can be specified as follows.

As a % of the result from ordinary activities before tax	2021	2020
Nominal tax burden	25.0	25.0
Effects of lower first bracket	(1.7)	(1.2)
Rate differences foreign countries	-	0.3
Innovation box for the ongoing financial year	(3.5)	(4.6)
Change in rate in the years to come	0.2	2.1
Non-deductible amounts	2.4	3.0
Earn-out scheme payment differences	0.8	(1.4)
Uncapitalised deferred taxes on loss set-off	(1.2)	(32.4)
Other differences	0.2	-
Tax burden according to the consolidated financial statements	**22.2**	**(9.2)**

In 2021 a request was submitted to the Tax and Customs Administration for the Innovation Box advance tax ruling in connection with R&D activities to be extended under similar conditions, as the previous ruling ran until the end of 2020. The expectation is that, also in 2021, the part of the operating profit attributable to the Innovation Box will amount to 40% of the consolidated adjusted operating result (EBIT) for the Dutch tax entity Ctac.

The tax burden in 2021 was lower than the nominal tax burden of 25%, primarily due to the lower tax rate applying to the taxable profit of the fiscal entity Ctac N.V. as a result of the Innovation Box and as a result of the reduced rate applicable to the tax threshold for five fiscal entities.

Due to the winding-up of Ctac France SAS in 2021, it will be possible for the taxable amount for 2021 of the fiscal entity Ctac N.V. to be offset in full with the liquidation loss at the level of the amount sacrificed. The rest of the liquidation loss has been capitalised as a deferred tax asset.

19. Results per share

The calculation of the base profit and of the diluted profit per share accruing to the shareholders of the parent company is based on the following data:

Profit (loss) per share	2021	2020
Net result (in € x 1,000)	4,455	3,032
Net result from continued operations (in € x 1,000)	4,455	4,641
Net result from discontinued operations (€ x 1,000)	-	(1,609)
Net result from continued operations attributable to shareholders Ctac N.V. (in € x 1,000)	4,455	4,641
Net result from discontinued operations attributable to shareholders Ctac N.V. (in € x 1,000)	-	(1,609)
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	13,555,203
Weighted average of shares outstanding	13,603,100	13,243,302
Net result from continued operations attributable to shareholders Ctac N.V. per weighted average share outstanding (in €)	**0.33**	**0.35**
Net result from discontinued operations attributable to shareholders Ctac N.V. per weighted average share outstanding (in €)	**-**	**(0.12)**
Average share price (in €)	4.04	2.00
Potential dilution of ordinary shares	308,737	296,585
Number of potential shares outstanding for diluted profit per share	13,911,837	13,539,887
Net result from continued operations attributable to shareholders Ctac N.V., per share after potential dilution (in €)	**0.32**	**0.34**
Net result from discontinued operations attributable to shareholders Ctac N.V. per share after potential dilution (in €)	**-**	**(0.12)**

The potential dilution is the result of the put/call agreement with the minority shareholders of Purple Square Management Partners B.V., the third tranche of which will be settled in shares, and the put/call agreement with the minority shareholders of Digisolve-Mijn ICT B.V., a portion of the first tranche of which will be settled in shares.

20. Dividend per share

The proposal submitted to the General Meeting of Shareholders is to pay out an optional dividend of € 0.11 per share.
A resolution was adopted by the General Meeting of Shareholders of 12 May 2021 to pay a dividend of € 0.08 per Ctac N.V. ordinary share, to be paid as an optional dividend. Pursuant to this resolution, 82,109 shares were issued as stock dividends in 2021.

21. Off-balance sheet contingent and contractual receivables and obligations

The company and its participations have guarantees for a total amount of approximately € 0.3 million (2020: approximately € 0.3 million) outstanding. These guarantees have been issued in connection with current lease obligations.

At year-end 2021, Ctac made investment commitments regarding new fixtures and fittings and the expansion of the data centres for an amount of € 0.1 million (2020: € 1.0 million).

In connection with its rental and lease obligations, Ctac has a total amount of approximately € 3.2 million (2020: € 2.7 million) in liabilities regarding service components in connection with rental, data and car leasing contracts.

Ctac N.V. and the Dutch group companies, except Oliver B.V. and Digisolve-Mijn ICT B.V., are a fiscal entity for revenue tax purposes. Ctac N.V. and the Dutch group companies, except Ctac Resourcing B.V., Purple Square Management Partners B.V., Oliver B.V. and Digisolve-Mijn ICT B.V., are a fiscal entity for corporation tax purposes. As a consequence, the companies involved are jointly and severally liable for the obligations of the fiscal entity. Payments are set off with group companies through the current accounts.

22. Acquisitions and disposals

Oliver B.V.

Ctac purchased 51% of the shares in Oliver B.V. on 14 January 2021. Oliver specialises in integration and software development. Oliver has its registered office in 's-Hertogenbosch and was established in 2009. The Oliver team currently consists of approximately forty employees. Oliver works according to the motto of Redefining Simplicity and is a market leader for integration, web & mobile solutions.

It is Ctac's strategy to take up leading positions in IT modernisation, connected intelligence, transformation & change management, security & trust and business transformation. The acquisition of the majority interest in Oliver B.V. seamlessly matches Ctac's business model and strategy.

Ctac has entered into the business combination with the intention of achieving certain synergy benefits in terms of the integration of the sales function. This will enable Oliver's products and services to be offered to existing Ctac customers, and Ctac's products to be offered to existing Oliver customers. The synergy benefits resulting from the combined processes of Ctac and Oliver will create goodwill.

Acquisition price

The details of the acquisition are as follows.

(in € x 1,000)	
Paid in cash	2,400
Deferred / contingent consideration	99
Put-option obligation	407
Total acquisition price	**2,906**

Deferred/contingent consideration

Ctac has agreed that if the operating result realised by Oliver B.V. in the first year reaches a set threshold, Ctac will make an additional payment of € 200 thousand. This additional payment/contingent consideration was initially valued at € 99 thousand. Ctac has agreed with the minority shareholder that it is entitled to a payment of € 100 thousand.

Obligation in connection with put option granted

The obligation in connection with the put option granted concerns the purchase of 10% of the minority interest in Oliver, as agreed at the time of the acquisition in January 2021. The purchase price of the remaining liability is a fixed amount, unless the operating result realised by Oliver B.V. in 2021 exceeds this fixed amount. The calculated liability has been recognised at the present value (discount rate of 1.1%). The liability will be settled as follows:

- the acquisition of 10%, payable in cash by 31 March 2022.

Acquisition costs

Acquisition-related costs, such as legal fees and due diligence costs, were recognised as Other operating costs in 2021 and in 2020. In 2021 acquisition-related costs totalled € 0.1 million, compared with € 0.2 million in 2020.

Assets and liabilities identified

The assets and liabilities acquired as a result of the acquisition can be specified as follows.

(in € x 1,000)	**Book value**	**Changes to the fair value**	**Fair value**
Intangible fixed assets - customer relationships	-	1,386	1,386
Intangible fixed assets - brand name	-	457	457
Intangible fixed assets - technology	80	360	440
Tangible fixed assets	55	-	55
Lease car right-of-use assets	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 net assets acquired	**158**	**1,632**	**1,790**

The other current assets consisted of € 0.8 million of receivables and amounts to be invoiced. No credit losses were recognised.

The customer relationships, brand name and technology were valued as part of the Purchase Price Allocation as follows:

- the customer relationships were valued at € 1.4 million and will be amortised over a period of nine to eleven years;
- the brand name was valued at € 0.5 million and will be amortised over a period of ten years;
- the technology was valued at € 0.4 million and will be amortised over a period of seven years.

Since these amortisation costs do not qualify as expenses for tax purposes, deferred taxes were recognised for 25.8% of the total intangible assets of the customer relationships, brand name and technology. Total amortisation and depreciation charges after tax were € 260 thousand in 2021.

The value was determined on the basis of the income approach, where the fair value is determined on the basis of future cash flows attributable to the intangible assets, assuming a lifetime of twelve years for the customer relationships and ten years for the brand name.

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

Goodwill
The goodwill arising from the acquisition is determined as follows.

(in € x 1,000)	**Oliver**
Total acquisition price	2,906
Minority interests	921
Net assets acquired	(1,790)
Goodwill	**2,037**

The goodwill is mainly attributable to the qualified consultants and the expected growth in revenues as a result of the synergy.

The minority interests of Oliver B.V. were valued at 39% of the assets and liabilities identified, excluding deferred taxes.

Revenue and results
Revenue in the 2021 financial year was € 6.3 million, operating income was € 692 thousand and the net result was € 539 thousand.

Digisolve-Mijn ICT B.V.
On 1 October 2021 an 80% stake was acquired in Digisolve-Mijn ICT B.V., a specialist in software and hardware solutions. The acquisition of the majority share in Digisolve-Mijn ICT B.V. is a good match with Ctac's business model and strategy, and will contribute to the strategy of taking up leading positions in IT modernisation, connected intelligence, transformation & change management, security & trust and business transformation.

Acquisition price
The details of the acquisition are as follows.

(in € x 1,000)	
Paid in cash	1,268
Deferred / contingent consideration	27
Put-option obligation	350
Total acquisition price	**1,645**

Obligation in connection with put option granted
The obligation in connection with the put option granted concerns the purchase of 20% of the minority interest in Digisolve-Mijn ICT B.V., as agreed at the time of the acquisition in October 2021. The purchase price of the remaining liability depends on the realised operating result plus depreciation and amortisation in 2022 and 2023. The future results of the entity were estimated on the basis of a detailed forecast for the coming year and assumptions for revenue growth and margin development for 2023. The liabilities for the remaining years calculated on the basis of the estimated results were recognised at the present value (discount rate of 1.5%). The liability will be settled as follows:
- the acquisition of 10%, by 31 January 2023 at the earliest, with 5% to be paid in cash and 5% in Ctac N.V. shares, based on the opening price of the Ctac N.V. share on 1 October 2021;
- the acquisition of 10%, payable in cash by 31 January 2024 at the earliest.

Acquisition costs
There are no acquisition costs associated with this acquisition.

Assets and liabilities identified
The assets and liabilities acquired as a result of the acquisition can be specified as follows.

(in € x 1,000)	**Book value**	**Changes to the fair value**	**Fair value**
Intangible fixed assets - customer relationships	-	1,304	1,304
Tangible fixed assets	92	-	92
Stocks	53	-	53
Cash and cash equivalents	273	-	273
Other current assets	151	-	151
Short-term debts to minority shareholders	(299)	-	(299)
Short-term liabilities (excluding lease obligations)	(197)	-	(197)
Deferred tax liabilities	(7)	(336)	(343)
Total net assets acquired	**66**	**968**	**1,034**

Customer relationships were valued as part of the Purchase Price Allocation as follows:
- the customer relationships were valued at € 1.3 million and will be amortised over a period of eight years.

Since the amortisation costs do not qualify as expenses for tax purposes, deferred taxes were recognised for 25.8% of the total intangible assets of the customer relationships. Total amortisation and depreciation charges after tax were € 41 thousand in 2021.

The value was determined on the basis of the income approach, where the fair value is determined on the basis of future cash flows attributable to the intangible assets, assuming a lifetime of eight years for the customer relationships.

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

Goodwill
The goodwill arising from the acquisition is determined as follows.

(in € x 1,000)	**Digisolve-Mijn ICT**
Total acquisition price	1,645
Net assets acquired	(1,034)
Goodwill	**611**

The goodwill is mainly attributable to the expected growth in revenues as a result of the synergy.

Revenue and results
Revenue in the 2021 financial year that is included in the consolidation was € 626 thousand, operating income was € 142 thousand and the net result was € 114 thousand.

23. Related parties

23.1 Identities of related parties

The group companies, the members of the supervisory board, the members of the board of directors and the major shareholders qualify as related parties of Ctac N.V. The members of the board of directors are assessed as key management.

23.2 Transactions with the members of the board of directors and of the supervisory board

23.2.1 Remuneration policy

The aim of Ctac N.V.'s remuneration policy is to provide a clear picture of the policy that should be followed with regard to the remuneration of the members of the board of directors and managers, this also in view of being able to ensure that the company can attract and retain qualified and experienced managers. Such a policy cannot be viewed separately from the following basic principles:

- The customer's interest is key. This interest is served when the members of the board of directors and the managers satisfy the most stringent professional requirements, and they therefore deserve adequate remuneration.
- The remuneration reflects the expertise, commitment and involvement demonstrated by the members of the board of directors and the managers for the benefit of Ctac N.V.
- The level of the remuneration is in line with the remuneration of the members of boards of directors and the managers at comparable companies and contains a fixed and a variable component.
- The remuneration must be partly in line with the results achieved by Ctac N.V., and therefore it is an annual item on the agenda for the supervisory board meeting in which, among other things, the performance criteria upon which such an assessment will take place are determined.

23.2.2 Remuneration of members of the board of directors

With regard to the remuneration of the members of the board of directors, the following amounts have been recognised in the result of 2021 and 2020, respectively.

(in € x 1,000)	**2021**	**2020**
Board of directors (key management)		
Periodically payable remunerations	643	685
Other benefits payable in due course	577	168
Remuneration costs after termination of employment	-	-
Payments on termination of employment	497	-
Share-based payments	-	-
Total remuneration to the board of directors	**1,717**	**853**

A detailed explanation of the remuneration of the board of directors can be found on page 42 of the remuneration report. Other benefits payable in due course consist of the LTI, STI and pension contributions.

No loans, advances or guarantees have been provided to the directors under the Articles of Association.

23.2.3 Remuneration of members of the supervisory board

With regard to the remuneration of the members of the supervisory board, the following amounts have been recognised in the results of 2021 and 2020, respectively.

Supervisory board
(in € x 1,000)

	2021	**2020**
G. van de Weerdhof (up to 12 May 2021)	17	45
E. Kraaijenzank (up to 12 May 2021)	12	33
E. Karsten	33	33
H.J.G. Hendriks (from 13 May 2021)	28	-
L.A.M. Vernaus (from 13 May 2021)	21	-
Total remuneration	**111**	**111**

23.2.4 Shares and option rights held by members of the supervisory board

There is one member of the supervisory board who holds shares. The internal rules prevent this supervisory board member from trading these shares during his term of office. No option rights have been allotted to the members of the supervisory board.

24. Events after the balance sheet date

There were no events after the balance sheet date.

Company balance sheet as at 31 December (before profit appropriation)
(in € x 1,000)

	Note	2021	2020
ASSETS			
Fixed assets			
Intangible fixed assets	25	2,568	2,534
Tangible fixed assets	26	6	16
Financial fixed assets	27	23,578	19,022
		26,152	**21,572**
Current assets			
Trade receivables and other receivables	28	2,925	2,921
Cash and cash equivalents	29	643	1,028
		3,568	**3,949**
		29,720	**25,521**
LIABILITIES			
Shareholders' equity	30		
Issued share capital		3,273	3,253
Share premium		11,526	11,546
Statutory reserves		3,380	3,295
Other reserves		3,416	1,363
Result for the financial year		4,455	3,032
		26,050	**22,489**
Provisions			
Deferred tax liabilities	31	-	9
		-	**9**
Current liabilities			
Short-term bank liabilities	32	-	-
Trade creditors and other liabilities	33	3,670	3,023
		3,670	**3,023**
		29,720	**25,521**

Company profit and loss account for
(in € x 1,000)

	Note	2021	2020
Revenue		-	-
Operation expenses			
Outsourced work		289	351
Personnel costs	34	2,241	1,273
Depreciation and amortisation	25-26	76	235
Other operating costs	35	(2,310)	(934)
Total operation expenses		**(296)**	**(925)**
Operating result		**(296)**	**(925)**
Financial income	36	-	99
Financial expenses	36	(2)	(101)
Total financial income and expenses		**(2)**	**(2)**
Result before profit tax		**(298)**	**(927)**
Taxes	37	75	1,237
Result after profit tax		**(223)**	**310**
Result from group companies	27.1	4.678	2.722
Net result		**4.455**	**3.032**

Explanatory notes to the company balance sheet and profit and loss account

Accounting principles for preparing the company financial statements
The company financial statements of Ctac N.V. are drawn up in accordance with the statutory provisions laid down in Part 9 Book 2 of the Dutch Civil Code. Use is made of the option provided by Section 2:362(8) of the Dutch Civil Code to apply the same accounting policies for the valuation and determination of results (including the accounting policies for presentation of financial instruments such as shareholders' equity or borrowed capital) as are applied in the consolidated financial statements.

Pursuant to a legislative amendment, public-interest entities, which includes listed companies, are no longer allowed to present an abridged profit and loss account in their company financial statements (something which used to be allowed pursuant to section 2:402(2) of the Dutch Civil Code).

Where necessary, the figures for 2020 were reclassified to enable a comparison with those for 2021.

Goodwill
Goodwill that may result from the acquisition of participations is the difference between the purchase price of the acquired company minus the balance of the net fair value of the identifiable assets and the fair value of the liabilities acquired of the company.

Goodwill is presented depending on the structure of the acquisition. Goodwill is presented separately in the company financial statements if it concerns an acquisition done by the actual company itself, i.e. Ctac N.V.

Financial fixed assets / participating interests in group companies
Group companies are valued in the company balance sheet at net asset value. Any negative valuation of the participation is deducted from the claim on the relevant group company.
The result from group companies consists of the results for the financial year of the participating interests included in the balance sheet.

25. Intangible fixed assets
Changes in intangible fixed assets are as follows:

	Goodwill		Intangible fixed assets produced in-house		Total	
(in € x 1,000)	2021	2020	2021	2020	2021	2020
Book value as at 1 January	**2,450**	**2,450**	**84**	**303**	**2,534**	**2,753**
Investments	-	-	100	-	100	-
Amortisation	-	-	(66)	(219)	(66)	(219)
Book value as at 31 December	**2,450**	**2,450**	**118**	**84**	**2,568**	**2,534**
Total acquisition value	6,646	6,646	1,194	1,094	7,840	7,740
Total amortisation and impairments	(4,196)	(4,196)	(1,076)	(1,010)	(5,272)	(5,206)
Book value as at 31 December	**2,450**	**2,450**	**118**	**84**	**2,568**	**2,534**

26. Tangible fixed assets
Changes in tangible fixed assets are as follows:

Total ICT hardware
(in € x 1,000)

	2021	2020
Book value as at 1 January	**16**	**32**
Investments	-	-
Depreciation	(10)	(16)
Book value as at 31 December	**6**	**16**
Total acquisition value	71	71
Total depreciation	(65)	(55)
Book value as at 31 December	**6**	**16**

In 2021 no completely written off assets were decommissioned (2020: € 150 thousand).

27. Financial fixed assets
The composition of the financial fixed assets is as follows:

(in € x 1,000)	2021	2020
Participating interests and receivables from participating interests	22,447	17,678
Other receivables	1,131	1,344
Total financial fixed assets	**23,578**	**19,022**

The companies in which a participating interest is held also constitute related parties on account of the fact that a significant influence can be exercised over commercial and financial policy.

There are no participations for which a provision has been formed.

27.1 Participations
The changes in the participations item are as follows:

(in € x 1,000)	2021	2020
Balance as at 1 January	**17,678**	**35,619**
Result from group companies	4,678	2,722
Dividend received	(148)	(24,000)
Other movements	239	3,337
Balance as at 31 December	**22,447**	**17,678**

The other movements in 2020 mainly concern the winding-up of the intermediate holding company in Belgium.

A list of names, registered offices, and shares in capital interests can be found in Appendix 1 to the Financial Statements.

27.2. Other long-term receivables
Other receivables can be specified as follows:

(in € x 1,000)	2021	2020
Balance as at 1 January	**1,344**	**206**
Deposit payment	149	45
Movement in deferred tax assets	(362)	1,093
Balance as at 31 December	**1,131**	**1,344**

With effect from 2016, Ctac has borne the risk under the Dutch Partially Disabled Workers Act (WGA) all by itself. The mandatory warranty to the Dutch Tax and Customs Administration that a financial institution will take over this obligation should Ctac no longer be able to comply with it has been reinsured. A deposit of € 400 thousand was paid for this. This contract is effective until 2032. The fair value of the other long-term receivables is close to the book value.

28. Trade receivables and other receivables
Trade receivables and other receivables can be specified as follows:

(in € x 1,000)	2021	2020
Trade receivables and receivables in respect of group companies	2,036	2,088
Other claims and payments and accrued income	889	833
Total trade receivables and other receivables as at 31 December	**2,925**	**2,921**

There are no receivables in respect of group companies of a term of longer than one year. No security or guarantees have been provided for the trade receivables and receivables in respect of group companies. No interest has been charged either.

The fair value of the trade receivables and other receivables is close to the book value.

29. Cash and cash equivalents
The balance of cash and cash equivalents at year-end 2021 is at Ctac's free disposal.

30. Shareholders' equity
Changes in shareholders' equity in 2021 can be specified as follows:

(in € x 1,000)	Issued share capital	Share premium reserve	Statutory reserves	Other reserves	Undistri-buted profit	Total
Balance as at 31 December of the previous financial year	**3,253**	**11,546**	**3,295**	**1,363**	**3,032**	**22,489**
Appropriation of the result in the previous financial year	-	-	-	2,286	(2,286)	-
Dividend	20	(20)	-	-	(746)	(746)
Result for the financial year	-	-	-	-	4,455	4,455
Change in accordance with the statutory reserve	-	-	85	(85)	-	-
Paid to third parties	-	-		(148)	-	(148)
Balance as at 31 December	**3,273**	**11,526**	**3,380**	**3,416**	**4,455**	**26,050**

The amount paid to third parties relates to the dividend paid to minority shareholders of acquired participating interests.

Changes in shareholders' equity in 2020 can be specified as follows:

(in € x 1,000)	Issued share capital	Share premium reserve	Statutory reserves	Other reserves	Undistri-buted profit	Total
Balance as at 31 December of the previous financial year	**3,104**	**11,695**	**3,678**	**(282)**	**1,262**	**19,457**
Appropriation of the result in the previous financial year	-	-	-	1,262	(1,262)	-
Dividend	149	(149)	-	-	-	-
Result for the financial year	-	-	-	-	3,032	3,032
Change in accordance with the statutory reserve	-	-	(383)	383	-	-
Balance as at 31 December	**3,253**	**11,546**	**3,295**	**1,363**	**3,032**	**22,489**

The decision to pay a stock dividend led to 82,109 new Ctac N.V. shares being issued in 2021 (2020: 623,802 new shares).

30.1 Profit appropriation proposal
A net profit of € 4.5 million was achieved in the year under review. An optional dividend is applicable for the 2021 financial year. Shareholders who do not indicate their preference will automatically be awarded a dividend in the form of shares. It will be proposed to the General Meeting of Shareholders that a dividend of € 0.11 per share be distributed in the form of ordinary shares in the company and that this be charged to the tax-exempt share premium reserve or the other reserves.

31. Deferred tax liabilities
The changes in deferred tax liabilities are as follows:

(in € x 1,000)	2021	2020
Balance as at 1 January	**9**	**57**
Intangible fixed assets produced in-house		
Recognised in the profit and loss account	(9)	(48)
Balance as at 31 December	**-**	**9**

32. Short-term bank liabilities
Amounts drawn by Ctac N.V. under the total current account credit facility, totalling € 6.3 million at year-end 2021 (2020: € 6.0 million), are recognised under short-term bank liabilities. Equal to 2020, short-term bank liabilities at year-end 2021 were nil.

33. Trade creditors and other liabilities
The composition of the trade creditors and other liabilities is as follows:

(in € x 1,000)	2021	2020
Trade creditors	1,951	1,937
Taxes and national insurance contributions	48	55
Other debts to group companies	26	28
Accruals and deferred income	1,636	681
Corporation tax	9	322
Total trade creditors and other liabilities as at 31 December	**3,670**	**3,023**

All trade creditors and other liabilities have a term of less than 1 year. No security or guarantees were provided for the trade creditors, other liabilities and liabilities in respect of group companies. No interest was charged either. The fair value of the trade creditors and other liabilities is close to the book value.

34. Personnel costs
The composition of the personnel costs is as follows:

(in € x 1,000)	2021	2020
Wages	1,672	751
Social charges	23	17
Pension charges	29	29
Other personnel costs	517	476
Total personnel costs	**2,241**	**1,273**

Ctac has a defined contribution pension scheme with a defined contribution percentage according to a graduated age scale. Ctac pays fixed premiums to an insurance company and Ctac has no legal or actual obligation to pay additional premiums if the insurance company has insufficient means to pay current and future pensions.

Ctac has a number of pension schemes. The main features of these schemes are:
- the pensionable age is 68 years (2020: 68 years);
- pension accrual is based on the actual salary in a particular month, less the applicable deductible;
- the maximum pensionable salary is indexed annually;
- the maximum contribution is 27.7% of the sum of the pensionable pay of all active participants;
- Ctac reserves the right to revise the employee contribution. If it does so, it will communicate this in good time.

In the case of foreign pension schemes that are organised and function in a similar way to the Dutch pension system, liabilities arising from these foreign pension schemes are recognised and valued in accordance with the valuation of the Dutch pension schemes.

The average staffing (FTEs) over 2021 amounts to 2 (2020: 2).
Ctac N.V. does not employ any employees outside of the Netherlands.

35. Other operating costs
The other operating costs mainly consist of car expenses, marketing and sales costs, ICT costs, auditors' and consultancy fees, and costs passed on to the other group companies, leading to a gain.

36. Financial income and expenses
The financial income and expenses can be specified as follows:

(in € x 1,000)	**2021**	**2020**
Financial income	-	99
Financial expenses	(2)	(101)
Total financial income and expenses	**(2)**	**(2)**

37. Taxes
Taxes can be specified as follows:

(in € x 1,000)	**2021**	**2020**
Tax currently payable for the financial year	-	100
Tax for prior financial years	(17)	(4)
Deferred tax for the financial year	92	1,141
Total taxes	**75**	**1,237**

CONTINGENT LIABILITIES
Ctac N.V. and the Dutch group companies, except Oliver B.V. and Digisolve-Mijn ICT B.V., are a fiscal entity for revenue tax purposes. Ctac N.V. and the Dutch group companies, except Ctac Resourcing B.V., Purple Square Management Partners B.V., Oliver B.V. and Digisolve-Mijn ICT B.V., are a fiscal entity for corporation tax purposes. As a consequence, the companies involved are jointly and severally liable for the obligations of the fiscal entity. Payments are settled with group companies through the current account.

's-Hertogenbosch, 15 March 2022

Board of directors
Mr P.P.J.G. Saasen

Supervisory board
Mr H.J.G. Hendriks
Mr L.A.M. Vernaus
Ms E. Karsten

Other information

Provision in the articles of association regarding profit appropriation

According to article 30 of the articles of association, a dividend is paid out on the priority share that equals 6% of the nominal amount. The board of directors, with the approval of the supervisory board, subsequently determines which part of the remaining profit shall be reserved. The remaining profit, after the addition to reserves, is at the disposal of the General Meeting of Shareholders.

Proposed profit appropriation

An optional dividend is applicable for the 2021 financial year. Shareholders who do not indicate their preference will automatically be awarded a dividend in the form of shares. It will be proposed to the General Meeting of Shareholders that, in the latter case, a dividend of EUR 0.11 per share be distributed in the form of ordinary shares in the company and that this be charged to the tax-exempt share premium reserve or the other reserves. The proposal shall also include giving power of attorney to the board of directors to issue the ordinary shares that are needed in order to distribute the dividend in the form of shares.

Subsidiaries and branch offices

For subsidiaries and branch offices, please refer to the overview of participating interests on page 55 of the annual report.

Protective measures

Ctac can make use of the following protective measures:

- the priority share, held by the Ctac Priority Foundation (Stichting Prioriteit Ctac);
- the option to place preference shares with the Ctac Continuity Foundation (Stichting Continuïteit Ctac);
- the possibility to provide financial support to the Ctac Continuity Foundation through the Ctac Support Foundation (Stichting Support Ctac);
- the issue of depository receipts for shares.

The following applies to implementing these measures.

Ctac Priority Foundation

Special controlling rights are attached to the priority share held by the Ctac Priority Foundation. For example, the shares are issued pursuant to a resolution of the Ctac Priority Foundation. The appointment of the Ctac Priority Foundation as the body authorised to issue shares can be extended under the articles of association or by a resolution of the General Meeting of Shareholders each time for a period of no longer than five years. Resolutions to issue preference shares or to grant any right to subscribe to such shares of bodies other than the General Meeting of Shareholders are always subject to the cooperation of the supervisory board. A transfer of preference shares requires the approval of the supervisory board. The pre-emptive right in connection with an issue of shares can be restricted or excluded by the Ctac Priority Foundation. The appropriate authority of the Ctac Priority Foundation ends at the point in time at which the authority of the Priority Foundation to issue shares ends.

The Ctac Priority Foundation also plays a role in the appointment, suspension and dismissal of members of the board of directors. The members of the board of directors are appointed by the General Meeting of Shareholders from a binding nomination to be drawn up by the Ctac Priority Foundation. A resolution to suspend or dismiss a member of the board of directors can, if not passed following a proposal by the Ctac Priority Foundation, only be adopted by a majority of two-thirds of the votes cast, which represents more than half of the issued share capital. Finally, the Ctac Priority Foundation plays a decisive role in amendments to the articles of association and in the resolution to dissolve the company. Such resolutions can only be adopted following a proposal by the Ctac Priority Foundation.

The board of the Ctac Priority Foundation consists of at least three board members, comprised as follows: 1) one A director, to be appointed by the board of directors from within its ranks, 2) one B director, to be appointed by the supervisory board from within its ranks, and 3) one C director, to be appointed by the board of the foundation itself. The Ctac Priority Foundation can only be represented by two board members acting jointly.

The board members of the Ctac Priority Foundation in 2021 were:

1. Mr E. Kraaijenzank (chair, until 14 March 2021);
2. Mr H.L.J. Hilgerdenaar (until 31 October 2021);
3. Mr H.P.M. Jägers (chair, from 15 March 2021);
4. Ms E. Karsten (from 15 March 2021);
5. Mr P.P.J.G. Saasen (from 1 November 2021).

Mr Jägers is a business professional with extensive experience in both large and small companies. He has financial, economic and operational experience. Mr Jägers is an emeritus professor at the Faculty of Economics and Business of the University of Amsterdam and is, among other things, the Chairman of the supervisory board of Stichting Erfgoed and the Chairman of Koepel Zorgcoöperaties Zuid-Nederland.

Ctac Continuity Foundation

The objective of the Ctac Continuity Foundation (Stichting Continuïteit Ctac) is to promote the interests of Ctac, the companies affiliated with Ctac and its group companies, and all parties involved, in such a manner that these interests are safeguarded to the greatest possible extent and that any influences that might harm the independence and/or the continuity and/or the identity of the company, the group companies and the companies in violation of those interests are excluded as much as possible, as well as to do anything that is related to or may be conducive to the above. The Ctac Continuity Foundation seeks to achieve its objective by acquiring and holding shares - in particular preference shares - in the company's capital and by exercising the rights attached to these shares, including, in particular, the voting rights connected to these shares. On 26 March 2013, the Ctac Priority Foundation and Ctac N.V. granted the Ctac Continuity Foundation an option right pursuant to which the Ctac Continuity Foundation can acquire preference shares in Ctac N.V. equal to 100% of the total nominal amount of the issued ordinary shares and the issued priority share in the capital of the company, provided that certain conditions are fulfilled and without the cooperation of the General Meeting of Shareholders of the company. Preference shares can be issued against partial payment, on the understanding that the part of the nominal amount to be paid mandatorily must be the same for each preference share and that when preference shares are subscribed to, at least one quarter (25%) of the nominal amount must have been paid. The Ctac Continuity Foundation is authorised to sell, pledge - providing that the voting right attached to the shares in question is not transferred to the pledgee - or otherwise encumber the shares it has acquired with the proviso that the Foundation requires the approval of the supervisory board to sell the shares. Prior to 26 March 2013, there was an option right that equalled 50% of Ctac N.V.'s issued share capital at the moment when the option was exercised. The increase to 100% was deemed necessary to offer the Ctac Continuity Foundation sufficient opportunities to counter any hostile takeover attempts.

The board of the Ctac Continuity Foundation consists of at least three members. The members of the board are appointed by the board of the Foundation itself and can be suspended and dismissed by that board. Decisions to appoint a board member require the approval of the board of directors of the company, for which approval the board of directors requires the approval of the company's supervisory board. The Ctac Continuity Foundation is independent of Ctac. The Ctac Continuity Foundation can only be represented by two board members acting jointly.

The board members of the Ctac Continuity Foundation in 2021 were:

1. Mr P.J.M. van den Brink (board member since 31 March 2017 and chair since 1 January 2020);
2. Mr A.J.B.W. Dingen (board member since 11 December 2019);
3. Ms A. Haan (board member since 11 December 2019).

Mr P.J.M. van den Brink is retired. He has a legal education. In his career he mainly worked in the banking sector; one of his positions was that of Managing Director of ING Bank Nederland. He has had a wide range of other, societal positions and some supervisory board memberships.

Mr A.J.B.W. Dingen completed his training as a chartered accountant in 1981 and worked as an accountant throughout his career, initially at Van Dien & Co Accountants and then for twenty years at BDO, where he was also a partner. Mr Dingen has been working as a financial advisor and/or director/supervisory director at various organisations since 2009.

Ms A. Haan started her career as a lawyer with CMS Derks Star Busmann in 1990, after completing her law studies that same year. She became a partner at CMS in 2000. She has also been working as an MfN certified mediator since 2016. In addition to the above, Ms Haan holds various other positions with various community organisations and is active as a supervisory director.

Ctac Support Foundation

The Ctac Support Foundation (Stichting Support Ctac) was established on 10 February 2020. The objective of the Ctac Support Foundation is to promote the interests of Ctac, the companies affiliated with Ctac and its group companies and all parties involved, in such a manner that these interests are safeguarded to the greatest possible extent and that any influences that might harm the independence and/or the continuity and/or the identity of the company, the group companies and the companies in violation of those interests are excluded as much as possible, by providing loans to the Ctac Continuity Foundation, as well as by borrowing money, standing surety, and entering into agreements in connection with these activities.

The board of the Ctac Support Foundation consists of three board members, two of whom are A directors and one of whom is a B director. The two A directors are appointed by the Ctac Continuity Foundation from among its directors. The B director is appointed by the company. The Ctac Support Foundation is independent of Ctac. The Ctac Support Foundation can only be represented by two board members acting jointly.

In 2021 the board members of the Ctac Support Foundation were:

1. Mr A.J.B.W. Dingen (board member since 10 February 2020 and chair since the same date);
2. Mr P.J.M. van den Brink (board member since 10 February 2020);
3. Mr H.J.G. Hendriks (board member from 10 February 2020 until 29 March 2021);
4. Mr J.H.W. Roelofs (board member since 4 May 2021).

Mr Roelofs is CEO of Refresco, a global company that develops and produces fruit juices and soft drinks. He has extensive experience as a director and entrepreneur in the food industry in particular. He has also lived and worked abroad in countries including France, Spain and the United States. Mr Roelofs is actively involved in various social institutions and is a sports enthusiast.

Right of investigation

In accordance with Section 2:346, paragraph c, of the Dutch Civil Code, Ctac has granted the right of investigation to the Ctac Continuity Foundation. The Ctac Continuity Foundation is also authorised to demand injunctive relief by virtue of Section 2:349a of the Dutch Civil Code if the interest of Ctac specifically requires this. The Ctac Continuity Foundation will only exercise the right of investigation and the right to demand injunctive relief within the objective of the Ctac Continuity Foundation if there are justifiable reasons to doubt the correctness of a policy. The Ctac Continuity Foundation will only exercise the right of investigation and the right to demand injunctive relief after prior consultation with Ctac's board of directors and Ctac's supervisory board.

Issue of depository receipts for shares

No depository receipts for shares have currently been issued with the cooperation of the company.

Ctac Continuity Foundation Declaration of Independence

The board of directors of Ctac N.V. and the board of the Ctac Continuity Foundation declare that, in their joint opinion, the Ctac Continuity Foundation is a legal entity independent of Ctac N.V. within the meaning of Section 5:71, paragraph 1, part c of the Financial Supervision Act.

Independent auditor's report

To: the general meeting and the supervisory board of Ctac N.V.

REPORT ON THE 2021 FINANCIAL STATEMENTS

Our opinion
In our opinion:
- the consolidated financial statements of Ctac N.V. and its subsidiaries ('the group') give a true and fair view of the financial position of the group as at 31 December 2021 and of its result and its cash flows for 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Ctac N.V. ('the company') give a true and fair view of the financial position of the company as at 31 December 2021 and of the result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited
We have audited the accompanying 2021 financial statements of Ctac N.V. of 's-Hertogenbosch, the Netherlands. These financial statements consist of the consolidated financial statements of the group and the company financial statements.

The consolidated financial statements comprise:
- the consolidated balance sheet as at 31 December 2021;
- the following statements for 2021: the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The company financial statements comprise:
- the company balance sheet as at 31 December 2021;
- the company profit and loss account for 2021; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions in Part 9 of Book 2 of the Dutch Civil Code, and the financial reporting framework applied in the preparation of the company financial statements is Part 9 of Book 2 of the Dutch Civil Code.

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

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

Independence
We are independent of Ctac N.V. in accordance with the European Union regulation on specific requirements regarding statutory audit of financial statements of public-interest entities, the *Wet toezicht accountantsorganisaties* (Wta, the Dutch audit firms supervision act), the *Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten* (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other rules on independence relevant to the engagement in the Netherlands. Furthermore we have complied with the *Verordening gedrags- en beroepsregels accountants* (VGBA, Code of ethics for professional accountants).

Our audit approach
We designed our audit procedures relating to key audit matters, fraud and going concern, and the matters resulting from that in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information supporting our opinion, such as our findings and observations with regard to individual key audit matters, the audit approach in respect of fraud risks and in respect of going concern, should be viewed in that context and not as separate judgements or conclusions.

Overview and context
Ctac N.V. ('Ctac') is an organisation that provides IT and business consulting services to customers. Because the group comprises various group entities, we considered the scope and approach of the group audit as set out in the section 'The scope of our group audit'.

The 2021 financial year was characterised by a focus on realising Ctac's growth strategy, which places an explicit emphasis on autonomous and organic growth. This affected the determination of materiality and the scope of the group audit, as described in the sections 'Materiality', 'The scope of our group audit' and 'Key audit matters'.

As part of designing our audit approach, we determined the materiality and assessed the risk of material misstatements in the financial statements. We specifically addressed those areas in which the board of directors had made important judgements, such as those in which assumptions about future events were made that were inherently uncertain. Within this context we focused, among other things, on the assumptions associated with the physical and transition risks relating to climate change. The company has set out the areas of judgement in applying accounting policies and the key sources of estimation uncertainty in the section 'Key estimates and assumptions' of the financial statements. With regard to these estimates and sources of estimation uncertainty, we identified the initial recognition and valuation of the acquired customer and contract portfolio, brand names and technology of Oliver B.V. ('Oliver') as a key audit matter. We also identified the recognition of unsettled revenue transactions resulting from contracts with clients as a key audit matter due to the scale and diversity of such contracts. These two key audit matters are explained in the section 'Key audit matters'. 'Initial valuation of acquisition of Purple Square', 'valuation of intangible fixed assets Fit4Woco and Fit4RealEstate' and 'revenue recognition of XV Retail and Fit4 contracts in line with IFRS15', which were identified as key audit matters in 2020, were not identified as such in 2021.

Other areas of attention during our audit that were not identified as key audit matters were the automated control environment, the initial recognition and valuation of the acquired customer and contract portfolio of Digisolve-Mijn ICT B.V. ('Digisolve'), the recognition of revenue transactions arising from intangible fixed assets produced in-house, the capitalisation of development costs and the valuation of goodwill and intangible fixed assets.

We assessed the climate-related risks, including the assumptions and estimates underlying the financial statement line items, and discussed these with the board of directors. The impact of climate change does not affect the key audit matters.

We ensured that our audit team had sufficient specialist knowledge and expertise to conduct an audit of a business consulting organisation and IT service provider, as well as the transactions that took place in 2021. Therefore, we included experts and specialists from fields including IT, valuation and remuneration in our team.

The key features of our audit approach were:

Materiality
- Materiality: €1,000,000

Audit scope
- We conducted the entire audit at the head office of Ctac in the Netherlands.
- We paid particular attention to auditing the significant group entities in the Netherlands and Belgium, as well as to the acquisition of the controlling interest in Oliver and Digisolve.
- Audit coverage: 94% of the consolidated revenue, 94% of the consolidated balance sheet total and 69% of the consolidated result before taxation.

Key audit matters
- Initial recognition and valuation of the acquisition of Oliver
- Recognition of unsettled revenue transactions resulting from contracts with clients

Materiality
The audit scope was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement, we determined quantitative thresholds for materiality including the overall materiality for the financial statements as a whole, as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and our opinion.

Materiality for the group	€1,000,000 (2020: €875,000).
Basis for determining materiality	We determine materiality on the basis of our professional judgement. We used 1% of revenue from contracts with clients as the basis for our judgement.
Rationale for benchmark applied	We used revenue from contracts with clients as the primary, generally accepted benchmark on the basis of our analysis of the common information needs of users of the financial statements. The result from ordinary activities before tax is relatively volatile and the revenue from contracts with clients represents the development of Ctac's operations. On this basis, we believe that revenue from contracts with clients is a significant key figure for the company's financial performance.
Materiality for group entities	Each group entity within the scope of our audit was allocated a lower materiality than the materiality for the group as a whole on the basis of our judgement. The materiality we allocated to the group entities was between €570,000 and €1,000,000.

We also took into account misstatements and/or possible misstatements that in our judgement are material for qualitative reasons.

We agreed with the supervisory board that any misstatements identified during our audit in excess of €50,000 (2020: €43,750) would be reported to them, as well as misstatements below that amount that in our judgement are relevant for qualitative reasons.

The scope of our group audit
Ctac N.V. is the parent company of a group of entities. This group's financial information is included in the consolidated financial statements of Ctac N.V.

We tailored the scope of our audit in such way that we, in aggregate, obtain sufficient coverage of the financial statements for us to be able to give an opinion on the financial statements as a whole. In doing so, we considered the management structure of the group, the nature of the group entities' activities, business processes and internal controls and the markets in which the company operates. On this basis, we determined the nature and extent of the work to be performed at the level of the group entities which was necessary for the group team and the group entities' auditors to conduct their audits.

The group audit mainly focused on the significant group entities in the Netherlands (comprising: Ctac N.V., Ctac Nederland B.V., Ctac B.V. and Ctac Resourcing B.V.) and in Belgium (Ctac België N.V.).

Audits of the financial information as a whole were conducted at the group entities in the Netherlands and Belgium because, individually, these group entities are financially significant to the group.

At one non-significant group entity, specific audit procedures were conducted on significant risks that had been identified.

By conducting this work, we obtained the following coverage for the financial statement line items listed below:

Revenue	94%
Balance sheet total	94%
Result before tax	69%

None of the group entities not covered by the scope of the audit represent more than 5% of the consolidated revenue or 3% of the consolidated balance sheet total. Among other things, we conducted analytical procedures of these other group entities' financial information at group level to corroborate our assessment that these entities contained no significant risks of material misstatements. All audit procedures for the group entities were conducted by our audit team.

By conducting the procedures above at group entities, we were able to obtain sufficient and appropriate audit evidence with regard to the group's financial information as a basis for our opinion on the financial statements.

Audit approach in respect of fraud risks
We identified and assessed the risks of material misstatements of the financial statements as a result of fraud. During our audit, we obtained an understanding of Ctac and its environment, the components of the internal control system, including the risk assessment process and the manner in which the board of directors responds to fraud risks and monitors the internal control system, as well as the manner in which the supervisory board carries out supervision and the results of this process.

With regard to the risk of material misstatements as a result of fraud, we assessed the design of the internal control system, including the board of directors' fraud risk analysis, the code of conduct, the whistleblower policy and the insider policy, as published on the Ctac website. We assessed the design and existence of and, where considered appropriate, tested the operating effectiveness of the internal controls designed to mitigate fraud risks.

We refer you to the 'fraud risk analysis' section of the financial statements, in which the board of directors has set out its fraud risk analysis, and to the report of the supervisory board, in which the supervisory board reflects on this analysis.

We made enquiries with the board of directors, the legal counsel and the supervisory board as to whether they are aware of any actual, suspected or presumed cases of fraud. This did not give rise to any indications of fraud that could result in a material misstatement.

As part of our process of identifying risks of material misstatement in the financial statements as a result of fraud, we considered fraud risk factors relating to fraudulent financial reporting, misappropriation of assets, and bribery and corruption. We assessed whether these factors indicated that a risk of material misstatement as a result of fraud is present.

The fraud risk factors we identified that resulted in significant fraud risks and in the performance of specific procedures are as follows:

FRAUD RISKS IDENTIFIED	PROCEDURES PERFORMED AND RESULTS
The risk of the board of directors' override of internal controls The board of directors is in a unique position to commit fraud, as it is able to manipulate accounting records and draw up fraudulent financial overviews by overriding internal controls that otherwise appear to be working efficiently. During all our audits, we therefore pay attention to the risk of the board of directors' override of internal controls relating to: • Journal entries and other changes that are made during the preparation of the financial statements. • Estimates. • Significant transactions outside the ordinary course of business. We paid particular attention to trends resulting from possible interests of the board of directors, including the potential pressure on the board of directors to present the result in a more favourable light in connection with the remuneration policy, budget targets and shareholder expectations.	We assessed the design and implementation of the internal controls and tested the operating effectiveness of these controls in relation to the processes used to generate and process journal entries and the processes used to make estimates. We also focused specificly on access security in the IT system and the possibility that the segregation of duties could be breached. On the basis of risk criteria, we performed a data analysis of journal entries and carried out specific audit procedures in relation to them. Within this context, we also paid attention to significant transactions outside the ordinary course of business, including the initial recognition and valuation of the acquisitions of Oliver and Digisolve. For Oliver we refer you to the key audit matter 'Initial recognition and valuation of acquisition of Oliver'. We also carried out specific audit procedures relating to the key estimates made by the board of directors, including: • Impairment of goodwill; • Valuation of financial obligations relating to put/call agreements; • Valuation of goodwill, acquired customer and contract portfolios, acquired brand names and acquired technology; • Capitalisation of assets produced in-house. We paid particular attention to the inherent risk of potential bias on the part of the board of directors when making estimates. The key estimates are explained by the board of directors in the section 'Key estimates and assumptions' in the notes to the consolidated financial statements. Our procedures did not give rise to any specific indications of fraud or suspicions of fraud linked to the overriding of internal controls by the board of directors.
The risk of fraudulent financial reporting of unsettled revenue transactions resulting from contracts with clients due to overstated revenue being recognised	We refer you to the key audit matter 'revenue recognition of unsettled revenue transactions resulting from contracts with clients' in the section 'Key audit matters'.

We also incorporated an element of unpredictability in our audit. In addition, we took note of lawyers' letters and correspondence with regulators and remained alert to indications of fraud during the audit. Furthermore, we assessed the results of other audit procedures and considered whether there were findings that indicated fraud or failure to comply with legislation and regulations. If so, we re evaluated our fraud risk assessment and its consequences for our audit procedures.

Audit approach in respect of going concern
As disclosed in the section 'risk profile and risk management' in the report of the board of directors and in the section 'main accounting principles for the financial statements' in the financial statements, the board of directors has carried out its going-concern assessment for the foreseeable future and has not identified any events or conditions that may cast reasonable doubt about the entity's ability to continue as a going concern (hereinafter: going-concern risks).

Our procedures for evaluating the board of directors' going-concern assessment included:

- Considering whether the board of directors' going-concern assessment contained all relevant information of which we were aware as a result of our audit and inquiring wiht the board of directors regarding the key assumptions and basic principles. In particular, in its going-concern assumption the board of directors focused on expectations relating to revenue, expected operating results, expected net results and the cash flows derived from them.
- Assessing the budget, including the expectations relating to revenue, the key priority areas and markets, the expected developments in the operating result, net result and the cash flows derived from them and investment budgets up to the end of 2023 to identify possible indications of going-concern risks, taking into account developments within the industry and our knowledge arising from the audit.
- Assessing the credit facilities available in the Netherlands and Belgium, as explained in the section 'financial risk management' of the financial statements, and assessing the covenant within the financing facility in the Netherlands, as explained in the section 'long-term and short-term debt to credit institutions' of the financial statements.
- Obtaining information from the board of directors concerning its knowledge of going-concern risks after the period covered by the going-concern assessment carried out by the board of directors.

Our audit procedures did not give rise to any information that would conflict with the board of directors' assumptions and judgement used in the application of the going-concern assumption.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of the most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. Key audit matters are not a comprehensive reflection of all the risks and matters identified by the audit and that we discussed. This section contains a description of the key audit matters and a summary of the audit procedures conducted on those matters.

These key audit matters were addressed in the context of our audit of the financial statements as a whole. Our findings and observations with regard to individual key matters should be viewed in that context and not as separate judgements on these key matters or on specific elements of the financial statements.

Our audit procedures did not give rise to any information that would conflict with the board of directors' assumptions and judgement used in the application of the going-concern assumption.

KEY AUDIT MATTERS	OUR AUDIT RESPONSE AND OBSERVATIONS
Initial recognition and valuation of acquisition of Oliver *Refer to section 'Key estimates and assumptions' and notes 1. Intangible fixed assets and 22. Acquisitions and disposals* Ctac recognised an investment of €2.3 million in intangible fixed assets in 2021, related to the acquisition of the majority interest in Oliver acquired in 2021. The investment in Oliver primarily concerns the initial valuation of the acquired customer and contract portfolios at €1.4 million, brand names at €0.5 million and technology at €0.4 million. At initial recognition, Ctac valued the acquired customer and contract portfolios, brand names and technology at cost, being the fair value at the time of acquisition. Ctac determined the fair value of the acquired customer and contract portfolios and technology by estimating the present value of the expected cash flows. As the basis for this, Ctac used Oliver's budgeted results for 2021, a growth ratio for revenue and margin, relative movements in Oliver's customers and a discount rate. Ctac determined the fair value of the brand names by estimating their value using the relief-from-royalty method. This method is based on a calculation of the hypothetical royalties that would be saved by owning an asset instead of licensing it. Ctac used a valuation expert to determine the fair value of the customer and contract portfolio, brand names and technology. The initial valuation is complex and is subject to Ctac's estimates, which are inherently uncertain. As the acquired customer and contract portfolios, brand names and technology are a material balance in the financial statements, any change in the estimates and assumptions used could have a significant effect on Ctac's financial statements. We therefore identified this as a key audit matter. We focused specifically on the assumptions and estimates made in relation to the revenue growth ratio, margin trend, discount rate and royalties.	Talks with the board of directors and the supervisory board and our examination of the underlying contracts provided us with an insight into the acquisition of shares in Oliver. Besides that, we assessed the design and existence of the process for determining the initial valuation of the assets and liabilities acquired. We invited valuation experts to join our team to assist us in assessing the valuation model, the assumptions and the estimates Ctac used. We assessed the objectiveness, capabilities and expertise of the experts engaged by the board of directors. In addition, we obtained insight into the work performed by the valuation experts and assessed the extent to which the work performed is appropriate for use as audit evidence. We assessed the discount rate and the reasonableness of the range used by comparing the discount rate with other companies. As regards the revenue growth ratio and margin trend, we conducted a retrospective analysis on the results for 2021 by comparing them with actual results. We also performed recalculations to check that the growth ratio used by Ctac for revenue and margin trend was in line with Oliver's past results. We conducted sensitivity analyses of the main assumptions to assess the extent to which a change to an assumption would lead to a change in the valuation. We checked the adequacy of the notes in respect of the estimates and assumptions, the acquisition of Oliver, and the recognition of the initial valuation of the customer and contract portfolios, brand names and technology. We did not identify any material findings while performing our work.

KEY AUDIT MATTERS	OUR AUDIT RESPONSE AND OBSERVATIONS
Recognition of unsettled revenue transactions resulting from contracts with clients *Refer to 'Main accounting principles for the financial statements', section 'Revenue from contracts with clients', and note 14. Revenue from contracts with clients* As explained in the main accounting principles for the financial statements, in the section on the accounting principle 'Revenue from contracts with clients', Ctac provides services of various types to its clients, which involves entering into individual contractual agreements. Ctac has set a clear and ambitious target for realising revenue growth. Performance-related bonuses for the board of directors are linked to this. This could put pressure on the board of directors to recognise unsettled revenue transactions. Our assumption here is that there is an inherent risk that contracts for which the performance obligation has not yet been fulfilled, or that do not exist, may be recognised by the board of directors as revenue from contracts with clients in the current financial year. This risk therefore relates specifically to revenue transactions that were not yet settled as at 31 December 2021. In view of the resulting inherent fraud risk and the significance of revenue recognition, we identified recognition of unsettled revenue from contracts with clients as a key audit matter.	We assessed the design, implementation and operating effectiveness of the internal controls both in relation to revenue recognition and within the process used to generate journal entries relating to revenue. On the basis of risk criteria, we performed a data analysis of journal entries and carried out specific audit procedures in relation to them. We assessed, on a test basis, the existence of receivables as at 31 December 2021 using external balance confirmations. In the case of external balance confirmations that were not returned to us for certain receivables, we determined the existence of the receivables on the basis of payments made by debtors in 2022. We also examined whether credit notes have been entered in the following financial year that may indicate incorrect revenue recognition in the current financial year. Furthermore, we carried out sample testing of revenue still to be invoiced from contracts with clients as at 31 December 2021 and assessed, on the basis of internal records of time sheets and contracts with clients, whether this revenue had been correctly recognised as such. We carried out sample testing and tested the services provided and the transaction prices underlying the revenue transactions against the underlying contracts with clients, internal time sheets and sales invoices. Our procedures did not give rise to any specific indications of fraud or suspicions of fraud linked to the board of directors' override of internal controls.

Report on the other information included in the annual report

The annual report also contains other information. This refers to all information presented in the annual report other than the financial statements and our auditor's report thereon.

Based on the procedures below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements;
- includes all information as required by Part 9 of Book 2 of the Dutch Civil Code and Sections 135b and 145(2) of Book 2 of the Dutch Civil Code.

We have read the other information and, based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

Our audit meets the requirements of Part 9 of Book 2 of the Dutch Civil Code, Section 135b(7) and the Dutch Auditing Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The board of directors is responsible for preparing the other information, including the Report of the board of directors and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code and the Remuneration Report in accordance with Sections 135b and 145(2) of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment
The supervisory board appointed us as external auditor of Ctac N.V on 1 July 2020 following a resolution passed by the general meeting of shareholders on 1 July 2020, which was reconfirmed by the shareholders on 12 May 2021. We have now been the company's auditor for an uninterrupted period of 2 years.

European Single Electronic Format (ESEF)
Ctac N.V. has prepared this annual report, including the financial statements, in the European Single Electronic Format (ESEF). The requirements that this format must satisfy are laid down in the Commission's Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (these requirements will be referred to below as the RTS for ESEF).

In our opinion, the annual report prepared in XHTML format, including the partially tagged consolidated financial statements, as included in the reporting package by Ctac N.V., has been prepared in all material respects in accordance with the RTS for ESEF.

The board of directors is responsible for preparing the annual report, including the financial statements, in accordance with the RTS for ESEF and combines the various elements in the form of a reporting package. Our responsibility is to obtain reasonable assurance to support our opinion that the annual report in this reporting package is in accordance with the RTS for ESEF.

With due consideration for NBA Alert 43 of the Royal Netherlands Institute of Chartered Accountants (NBA), our audit included:

- Obtaining an insight into the entity's financial reporting process, including the preparation of the reporting package.
- Gaining access to the reporting package and performing validations to determine whether the reporting package, including the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in all material respects in accordance with the technical specifications set out in the RTS for ESEF.
- Examining the information relating to the consolidated financial statements in the reporting package to determine whether all required tags have been applied and whether these are in accordance with the RTS for ESEF.

No prohibited services
To the best of our knowledge, we have provided no prohibited services as referred to in Article 5.1 of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services provided
In addition to the audit of the financial statements, the services we provided to the company and its subsidiaries in the period to which our statutory audit relates are disclosed in note 16 of the notes to the financial statements.

Responsibilities in connection with the financial statements and the audit

Responsibilities of the board of directors and the supervisory board for the financial statements
The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the company's ability to continue as a going concern. On the basis of the aforementioned financial reporting frameworks, the board of directors is required to prepare the financial statements using the going-concern basis of accounting, unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose any events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our responsibility is to plan and perform an audit in a manner that allows u to obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements.

Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion. A more detailed description of our responsibilities is set out in the appendix to our report.

Eindhoven, 15 March 2022
PricewaterhouseCoopers Accountants N.V.

Orginal signed by drs. J.J.T. van Kessel RA

Appendix to our auditor's report on the 2021 financial statements of Ctac N.V.

In addition to what is stated in our auditor's report, we have set out our responsibilities for auditing the financial statements in greater detail in this annex and explained what an audit involves.

The responsibilities of the auditor for the audit of the financial statements
We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch auditing standards, ethical requirements and the independence requirements.
Our audit included:
- Identifying and assessing the risks that the financial statements contain material misstatement due to error or fraud, designing and performing audit work in response to these risks and obtaining audit information that is sufficient and appropriate as a basis for our opinion. The risk of not detecting a material misstatement is greater in the case of fraud than in the case of error. Fraud may involve collusion, forgery, the intentional omission to record transactions, deliberate misrepresentation of affairs or intentional override of internal control.
- Obtaining an insight into the internal controls relevant to the audit in order to select the audit procedures that were appropriate in the circumstances. The purpose of these procedures is not to express an opinion regarding the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors in the financial statements.
- Concluding that the board of directors' use of the going-concern basis of accounting is appropriate and, based on the audit evidence obtained, determining whether there are events and circumstances which give rise to reasonable doubt that the company can continue its operations as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to the related disclosures in the financial statements in our auditors report. If such disclosures are inadequate, we are obliged to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Future events or circumstances may cause the company to cease to continue as a going concern.
- Assessing the presentation, structure and content of the financial statements and their notes, and assessing whether the financial statements give a true and fair view of the underlying transactions and events.

Because we are ultimately responsible for our opinion, we are also responsible for directing, supervising and performing the group audit. In this context, we have determined the nature and extent of the work to be carried out for the group entities to ensure that we perform sufficient audit work to be able to give an opinion on the financial statements as a whole. The geographical structure of the group, the size and/or the risk profile of the group entities or the activities, business processes and internal controls and the industry in which the company operates are determining factors. On this basis, we selected the group divisions in which an audit or review of the financial information or specific items was necessary.

We communicate with the supervisory board regarding such matters as the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In that context, we also provide a report to the audit committee based on Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information provided in that additional report is consistent with our audit opinion in this auditor's report.

We confirm to the supervisory board that we have observed the relevant ethical requirements regarding independence. We also communicate with the supervisory board on all relationships and other matters that could reasonably influence our independence and on associated measures taken to remove identified threats and to safeguard our independence.

We determine the key audit matters of the financial statements from all the matters we have discussed with the supervisory board. We describe these matters in our auditor's report, unless laws or regulations preclude public disclosure or, in extremely rare circumstances, non-disclosure would be in the public interest.

Historical Summary

Historical summary (based on IFRS 16)

	2021	2020*	2019
Results (x € 1,000)			
Revenue from contracts with clients	106,424	87,307	81,782
Operating result	6,462	4,661	2,061
Operating result + depreciation and amortisation (EBITDA)	12,049	10,227	7,525
Net result attributable to the shareholders of Ctac N.V.	4,455	3,032	1,262
Depreciation and amortisation	5,587	5,566	5,464
Operational cash flow	9,542	15,148	8,092
Equity (x € 1,000)			
Intangible fixed assets	29,382	24,052	17,563
Right-of-use assets	10,715	10,607	6,232
Tangible fixed assets	824	921	1,275
Financial fixed assets	1,182	1,567	1,387
Current assets	31,907	27,373	18,913
Long-term liabilities	13,478	13,640	3,701
Short-term liabilities	33,371	28,391	22,212
Shareholders' equity	27,161	22,489	19,457
Total assets	74,010	64,520	45,370
Ratios			
Operating result / revenue from contracts with clients	6.1%	5.3%	2.5%
Operating result + depreciation and amortisation (EBITDA) / revenue from contracts	11.3%	11.7%	9.2%
Net result / revenue from contracts with clients	4.2%	3.5%	1.5%
Net result / average shareholders' equity	17.9%	14.5%	6.5%
Current assets / short-term liabilities	0.96	0.96	0.85
Shareholders' equity / total assets	36.7%	34.9%	42.9%
Per share € 0.24 nominal			
Number of weighted average shares outstanding	13,603,100	13,243,302	12,879,601
(Proposed) dividend	0.11	0.08	0.08
Net result (attributable to shareholders of Ctac N.V.)	0.33	0.23	0.10
Operational cash flow	0.70	1.14	0.63

Data based on published annual reports for the years in question.

*) For an explanation of the 2020 figures, please see page 52/53.

Appendix 1

Disclosure of Major Holdings and Capital Interests in Securities-Issuing Institutions Decree (Decree article 10 Takeover Directive)

Ctac N.V. is listed on Euronext Amsterdam (ticker: CTAC). At year-end 2021, the authorised share capital amounted to € 9,600,000 and was divided into 40,000,000 shares of € 0.24 as follows: 19,999,999 ordinary shares, 20,000,000 preference shares and 1 priority share. The issued share capital consists of 13,637,312 ordinary shares and 1 priority share. All issued shares are fully paid up. The decision to pay a stock dividend led to 82,109 new shares being issued in 2021 (2020: 623,802 new shares).

Information about provisions in the articles of association regarding profit appropriation and about any special controlling rights of Ctac N.V. is included under 'Other information' in this annual report on pages 108 to 110.

The number of outstanding option rights will not exceed 10% of the total number of outstanding ordinary shares. There are no outstanding option rights.

One vote can be cast per ordinary share. No special controlling rights are attached to ordinary shares.

Special controlling rights are attached to the priority share held by the Ctac Priority Foundation.
These rights concern the appointment, suspension and dismissal of the members of the board of directors, the issue of shares, pre-emptive rights, amendment of the articles of association, and dissolution of the company. No changes have taken place with regard to the priority share.

Ctac N.V. has not imposed any restrictions on transferring its shares. There are no restrictions on the exercise of voting rights attached to shares.

Dutch Financial Supervision Act

As at 31 December 2021, the following parties had an interest of 3% or more in Ctac N.V., according to the 'Substantial holdings' register of the Dutch Authority for the Financial Markets (AFM):

Date of disclosure	Disclosing Party	Interest
1 March 2016	Alpha Holding B.V., Elpico B.V., Invenet B.V.	4.99%
1 September 2017	D. Lindenbergh	10.00%
30 March 2021	P.C. van Leeuwen	5.16%
11 May 2021	Value8 N.V.	27.76%
13 July 2021	J.P. Visser	14.99%
16 July 2021	MI Chelverton European Select Fund	3.26%

Ctac N.V. is not aware of any agreements with a shareholder which might give cause to a restriction of the transfer of shares or a restriction of the voting right.

Ctac N.V. does not have an employee participation plan or an employee share option plan. Detailed information about Ctac's Insider Policy can be found on Ctac's website under 'About Ctac', Corporate Governance. The Insider Policy is intended to prevent insider trading in securities by Ctac employees. The Insider Policy is intended to limit the risk that the reputation and business integrity of the company may be harmed as a consequence of such trading.

Ctac N.V. is not a party to any significant agreements that are concluded, changed or dissolved under the condition of a change of control over the company after a public offer has been made in the sense of Section 5:70 of the Dutch Financial Supervision Act.

Ctac N.V. has not concluded any agreements with a director or employee that provide for a payment upon termination of the employment contract in connection with a public offer within the meaning of Section 5:70 of the Dutch Financial Supervision Act.

Index of terminology

Artificial Intelligence - Artificial intelligence refers to the simulation of human intelligence in machines.

Augmented Reality - A live, direct or indirect, picture of reality to which elements can be added by a computer.

Azure - Microsoft's cloud platform that provides a wide range of IT components, such as cloud hosting, security, apps, etc.

BI *(Business Intelligence)* **-** The process of transforming data into information, leading to knowledge.

CISO *(Chief Information Security Officer)* **-** A CISO is responsible for the information security policy. This concerns both implementing policy and supervising compliance with it.

Cloud - Cloud computing is using the internet to make hardware, software and data available on demand, in the same way as using electricity from the mains grid.

Discharge - Dismissal, release.

DPO *(Data Protection Officer)* **-** A DPO is a member of a company/organisation who is responsible for compliance with the regulations arising from the GDPR. Since the GDPR came into effect on 25 May 2018, certain organisations have been required to appoint a Data Protection Officer.

ERP system *(Enterprise Resource Planning)* **-** Software which enables business processes to be supported administratively.

Fit4RealEstate - SaaS solution for managers of commercial Real Estate.

Fit4Woco - SaaS solutions for processes of housing associations.

GDPR *(General Data Protection Regulation)* **-** The GDPR took effect on 25 May 2018, which means that the same privacy legislation is applicable throughout the European Union (EU).

IaaS *(Infrastructure-as-a-Service)* **-** The infrastructure is offered virtually. The hardware, including servers, network equipment and the workstations are owned by the service provider. The client only pays for what is actually used.

Internet of Things - Simple equipment that is connected to the internet.

iPaaS *(integration-Platform-as-a-Service)* **-** Platform to quickly link applications/data together.

ITIL Framework *(Information Technology Infrastructure Library)* **-** A best practices-driven reference framework for establishing the management processes in an ICT organisation.

Machine Learning - Software which can adapt itself to circumstances.

Microsoft Office 365 - A collection of internet services, meant for businesses, home use or education. These internet services are offered partly as on-line services, partly as applications on a desktop PC, tablet or phone, or as a combination of both.

Midlance - Employment at Ctac based on a results-related salary.

OR - Ctac's Work's Council.

PaaS *(Platform-as-a-Service)* **-** Delivering operating systems and associated services via the internet without having to download or install them.

Portal - A central entrance to applications and information via the internet.

POS - Point of Sale.

Post-Merger Integration path (PMI) - PMI is a complicated process of combining and rearranging businesses in order to achieve potential efficiency improvements and synergies which tend to be the motivating factors leading to mergers and acquisitions. The PMI is a crucial aspect of mergers; it involves combining the original logistical, social and technical systems of the merging organisations into one new and combined system.

Predictive Analytics - Making predictions using data.

Product Information Management solution (PIM) - Software to generate and manage Product Information.

S/4HANA - Industry-specific integrated ERP system.

SaaS *(Software-as-a-Service)* **-** Sometimes known as Software on Demand, SaaS is software that is offered as an online service. The customer does not have to purchase the software, but has a contract, for example per month per user, or only pays for what is actually used.

SAM *(Software Asset Management)* **-** Registering, administering and purchasing, licences as cost-efficiently as possible

SAP Analytics Cloud (SAC) - SAP's solution for business intelligence & analytics, focused on dashboarding and data visualisation.

SAP C/4HANA - Customer experience suite.

SAP HANA - SAP real-time in-memory data platform that gives businesses a competitive advantage through rapid and cost-effective analysis of their customer data.

Sharepoint - A Microsoft platform that serves as a framework for setting up a website for information sharing and online collaboration within a group or organisation, such as often happens on an intranet.

Tax Control Framework (TCF) - A set of processes and internal controls designed to ensure that a company's tax risks are known and controlled.

Unified commerce environment - An environment in which all sales channels of an organisation and those outside melt together, supported by central IT services.

XV5/XV-Retail - Customer Engagement and POS solution.

XV Loyalty platform - Ctac's loyalty platform that facilitates savings schemes, gift cards and vouchers, regardless of the sales channel in which they are applied.

XV Point-of-Sales - Ctac's in-store solution for retail and wholesale provides for manned and unmanned points of sale.

Colophon

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