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

ANNUAL REPORT 2022

Foreword

2022 was the year in which we left the peak of the COVID-19 pandemic behind us, but also one in which the world was confronted with scarcely anticipated geopolitical developments and unprecedented inflation, with all the consequences these entail for our clients and our company. Amidst all this turmoil, Ctac managed to stay firmly on course, with revenue developing in line with the growth strategy we had previously outlined. Internally, further improvements were made to our organisation and our clients are certain to benefit from these in 2023.

How can we drive up Ctac's overall performance still further and, in so doing, achieve even better profitability together? It was with this question in mind that we launched the Ignite programme in early 2022. Over the past few years we have been developing well as a company: in 2021 we generated revenue in excess of 100 million euros for the first time and we now have the next milestone of 150 million euros in our sights. At the same time, we noted that there was also still room for improvement. Under the guidance of an independent external party, we have therefore taken a critical look at our organisational structure, as well as our customer service concept and what it means for our people.

Ignite is now almost at an end and the first concrete results are visible. For us 2023 will be the moment of truth: the year in which we actually increase employee and customer satisfaction still further and in which we demonstrate that the plans we have come up with together actually also improve our performance in practice.

Trusted advisor, independent director

For our clients, this means, among other things, that we will try to listen even more carefully to them about the challenges they are facing. What is the question behind the question? Based on our strong position as a trusted advisor, we can then advise them on a strategic level about the best possible solution to their problem, doing so from a position that is independent of a specific supplier or product. Under the heading of 'C-level IT', we help clients translate their ambitions from the boardroom to the shop floor, drawing on our in-depth sector- and process-specific knowledge and using proven technology offered by market leaders.

This also places certain demands on our employees: they need to be even more proactive and entrepreneurial, be driven to keep developing on an ongoing basis and have a broad perspective of everything happening around us and of the possible solutions available.

Realising cloud ambitions

The increasing number of clients who will be making the transition to the cloud over the coming years are a good example. This is a development that we as Ctac naturally cannot and also do not want to stop. However, it means that we will need to change too, while constantly being mindful of the client's perspective. What do our clients want? But also: what, in our opinion, is the best choice for them to make? We are increasingly moving towards the role of director – one in which we will offer our clients product-independent advice on how best to realise their cloud ambitions. This will require us to have in-depth knowledge of all these different products, so we can actually offer the best possible service to our clients.

Cyber security: constantly moving up the agenda

Besides cloud transformation, cyber security is another issue that is featuring prominently on the agenda in a growing number of boardrooms – and certainly within our own client base. As cyber criminals become increasingly inventive (and audacious), and more and more organisations are experiencing first hand just how much of an impact a cyberattack can have, cyber security has developed into an absolute must have within the area of IT services. In 2022, we therefore expanded our cyber-security team significantly, and this growth will continue this year.

Working with the necessary knowledge and expertise, we offer our clients support and assistance in preventing a possible cyberattack and in this way safeguard the continuity of their business. We also update our knowledge in this area on an ongoing basis, to ensure we can continue to offer our clients optimal protection in this constantly changing field.

Continuing uncertainty

All this is taking place against a background of continuing uncertainty about the state of the world. At the beginning of 2022, few people were seriously anticipating a Russian invasion of Ukraine. If an invasion did occur, at the very most it was expected to be a fierce, but short-lived battle. Now, more than a year on, we are all experiencing the consequences of the war in Ukraine on a daily basis. Apart from all the suffering the war has brought for the Ukrainian people, this also means rising and unpredictable energy prices, unprecedented inflation, disrupted supply chains and ever more acute shortages of raw materials. In less than a year the environment in which citizens live and businesses operate has therefore changed dramatically. These are developments that are affecting many of our clients and, in our role as a supplier, we are also trying to offer them proactive advice on a strategic level. How can we help our clients deal with the continuing uncertainty in the best possible way?

Cherishing talent

The persistent high level of inflation has also prompted us to compensate our employees generously this year for the higher prices they are paying for energy and their day-to-day shopping. We are doing this not just because we want to be a good employer, but also because we want to cherish our talent. Our people are important to us and we want to hold on to them – especially given the unprecedented shortages on the labour market.

The tight labour market also underlines the increasing importance of the Ctacademy, our own Ctac study centre through which we enable our employees to maintain and further enhance their knowledge and skills. Moreover, the Ctacademy has proven to be an excellent way of rapidly preparing talented recent graduates for a role as a junior consultant and giving them a solid basis for a career within Ctac. Last year this helped us – alongside the regular influx of new staff – to keep adding new talent to our workforce from the bottom up. In this respect the Refugee Talent Hub should also not go unmentioned: this is a national programme that aims to put newcomers to the Netherlands – who are generally eager to start work in our country – in touch with suitable employers. Last year we were able to welcome a number of talented new employees via the Refugee Talent Hub.

Our workforce is constantly growing and becoming ever more diverse. For a long time Ctac was a 's-Hertogenbosch company through and through, but these days it is an increasingly international organisation. In recent years we have also welcomed many new colleagues as a result of various acquisitions. The most recent of these, Technology2Enjoy (T2E), joined the Ctac family on 1 June 2022, resulting in a wealth of financial and operational synergies. And our interest in potential acquisitions will not end there. In short, we will continue to develop our company and build on our growth strategy in 2023.

Valuable partnerships

Also worthy of mention is the fact that in 2022 we realised all our joint plans with SAP, as well as carrying off a number of prestigious awards at the SAP partner gala. Furthermore, in the autumn of 2022, SAP appointed three strategic channel partners, including Ctac, to strengthen the cloud transformation of the services it provides. Specifically, this means that, from 1 January 2023 we will be working even more closely with SAP to further support our clients with their (cloud) transformation towards an intelligent enterprise, something that is naturally a source of great pride for us.

We have also successfully completed the first year of our collaboration with Amazon Web Services (AWS); at the end of 2022 we were crowned the AWS Rising Star of the Year during the EMEA AWS Partner Awards. This is a prestigious award that underlines the success of our intensive partnership in the area of innovative cloud solutions.

Summary

I am hugely proud of Ctac and everything we have achieved together over the past year. 2022 was certainly a dynamic year: one in which we not only focused on our own organisation, but also paid specific attention to the world around us and everything taking place within it. For me – in my first year as CEO – it was an enormous honour to have been able to experience all these developments up close, together with our clients, partners and colleagues.

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/2023/03/Jaarverslag-2022-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

	2022	2021
Results (in € x 1 million)		
Revenue from contracts with clients	117.7	106.4
Operating result	6.9	6.5
Operating result + depreciation and amortisation (EBITDA)	12.3	12.0
Result before taxes	6.4	6.0
Net result attributable to the shareholders of Ctac N.V.	4.7	4.5
Net result	5.0	4.7
Operational cash flow	6.1	9.5
Employees and professional external staff hired (in FTE)		
Employees as at 31 December	477	445
Employees averaged over the year	463	430
Professional external staff hired, averaged over the year	182	161
Revenue per employee, incl. external staff hired (per FTE x € 1,000)	182	180
Revenue per direct employee, incl. external staff hired (per FTE x € 1,000)	213	217
A selection of balance sheet figures (in € x 1 million)		
Shareholders' equity (net value)	30.9	27.2
Cash and cash equivalents	7.4	10.4
Bank liability	2.0	2.9
Total assets	75.6	74.0
Ratios		
Operating result / revenue from contracts with clients	5.9%	6.1%
Operating result + depreciation and amortisation (EBITDA) / revenue from contracts	10.5%	11.3%
Net result / revenue from contracts with clients	4.0%	4.2%
Net result / average shareholders' equity	17.4%	18.8%
Shareholders' equity / total assets	40.9%	36.7%
Data per share of € 0.24 nominal value		
Number of weighted average shares outstanding	13,809,008	13,603,100
Net result (attributable to the shareholders of Ctac N.V.)	0.34	0.33
Operational cash flow	0.44	0.70
Shareholders' equity (net value)	2.24	2.00
(Proposed) dividend	0.12	0.11

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 turned 30, although the restrictions linked to the COVID-19 pandemic prevented us from celebrating this milestone.

Enabling Your Ambition

Ctac gives you peace of mind and confidence, both in day-to-day practice and in turbulent situations when business dynamics and complex IT processes present major challenges for our clients. Ctac addresses these challenges with a team of driven and experienced IT and business professionals. In this way, our passion for what we do comes into its own and we can complete every task together. The client can pursue its ambitions, while Ctac keeps things in balance. Our approach goes beyond IT alone and we tackle transformations together with the client: our people, teams and specialist knowledge make the difference. 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.

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*.

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. For local authorities we have developed the Municipal Package, which allows us to support these organisations on the basis of SAP's Cloud ERP.

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, AWS and Google, we work together with leading players such as Boomi, Precisely and inriver.

Markets

The Ctac organisation focuses 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 provided 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 consultancy, 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 challenging time during and after the COVID-19 pandemic and against the background of the crisis and associated global tensions resulting from the conflict in Ukraine. 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-to-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. That means they can start small and then 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 also offer a complete set of consultancy services for all types of real estate organisations, through which we support these organisations in carrying out their day-to-day operations, as well as in relation to matters such as identifying changes to laws, compliancy measures, etc., and incorporating these into the software.

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.

Through the recent acquisition of Technology2Enjoy (T2E) we have also managed to secure a substantial footprint in the local authority sector. This comprises organisations such as municipal authorities, water boards and safety regions, for example; for Ctac this is a future growth market that will be affected less directly by geopolitical and economic impacts.

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 focus areas

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

1. ERP (SAP Cloud) & business consultancy
2. Data services
3. Integration
4. Cloud services
5. Cyber security
6. XV platform

Innovation & transformation 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 take concrete steps in relation to key issues such as sustainability, transparency, provenance and augmented reality to deliver added value for the client. 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 are the advantages of the public cloud? How do you decide which cloud(s) you are going to use? What is the added value of SAP S/4HANA for your business 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, within the context of the Think activities carried out by our business consultants and enterprise architects, we 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.

With our Oliver NEXT proposition we have taken the conscious decision to approach and support clients from an entirely different perspective, and not just with technology and IT solutions in mind. Using a tried-and-tested approach, we work together with the client to translate its vision, mission and strategy into a roadmap for the (digital) transformation of its organisation.

Here we focus specifically on the following three areas: Organisation, Processes and Application & Data. What difficulties and opportunities for improvement can we see moving forward? What is the appropriate target architecture? And what should the roadmap look like if the transformation is to be carried out responsibly? Lastly, Ctac supports the processes involved in selecting the different components of a target architecture.

Ctac also actively contributes to innovation programmes at our technology partners and our clients.

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) for 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 addition, Ctac has the expertise needed to perform assessments focusing on cost optimisation in a multi-cloud world.

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 services*

The ability to adapt to a changing market and portfolio with agility is the most important argument in favour of the (public) cloud for many companies. Ctac anticipates this in collaboration with its cloud partners with a total package of cloud services, including cloud assessments and migrations to the cloud, but also cloud optimisation services such as finops and other cloud management services. 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.

Using data to have a direct impact in the area of business processes falls within the field of data science. Ctac has a team of data scientists who are able to offer support with complex business issues using mathematical models and provide instant insights that can immediately have an impact on processes and decision-making.

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 Precisely for both data management and process automation.

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 and 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.

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 a Strategic Partner of SAP, a Microsoft Gold Partner and an AWS Select Partner, Ctac has the right tools and knowledge in house to provide you with 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 your 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 in accordance with the ITIL Framework, we are increasingly meeting the demand for application management in a modern way and using corresponding working methods.

In multidisciplinary teams made up of clients' business and IT representatives, supplemented by our own specialists, we are taking a combined approach to Build & Run in more and more cases. We are therefore moving away from the traditional pathway of incidents, problems and changes and working iteratively within a DEVOPS structure on new developments and everyday issues that deserve immediate attention.

- *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. 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. Our people hold the relevant certifications, such as Prosci ADKAR.

- *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 2023

17 February 2023	publication of 2022 financial figures
2 March 2023	publication of the 2022 annual report
13 April 2023	General Meeting of Shareholders
26 April 2023	publication of quarterly report for the first quarter of 2023
28 July 2023	publication of half-year figures for 2023
26 October 2023	publication of quarterly report for the third quarter of 2023

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 2022 contained the following investors with participating interests higher than 2.5% (source: AFM).

Date of disclosure	Disclosing Party	Interest
1 March 2016	Alpha Holding B.V., Elpico B.V., Invenet B.V.	4.99%
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%
2 March 2022	Regents of the University of Michigan	3.85%
2 March 2022	Otus Capital Management Ltd	8.48%
1 June 2022	H.P.W.P.T.M. van Groenendael	2.94%

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

	2022	2021
Weighted average of shares outstanding	13,809,008	13,603,100
Highest closing price	4.37	4.88
Lowest closing price	3.26	2.86
Closing price at year-end	3.35	4.25
Net result	0.34	0.33
Operating result	0.50	0.48
Operating result + depreciation and amortisation (EBITDA)	0.89	0.89
Net cash flow	0.44	0.70
Shareholders’ equity	2.24	2.00
(Proposed) dividend	0.12	0.11
Dividend yield based on closing price	3.6%	2.6%

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: 20,000,000 ordinary shares and 20,000,000 preference shares. The issued share capital consists of 13,931,648 ordinary shares.

Development of share capital

The number of outstanding ordinary shares on 31 December 2022 was 13,931,648.

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)

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.

Chair of audit committee.

CFO of GreenV, subsidiary of HAL.

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.

Chair of remuneration, selection and appointments committee.

Appointed to the Supervisory Board of Ctac in May 2014. Her second term of office ended in 2022 and was subsequently extended by one year until the date of the 2023 Annual General Meeting of Shareholders.

Report of the Board of Directors

Introduction

Overview of key figures.

Results
(in € x 1,000)

	2022	2021	2020*	2019*	2018
Revenue from contracts with clients	117,672	106,424	87,307	81,232	82,998
Operating result	6,901	6,462	4,661	2,389	2,412
Net result attributable to the shareholders of Ctac N.V.	4,728	4,455	3,032	1,262	1,715
Employees					
Average number of employees (FTE)	463	430	382	377	418
Ratios					
Operating result/revenue from contracts with clients	5.9%	6.1%	5.3%	2.7%	2.9%
Net result/revenue from contracts with clients	4.0%	4.2%	3.5%	1.6%	2.1%

* 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 focus areas:

- *ERP*

As SAP's previous generation of ERP solutions are nearing their 'end of life', the need for S/4HANA (Public) Cloud, 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 business processes can continue as usual.

- *Developments relating to the (public) cloud*

Strategic partnerships with 'hyperscalers' play a major role within Ctac's public cloud strategy. Building and optimising these relationships is therefore high on our agenda. In 2022, significant steps were taken in the further professionalisation of these partnerships. For example, Ctac was awarded Select status as an Amazon Web Services (AWS) partner in recognition of the commercial and operational progression our organisation has demonstrated, and we also won the prestigious Benelux Rising Star Award. The addition of AWS to our cloud portfolio means that, alongside Microsoft Azure, Ctac now has a number of journey-to-cloud scenarios available for its clients. In this way we are strengthening our advisory role as a vendor-agnostic partner for our current and future clients and, in the public cloud market, can continue our development towards becoming an end-to-end cloud transformation partner. To fully unburden clients, alongside our existing technical migration services, we have also added Organisational Change Management, Technical Architecture and Cloud Security to our range of professional services.

- *Data services*

Ctac helps organisations to work in a data-driven manner. We do this by helping our clients 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 assisting our clients in keeping 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 needs to be right: from hardware and software through to streamlined access to systems. Ctac provides safe and modern workplaces which comply with every single one of these requirements.

- *Fit4RealEstate*

Fit4RealEstate is our all-in-one platform to support the tactical and operational processes of commercial real estate organisations, from institutional investors through to property managers. Our SAP S/4HANA-based platform accommodates processes related to customer contact, management and maintenance, contract management, document management, and finance and 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 and 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 partner 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 react 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 2022, the company focused on continuing to set up and strengthen integrated, 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. In doing so, we ensure the quality and architecture of the products we deliver are of a high level.

- *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.

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, ecosystems 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 (public) 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 and adoption of best practices are 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 carrying out 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 cloud providers 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 remain expressly focused on growth. We will not only achieve this through organic growth, but through the right strategic acquisitions as well. Our recent acquisitions of Technology2Enjoy (2022), 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 Oliver NEXT business consultancy services to further our clients' sustainable growth, both socially and commercially. We do this by designing our clients' processes and IT landscapes 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 align our services better with market requirements.

- 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.

  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, our Fit4 solution for the real estate sector and the Municipal Package for local authorities.

Strengthening organisational culture
In addition to these strategic objectives, we have established 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 feel safe and appreciated, and identify with our vision, mission and strategy. This will enable us to continue building 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
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, paying specific attention to our specialist knowledge of different market sectors. This knowledge is what sets us apart and is a binding factor in the relationship with our clients. 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, Boomi, Precisely and Microsoft software products can be applied.

The COVID-19 pandemic, with the changing restrictions and relaxations, the new variants which emerged, and the different policies in different countries, impacted on almost all sectors. Share prices were influenced by this across a broad front and the initially cautious economic recovery has stagnated due to the armed conflict between Ukraine and Russia, which has driven up inflation sharply. Rising demand for goods and services is not being met on account of shortages of both workers and raw materials. As a consequence, some changes in behaviour 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.

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).

Our people
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, for the above focus markets in which Ctac is active, our 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 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.

Ctac Resourcing
Ctac Resourcing, under which our secondment operations are positioned, complements our focus markets and is active on a market-wide basis. Ctac has successfully focused on the secondment of IT consultants for many years through Resourcing. That led to a broader service provision in 2022 as well, particularly at larger clients, and a considerable increase in revenue.

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 resulted in some new assignments in 2022.

Resourcing also continues to develop in terms of new business with end customers. In 2022, assignments were won with some new clients and the aim is 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 significant 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 the above options put Ctac in an excellent position to respond on an ongoing basis to changes in, and the increasing flexibility of, the labour market.

Key developments

Selection of new partnerships/projects/contracts

Developments relating to partnerships
Ecosystem partner
Strategic partnerships with 'public cloud providers' are playing an increasingly important role within Ctac's cloud strategy. Building and optimising these relationships is therefore high on our agenda. In 2022, significant steps were taken in the further professionalisation of these partnerships. For example, Ctac was awarded Select status as an Amazon Web Services (AWS) partner in recognition of the commercial and operational progression our organisation has demonstrated, and we ended the year by winning the AWS Rising Star Award in the Benelux region. The addition of AWS to our cloud portfolio means that, alongside Microsoft Azure, Ctac now has a number of 'journey-to-cloud ' scenarios available for its clients. In this way we are strengthening our advisory role as a vendor-agnostic partner for our current and future clients and, in the public cloud market, can continue our development towards becoming an end-to-end cloud transformation partner.

In 2022, Ctac became a member of the **SAP** Premium Partner Council. Over the past few years we have further improved our relationship with SAP and intensified it at all relevant levels. SAP presented Ctac with the prestigious Rise with SAP partner award. Ctac was also nominated for the VAR award.

For **Winshuttle**, 2022 was dominated by the acquisition by Precisely (www.precisely.com). Ctac also achieved a number of pleasing successes with this organisation in 2022 under its new name.

As an Official Partner of PSV, our partnership with the Eindhoven football club was developed further. Ctac will be an Official Partner of PSV until 2024. In 2022, the IT support we provide to PSV was given significant impetus and will be stepped up further in 2023.

In the spring of 2022, Ctac completed the sale of its housing association software service (Fit4Woco), including the transfer of all related assets and liabilities, to DataBalk B.V. DataBalk's IT solutions and services focus primarily on the housing association sector and the company has committed to maintaining Ctac's existing client relationships within this sector.

New projects and contracts
Technische Unie
Following completion of the key projects as part of Technische Unie's SAP S/4HANA migration programme in 2021, 2022 was dominated by the ongoing optimisation and expansion of the processes concerned. Both the Order Fulfillment project and the Procure 2

Pay SAP software production project were completed successfully. A start was also made with two new projects in the sales, service and logistics field.

Prodrive Technologies creates technologies and electronic products that form essential links in often equally essential systems. Examples include components for MRI systems, particulate matter sensors for cars and motherboards for industrial machines. In Eindhoven (Ekkersrijt), Prodrive Technologies has built a new, fully automated distribution centre with more than 20,000 square metres of storage space. Ctac helped the company with the automation of this new distribution centre. Thanks to an optimised warehouse layout and robots that can carry on working easily through the night, Prodrive Technologies can increase its output with the same number of staff, allowing it to further improve the supply to its factories.

Building Materials
In mid-2021 our client Saint Gobain Distribution the Netherlands was sold to Building Materials Europe and given the new name Building Materials Distribution the Netherlands (BMDNL). As a result of the sale, all IT systems and applications had to be migrated from the central Saint Gobain IT environments in France to a separate platform. A joint team made up of employees from Building Materials and Ctac worked on the new Azure-based application platform. In parallel with the SAP migration and the building of the Azure platform, a modern workplace was developed for all 1,200 users, spread across 40 branches.

Kalundborg Refinery Denmark
At the beginning of April 2022 the contracts were signed with our new client Kalundborg Refinery A/S. Kalundborg is an oil refinery in Denmark that was acquired by the investment company Klesch (a familiar name due to its connection with our client Heide in North Germany) from the Norwegian oil company Equinor. As Equinor had sold the Kalundborg refinery to Klesch, the common SAP environment had to be 'disentangled'. SAP carried out this carve-out from the SAP systems to create two separate SAP environments, each with its own data, one for Equinor and one for Kalundborg. As part of this project Ctac built the Azure environment, installed the SAP software and imported all SAP data, as well as taking care of the necessary subsequent processing.

The Dutch **Raad voor Rechtsbijstand** (Legal Aid Board), which is responsible for organising and supervising subsidised mediation and legal aid, as well as for implementing 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*), aims to excel in its communication with citizens and partners in the chain. Ctac has been entrusted with the task of setting up Enterprise Calling and Microsoft Teams calling, combined with a new call centre application. This project is being carried out in collaboration with Ctac's strategic partner, Ask Roger! By ensuring integration with underlying CRM and back office systems, this will contribute to a 360° customer view and consequently to even better and even more efficient communication.

In early 2022, **Wereldhave** signed a contract with Ctac (and SAP) for the purchase and implementation of S/4HANA to replace its custom ERP package. Ctac started implementing phase 1 in March 2022. For this SAP made its Rise with SAP Private S/4HANA cloud solution available and Ctac made use of its Fit4RealEstate Accelerator (this Accelerator will give Wereldhave a standard solution that is seamlessly aligned with its real estate processes, based on SAP Real Estate Best Practices). After phase 1 has been completed in early 2023, phase 2 will begin, which has already been defined. Ctac will also take care of the functional management of the S/4 environment.

KAO (the manufacturer of brands including John Frieda and Goldwell) had been using Precisely Automate Studio (formerly Winshuttle Studio) within its Finance Team for a number of years to its complete satisfaction. The time came for the company to take the next step in the area of professionalisation, with the aim of simplifying business processes within the Global Finance Team; in the autumn of 2022 the decision was taken to start working with Precisely Automate Evolve. Besides acquiring the licences that KAO will need for this, Ctac and KAO will start rolling out this project in January 2023.

For **Clarebout** (one of the world's most important players in the field of frozen potato products) Ctac has implemented Precisely Automate Evolve to automate complex SAP data processes.

Biobest has opted to migrate to SAP S/4HANA and Ctac helped support the data migration using Precisely Automate software. This resulted in a smooth and accurate data migration, which will now serve as a basis for the migration in 30 other countries in which Biobest is active.

In 2022, a few new names were again added to the Precisely portfolio, including **Woodvision** and **DSM**.

Until fairly recently the Precisely software agreements were extended one calendar year at a time.
Now around 30 clients have decided to extend the agreement by three or five calendar years. This reflects

their confidence in Ctac as a Precisely partner and in the performance of the Precisely Automate software. Several clients have also upgraded their existing licences to the latest version, thus gaining access to extra functionalities. The companies who have done so include **Heijmans**, **Friesland Campina**, **Marel** and **Royal BAM**.

In 2022, Ctac's PIM (Product Information Management) team welcomed three new clients. **Atlas Copco Airpower NV** selected inriver as a PIM solution, with Ctac as integration partner, to support its business worldwide. The project was launched in March 2022 and will certainly create plenty of work for the PIM team in 2023.

Fluidra SA, a Spanish multinational in the swimming pool sector, has selected Ctac for its implementation of inriver. This project will see Ctac roll out inriver for all local sites.

Eichholtz is a wholesaler in the field of top-of-the-range luxury furniture. Since being acquired by Gilde Equity Management the company has been undergoing a rapid professionalisation process; the implementation of a best-of-breed PIM solution (inriver) forms part of this.

Technology2Enjoy, which we acquired in 2022 (and is now a subsidiary), has signed a contract with the **Municipality of Hilversum** and the **Municipality of Wijdemeren** relating to the implementation of SAP ERP Cloud 'Gemeente ByDesign' ('Municipality ByDesign') and support.

In 2022, the Antwerp branch was the first **Sligro** branch to go live with XV Retail (point of sale software). With Sligro, Ctac has managed to add another high-volume foodservice wholesaler to its XV Retail portfolio. Sligro is the leading wholesale partner for food professionals, offering a comprehensive range of well-known, top brands as well as exclusive own brands. In 2023, XV Retail is due to be implemented at the company's other branches in the Netherlands and Belgium.

For its digital transformation project, **Lunch Garden** (Belgium's largest restaurant chain) opted for a clear cloud strategy. With Ctac as consulting partner, SAP S/4HANA was implemented on the AWS platform.

Shin-Etsu, **Loodswezen**, **Kemetyl** and **RNHB** have all demonstrated their confidence in Ctac for the coming years by extending their (SAP) management agreements for further years.

Ctac also frequently achieves commercial successes with/via **United VARS**, providing support to international clients in the Netherlands (via All for One and Mibcon). Ctac is the only SAP partner in the Netherlands that is a member of this global network. One SAP partner is represented within the network in each country.

In 2022, **Resourcing** achieved excellent growth in all the different markets served by Ctac. While the shortage on the labour market intensified further, a continued increase in effective collaboration with the various partners in the ecosystem enabled us to meet our clients' needs appropriately. We now offer secondment across the whole of the IT spectrum, as a result of which clients increasingly see us as a single point of contact for IT resources. Substantial growth has been achieved in the area of manufacturing in particular, while in other markets we have remained stable.

Ctac's **Cybersecurity** unit has taken a number of major steps over the past year. The security monitoring service has been professionalised and the integration between IT and security has been developed further. As a result of the expansion of this service, there are now more than 20 employees spread across the various consultancy and operational teams concerned. The services portfolio has also been developed further in the areas of strategy and policy, operational cyber-security management and managed cyber-security services. At a number of Ctac clients security management is now supported by experienced Ctac consultants.

Assurance statements / certifications

ISAE3402 Type II report
KPMG issued an ISAE3402 type II report for the calendar year 2022. 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.

ISO27001:2017 Information security
Ctac has held an ISO27001 certificate for many years. In September 2022 the new 3-year cycle was started by having full recertification carried out by KIWA. This recertification was completed successfully and Ctac can continue using this certificate.

ISO9001:2015 Quality
Ctac is not only ISO27001 certified, but also holds an ISO9001 certificate. In September 2022 the new 3-year cycle was also started for this by having full recertification carried out by KIWA. This recertification was completed successfully and Ctac can continue using this certificate.

Financial trends

Revenue from contracts with clients and other income

Revenue from contracts with clients came in at € 117.7 million in 2022, an increase of 10.6% (8.0% through organic growth), mainly driven by Secondment and projects.

Secondment and projects saw revenue increase by 15.2% due to strong demand for secondment activities and the acquisitions of Digimij and Technology2Enjoy, which were taken over in October 2021 and June 2022 respectively. At Cloud Services revenue increased by 6.2%, mainly as a result of sustained demand for migration from a private to a public cloud environment. Revenue from licence and hardware sales fell by 18.8% due to the shift towards public cloud environments.

Other income relates to the gain from the sale of the housing association software service Fit4Woco. This has a normalised margin effect of € 0.2 million.

Revenue per service
€ mln

	2022	2021	Delta
Secondment and projects	70.3	61.0	+15.2%
Cloud services	44.8	42.2	+6.2%
Licence and hardware sales	2.6	3.2	-18.8%
Revenue from contracts with clients	117.7	106.4	+10.6%
Other income	0.7	-	+100.0%

Employees

The average number of direct FTEs increased by 12.8% due to the recruitment of new talent and as a result of the acquisitions. The average number of indirect FTEs fell by 8.9% due to the greater focus implemented within the organisation. In addition, the number of professional external staff hired increased. This increase is related to revenue growth at Secondment and projects.

Investments in knowledge development and training of young, talented IT professionals as part of the Ignite change programme resulted in revenue per employee (on the basis of the average number of direct FTEs including professional external staff hired) falling by 2.0% to € 213,000.

Staff
FTE (unless stated otherwise)

	2022	2021	Delta
Ultimo			
Direct	385	340	+13.2%
Indirect	92	104	-11.5%
Total	477	444	+7.4%
Average			
Direct	371	329	+12.8%
Indirect	92	101	-8.9%
Total	463	430	+7.7%
Professional temporary staff (direct)	182	161	+13.0%

EBITDA and EBIT
EBITDA increased by 2.5% to € 12.3 million, which translates into an EBITDA margin of 10.5%. This is in line with the previously announced target for 2022. Margin development was affected by investments as part of the Ignite change programme and investments in IT talent.

EBIT increased by 6.2% to € 6.9 million, resulting in an EBIT margin of 5.9%. EBIT included a one-off expense of approximately € 1.2 million (2021: € 1.0 million). In 2022, these one-off expenses consisted of consultancy fees for acquisitions, consultancy fees relating to the Ignite change programme and redundancy costs. The sale of the housing association software service Fit4Woco has a normalised effect on the margin of € 0.2 million. Excluding one-off effects, EBIT increased by 5.3% to € 7.9 million (2021: € 7.5 million).

EBITDA and EBIT
€ mln (unless stated otherwise)

	2022	2021	Delta
EBITDA	12.3	12.0	+2.5%
Margin	*10.5%*	*11.3%*	*-0.8%*
Depreciation and amortisation	5.4	5.5	-1.8%
EBIT	6.9	6.5	+6.2%
Margin	*5.9%*	*6.1%*	*-0.2%*

Net profit and result per share
The tax burden fell to 21.2% (2021: 22.2%) due to the increase in the threshold applicable to the lower rate of tax and due to adjustments to deferred taxation resulting from rate changes.

The net result increased by 6.4% to € 5.0 million. The result per weighted average outstanding ordinary share amounts to € 0.34 (2021: € 0.33).

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

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

	2022	2021	Delta
Financial expenses	-0.5	-0.5	0.0%
Taxes	-1.4	-1.3	-7.7%
Net result	5.0	4.7	+6.4%
Earnings per share (in €)	0.34	0.33	+3.0%

Balance sheet
As at year-end 2022, intangible fixed assets decreased by € 0.7 million to € 28.7 million as a result of net investments of € 0.7 million in connection with the acquisition of Technology2Enjoy, the sale of Fit4Woco and regular amortisation.

Deferred tax assets increased due to a deferred tax item being formed on account of the offsetting of a recognised loss resulting from the acquisition of Technology2Enjoy. Other long-term receivables increased in connection with an as yet unreceived portion of the purchase price for the sale of Fit4Woco.

Trade receivables and other receivables rose by around € 4.0 million to € 25.4 million, mainly as a result of the higher revenue.

Shareholders' equity increased to € 30.9 million (year-end 2021: € 27.2 million). The net result attributable to the shareholders of Ctac N.V. for 2022 (€ 4.7 million), the dividend for 2021 which was partly paid out in shares

(€ -0.3 million) and the payments to minority shareholders (€ -0.7 million) were recognised in shareholders' equity.

The short-term and long-term lease liabilities came to € 10.1 million (year-end 2021: € 10.9 million). Ctac's bank borrowings are fully related to the financing of the Purple Square acquisition and stood at € 2.0 million, with € 0.9 million of these short-term borrowings.

The total earn-out obligations to the minority shareholders at year-end 2022 were € 0.8 million and are all short-term obligations (2021: € 2.8 million).

Trade creditors and other liabilities stood at € 29.5 million at year-end 2022 (year-end 2021: € 28.9 million). This increase was partly due to the consolidation of Technology2Enjoy.

Cash flow and investments
Operational cash flow amounted to € 6.1 million (2021: € 9.5 million). This decrease can be explained by a substantial rise in short-term debts in 2021 compared to 2020 due to the acquisitions of Oliver and Digimij.
In addition to this, there was nothing out of the ordinary as regards regular working capital management (receivables and payables).

Cash flow from investment activities fell as a result of the divestment of Fit4Woco, as well as lower acquisitions of participating interests.

In 2022, the acquisition of Technology2Enjoy, 10% of the remaining stake in Oliver, 20% of the remaining stake in Purple Square and an earn-out tranche to Digimij were settled in cash. The existing credit facility stood at € 7.2 million as at year-end 2022, putting headroom at € 14.6 million. This facility has been committed until April 2024. An amount of € 0.9 million was repaid on loans in 2022.

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

Cash flow and investments
€ mln (unless stated otherwise)

	2022	2021	Delta
Operational cash flow	6.1	9.5	-35.8%
Net cash (per year-end)	5.4	7.5	-28.0%
Headroom*	14.6	17.6	-17.0%

* headroom is defined as cash and cash equivalents + existing credit facilities.

Dividend proposal
The proposal submitted to the General Meeting of Shareholders is to pay out an optional dividend of € 0.12 per ordinary share for the 2022 financial year (2021: € 0.11 per share). This corresponds to a pay-out ratio of around 35% of the net profit, in line with the dividend policy.

Legal structure
In 2022, Ctac acquired a 100% stake in Technology2Enjoy Holding B.V. and also increased its stakes in Oliver B.V. and Purple Square Management Partners B.V. by 10% and 20% respectively, bringing these stakes to 61% and 90% respectively.

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 is and continues to be an important part of our human resources policy. This is particularly true in the post-COVID-19 period when the boundary between our employees' private lives and their work has become more diffuse.

Various surveys into how people perceived their work, experiences and vitality were held during the year. These provided a good insight into employees' perceptions. As part of the Ignite project, employees' opinions on the changes were sought on a regular basis through qualitative and quantitative surveys, and their input was also incorporated into possible solutions. A major, regular employee satisfaction survey is planned for 2023 and will be carried out in the Netherlands and Belgium in collaboration with Effectory.

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 has led to an incremental and structural reinforcement of the 'body of knowledge and skills'.

Senior level structure

In 2022, the Board of Directors consisted of Mr P.P.J.G. Saasen (CEO), who has been involved with Ctac as a director under the articles of association since 2019, and Mr W. Geraats (CFO ad interim), as a member of the Board of Directors not mandated under the articles of association. The process of appointing a successor to Mr Geraats will be completed in 2023. Within the framework of the Ignite project the organisational structure was streamlined and optimised further.

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 at team and individual level in Belgium and the Netherlands in 2022.

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 prominently on the human resources agenda. 'Enabling Your Ambition' also applies to employees' talents. The Talent & Development programme was developed for a group of employees capable of forging ahead in their careers and ambitious to do so. 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, 21% of employees at Ctac were female in 2022. 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 cooperation with the Talent Refugee Hub has led to an influx of new colleagues who have been granted residency status in the Netherlands.

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. Appointing a confidential advisor is also in keeping with this. Ctac has both an internal and external confidential advisor. 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 offers a method (Insights Discovery) 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. Four per cent of employees now have a profile drawn up in accordance with this method.

Vitality

Vitality is a prime focus for Ctac and a multidisciplinary team has developed a varied programme of physical and mental activities based on this principle. 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 2022, absenteeism due to illness stood at 4.0% within Ctac in the Netherlands (2021: 3.1%). There is an active focus on absenteeism management to prevent absenteeism and promote the employability of employees. This has led to a stable, low 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 practise sports are more productive and fitter, and their average absenteeism figures are lower. As an employer, Ctac encourages its employees to adopt a healthy lifestyle including sufficient exercise. That is why we offer our employees a company fitness scheme.

Continuation of Preventive Medical Examinations

Preventive Medical Examinations (PMOs) have been found to be of vital value in increasing the health awareness of employees who participate. Findings at organisational level are translated into a vitality policy. In 2022, the collaboration with the Jeroen Bosch Hospital was continued.

Recruitment and Employer Branding

The ‘work for Ctac’ site is Ctac’s online recruitment channel and continues to generate spontaneous applications. At the same time, we have stepped up our efforts on the labour market. 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.

Our own employees have an important role to play in recruitment: they talk about their jobs, experiences and challenges at Ctac, specifically targeting relevant groups on social media.

Ctac has enjoyed very close contact with educational institutions for some time now, 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 and around 30% of them ultimately join our company.

Our employees are an important recruitment channel; they are our ambassadors on the labour market. Any ‘referrals’ by colleagues are appreciated and eventually result in a recruitment bonus. 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 2022, Ctac explicitly focused on recruiting junior IT professionals for the XV retail proposition and this led to a masterclass being started. This initiative will be repeated for other profiles in 2023.

Employee participation in decision making

Several consultation meetings with the works council took place in 2022. This not only benefits 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 two of these meetings in 2022. 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 2022 by providing their opinion and/or consent in various matters. Examples include:

- Ctac acquisitions;
- advice on the Ignite project;
- advice on organisational changes;
- issues related to terms of employment (e.g. mobility, pension).

Post-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 2022. From mid-March 2022, the restrictions that applied to society, and consequently to our company, were lifted. Throughout the entire period of the pandemic our employees demonstrated a considerable and impressive degree of adaptability. Our team admirably managed to adapt to this reality.

Sustainable business practices

Corporate Social Responsibility at Ctac

The long-term vision and continuity of Ctac are important themes regarding corporate social responsibility (CSR). It is also apparent that CSR is a criterion that young talents on the labour market consider when it comes to choosing a job. In addition, there is clear awareness of sustainable business practices in the IT market in general. 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. This trend underlines the importance to Ctac 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 and lower our CO_2 emissions are actively promoted by providing evidence of 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 on a professional and personal level.

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 lion's share of CO_2 emissions can be attributed to 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.

From January 2023 onwards, Ctac will be electrifying its car fleet, as in the future it will no longer be possible to lease cars with a combustion engine. As a result, the fleet will be gradually replaced by electric cars, in anticipation of the government policy to be introduced in January 2025. The number of kilometres driven by electric vehicles is rising at the expense of those driven by vehicles run on fossil fuels.

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 IT, while IT – in part based on the use of software and data management – can play an important role in curbing energy consumption.

The ambition is to gradually achieve goals related to mobility (reduction in fossil fuels, increase in electric transportation), energy savings in company buildings (insulation, lighting, energy management or optimisation of existing installations) and 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. This makes it possible to analyse the differences between years and 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 2022. This included separate waste collection and reducing waste, e.g. by replacing disposable crockery by recyclable products.

Ctac continues to strive to give impetus to its sustainability policy. A project team developed a new policy in 2022 and the employees were involved in this. The guiding principle for this new policy will be the Sustainable Development Goals, as formulated by the United Nations.
Four themes were selected:
1. good health and well-being;
2. quality education;
3. affordable and clean energy;
4. responsible consumption and production.

Ctac has taken action in relation to these themes and will continue to do so over the coming period. In 2023, the company will also be making preparations for the CSRD.

Ctac has concluded that climate risks do not have a material impact on the company's business model.

Ctac's Carbon Footprint in 2022

The energy consumption data related to accommodation, the internal and external data centres, and employee mobility in 2022, which we received from our external suppliers, were used to calculate the estimated overall CO_2 emissions 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 emissions: 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 2022 calendar year amounted to 1,209.36 tonnes of CO_2. The increase can mainly be attributed to the rise in the number of kilometres driven following the COVID-19 pandemic. The number of leased cars has remained roughly the same. Lowering these CO_2 emissions will be an objective for 2023. Further electrification of the car fleet will have a role to play in achieving this.

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 760.89 tonnes of CO_2 in 2022 (2021: 558.52 tonnes). The Scope 1 CO_2 emissions account 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. CO_2 emissions in 2022 increased due to the post-COVID-19 situation, with fewer people now working from home.

Ctac has also been analysing its air travel as of 2019. It is clear from the trend that since 2019 hardly any flights have been taken.

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 emissions in 2021 were 194.96 tonnes. These emissions have since fallen, as, for Ctac, this scope was 169.78 tonnes in 2022. This is a 15% decrease. The reduction in CO_2 emissions is due to a decrease in the CO_2 emission factor per kWh of non-renewable electricity, resulting from a larger share of green electricity in the mix.

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. 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 2022 calendar year amounted to nearly 0.3 tonnes (in 2021: 0 tonnes) because only green electricity is used.

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 2023, Ctac's situation as regards certificates remains excellent. KIWA Nederland B.V. carried out a recertification of the ISO27001 and ISO9001 control measures in 2022, as a result of which Ctac can retain its ISO certificates. This demonstrates 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 continued compliance with the GDPR, ISAE3402 type II reporting for 2022 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 conducted by KPMG in 2022. Ctac also passed this audit and can produce a sound, unconditional ISAE3402 type II report again in 2023.

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 2022 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 2022, partly within the context of the Ignite project. 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/market 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 2022.
- 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 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 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 for this purpose as at 31 December 2022. The credit facility is committed for three years from April 2021. In Belgium, use is made of the credit facility with ING Bank of € 900,000 as at 31 December 2022. Receivables, fixtures and fittings, IP rights and shares have been pledged as collateral. 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. There is a risk that it will not be possible to offset these losses sufficiently, necessitating an impairment of all or part of the deferred tax asset. 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 IT and cloud services, Ctac naturally pays attention to identifying and addressing the cyber risks related to the services it provides. The Chief 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 statements are free from material misstatement;
- the current state of affairs justifies the preparation of the financial statements 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.

Outlook
The war in Ukraine is giving rise to global economic uncertainty, which is also having an impact on the IT services market. At the same time, the digital transformation by businesses and public authorities is expected to pick up pace over the coming years.

With its well-stocked pipeline and solid financial position, Ctac is in a strong position to maintain its growth and financial performance. Its financial position also gives it sufficient scope to carry out potential new acquisitions.

The Board of Directors sees no reason to doubt the going-concern assessment for Ctac's services – the current performance and financial position give the Board of Directors confidence in Ctac's future.

Barring unforeseen circumstances, Ctac expects to achieve single-digit organic revenue growth and an EBITDA margin of 11% – 13% in 2023.

Investments to replace hardware and modernise our offices in 2023 are expected but will be limited. The investments in IT hardware during 2022 mainly concerned investments in laptops and data centre capacity. 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
The Ignite project was a central focus for our organisation in 2022. Many Ctac employees contributed to this, which was heart-warming to see. It is also a source of pride for us. In addition, we achieved excellent revenue growth last year and our workforce passed the 500 mark for the first time. We would like to thank everyone who contributed to these achievements!

's-Hertogenbosch, 2 March 2023

The Board of Directors

Pieter-Paul 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 2016 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. Consequently, the company also derogates from subsections 1.3.1 to 1.3.5iii). 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.

- All members of Ctac's Supervisory Board are also members of the audit committee, which means that no information needs to be transferred from the audit committee to the Supervisory Board. For this reason, Ctac has decided that the audit committee will not report separately to the Supervisory Board (1.5.3, 1.5.4, 1.6.1.). The same applies to reports by the remuneration, selection and appointments committee, as all members of the Supervisory Board also sit on this committee (2.3.5).

- In view of the limited number of members sitting on the Board of Directors and Supervisory Board, Ctac does not have a formalised plan or procedure for the succession and reappointment of members of the Board of Directors and Supervisory Board (2.2, 2.2.4.i, 2.2.5.iv). The Supervisory Board and the remuneration, selection and appointments committee assess annually, on the basis of, amongst other things, the retirement schedule, the diversity policy and, if applicable, the Supervisory Board profile, how and when the succession process should be initiated and how it should be structured. This approach gives Ctac additional flexibility to respond to (staff-related) developments in the area of succession.

- 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. The management secretariat facilitates the provision of information to the Board of Directors and Supervisory Board, and supports the organisation of Supervisory Board meetings; the Head of Legal ensures that the proper procedures are followed and that the statutory obligations and obligations under the articles of association are complied with.

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

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 (also referred to as the executive committee), 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 the executive committee. These profiles are taken into account whenever appointing new members to these bodies, 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 the executive committee, 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. Ctac's action plan is geared towards promoting diversity by managing the inflow of new employees and their progression through the organisation. Furthermore, 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 and (cultural) background.

Goals achieved

During 2022, the Board of Directors consisted of Mr Pieter-Paul Saasen as CEO. The target percentage for the composition of the Board of Directors was not achieved, due to the fact that a second director was not appointed in 2022.
Over the course of 2022 the composition of the Supervisory Board also remained unchanged, as Ms Karsten was reappointed for a one-year period at the General Meeting of Shareholders held on 4 May 2022. The Supervisory Board comprises two men and one woman and therefore complies with the target percentage referred to above. In 2022, the composition of the executive committee, comprising five men and no women, also remained unchanged. This lack of changes to the composition of the executive committee – no vacancies arose that could have been filled by a female member – is also why the target figure has not been achieved.

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 variable remuneration has been promised to the Board of Directors.

In 2022, the Board of Directors of Ctac consisted of Mr Pieter-Paul Saasen. Pieter-Paul Saasen was appointed as CEO with effect from 15 November 2021. Further information about the Board of Directors can be found on page 14.

Executive committee

To promote the implementation of the company's strategy, the executive committee was established at the beginning of 2022. The operational managers (Consulting Director, Cloud Director, Sales Director and Director of Ctac Belgium) and the HR Director sit on this body, alongside the members of the Board of Directors. This structure means the Board of Directors can be informed more directly and more comprehensively, enabling it to gain greater control over operations and better implement the company's strategy, together with the other members of the executive committee. The executive committee's task focuses on managing operational activities on a day-to-day basis, tackling cross-business-unit challenges and implementing the strategy formulated by the Board of Directors.
During the year a meeting is organised every quarter at which both the Supervisory Board and the executive committee are present. This enhances the Supervisory Board's ability to supervise the management of operations and the implementation of strategy.

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. Ms Karsten maintains contact with the works council on behalf of the Supervisory Board. Since the amendment of the articles of association on 5 May 2022, on the basis of which Ctac has introduced the two-tier board regime, Ms Karsten has been regarded, with the works council's consent, as a Supervisory Board member in respect of whom the works council has an enhanced right of recommendation. 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:

- issuing shares or granting rights to subscribe for shares, and delegating these powers to the Board of Directors;
- 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;
- appointing members of the Supervisory Board, on the recommendation of the Supervisory Board;
- passing a resolution of no confidence in the Supervisory Board;
- appointing the external auditor;
- amending the articles of association following a motion by the Board of Directors that has been approved by the Supervisory Board;
- authorising the Board of Directors to repurchase the company's own shares;
- adopting Ctac's remuneration policy (following a motion by the Supervisory Board) and adopting 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 its 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 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 and its committees

During the year under review, the composition of both the Supervisory Board and the Board of Directors remained unchanged. The Supervisory Board consists of three members: Harry Hendriks, also chair of the Supervisory Board, Liesbeth Karsten and Ton Vernaus.

At the General Meeting of Shareholders held on 4 May 2022 Ms Karsten was reappointed as a supervisory director for a one-year period. Her term of office ends immediately after the General Meeting of Shareholders in 2023. It has been decided that Ms Karsten will be nominated for reappointment on account of the knowledge and insights she has acquired over her previous terms of office, making her a source of stability over a dynamic period. On 12 May 2021 the composition of the Supervisory Board changed as a result of two new supervisory directors taking up office and there were also a number of changes to the Board of Directors and executive committee. Reappointing Ms Karsten would allow the company and the Supervisory Board to retain the knowledge and insights she has acquired and ensure continuity in the relationship with the Board of Directors, executive committee and works council.

The personal details and profiles of the Supervisory Board members are presented below and can be consulted in more detail on Ctac's website.

Name	Principal role	Gender and year of birth	Nationality	Relevant other positions	First appointed	Current term of office
Harry Hendriks	Chair of the Supervisory Board	male, 1950	Dutch	supervisory director of Pala Groep, supervisory positions within the cultural sector	May 2021	four years, up to 2025 AGM
Ton Vernaus	Chair of audit committee	male, 1965	Dutch	CFO of GreenV, subsidiary of HAL	May 2021	four years, up to 2025 AGM
Liesbeth Karsten	Chair of remuneration, selection and appointments committee	female, 1954	Dutch	N/A	May 2014	one year, up to 2023 AGM

The composition of the Supervisory Board complies with the 2016 Corporate Governance Code guidelines and the diversity desired. In the Supervisory Board's opinion, the requirements of best practice provision 2.1.7 regarding the independence of the Supervisory Board have been complied with. 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.

In view of the limited size of the Supervisory Board, two core committees have been established: an audit committee and a remuneration, selection and appointments committee. The audit committee consists of three members: Ton Vernaus, also chair of the audit committee, Harry Hendriks and Liesbeth Karsten. The remuneration, selection and appointments committee consists of three members: Liesbeth Karsten, also chair of the remuneration, selection and appointments committee, Ton Vernaus and Harry Hendriks.

Supervisory Board and committee meetings

In 2022, the Supervisory Board met twelve times in the presence of the Board of Directors (of which five times in the presence of both the Board of Directors and the executive committee) and six committee meetings were held. No Supervisory Board members were absent during the Supervisory Board and committee meetings, meaning that the attendance rate was 100%.

Recurring topics at the Supervisory Board 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 integrity and quality of Ctac's financial reporting and the effectiveness of Ctac's internal risk management and control systems are always included on the agenda of audit committee meetings. Within this context the topics discussed include the relationship with and the follow-up of recommendations made by the external auditor, financing, the application of information and communication technology, including cyber-security risks, and Ctac's tax policy.

The regular tasks and topics discussed by the remuneration, selection and appointments committee focus on preparations to allow the Supervisory Board to make appropriate decisions concerning the remuneration policy to be pursued for the Board of Directors, and also deal with the drafting of the remuneration report.

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. On 1 June 2022 Ctac completed the acquisition of Technology2Enjoy.

In 2022, the detailed reports provided by the Board of Directors enabled the Supervisory Board to closely monitor the (expected) impact of the acquisition of Technology2Enjoy on the growth strategy. The Supervisory Board established that the acquisition is in line with Ctac's strategic objectives.

The acquisition of Technology2Enjoy aligns seamlessly with Ctac's strategy of strengthening its position as a Business & Cloud Integrator focused on supporting customers with their digital transformation. By onboarding Technology2Enjoy, Ctac has further expanded its ERP portfolio and is responding to the market trend that is seeing organisations opt for a simple ERP core. SAP Business ByDesign meets this growing need and Technology2Enjoy operates in particular as an SAP Business ByDesign implementation partner.

Risk management

No notable disputes with customers or suppliers arose in 2022.

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. This continued in 2022. During the year Ctac assessed the extent to which the internal control framework had to be adjusted on account of the organisational change resulting from the Ignite project; adjustments were made to this framework where necessary. 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 2023 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

The Supervisory Board employs an ongoing evaluation process that involves holding a preliminary and a follow-up discussion relating to each meeting of the Supervisory Board or audit committee. During these discussions the performance of the Supervisory Board and audit committee is covered and the actions of the individual members of the Supervisory Board are discussed and evaluated.

Performance dialogues with directors are organised regularly throughout the year during the Supervisory Board's meetings with the Board of Directors. A performance review is held with the individual directors annually. Members of the Board of Directors initiate this process by writing a self-evaluation. This forms the subject of a reflective dialogue between a Supervisory Board delegation and the individual director.

The conclusions of the annual evaluation are documented in the personnel file and form the basis for any adjustment of the fixed annual salary.

A performance review has been held with Mr Saasen.

In 2022, the Supervisory Board maintained intensive contact outside ordinary meetings, both amongst themselves and with the organisation.

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 35 to 37 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

A proposal to amend the remuneration policy for the Board of Directors was made at the General Meeting of Shareholders on 4 May 2022. However, as in the 2020 and 2021 financial years, this proposal failed to obtain the required 75% approval of the general meeting. A majority of the general meeting also expressed a negative opinion on the remuneration report for the 2021 financial year.
During 2022, the Supervisory Board entered into dialogue with various stakeholders to find out what their objections were, with a view to formulating a new remuneration policy that enjoys broad support. Additional information on this matter can be found in the remuneration report of the Supervisory Board; please refer to pages 41 to 50 of this report.
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.

During the General Meeting of Shareholders held on 4 May 2022 a resolution was also passed to modernise the company's governance. Using a Priority Foundation as a protective structure was no longer deemed appropriate, as it diverges from current market practice and is also not in keeping with the application of the full two-tier board regime. By dismantling this protective structure, Ctac is also acting on the feedback it has received from various stakeholders, who were against maintaining the Priority Foundation as a protective measure. When the articles of association were amended the full two-tier board regime was also implemented, in anticipation of the legal obligation to do so from 4 February 2023. The above changes were implemented by means of a proposal to amend the company's articles of association, which was adopted by the general meeting. As a consequence of this amendment to the articles of association, the Priority Foundation – the only issued priority share was held by the C/TAC Priority Foundation – no longer forms part of the articles of association and the priority structure has been dissolved. In principle, the powers that accrued to the Priority Foundation have been assigned to the general meeting. The priority share was converted into an ordinary share and subsequently repurchased by the company.

Finally, the proposal to grant authority to issue shares achieved the required two-thirds majority in 2022, as was the case in 2021.

2022 financial statements

Ctac ended the 2022 financial year with a net result of € 4.7 million. The Board of Directors has submitted the 2022 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 118 to 131 of this annual report.

The Supervisory Board has established that the report of the Board of Directors over 2022 satisfies the requirements of transparency and that the 2022 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 adopt the 2022 financial statements and discharge 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 € 0.12 per share to holders of ordinary Ctac shares.

In conclusion

The Supervisory Board would once again like to express its special appreciation to all employees, the management and the Board of Directors. Over the course of 2022 the Ctac organisation went through a far-reaching change process known as the Ignite project, which resulted in a change to its organisational structure. The numerous organisational changes involved have also had an impact on all the company's employees. In spite of this, Ctac has managed to keep its operational performance in line with its ambitions. The implementation of Technology2Enjoy is proceeding according to plan. We have positive foundations in place for the future and to achieve our associated growth targets.

's-Hertogenbosch, 2 March 2023

The Supervisory Board

Mr H.J.G. Hendriks (Chair)

Ctac N.V. remuneration report

This remuneration report is based on Section 2:135b of the Dutch Civil Code and best practice provision 3.4.1 of the 2016 Dutch Corporate Governance Code. For this purpose, account has been taken of the relevant remuneration principles, as incorporated in the 2016 Dutch Corporate Governance Code and the revised European Shareholders' Directive that was transposed into Dutch legislation in 2019. This report describes how the remuneration policy was implemented in 2022.

The compositions of the Board of Directors and Supervisory Board remained unchanged in the year under review. Mr P.P.J.G. Saasen had already been appointed CEO with effect from 15 November 2021 by the General Meeting of Shareholders based on priority nomination, in line with the articles of association that were then applicable. During the General Meeting of Shareholders held on 4 May 2022 (the '2022 General Meeting'), Ms E. Karsten was reappointed as a member of the Supervisory Board for a one-year period, to end immediately after the General Meeting of Shareholders in 2023.

Status and definition of the remuneration policy
A proposal to amend the remuneration policy for the Board of Directors was made at the 2022 General Meeting. This proposal was not adopted by the General Meeting. Furthermore, in line with the advice provided by proxy advisory firms, a majority of the General Meeting gave a negative voting opinion regarding the remuneration report on the 2021 financial year.

During and after the 2022 General Meeting, several stakeholders shared their comments on the proposed remuneration policy with Ctac. These comments were mainly about the complexity of the remuneration policy and about the set-up and use of performance criteria. The Supervisory Board also acquainted itself with the analyses and conclusions of the proxy advisory firms. At the same time, there was a positive development in the form of the positive advice on the new remuneration policy proposed to the 2022 General Meeting.

The Supervisory Board considered the negative voting opinion of the meeting of shareholders and the advice given by the proxy advisory firms regarding the 2021 remuneration report as fundamental criticism of the implementation of the remuneration policy as it was shaped until the 2021 financial year. This led the Supervisory Board to resolve that the variable part of the remuneration policy should be defined such that would be market compliant and socially acceptable in 2022, taking into account the comments of stakeholders, including (majority) shareholders and the proxy advisory firms. Whilst applying its authority, the Supervisory Board defined the remuneration policy for 2022 in the spirit of the most recently proposed remuneration policy which, although not adopted at the 2022 General Meeting, was given a positive voting advice by the proxy advisory firms as regards its structure and content. This definition also does justice to the variable remuneration agreements (STI and LTI) that the Supervisory Board made with Mr Saasen.

The Supervisory Board assumes that this definition of the policy applied in 2022 adequately responds to the stakeholders' comments. This remuneration report will explain the performance measures used as concretely as possible and will describe the performance results achieved and the variable remuneration awarded for them as concretely and transparently as possible.

Proposal on 2023 remuneration policy
The Supervisory Board also prepared a proposal for the new 2023 remuneration policy while considering the other concerns raised by stakeholders. In response to the comments provided by the 2022 General Meeting and the proxy advisory firms and input from the dialogues with shareholders, the amended proposal contains several relevant elements that have been simplified compared to the proposal put up for voting at the 2022 General Meeting. For example, the number of financial performance criteria has been reduced in the proposal for 2023, a performance criterion which stakeholders found to be complicated such as the relative 'Total Shareholder Return' measure has been abolished, the performance criteria have been made easier to quantify and measure and the share-based character of the LTI remuneration has been abandoned. After this, this proposal was discussed with various stakeholders, including the works council. The amended proposal for the remuneration policy will be submitted to the General Meeting of Shareholders for adoption on 13 April 2023 and this proposed policy will be included with the agenda.

Application of 2022 remuneration policy
The Supervisory Board aims to provide a clear and transparent picture of the application of the policy concerning the remuneration of the members of the Board of Directors as conducted in 2022. Reasons to

do so include the continued ability to rely on qualified and experienced directors and offering an appropriate remuneration that is market-compliant and socially acceptable. The remuneration policy contributes to the corporate strategy, long-term interests and sustainability objectives of the company, the business associated with it and its stakeholders' interests.

The following principles were used for the application of the remuneration policy:

- Customer and employee interests are key. These interests are 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 required 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 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 an appropriate remuneration and prevents a remuneration from being 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. It is also considered whether the strategic objectives of Ctac N.V. are aligned with the targets applicable to the variable remunerations for directors. The remuneration committee found the objectives chosen for the year 2022 to be appropriate because the objectives of the Board of Directors are aligned with the objectives of Ctac as a company. The STI and LTI performance measures for the Board of Directors are linked to the financial and non-financial performance indicators used by Ctac.

Fixed remuneration - Base salary
In 2022, the fixed part of Mr Saasen's remuneration consisted of a gross annual salary of €300,000 (the base salary), including holiday pay.

Variable remunerations
Each member under the articles of association of the Board of Directors is eligible for annual short-term and long-term variable remuneration, the amount of which depends on the achievement of targets agreed in advance, i.e. prior to the start of the performance period, between the Supervisory Board and the members under the articles of association of the Board of Directors. The targets contribute to the achievement of Ctac's strategy, financial performance, long-term interests and sustainability targets. The Supervisory Board determines the achieved short-term and long-term variable remunerations on advice of the remuneration committee. The external auditor of the company assesses the calculations with regard to the realisation of the short-term and long-term variable remuneration targets agreed.

Furthermore, as regards the variable remuneration, it is noted that the company is authorised to reclaim any variable remunerations in full or in part if and to the extent that the payment was made on the basis of incorrect information regarding the achievement of the targets on which the variable remuneration was based or regarding the circumstances on which it was made dependent. The claim may also be instituted by the Supervisory Board on behalf of the company. In 2022 no variable remuneration was claimed back pursuant to Section 2:135(8) of the Dutch Civil Code.

Short-term variable remuneration (STI)
The objective of the STI plan is to encourage the Board of Directors to successfully achieve relatively shorter-term strategic and other targets. To this end, the Supervisory Board sets targets that must be achieved within one year. The STI plan consists of a cash remuneration. Financial performance measures make up 70% of total STI and non-financial performance measures make up the other 30%.

Performance measures
The Supervisory Board formulated the following financial STI performance measures (with a weighting of 70% of total STI) for 2022:

- achieving the revenue target according to the budget, with the revenue being budgeted at € 114.3 million at the beginning of 2022.
- achieving an EBITDA target according to the budget, with the EBITDA amount being budgeted at € 13.6 million at the beginning of 2022.

Each of the above STI components represents 35% of total STI.

The Supervisory Board formulated the following non-financial STI performance measures (with a weighting of 30% of total STI) for 2022:

- completing the Ignite project and delivering a final report, with both these elements being considered required deliverables in order to qualify for this STI component being awarded;
- drawing up a policy plan to ensure the achievement of the ESG policy intentions, with the delivery of the policy plan elements being considered a required deliverable in order to qualify for this STI component being awarded.

The above targets represent 25% (Ignite project) and 5% (ESG policy plan) of total STI respectively.

Performance measurement & level
For the members of the Board of Directors, the STI is 27% of the base salary if the at-target performance is achieved, with a minimum of 0% and a maximum of 40% of the base salary.

The realised STI remuneration is determined by the Supervisory Board, on advice of the remuneration committee, using the following method.

	<90% target	90% – 100% target	100% target	100% – 120% target	>120% target
STI total (% of base salary)	**0%**	**Pro rata 50% - 100% target**	**27%**	**Pro rata 100% – 150% target**	**40%**
Revenue (35% of STI)	0%	Pro rata 50% – 100% target	9.45%	Pro rata 100% – 150% target	14%
EBITDA (35% of STI)	0%	Pro rata 50% – 100% target	9.45%	Pro rata 100% – 150% target	14%
Ignite project (25% of STI)	0%	Pro rata 50% – 100% target	6.75%	Pro rata 100% – 150% target	10%
ESG policy plan (5% of STI)	0%	Pro rata 50% – 100% target	1.35%	Pro rata 100% – 150% target	2%

When setting qualitative targets, the minimum, target and maximum performance levels are also determined prior to the performance year. The variable remuneration is awarded pro rata if the performance score is between the minimum and maximum performance levels. If the minimum performance level is not achieved, no variable remuneration is awarded for that target.

The final total STI payout is calculated by adding up the various payouts per target, from which a percentage of the at-target payout follows.

Long-term variable remuneration (LTI)
The aim of the share-based LTI plan is to further align the interests of the Board of Directors with those of the stakeholders, including shareholders, and Ctac's long-term objectives. The LTI plan spans a three-year performance period from 1 January 2022 to 31 December 2024 and involves an annual conditional share-related award to be settled in cash at the end of the three-year performance period, provided that the performance requirements have been complied with during those three years. Financial performance measures make up 80% of total LTI and non-financial performance measures make up the other 20%.

Performance measures
The financial performance measures for the LTI plan are:
- the Relative Total Shareholder Return ('TSR') of the Ctac share, measured by comparison with the companies in the AScX index – Euronext Amsterdam (weighting 50% of the total LTI award). The Relative TSR performance measure for the three-year performance period from 1 January 2022 to 31 December 2024 is listed in a table below, under '*Performance measurement and level*';
- a measure related to the growth in Earnings Per Share ('EPS', weighting 30% of the total LTI award), measured from 1 January to 31 December of the relevant three-year performance period. The EPS target for the three-year performance period from 1 January 2022 to 31 December 2024 has been established at 8% growth a year.

Measuring the relative TSR compared to the companies in the AScX index was prompted by measuring Ctac's shareholder return compared to the shareholder return achieved in the AScX index, based on Ctac's strategy and the stated objective of being included in the AScX index. The EPS growth target provides a means for the company to achieve its objectives for sustainable growth.

The Supervisory Board has formulated the following non-financial LTI performance measures for the three-year performance period from 1 January 2022 to 31 December 2024:
- achieving long-term strategic ESG targets in line with the ESG policy;
- achieving employee satisfaction within Ctac at level 8 or higher.

Each of the above non-financial LTI components represents 10% of total LTI.

Performance measurement and level
The value at target (at-target level) is based on a percentage of the annual base salary and is used as a reference to determine the number of conditional and virtually awarded shares at the award date.

For the members of the Board of Directors, the LTI at-target is 40% of the base salary, with a minimum of 0% and a maximum of 60% of their base salary (150% of target). The number of underlying conditional and virtual shares at the award date is calculated based on the at-target level and the three-monthly average closing price prior to the start of the performance period.

The unconditional award of cash value of the underlying virtual shares depends on the achievement of financial and non-financial targets measured over a three-year period.

The determination of the part of the LTI award that becomes unconditional based on the EPS-related measure, and, where applicable (if quantitative), the ESG and employee satisfaction targets, is made by the Supervisory Board, on advice of the remuneration committee, using the following methodology:

	<90% target	90% – 100% target	100% target	100% – 120% target	>120% target
LTI total (% of base salary)	**0%**	**Pro rata 50% – 100% target**	**40%**	**Pro rata 100% – 150% target**	**60%**
Relative TSR (50% of LTI)	% at target depends on Ctac's position within the TSR peer group (see the explanation under 'Relative Total Shareholder Return').				
	0%		20%		30%
EPS (30% of LTI)	0%	Pro rata 50% – 100% target	12%	Pro rata 100% – 150% target	18%
ESG: achieving strategic ESG targets (10% of LTI)	0%	Pro rata 50% – 100% target	4%	Pro rata 100% – 150% target	6%
Qualitative measurement of employee satisfaction (10% of LTI)	0%	Pro rata 50% – 100% target	4%	Pro rata 50% – 100% target	6%

Also when setting qualitative targets, the minimum, target and maximum achievement levels are determined prior to the performance period. The variable remuneration is awarded pro rata if the performance score is between the minimum and maximum performance levels. If the minimum performance level is not achieved, no variable remuneration is awarded for that target.

Earnings Per Share
Annual EPS growth is measured over a period of three years (1 January to 31 December over the three-year performance period). EPS is determined by dividing the net profit attributable to the shareholders of Ctac N.V. by the weighted average number of ordinary shares outstanding.

Relative Total Shareholder Return
The TSR is measured on the basis of the total shareholder return (price development with reinvestment of dividends) of the Ctac share and the companies in the AScX index over a period of three years (1 January to 31 December over the three-year performance period). The calculation is based on the average price in the three months prior to the start of the performance period and the three months at the end of the performance period. This total shareholder return is then compared with the TSR peer group.

The percentage of the long-term variable remuneration (shares) that is unconditionally awarded based on relative TSR, is determined on the basis of Ctac's position compared to the companies in the TSR peer group. The calculations in connection with the Relative TSR target are performed by an external adviser. The unconditional award is determined on the basis of the position within the TSR peer group of companies with which the relative TSR is measured, using the positioning table shown below (whereby awards become unconditional as of performance above the median, i.e., as of position 13):

Position	14-26	13	12	11	10	9	8	7	6	5	4	3	2	1
Pay-out	0%	50%	58%	67%	75%	83%	92%	100%	108%	117%	125%	133%	142%	150%

Circuit breaker
If the position occupied by Ctac at the end of the performance period is a position in the bottom three positions (i.e., position 26 through 24) within the TSR peer group, the entire LTI award for that year lapses (also the non-TSR-related elements of the LTI plan). The LTI award can then no longer become unconditional.

The final portion of the LTI award that becomes unconditional is calculated by adding up the various outcomes per target (provided the circuit breaker is met), from which a percentage follows that will be applied to the number of virtual shares which is awarded if performance is at-target.

Details of 2022 variable remuneration policy

Calculation of short-term variable remuneration (STI) for 2022
The summary below shows the extent to which the financial and non-financial STI targets that were formulated for 2022 have been achieved, with the CEO target being applicable to Mr Saasen. After this, an explanation follows of how the performance achieved compares to the targets, how this performance is measured and then expressed as a target percentage.

CEO target	Weight in allocation at-target	Score	STI value
Financial targets			
Achievement of revenue in accordance with budget	35%	103.1%	€ 30,519
Achievement of EBITDA in accordance with budget	35%	94.3%	€ 20,307
Non-financial targets			
Completing the Ignite project and delivering a final report	25%	100.0%	€ 20,250
Drawing up a policy plan to ensure the achievement of the ESG policy intentions	5%	0.0%	€ 0
Total	**100%**		**€ 71,076**

Explanation on achieved targets

- Achievement of revenue in accordance with budget

At the beginning of 2022, revenue was budgeted at € 114.3 million. Revenue achieved over 2022 was € 117.8 million, i.e. 103.1% of the budget. The level of the variable remuneration for this part was then calculated on the basis of 103.1% of the target percentage for this part, in accordance with the method stated in the table on page 43 above.

- Achievement of EBITDA in accordance with budget

At the beginning of 2022, EBITDA was budgeted at € 13.6 million. The normalised EBITDA (for out-of-pocket expenses concerning the Ignite project) over 2022 amounted to € 12.8 million, resulting in 94.3% of the budget. The level of the variable remuneration for this part was then calculated on the basis of 94.3% of the target percentage for this part, in accordance with the method stated in the table on page 43.

- Achievement of completion of the Ignite project and delivery of a final report:

The Ignite project started in early 2022 and involved an organisation-wide change process aimed at improving Ctac's overall performance. This project has had several consequences, including the organisational structure having been changed, strategic objectives having been defined in further detail at the operational level and several work processes having been changed and improved. The objective (100% target) was based on completion of the Ignite project on the basis of the prevailing assumptions and timings. Besides this, the delivery of a proper final report was identified as an award condition to make sure that the Supervisory Board would not only get interim updates on the progress of the project but would also have a substantiated report on how the project was implemented and the results achieved. The Board of Directors has almost entirely completed the project phases of the project and reported on them. The Board of Directors also initiated the Improve project, which is the successor to the Ignite project, in late 2022. It is the Supervisory Board's opinion, considering the final report by the Board of Directors and the interim updates and findings of the Board of Directors, the works council and the executive committee on the implementation and delivery of the Ignite project, that the 100% target has been achieved. The Supervisory Board also considers that, if the Board of Directors had not fully achieved the targets set for Ignite by the end of the year, the performance result would have been 90% or less. If the Board of Directors had either achieved the targets set for Ignite significantly earlier before the end of the year or if the Board had achieved significantly more results than planned, the Board of Directors would have achieved a performance of 120% or more. Since the Board of Directors' performance is in line with the targets set, it is the Supervisory Board's opinion that the performance achieved is 100% at-target.

- Achieving the drawing up of a policy plan to ensure the achievement of the ESG policy intentions

In accordance with the objective, the Board of Directors should have drafted a policy plan outlining Ctac's ESG policy intentions before the end of 2022. The Board of Directors has drafted a policy plan, but the Supervisory Board considers this to be insufficiently concrete and its details to be insufficiently specific to satisfy the performance targets set. In 2022, the Board of Directors allocated more focus and a higher priority to successfully completing the Ignite project, improving employee and customer satisfaction and managing for operational excellence.

Calculation of long-term variable remuneration (LTI) for 2022

The summary below shows the extent to which the financial and non-financial LTI targets that were formulated for 2022 have been achieved, with the CEO target being applicable to Mr Saasen.

CEO Target	Weight in allocation at-target	Score as at 31 December 2022 (% relative to target)
Financial targets		
Relative Total Shareholder Return (rTSR)	50%	58.0%
8% annual growth in Earnings per Share (EPS)	30%	95.4%
Non-financial targets		
Achievement of strategic ESG targets	10%	0.0%
Achievement of employee satisfaction (>8)	10%	100.0%
Total	**100%**	

Conditional award of number of LTI shares

As stated above, the number of conditionally awarded virtual shares on the award date is calculated by multiplying the base salary (€ 300 thousand) by the at-target percentage (40%) and dividing this by the three-month average closing price prior to the start of the performance period (€ 4.23). This means that 28,364 virtual shares were conditionally awarded to Mr Saasen over 2022. The value of the LTI remuneration at year-end 2022, i.e. 31 December 2022, was € 59,005. This is based on the realised scores in the table above.

Remuneration in 2022
For 2022, the fixed and variable remunerations provided to the member of the Board of Directors were as follows.

(in € x 1,000 unless indicated otherwise)

Position	Director	Financial year	Fixed remuneration		Variable remuneration		Etra-ordinary items	Total Remune-ration	Fixed and variable shares	
			Base salary*	Other remune-rations**	STI	LTI			Variable	Fixed
CEO	P.P.J.G. Saasen	2022	326	50	71	-	-	447	16%	84%
CEO	P.P.J.G. Saasen	2021 (15/11/31-12)	41	6	-		-	47	0%	100%
CFO	P.P.J.G. Saasen	2021 (01/01/14-11)	253	44	103	207	-	607	51%	49%
CEO	H.L.J. Hilgerdenaar	2021 (01/01/01-11)	293	52	81	140	497	1,063	21%	79%

*) In the above table, pension compensation is included in the base salary.
**) The other remunerations concern car expenses, the expense allowance and pension and employee insurance costs.

(in € x 1,000)	2022	2021	2021
	P.P.J.G. Saasen		H.L.J. Hilgerdenaar
Periodically payable remunerations*	356	324	319
Other benefits payable in due course**	150	330	247
Remuneration costs after termination of employment	-	-	-
Payments on termination of employment	-	-	497
Share-based payments	-	-	-
Total remuneration to the Board of Directors	**506**	**654**	**1,063**

*) The periodically payable remunerations consist of the base salary (€ 326), car expenses and the expense allowance (€ 30)
**) The other benefits payable in due course concern the variable remunerations and the pension insurance costs

The difference between the remunerations charged to the company (€ 506) and the fixed and variable remunerations provided (€ 447) is the LTI remuneration.

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.

Mr Saasen receives partial compensation for accrual of pension rights in excess of the tax threshold. This is an amount of € 26,329.

Employment relationships
A management agreement was entered into with Mr Saasen on 15 November 2021 for a definite period of time, ending at the end of the General Meeting of Shareholders held in 2025. The agreement provides for a fixed and also maximum severance payment of one year's salary.

Each member of the Board of Directors receives no additional remuneration from subsidiaries for their board positions in the group.

Development of remuneration of the Board of Directors

(in € x 1,000)	2022	2021	2020	2019**	2018
Directors' remunerations *)					
CEO P.P.J.G. Saasen (with effect from 15 November 2021)	506	47	-	-	-
CEO H.L.J. Hilgerdenaar (until 1 November 2021)	-	634	470	444	449
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
Development of operating result					
Revenue	117,672	106,424	87,534	81,872	82,998
Net result attributable to the shareholders of Ctac N.V.	4,728	4,455	3,032	1,262	1,715
Average remuneration on a full-time basis					
Directors	506	644	427	396	438
Employees	108	106	109	94	100
Directors' *pay ratio*	4.7	6.1	3.9	4.2	4.4
CEO's *pay ratio*	4.7	6.0	4.3	4.7	4.5

*) 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.

The (former) members of the Board of Directors held Ctac shares in 2022. No shares were allocated to the Board of Directors as part of a remuneration scheme.

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 pay ratios and is in accordance with Section 2:135b of the Dutch Civil Code and best practice provision 3.4.1, point iv, of the 2016 Dutch Corporate Governance Code.

This pay ratio has been calculated by dividing the average costs of the Board of Directors over 2022 charged to the company by the average costs per employee for Ctac, excluding the members of the Board of Directors and respectively the CEO. The average costs of employees have been calculated by adding the total personnel costs, excluding other personnel costs in accordance with the financial statements, to the car expenses recognised under other operating costs (excluding Board of Directors costs). The pay ratio for the Board of Directors for 2022 is 4.7 (2021: 6.1).

Since 2021, the ratio has also been calculated by presenting the relationship between the total annual remuneration of the CEO and the average annual remuneration of the company's own employees (excluding CEO costs). This pay ratio is 4.7 (2021: 6.0).

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 recommendation of the Corporate Governance Monitoring Committee, external hires have been disregarded.

The pay ratio has decreased by comparison with the previous year. This is because the costs associated with the variable remunerations of the Board of Directors have decreased and the average costs per employee have increased.

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 other members. These are fixed remunerations, without any variable or pension elements.

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)	2022	2021	2020	2019	2018
H.J.G. Hendriks (with effect from 12 May 2021)	45	28	-	-	-
L.A.M. Vernaus (with effect from 12 May 2021)	33	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
E. Kraaijenzank (until 12 May 2021)	-	12	33	33	33
Total remuneration	**111**	**111**	**111**	**111**	**111**

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 member of the Board of Directors or to the members of the Supervisory Board.

Financial Statements

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

	Note	2022	2021
ACTIVA			
VASTE ACTIVA			
Intangible fixed assets	1	28,694	29,382
Right-of-use assets	2	9,908	10,715
Tangible fixed assets	3	1,227	824
Deferred tax assets	4	1,340	782
Other long-term receivables	5	1,378	400
		42,547	**42,103**
CURRENT ASSETS			
Stocks	6	200	64
Trade receivables	7	14,748	13,154
Other receivables	7	10,644	8,285
Cash and cash equivalents	8	7,439	10,404
		33,031	**31,907**
		75,578	**74,010**
LIABILITIES			
SHAREHOLDERS' EQUITY	**9**		
Issued share capital		3,344	3,273
Share premium reserve		11,455	11,526
Other reserves		10,234	6,796
Result for financial year		4,728	4,455
Attributable to shareholders Ctac N.V.		**29,761**	**26,050**
Minority interests		1,171	1,111
GROUP EQUITY		**30,932**	**27,161**
LONG-TERM LIABILITIES			
Long-term bank liabilities	10	1,125	2,025
Lease obligations	2	7,279	7,941
Other long-term liabilities	11	1,054	1,902
Deferred tax liabilities	4	1,620	1,610
		11,078	**13,478**
SHORT-TERM LIABILITIES			
Lease obligations	2	2,858	2,973
Short-term bank liabilities	10	900	900
Provisions	12	58	433
Trade creditors and other liabilities	13	29,543	28,869
Taxes		209	196
		33,568	**33,371**
		75,578	**74,010**

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

	Note	2022	2021
Revenue from contracts with clients	14	117,672	106,424
Other income	14.1	704	-
Expenses			
Cost of materials		9,223	9,388
Subcontractors		35,807	26,956
Personnel costs	15	48,156	47,162
Amortisation of intangible fixed assets	1	1,437	1,507
Depreciation of right-of-use assets	2	3,527	3,599
Depreciation of tangible fixed assets	3	428	481
Other operating costs	16	12,897	10,869
Total operation expenses		**(111,475)**	**(99,962)**
Operating result		**6,901**	**6,462**
Financial expenses	17	(502)	(465)
Total financial expenses		**(502)**	**(465)**
Result before taxes		**6,399**	**5,997**
Taxes	18	(1,356)	(1,332)
Minority interests		315	210
Attributable to shareholders Ctac N.V.		4,728	4,455
Net result		**5,043**	**4,665**
Profit per share	**19**		
Net result per share (in €)		0,34	0,33
Net result per share after dilution (in €)		0,34	0,32
Number of ordinary shares (year-end)		13,931,648	13,637,312
ighted average of shares outstanding		13,809,008	13,603,100
Weighted average of shares outstanding for the calculation of the diluted earnings per share		13,809,008	13,911,837

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

	2022	2021
Net result for the financial year	5,043	4,665
Other total result, not recognised in the result	-	-
Total result for the financial year	**5,043**	**4,665**
Total result attributable to the shareholders of Ctac N.V.	4,728	4,455
Total result attributable to minority interests	315	210
Total result for the financial year	**5,043**	**4,665**

Consolidated statement of changes in equity in 2022
(€ 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	**3,273**	**11,526**	**6,796**	**4,455**	**26,050**	**1,111**	**27,161**
Net result for the financial year	-	-	-	4,728	4,728	315	5,043
Total result for the financial year	**-**	**-**	**-**	**4,728**	**4,728**	**315**	**5,043**
Appropriation of the result in previous financial year	-	-	4,146	(4,146)	-	-	-
Dividend	71	(71)	-	(309)	(309)	-	(309)
Paid to third parties	-	-	(742)	-	(742)	(255)	(997)
Other movements	-	-	34	-	34	-	34
Balance as at 31 December	**3,344**	**11,455**	**10,234**	**4,728**	**29,761**	**1,171**	**30,932**

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

	Issued share capital	Share premium reserve	Other reserves	Undistri-buted profit	Attributable to share-holders 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 cash flow statement
(in € x 1,000)

	Note	2022	2021
CASH FLOW STATEMENT			
Operating result		6,901	6,462
Amortisation of intangible fixed assets	1	1,437	1,507
Depreciation of right-of-use assets	2	3,527	3,599
Depreciation of tangible fixed assets	3	428	481
Gain on sale of intangible fixed asset	14,1	(704)	-
Change in provisions	12	(375)	(145)
Valuation differences of long-term liabilities	11	(260)	192
Changes in working capital			
Stocks		(136)	(11)
Receivables		(3,550)	(3,606)
Short-term debt		204	3,020
Cash flow from operations		**7,472**	**11,499**
Interest paid		(501)	(423)
Income tax paid		(829)	(1,534)
Cash flow from operating activities		**6,142**	**9,542**
Acquisition of participating interest		(1,317)	(3,345)
Payments to minority shareholders	9	(500)	-
Divestments of/investments in intangible fixed assets	1	929	(601)
Investments in tangible fixed assets	3	(817)	(237)
Investments in financial fixed assets	5	(978)	(149)
Cash flow from investment activities		**(2,683)**	**(4,332)**
Long-term bank liabilities	10	(900)	(900)
Earn-out obligations paid	11	(1,772)	-
Dividend payments to shareholders Ctac N.V.	9	(309)	(746)
Dividend payment to minority shareholders of acquired participating interests	9	(497)	(168)
Other long-term liabilities		552	-
Lease payments	2	(3,498)	(3,544)
Cash flow from financing activities		**(6,424)**	**(5,358)**
Movement in cash and cash equivalents		**(2,965)**	**(148)**
Cash and cash equivalents	8	10,404	10,552
Balance of cash and cash equivalents as at 1 January		10,404	10,552
Cash and cash equivalents	8	7,439	10,404
Net balance of cash and cash equivalents as at 31 December		7,439	10,404
Movement in cash and cash equivalents		**(2,965)**	**(148)**

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, plus the statutory commercial interest and less cash and cash equivalents. The contribution value and purchase price of acquisitions are listed in note 22.

The divestment of/investment in intangible fixed assets concerns the divestment relating to the sale of the intangible asset linked to the Fit4Woco application, as well as the investments in intangible fixed assets. See the summary of changes in note 1.

The movement in long-term bank liabilities concerns the original principal less the repayments made 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.

In 2022 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 Modern Workplace, Integration, Transformation & Change Management, Security & Trust, and Business Transformation services. In addition, Ctac has some products of its own, including the XV Retail Suite, which consists of an omni-channel-driven Point-of-Sale & Loyalty platform, and SaaS solutions for commercial real estate, i.e. Fit4RealEstate. Ctac’s customer base is made up of approximately six hundred organisations of every size and in various sectors. At year-end 2022, Ctac employed 463 people. Ctac operates in the Netherlands and Belgium. 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 2 March. The financial statements will be submitted to the General Meeting of Shareholders for adoption on 13 April 2023.

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 2021 were reclassified to enable a comparison with those for 2022.

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. Contrary to the above, certain assets and liabilities are stated at fair value. This applies to the earn-out obligations and LTI obligation.

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. The Board of Directors concludes that the use of this assumption is justified based on current insights for the coming twelve months.

Effects of introducing revised accounting principles on future years
Ctac applied new and amended IFRS standards and IFRIC interpretations during the financial year under review.

IFRS standards and interpretations that have been published and do not yet apply to accounting periods starting on 1 January 2022 have not been adopted early. Ctac does not expect their subsequent adoption to have a significant effect on Ctac's consolidated financial statements in the future. 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. The adoption of this standard is not expected to have a material effect on Ctac's financial statements;
- 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 2022 are not expected to have a material effect on Ctac's capital and result or on the explanatory notes to the financial statements.

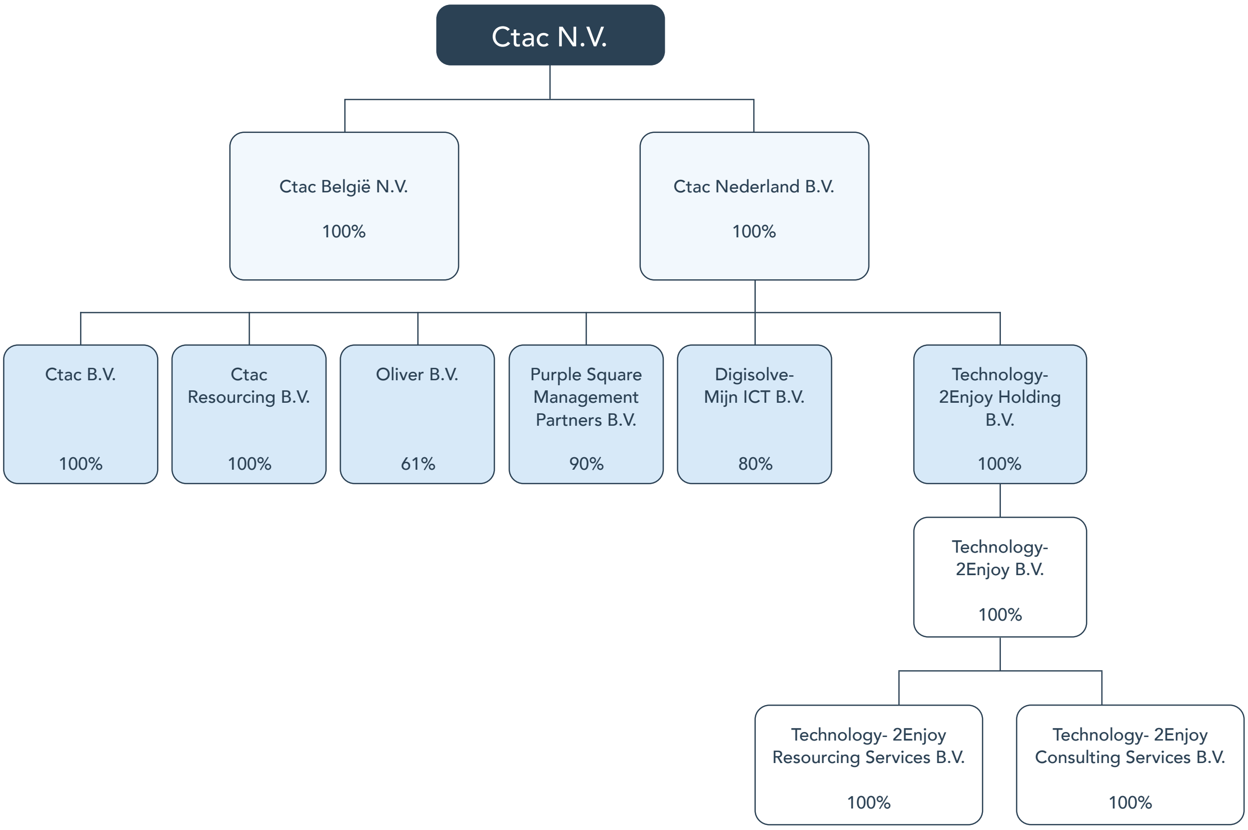
Effects of introducing new accounting principles for the current financial year
Ctac N.V. has been applying the following standards and changes to standards since 1 January 2022:
- Amendment of IAS 16 'Property, Plant and Equipment: proceeds before intended use'. This amendment means that potential (temporary) proceeds may no longer be deducted from the initial cost of a tangible fixed asset;
- Amendment of IFRS 3 'Reference to the Conceptual Framework'. The amendment adds an expectation element to the accounting principle of IFRS 3;
- 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;
- 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;
- 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;
- 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;
- Amendment of IAS 41 'Agriculture'. Not applicable to Ctac.

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 2022	year-end 2021
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	90	70
Oliver B.V.	's-Hertogenbosch	61	51
Digisolve-Mijn ICT B.V.	Helmond	80	80
Technology2Enjoy Holding B.V.	Amstelveen	100	-
Techology2Enjoy B.V.	Zoetermeer	100	-
Technoglogy2Enjoy Consulting Services B.V.	Amstelveen	100	-
Technology2Enjoy Resourcing Services B.V.	Amstelveen	100	-
Ctac België N.V.	Wommelgem, België	100	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.

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 or 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 profit and loss account. 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). In accordance with this method the value is estimated by calculating the royalties saved by owning the brand name.

Brand names are amortised on the basis of the useful life for each individual component. Brand names have a finite useful life and, following initial recognition, are stated at cost, less cumulative amortisation and impairments.

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 profit and loss account.

Amortisation of intangible fixed assets
Amortisation charges are charged to the profit and loss account 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 - 17 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;
- 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.

Depreciation of right-of-use assets and lease obligations
The useful life of the right-of-use assets and lease obligations, based upon which the depreciation is determined, is as follows:
- Buildings — 1 year - 8 years
- Leased cars — 3 years - 4 years
- Other equipment — 3 years

The depreciation periods are evaluated annually and adjusted when necessary.

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.

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

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 liabilities are recognised in the event of temporary differences between the value of the assets and liabilities for tax purposes, on the one hand, and the carrying amounts reported in these financial statements, on the other. 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:
  - deposits;
  - long-term receivable relating to sale of Fit4Woco;
- trade receivables and other receivables:
  - trade receivables;
  - revenue still to be invoiced;
  - contract assets;
  - other receivables;
  - accrued income;
- cash and cash equivalents;
- long-term bank liabilities;
- lease obligations (the 'Right-of-use assets and lease obligations' section);
- other long-term liabilities:
  - earn out obligation;
  - discounts received in advance;
  - long-term liability relating to sale of Fit4Woco;
- short-term bank liabilities;
- trade creditors and other liabilities:
  - trade creditors;
  - taxes and national insurance contributions;
  - contract liabilities;
  - other liabilities;
  - accruals and deferred income.

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

Changes in the value of financial instruments that have been stated at fair value are recognised in the consolidated statement of profit and loss. See the note on the accounting principles for 'Other long-term liabilities' and 'Trade creditors and other liabilities'.

Whilst applying IFRS 9 'Financial Instruments', a provision is made for trade receivables, revenue still to be invoiced with regard to contracts based on subsequent costing and fixed monthly instalments, contract assets, other receivables, accrued income, other long-term receivables and cash and cash equivalents, 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 still to be invoiced with regard to contracts based on subsequent costing and fixed monthly instalments, and contract assets are written down.

No credit losses are expected for the positions other receivables, accrued income, other long-term receivables, and cash and cash equivalents.

The expected loss rates are based on the payment profiles of sales over a period of sixty months prior to 31 December 2022 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 subsequent 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 contract liabilities for these projects.

A contract liability is the obligation to transfer goods or services to a customer to the extent that Ctac has received compensation from the customer. Contract liabilities are recognised as revenue when Ctac meets its contractual performance obligation.

If the contract liabilities 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.

Share-based payments are awarded to the members of the Board of Directors via the Long-Term Incentive ("LTI") plan.

The fair value of remunerations awarded to directors in cash under the LTI plan is recognised as an expense over the relevant performance period. The liability is remeasured at fair value on each reporting date, with any changes in fair value being recognised in the statement of profit and loss. This liability is presented in the balance sheet under accruals and deferred income, as a component of trade creditors and other liabilities.

The number of awards that are expected to become unconditional is estimated during the vesting period on the basis of the service conditions and any non-market conditions. The estimates are reviewed at the end of each reporting period and any adjustments are recognised in the statement of profit and 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**	**Derivatives**	**Total**
Balance as at 31 December 2022					
Other long-term receivables	1,378	-	-	-	1,378
Trade receivables and other receivables	25,392	-	-	-	25,392
Cash and cash equivalents	7,439	-	-	-	7,439
Long-term bank liabilities	1,125	-	-	-	1,125
Lease obligations	10,137	-	-	-	10,137
Other long-term liabilities	1,008	46	-	-	1,054
Short-term bank liabilities	900	-	-	-	900
Trade creditors and other liabilities	28,778	765	-	-	29,543
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	-	-	28,869

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: 20,000,000 ordinary shares and 20,000,000 preference shares. At year-end 2022, the issued share capital consisted of 13,931,648 ordinary shares. 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 2022, no own shares were held by Ctac N.V. or by any of its subsidiaries.

Other reserves
The opening balance for 2022 has been adjusted by € 34,000 as a result of undistributed profit for 2021 at one of the participating interests. The comparative figures have not been restated.

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 30 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
Provisions are stated at the present value of the expenditure expected to be required to settle the provision.

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.

Severance pay
A provision for severance pay is formed if an employee is going through a redundancy procedure, but actual settlement has not yet taken place. No provision is formed for expected future redundancies.

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 ('customisation') 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 onboarding 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 work
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 profit and loss account 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 profit and loss account.

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 profit and loss account.

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, € 2.0 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 limited use of the credit facility in 2022. If, during 2022, 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 2022.

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 2022.

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'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, contract assets, accrued income, other receivables, other long-term receivables, and cash and cash equivalents.

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, contract assets, accrued income, other receivables, other long-term receivables, and cash and cash equivalents amounted to the following for each segment on the balance sheet date.

(in € x 1,000)	**2022**	**2021***
The Netherlands	28,917	25,460
Belgium	5,572	6,947
Maximum credit risk as at 31 December	**34,489**	**32,407**

*) As explained above in detail, the comparative figures for 2021 have been restated compared to the 2021 financial statements.

Trade receivables, revenue still 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 still 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 2022**				
	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%**	**<11%**	**100%**
Trade receivables	13,421	1,190	-	154	237
Revenue still to be invoiced	8,020	-	-	-	-
Contract assets	238	-	-	-	-
Other long-term receivables	1,378	-	-	-	-
Expected credit loss	**-**	**-**	**-**	**17**	**237**

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. A sum of € 978 thousand under other long-term receivables concerns a long-term receivable relating to the sale of Fit4Woco, the payment term for which has not yet expired. The remaining amount of € 400 thousand relates 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 2022, the ratio was -0.62. The average amount drawn on the credit facility in 2022 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 2022**		
	Financial obligation	**< 1 year**	**between 1 and 2 years**	**> 2 years**
Bank liabilities	2,025	900	1,125	
Lease payments	10,137	2,858	3,353	3,926
Trade creditors and other liabilities	29,543	29,543	-	-
Other long-term liabilities	1,054	-	1,054	-

(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

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. Capital is understood to mean the balance of cash and cash equivalents plus the balance of the existing credit facility.

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 2022 was approx. 40.9% (year-end 2021: approx. 36.7%). 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 clients. 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:

Cyber risks

As a provider of general IT 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 ISO 27001 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.

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.

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 the 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 Fit4RealEstate. 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 2022, the book value was € 20,207 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 acquisitions of Purple Square Management Partners B.V. (acquired in 2020), Oliver B.V. and Digisolve-Mijn ICT B.V. (acquired in 2021) and Technology2Enjoy Holding 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 € 2,480 thousand and the book value of the brand name was € 257 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 € 1,084 thousand, the book value of the brand name was € 366 thousand and the book value of the technology was € 314 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 € 1,100 thousand.

The book value of the goodwill relating to the acquisition of Technology2Enjoy Holding B.V. was € 163 thousand. The book value of the customer and contract portfolios acquired in relation to this acquisition was € 779 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. and Digisolve-Mijn ICT B.V.; at year-end 2022 these obligations amounted to € 0.8 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 € 238 thousand recognised as contract assets and € 119 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 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.

Estimates with regard to the deferred tax asset
Ctac has losses available for set-off, consisting primarily of recognised losses in connection with the acquisition of Technology2Enjoy. There is a risk that insufficient taxable profits will be available to offset these recognised losses, with the result that (part of) the deferred tax asset cannot be realised.

The tax losses carry forward position recognised takes into account the tax rules laid down in Section 20 of the 1969 Dutch Corporation Tax Act (Wet VPB 1969) and estimates relating to the amounts and timing of future taxable profits. Future profits are estimated with the help of the 2023 budget and multi-year projections, which depend in part on Ctac's operational intentions regarding Technology2Enjoy. The amount is recognised at the nominal rate as applicable to future financial years on the basis of existing legislation, taking the applicable lower rate of corporation tax into account. The value as at year-end 2022 takes into account the corporation tax rates that have been definitively set for 2023 and subsequent years. Any future changes to this legislation will be reflected in the future.

The total amount of available losses at group level as at year-end 2022 amounts to approx. € 7.5 million (year-end 2021: approx. € 3.2 million). With effect from 2022 losses within the Netherlands can be carried forward indefinitely. At the same time as this change, it has also been stipulated that losses can be offset against a maximum of € 1.0 million of the taxable profit plus 50% of the taxable sum in excess of € 1.0 million. No deferred tax asset has been recognised for an amount of € 2.0 million in offsettable losses. The book value of the deferred tax asset is € 1.3 million (2021: € 0.7 million).

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 2022 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 2022 exceeded 10% of total revenue. The revenue generated from this client came to € 17.6 million (2021: € 11.9 million).

The segmented results for the year 2022 can be specified as follows:

2022 Results
(in € x 1,000)

	The Netherlands	Belgium	Other	Intersegment eliminations	Consolidated
Revenue from contracts with clients	110,413	22,147	2,095	(16,983)	**117,672**
Other income	704	-	-	-	**704**
Operating result	8,017	1,446	(2,562)	-	**6,901**
Financial income	-	-	-	-	**-**
Financial expenses	(127)	(32)	(343)		**(502)**
Result before tax	7,890	1,414	(2,905)	-	**6,399**
Taxes	(980)	(432)	56	-	**(1,356)**
Net result	**6,910**	**982**	**(2,849)**	**-**	**5,043**

2021 Results
(in € x 1,000)

	The Netherlands	Belgium	Other	Intersegment 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 assets and liabilities per segment as at 31 December 2022 can be specified as follows:

Assets and liabilities as at 31 December 2022
(in € x 1,000)

	The Netherlands	Belgium	Other	Consolidated
Total assets	34,752	6,552	34,274	**75,578**
Total liabilities	25,881	4,694	14,071	**44,646**

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 other segmented information regarding the statement of profit and loss of 2022 is as follows:

Depreciation and amortisation 2022
(in € x 1,000)

	The Netherlands	Belgium	Other	Consolidated
Intangible fixed assets	621	-	816	**1,437**
Right-of-use assets	2,471	306	750	**3,527**
Tangible fixed assets	108	32	288	**428**
Total depreciation and amortisation	**3,200**	**338**	**1,854**	**5,392**

Investments in 2022
(in € x 1,000)

	The Netherlands	Belgium	Other	Consolidated
Intangible fixed assets	459	-	974	**1,433**
Right-of-use assets	1,441	442	-	**1,883**
Tangible fixed assets	401	35	381	**817**
Total investments	**2,301**	**477**	**1,355**	**4,133**

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**

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 revenue and assets presented by geographical areas are as follows:

	Revenue from contracts with clients		Total assets	
(in € x 1,000)	**2022**	**2021**	**2022**	**2021**
The Netherlands	100,812	88,722	69,026	66,121
Belgium	22,147	22,662	6,552	7,889
Inter-segment eliminations	(5,287)	(4,960)	-	-
Total	**117,672**	**106,424**	**75,578**	**74,010**

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		Intangible fixed assets in development		Total	
(in € x 1,000)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
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 1 January	**20,044**	**17,396**	**5,253**	**3,031**	**705**	**330**	**3,380**	**3,295**	**-**	**-**	**29,382**	**24,052**
Produced in-house	-	-	-	-	-	-	421	601	38	-	459	601
Investments	163	2,648	811	2,690	-	457	-	441	-	-	974	6,236
Disposals	-	-	-	-	-	-	(684)	-	-	-	(684)	-
Amortisation	-	-	(621)	(468)	(82)	(82)	(734)	(957)	-	-	(1,437)	(1,507)
Book value as at 31 December	**20,207**	**20,044**	**5,443**	**5,253**	**623**	**705**	**2,383**	**3,380**	**38**	**-**	**28,694**	**29,382**
Total acquisition value	32,520	32,357	6,807	5,996	824	824	7,278	8,454	38	-	47,467	47,631
Total amortisation and impairments	(12,313)	(12,313)	(1,364)	(743)	(201)	(119)	(4,895)	(5,074)	-	-	(18,773)	(18,249)
Book value as at 31 December	**20,207**	**20,044**	**5,443**	**5,253**	**623**	**705**	**2,383**	**3,380**	**38**	**-**	**28,694**	**29,382**

1.1 Impairments and reversals of impairments

In 2022, as in 2021, Ctac did not recognise any goodwill impairment or reverse any impairments recognised in earlier years.

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

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

CGU
(in € x 1,000)

	2022	**2021**
The Netherlands	13,755	13,592
Purple Square	3,511	3,511
Oliver	2,037	2,037
Digisolve-Mijn ICT	611	611
Other	293	293
Book value as at 31 December	**20,207**	**20,044**

The CGU 'Other' concerns the goodwill related to the Resourcing activities.

The 2022 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 2022 was 16.5% (2021: 14.2%).

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 2023 budgets, and, for the following years, forecasts are prepared based on assumptions for gross margin growth and EBITDA (operating result before depreciation and amortisation) margin development. The budgets for the 2023 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 2023.

Divergent assumptions were employed for the EBITDA margin for the CGUs Digisolve-Mijn ICT and Purple Square.

In the case of Digisolve-Mijn ICT the divergent assumption was as follows:
- the EBITDA margin (percentage of the operating result before depreciation and amortisation) will increase by 1% per year from 2024 to 2028. The current EBITDA margin is lower than in 2021 due to hardware supply problems. It is expected to move back to its 2021 level over the coming years.

In the case of Purple Square the divergent assumption employed in relation to the EBITDA margin was as follows:
- the EBITDA margin will be equal to 19% from 2024. The current EBITDA margin in 2022 and the budgeted EBITDA margin for 2023 (15%) are lower than the EBITDA margin realised in 2021 as a result of two employees who are only able to work to a limited extent. They are expected to be fully deployable again from 2024.

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 2022.

Sensitivity analyses were carried out in addition to the impairment test at year-end 2022. 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.

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

The investment in 2022 relates to the customer relationships of Technology2Enjoy Holding 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 2022 was € 5.4 million. The remaining term was seven to seventeen years. The book value of the brand names was € 0.6 million as at 31 December 2022. The remaining term was seven to eight years.

1.4 Intangible fixed assets produced in-house

The book value of 'intangible fixed assets produced in-house' was € 2.4 million at the end of 2022. This book value mainly concerned the development costs of the 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., and the Fit4RealEstate application. The investment in 2022 concerned the new functionalities of the XV5 product. The disposal concerned the sale of the Fit4Woco application.

Completely written-off assets representing an amount of € 15 thousand were decommissioned in 2022 (2021: nil).

Fit4RealEstate and Fit4Woco
The Fit4RealEstate application is an SaaS product for commercial real estate. Its book value as at 31 December 2022 was € 0.2 million. The remaining life of this asset was two years.

The Fit4Woco application was sold in 2022. The acquisition cost of the Fit4Woco application amounted to € 1.6 million and the cumulative amortisation came to € 0.9 million. As a result of the sale, the related intangible asset was written down by € 0.7 million. The gain from the sale is recognised under other income and is explained in note 14.1.

Valuation
For the Fit4RealEstate application an assessment was carried out to determine whether an impairment trigger was present. This was not the case.

XV Retail
XV Retail is cash desk software which consists of an omni-channel-driven Point-of-Sale & Loyalty platform. Its book value as at 31 December 2022 was € 1.7 million. The remaining life of this asset is two to six years.

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

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 2022 was € 11 thousand. The remaining life of this asset is four to five years.

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)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Book value as at 1 January	**6,458**	**6,785**	**2,946**	**2,392**	**1,311**	**1,430**	**10,715**	**10,607**
First-time application of IFRS 16 for newly acquired participating interests	-	19	106	440	-	-	106	459
Book value inclusive of newly acquired participating interests	**6,458**	**6,804**	**3,052**	**2,832**	**1,311**	**1,430**	**10,821**	**11,066**
Investments/new contracts	-	-	1,883	1,819	-	919	1,883	2,738
Interim contract adjustments	651	536	(120)	(176)	200	150	731	510
Depreciation	(889)	(882)	(1,715)	(1,529)	(923)	(1,188)	(3,527)	(3,599)
Book value as at 31 December	**6,220**	**6,458**	**3,100**	**2,946**	**588**	**1,311**	**9,908**	**10,715**

The right-of-use assets include contracts with a term of less than one year. At year-end 2022 this was an amount of € 0.8 million (2021: € 0.4 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-centre-related hardware.

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 2024. 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 Technology2Enjoy and Digisolve-Mijn ICT B.V. leases have not been recognised, as they have a term shorter than one year. 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)	**2022**	**2021**
Book value as at 1 January	**10,914**	**10,744**
First-time application of IFRS 16 for newly acquired participating interests	108	467
Book value inclusive of newly acquired participating interests	**11,022**	**11,211**
Investments/new contracts	1,883	2,738
Interim contract adjustments	731	510
Interest charges	272	285
Lease payments (including interest component)	(3,771)	(3,830)
Book value as at 31 December	**10,137**	**10,914**
Lease obligations - long-term	7,279	7,941
Lease obligations - short-term	2,858	2,973
	10,137	**10,914**

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)	**2022**	**2021**
Depreciation of right-of-use assets	(3,527)	(3,599)
Interest charges in connection with lease obligations	(272)	(285)
Total	**(3,799)**	**(3,884)**

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		Total	
(in € x 1,000)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Total acquisition value	1,520	1,516	2,378	2,195	776	763	4,674	4,474
Total depreciation	(1,400)	(1,247)	(1,819)	(1,565)	(631)	(594)	3,850	(3,406)
Book value as at 1 January	**120**	**269**	**559**	**630**	**145**	**169**	**824**	**1,068**
Book value of newly acquired participating interest as at acquisition date	-	-	14	-	-	-	14	-
Book value after newly acquired participating interest	**120**	**269**	**573**	**630**	**145**	**169**	**838**	**1,068**
Investments	13	4	633	220	171	13	817	237
Disposals	-	-	-	-	-	-	-	-
Depreciation	(61)	(153)	(299)	(291)	(68)	(37)	(428)	(481)
Book value as at 31 December	**72**	**120**	**907**	**559**	**248**	**145**	**1,227**	**824**
Total acquisition value	1,533	1,520	2,046	2,378	909	776	4,488	4,674
Total depreciation	(1,461)	(1,400)	(1,139)	(1,819)	(661)	(631)	(3,261)	(3,850)
Book value as at 31 December	**72**	**120**	**907**	**559**	**248**	**145**	**1,227**	**824**

3.1 Investments and disposals

The investments in ICT hardware during 2022 mainly concerned investments in laptops and data centre servers.

Completely written-off assets representing an amount of € 1.1 million were decommissioned in 2022 (2021: € 40 thousand).

3.2 Impairments and reversals of impairments

Ctac did not recognise any impairment of tangible fixed assets in 2022. Furthermore, no impairments recognised in earlier years were reversed in 2022.

4. Deferred taxes

Deferred taxes can be specified as follows:

(in € x 1,000)	2022	2021
Deferred tax assets	1,340	782
Deferred tax liabilities	(1,620)	(1,610)
Book value as at 31 December	**(280)**	**(828)**

Changes in deferred tax assets can be specified as follows:

(in € x 1,000)	2022	2021
Balance as at 1 January		
Recognised rights to offset losses	731	1,280
Temporary valuation differences commercial - tax	51	36
Total deferred tax assets	**782**	**1,316**
Investment		
Recognised rights to offset losses as a result of newly acquired participating interest	1,237	-
Application of IFRS 16 for newly acquired participating interests	-	2
Recognised in the statement of profit and loss		
Recognised rights to offset losses	-	73
Offsetting of losses	(703)	(596)
Change in rates	13	(26)
Temporary valuation differences commercial - tax	11	13
Balance as at 31 December		
Recognised rights to offset losses	1,277	731
Temporary valuation differences commercial - tax	63	51
Total deferred tax assets	**1,340**	**782**

The tax losses carry forward position is only recognised when it is expected that any losses available will actually be offset (total year-end 2022 approx.: € 5.5 million, year-end 2021 approx.: € 3.2 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 € 1.3 million was recognised in respect of tax losses carried forward. No deferred tax asset has been recognised for an amount of € 2.0 million in offsettable losses. These losses can be offset against future profits without any time limit.

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

As regards the deferred tax assets, an amount of € 1.2 million is expected to have a term longer than twelve months after the balance sheet date.

Changes in deferred tax liabilities can be specified as follows:

(in € x 1,000)	2022	2021
Balance as at 1 January		
Differences in depreciation/amortisation of (in)tangible fixed assets	1,610	820
Discounting of earn-out obligation	-	-
Total deferred tax liabilities	**1,610**	**820**
Investment		
Intangible fixed assets	209	907
Newly acquired participating interests	-	3
Recognised in the statement of profit and loss		
Depreciation/amortisation of (in)tangible fixed assets	(199)	(160)
Change in rate	-	40
Balance as at 31 December		
Differences in depreciation/amortisation of (in)tangible fixed assets	1,620	1,610
Total deferred tax liabilities	**1,620**	**1,610**

The deferred tax liability for intangible fixed assets as at 1 January 2022 relates to the costs of those intangible assets produced in-house that have been charged directly to the result for tax purposes and intangible fixed assets acquired as a result of acquisitions.

In 2022, € 209 thousand was added as a deferred tax liability relating to the intangible fixed assets associated with the acquisition of Technology2Enjoy Holding B.V. The addition in 2021 related to the acquisition of Oliver B.V. and Digisolve-Mijn ICT B.V.

It is expected that an amount of € 1.3 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)	2022	2021
Balance as at 1 January	**400**	**251**
Deposit payment	-	149
Long-term receivable relating to sale of Fit4Woco	978	-
Balance as at 31 December	**1,378**	**400**

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 was reinsured in 2021. 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.

The other long-term receivable concerns a portion of the purchase price yet to be received for the sale of the intangible fixed asset relating to the Fit4Woco application.

6. Stocks

Stocks can be specified as follows:

(in € x 1,000)	2022	2021
Merchandise	200	64
Total stocks as at 31 December	**200**	**64**

No merchandise has been stated at lower realisable value.

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

7. Trade receivables and other receivables

Trade receivables and other receivables can be specified as follows.

(in € x 1,000)	2022	2021
Trade receivables	15,002	13,318
Provision for expected credit losses	(254)	(164)
Total trade receivables - net	**14,748**	**13,154**
Revenue still to be invoiced with regard to contracts based on subsequent costing and fixed monthly instalments	8,020	7,042
Contract assets	238	171
Other receivables	1,481	140
Accrued income	905	932
Total other receivables	**10,644**	**8,285**
Total trade receivables and other receivables as at 31 December	**25,392**	**21,439**

Prepayments and accrued income concern prepaid costs. The other receivables mostly have a duration of less than one year both at year-end 2022 and year-end 2021.

The fair value of the trade receivables and other receivables is close to the book value. This applied on 31 December 2022 for an amount of trade receivables of € 1.6 million (31 December 2021: € 1.6 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 six months. 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:

(in € x 1,000)	2022 Trade receivables	2022 Provision	2022 Trade receivables net	2021 Trade receivables net
Trade receivables for which there is no credit loss and for which the payment period has not yet elapsed	13,421	-	13,421	11,696
Trade receivables for which there is no credit loss and for which the payment period has elapsed				
for less than 3 months	1,190	-	1,190	1,410
between 3 and 6 months	-	-	-	-
between 6 and 12 months	154	(17)	137	26
more than 1 year	237	(237)	-	22
	1,581	**(254)**	**1,327**	**1,458**
Total trade receivables - net as at 31 December	**15,002**	**(254)**	**14,748**	**13,154**

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

(in € x 1,000)	2022	2021
Balance as at 1 January	**164**	**165**
Addition to the provision	90	-
Write-off in connection with expected credit loss	-	(1)
Release from the provision	-	-
Balance as at 31 December	**254**	**164**

At year-end 2022, the provision for expected credit losses was € 0.3 million (at year-end 2021: € 0.2 million). The total amount charged to the statement of profit and loss was € 90 thousand (2021: € 1 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. A separate presentation of the age of these positions has therefore not been provided.

8. Cash and cash equivalents

€ 1.2 million of the cash and cash equivalents balance at year-end 2022 were funds in a guarantee account. This part is not at Ctac's free disposal.

9. Shareholders' equity

At year-end 2022, the authorised share capital amounted to € 9,600,000 and was divided into 40,000,000 shares of € 0.24 as follows: 20,000,000 ordinary shares and 20,000,000 preference shares. The issued share capital consists of 13,931,648 ordinary shares. 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 294,336 new shares being issued in 2022 (2021: 82,109 new shares).

The summary of changes in equity shows a change in other reserves of € 742 thousand.

Of this change, € 242 thousand concerns a payment to the minority shareholder of Purple Square Management Partners B.V., relating to the payment of a dividend for the 2021 financial year. This is based on the dividend entitlement that applies to the minority shareholder.

In the original purchase agreement, agreements had been made with the minority shareholder on the purchase of the remaining shares (30%). It was subsequently agreed with the minority shareholder that the purchase of 10% of the remaining stake would be settled early, in 2022 instead of 2023. This transaction was settled in cash rather than shares. In 2022, this resulted in a 20% stake being acquired. The settlement of the transaction has been recognised as follows:

- Purchase price of € 524 thousand for the first 10% of the shares based on the average net profit for the 2020 and 2021 financial years, recognised as settlement of an earn-out obligation with possible valuation differences via the statement of profit and loss;
- Purchase price of € 524 thousand for the second 10% of the shares based on the average net profit for the 2020 and 2021 financial years, recognised as settlement of an earn-out obligation with possible valuation differences via the statement of profit and loss;
- Additional payment in the form of a dividend to the minority shareholder amounting to € 500 thousand, recognised as a direct change in equity in other reserves instead of being recognised as an earn-out obligation in the statement of profit and loss on the basis of IFRS. This payment represents partial compensation for the increase in price between the opening price of the Ctac N.V. share on 18 December 2019, as indicated in the initial purchase agreement, and the early settlement date of 1 April 2022.

The composition of, and the changes in, shareholders' equity over the years 2022 and 2021 are stated on page 54 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.

10. Long 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 Bank credit 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 2022, the ratio was -0.62. The average amount drawn on the credit facility in 2022 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 book value of these receivables, fixtures and fittings, IP rights and shares amounts to € 8.3 million. 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 31-12-2022	Book value as at 31-12-2021
Long-term loan	4,500	-	1,125	1,125	2,025
Total long-term bank liabilities	**4,500**	**-**	**1,125**	**1,125**	**2,025**

(in € x 1,000)	2022	2021
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 2022 concerns the purchase of the 10% minority interest in Purple Square Management Partners B.V., as agreed at the time of the acquisition in January 2020, 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 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 2023 at the earliest.

The net result realised in 2020, 2021 and 2022 is lower than the forecast used for the valuation of the earn-out obligation. In 2022 this resulted in a positive valuation difference of € 0.1 million being recognised in the 2022 statement of profit and loss. No valuation difference was recognised in 2021.

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 15%, payable in cash by 31 January 2023 at the earliest;
- the acquisition of 5%, payable in cash by 31 January 2024 at the earliest.

In 2022, a change was made to the original purchase agreement; it was agreed that 5% of the remaining stake would be settled in cash instead of shares.

Hardware availability problems caused the 2022 net result of Digisolve-Mijn ICT 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 3 December 2021. In 2022 this resulted in a positive valuation difference of € 0.1 million being recognised in the 2022 statement of profit and loss. No valuation difference was recognised in 2021.

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

(in € x 1,000)	**2022**	**2021**
Long-term earn-out obligation	1,490	1,667
Short-term earn-out obligation	1,267	-
Balance as at 1 January	**2,757**	**1,667**
New earn-out obligation	366	884
Valuation differences	(260)	192
Amortisation obligation	27	14
Settlement of remaining earn-out obligation	(2,138)	-
Balance as at 31 December	**752**	**2,757**
Balance of long-term liability	**46**	**1,490**
Balance of short-term liability	**706**	**1,267**

The new earn-out obligation relates to Technology2Enjoy. A balance was due for this, which was also paid in 2022 and has therefore also been recognised under ‘settlement of remaining earn-out obligation’. In the cash flow statement, however, this amount has been allocated to the ‘acquisition of participating interest’ item.

11.2 Discounts received in advance

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

The changes in discounts received in advance are as follows:

(in € x 1,000)	**2022**	**2021**
Balance as at 1 January	**412**	**254**
Addition to discount received in advance	-	241
Transferred to short-term liabilities	(83)	(83)
Balance as at 31 December	**329**	**412**

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	57	272	**412**
Total discounts received in advance	**83**	**57**	**272**	**412**

11.3 Long-term liabilities relating to sale of Fit4Woco
This relates to a long-term liability of € 0.6 million in connection with the sale of Fit4Woco. This liability has a term of between 1 and 2 years. The fair value of the liability is close to the book value.

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

(in € x 1,000)					2022	2021
	Anniversary payments	Severance payment	Loss-making contracts	Other	Total	Total
Balance as at 1 January	**78**	**178**	**-**	**177**	**433**	**578**
Additions charged to the result	-	-	-	-	-	310
Released to the result	(5)	-	-	(35)	(40)	(126)
Allocated	(15)	(178)	-	(142)	(335)	(329)
Balance as at 31 December	**58**	**-**	**-**	**-**	**58**	**433**

12.1 Provision for anniversary payments
The term of the provision for anniversary payments is longer than one year for an amount of € 46 thousand (2021: € 60 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
At year-end 2022 there was no provision for severance pay.

12.3 Provision for loss-making contracts
At year-end 2022 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)	2022	2021
Trade creditors	8,329	6,976
Taxes and national insurance contributions	5,209	4,633
Contract liabilities	1,945	3,053
Other liabilities	754	1,280
Accruals and deferred income	13,306	12,927
Total trade creditors and other liabilities as at 31 December	**29,543**	**28,869**

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

The contract liabilities concern the obligations to transfer goods or services to a customer to the extent that Ctac has invoiced the customer for this. None of the contract liabilities have a term longer than one year (2021: € 0.2 million).

In both 2022 and 2021 the other liabilities item concerned the earn-out obligations to be settled. 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

13.1 Share-based payments

The aim of the share-based LTI plan is to further align the interests of the Board of Directors with those of the stakeholders, including shareholders, and Ctac's long-term objectives. The LTI plan covers a performance period of three years. A conditional award is made annually, with settlement in cash at the end of the three-year performance period, provided that the awards have become unconditional.

The financial performance measures for the LTI plan are:

- Relative TSR ('rTSR'), measured relative to the companies listed in the AScX index – Euronext Amsterdam (50% of the LTI award).
- The growth in Earnings Per Share ('EPS', 30% of the LTI award), measured from 1 January to 31 December of the relevant three-year performance period.
- Non-financial performance measures (20% of the LTI award) are selected at the start of a new performance period. The Supervisory Board selects no more than two non-financial measures each year and determines their relative mutual weightings. The selected non-financial performance measures are typically related to Ctac's Corporate Social Responsibility ('CSR') agenda. They are measured from 1 January to 31 December of the relevant three-year performance period.

The TSR is measured on the basis of the total shareholder return (price development with reinvestment of dividends) of the Ctac share and the companies in the AScX index over a period of three years (1 January to 31 December over the three-year performance period). The calculation is based on the average price in the three months prior to the start of the performance period and the three months at the end of the performance period. This total shareholder return is then compared with the TSR peer group. The unconditional award is determined on the basis of Ctac's position within the TSR peer group, using the positioning table below:

Position	14-26	13	12	11	10	9	8	7	6	5	4	3	2	1
Pay-out	0%	50%	58%	67%	75%	83%	92%	100%	108%	117%	125%	133%	142%	150%

When Ctac takes up a position in the bottom three positions (i.e., position 26 through 24) within the TSR peer group at the end of the performance period, the entire LTI award for that year lapses (also the non-TSR-related elements of the LTI plan). The LTI award can then no longer become unconditional (the so-called 'circuit breaker').
The change in the number of awards was as follows in 2022:

	2022
Outstanding as at 1 January 2022	-
Awarded during the year	28,368
Lapsed during the year	-
Outstanding as at 31 December 2022	**28,368**

As at 31 December 2022 no awards have become unconditional. On the basis of the scores achieved, 17,614 shares have been awarded.

The fair value of the awards subject to earnings per share and non-financial performance is determined based on the share price, adjusted for expected dividends, while the circuit breaker is determined using a Monte Carlo simulation model. The fair value of the awards subject to the relative TSR condition is determined using a Monte Carlo simulation model.

The fair value on the reporting date and the main inputs used when measuring the fair value of the remunerations settled in cash as at 31 December 2022 are as follows:

	rTSR	EPS and non-financial
Fair value	€ 2,23	€ 3,10
Share price	€ 3,35	€ 3,35
Expected volatility	29.7%	-
Expected life	2 years	-
Expected dividends	3.2%	3.2%
Risk-free interest rate (AAA-rated euro area central government bonds)	2.69%	-

The share-based-payment expense recognised in 2022 for the cash-settled LTI plan amounted to € 59 thousand (2021: € 0). The corresponding liability as at 31 December 2022 recognised under accruals and deferred income, as a component of trade creditors and other liabilities, amounts to € 59 thousand (2021: € 0).

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)

	2022	2021
Licence and hardware sales	2,592	3,236
Cloud services	44,832	42,206
Secondment assignments and project agreements	70,248	60,982
Total revenue from contracts with clients	**117,672**	**106,424**

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

	2022	2021
Goods transferred ‘at a point in time’	2,592	3,236
Services provided ‘over time’	115,080	103,188
Total revenue from contracts with clients	**117,672**	**106,424**

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 2022	31 December 2021
Trade receivables	14,748	13,154
Revenue still to be invoiced with regard to contracts based on subsequent costing and fixed monthly instalments	8,020	7,042
Contract assets	238	171
Contract liabilities	(1,945)	(3,053)

The increase in trade receivables and revenue still to be invoiced can be attributed primarily to the acquisition of Technology2Enjoy Holding 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. € 0.3 million was recognised at year-end 2022 (year-end 2021: approx. € 0.2 million).

The contract liabilities 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 million of the contract liabilities as at year-end 2022 will lead to revenue in the years after 2023. The contract liabilities that were recognised as at year-end 2021 led to € 2.9 million in revenue being recognised in 2022.

Expiry of contract liabilities
(in € x 1,000,000)

	Within 1 year	1-2 years	After 2 years
Contract liabilities year-end 2021	2.9	0.1	0.1
Contract liabilities year-end 2022	1.9	-	-

14.1 Other income
Other income relates to the gain from the sale of Fit4Woco. The amount is the balance of the revenue and liabilities related to the sale transaction, and also includes the disposal of the capitalised Fit4Woco development costs.

The following explanation is given with regard to the recognised revenue from the sale of Fit4Woco.

Revenue relating to Fit4Woco
(in € x 1,000)

	2022
Revenue	3,361
Liabilities	(1,973)
Disposal of Fit4Woco	(684)
Other income	**704**

The balance sheet positions relating to the Fit4Woco sale transaction are as follows:

Balance sheet positions relating to Fit4Woco sale transaction
(in € x 1,000)

	31 December 2022
Long-term receivables	978
Other receivables	1,099
Other long-term liabilities	(552)
Accruals and deferred income	(611)

15. Personnel costs

The composition of the personnel costs is as follows:

(in € x 1,000)	2022	2021
Wages	39,079	38,704
Social charges	5,085	4,606
Pension charges	2,128	1,954
Other personnel costs	1,864	1,898
Total personnel costs	**48,156**	**47,162**

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 acquisition of Technology2Enjoy Holding B.V.

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 2022 amounts to 463 (2021: 430). This is divided among the segments as follows:

Number of FTEs per segment	2022	2021
The Netherlands	363	338
Belgium	49	53
Other	51	39
Total number of FTEs	**463**	**430**
Professional external staff hired (direct)	**182**	**161**

Number of FTEs per department	2022	2021
Cloud services	119	104
Consulting & Resourcing	252	233
Staff	53	55
Sales	38	36
BoD	1	2
Total number of FTEs	**463**	**430**

16. Other operating costs

The other operating costs can be specified as follows:

(in € x 1,000)	2022	2021
Car expenses	2,352	1,671
Accommodation expenses	1,021	683
Infrastructure costs	5,683	5,301
Marketing and sales costs	1,426	729
Other costs	2,675	2,293
Valuation differences earn-out obligations	(260)	192
Total other operating costs	**12,897**	**10,869**

The other costs include items such as the costs of insurance, auditors' fees and consultancy fees. The consultancy fees of € 15 thousand relating to the acquisition of Technology2Enjoy were charged to other costs.

The valuation differences of the earn-out obligations result from the settlement of the earn-out obligations. See note 11.1.

Auditors' fees

The following amounts of auditors' fees were charged to the result for the financial year:

2022 *(in € x 1,000)*	Independent auditors	Other network	Total network
Audit of the financial statements	280	24	304
Other audit work	-	-	-
Tax services	-	-	-
Other non-audit services	-	-	-
	280	**24**	**304**

These fees relate to the auditing of the financial statements for the year 2022, regardless of whether the work was already carried out during the financial year.

2021 *(in € x 1,000)*	Independent 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**

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

17. Financial expenses

Financial expenses can be specified as follows:

(in € x 1,000)	2022	2021
Financial expenses	(203)	(166)
Amortisation of earn-out obligations	(27)	(14)
Financial expenses of lease obligations	(272)	(285)
Total financial expenses	**(502)**	**(465)**

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

No credit losses have been recognised under financial expenses.

18. Taxes

Taxes can be specified as follows:

(in € x 1,000)	2022	2021
Taxes currently payable for the ongoing financial year	(1,217)	(944)
Deferred taxes	(480)	(416)
Taxes for prior financial years	341	28
Total taxes	**(1,356)**	**(1,332)**

Taxes for prior financial years mainly relate to the carry back of offsettable losses as a result of the winding-up of Ctac France SAS in 2021. The carry back is applied to the taxable profit from the 2020 financial year.

The tax burden on the result before taxes amounts to 21.2% (2021: 22.2%) and can be specified as follows:

As a % of the result from ordinary activities before tax	2022	2021
Nominal tax burden	25.8	25.0
Effects of lower first bracket	(2.5)	(1.7)
Innovation Box for the ongoing financial year	(2.7)	(3.5)
Change in rate in the years to come	(0.2)	0.2
Non-deductible amounts	1.8	2.4
Earn-out scheme payment differences	(0.9)	0.8
Uncapitalised deferred taxes on loss set-off	0.7	(1.2)
Other differences	(0.8)	0.2
Tax burden according to the consolidated financial statements	**21.2**	**22.2**

The effective tax burden in 2022 was lower than the nominal tax burden of 25.8%, primarily due to the lower tax rate applying to the taxable profit of the fiscal entity Ctac N.V. as a result of application of the Innovation Box. It was also lower as a result of the reduced rate applicable to the tax threshold for five fiscal entities.

For the 2021 financial year, that part of the operating profit attributable to the Innovation Box amounted to 40% of the consolidated adjusted operating result (EBIT) of the Dutch fiscal entity Ctac N.V. For the 2022 financial year, that part of the operating profit attributable to the Innovation Box amounted to 45% of the adjusted operating result (EBIT) of our XV Retail activities. This amount has been capped at 40% of the operating result (EBIT) of the Dutch fiscal entity Ctac N.V.

Due to the winding-up of Ctac France SAS in 2021, it will be possible for € 1.4 million of the taxable amount for 2022 of the fiscal entity Ctac N.V. to be offset with the liquidation loss. 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 per share	**2022**	**2021**
Net result (in € x 1,000)	5,043	4,665
Net result attributable to shareholders Ctac N.V. (in € x 1,000)	4,728	4,455
Number of shares		
Number of ordinary shares outstanding (start-of-year)	13,637,312	13,555,203
Number of ordinary shares outstanding (year-end)	13,931,648	13,637,312
Weighted average of shares outstanding	13,809,008	13,603,100
Net result attributable to shareholders Ctac N.V. per weighted average share outstanding (in €)	**0.34**	**0.33**
Average share price (in €)	3.85	4.04
Potential dilution of ordinary shares	-	308,737
Number of potential shares outstanding for diluted profit per share	13,809,008	13,911,837
Net result attributable to shareholders Ctac N.V. per share after potential dilution (in €)	**0.34**	**0.32**

In 2022, there was no longer any potential dilution of ordinary shares due to the amended put/call agreements with the minority shareholder of Purple Square Management Partners B.V. and the minority shareholders of Digisolve-Mijn ICT B.V. Please refer to page 89 and page 90 for an explanation.

20. Dividend per share

The proposal submitted to the General Meeting of Shareholders is to pay out an optional dividend of € 0.12 per share.
A resolution was adopted by the General Meeting of Shareholders of 4 May 2022 to pay a dividend of € 0.11 per Ctac N.V. ordinary share, to be paid as an optional dividend. Pursuant to this resolution, 294,336 shares were issued as stock dividends in 2022.

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 (2021: approximately € 0.3 million) outstanding. These guarantees have been issued in connection with current lease obligations.

At year-end 2022, Ctac has entered into investment commitments regarding new fixtures and fittings and the replacement of the data centres for an amount of € 0.8 million (2021: € 0.1 million).

In connection with its rental and lease obligations, Ctac has a total amount of approximately € 4.2 million (2021: € 3.2 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., Digisolve-Mijn ICT B.V. and Technology2Enjoy Holding 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., Digisolve-Mijn ICT B.V. and Technology2Enjoy Holding 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 divestments

Technology2Enjoy Holding B.V.

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

This acquisition aligns seamlessly with our strategy of strengthening our position as a Business & Cloud Integrator. By onboarding Technology2Enjoy, we are further expanding our ERP portfolio and responding to the market trend that is seeing organisations opt for a simple ERP core, in accordance with the 'keep the core clean' principle. SAP Business ByDesign meets this increasing need for greater agility and effectiveness, and we therefore anticipate further growth in this segment of the ERP market. The acquisition also offers junior consultants more opportunities to learn to gain an overview of and understand the full spectrum of business processes at a relatively early stage in their consultant training. This supports Ctac in its efforts to become a more client- and talent-oriented organisation.

Acquisition price

The details of the acquisition are as follows:

(in € x 1,000)

Paid in cash	1,057
Deferred consideration	352
Total acquisition price	**1,409**

Deferred/contingent consideration

Ctac agreed that a portion of the purchase price (€ 352 thousand plus the statutory commercial interest (in accordance with Section 6:119a of the Dutch Civil Code)) would be paid in cash on 30 December 2022. The deferred payment was initially valued at € 365 thousand.

Acquisition costs
Acquisition-related costs, such as legal fees and due diligence costs, were recognised as other operating costs in 2022. In 2022 acquisition-related costs totalled € 15 thousand.

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	-	811	811
Tangible fixed assets	14	-	14
Lease car right-of-use assets	106	-	106
Deferred tax asset	-	1,237	1,237
Cash and cash equivalents	106	-	106
Other current assets	403	-	403
Short-term liabilities (excluding lease obligations)	(987)	(127)	(1,114)
Lease obligations	(108)	-	(108)
Deferred tax liabilities	-	(209)	(209)
Total net assets acquired	**(466)**	**1,712**	**1,246**

The other current assets consisted of € 0.4 million of receivables and amounts to be invoiced. No credit losses were recognised.

A deferred tax asset has been recognised in connection with tax losses available for offsetting. Please refer to the 'key estimates' section for an explanation.

The customer relationships of Technology2Enjoy Holding B.V. were valued as part of the Purchase Price Allocation as follows:

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

Since these amortisation costs do not qualify as expenses for tax purposes, deferred taxes were recognised for 25.8% of the total intangible fixed assets of the customer relationships, i.e. € 209 thousand.

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 fourteen to seventeen years for the customer relationships.

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

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

(in € x 1,000)	**Technology2Enjoy**
Total acquisition price	1,409
Net assets acquired	(1,246)
Goodwill	**163**

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

Revenue and results
Revenue in the 2022 financial year was € 1.5 million, the operating result was € -0.3 million and the net result was € -0.3 million.

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.

Transactions with related parties take place at arm's length. The nature and conditions of intra-group transactions are laid down in a service level agreement and are evaluated annually. In 2022 the following transactions took place between group companies:
- purchase and sale of hardware and software;
- hiring and supply of consultants;
- provision of holding activities;
- provision of hosting services;
- making available of intellectual property owned by Ctac B.V.

In addition to the above transactions, in the 2022 financial year a dividend was paid out to co-shareholders of Purple Square Management Partners B.V. and Oliver B.V.

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 with a view to 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 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 2022 and 2021 respectively:

Board of Directors (key management)
(in € x 1,000)

	2022	2021
Periodically payable remunerations	356	643
Other benefits payable in due course	150	577
Remuneration costs after termination of employment	-	-
Payments on termination of employment	-	497
Share-based payments	-	-
Total remuneration to the Board of Directors	**506**	**1,717**

A detailed explanation of the remuneration of the Board of Directors can be found on page 41 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 granted 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 2022 and 2021 respectively:

Supervisory Board
(in € x 1,000)

	2022	2021
G. van de Weerdhof (up to 12 May 2021)	-	17
E. Kraaijenzank (up to 12 May 2021)	-	12
E. Karsten	33	33
H.J.G. Hendriks (from 13 May 2021)	45	28
L.A.M. Vernaus (from 13 May 2021)	33	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	2022	2021
ASSETS			
Fixed assets			
Intangible fixed assets	25	2,519	2,568
Tangible fixed assets	26	6	6
Financial fixed assets	27	28,517	23,578
		31,042	**26,152**
Current assets			
Trade receivables and other receivables	28	12,081	2,925
Cash and cash equivalents	29	132	643
		12,213	**3,568**
		43,255	**29,720**
LIABILITIES			
Shareholders' equity	**30**		
Issued share capital		3,344	3,273
Share premium reserve		11,455	11,526
Statutory reserves		2,383	3,380
Other reserves		7,851	3,416
Result for the financial year		4,728	4,455
		29,761	**26,050**
Long-term liabilities			
Deferred tax liabilities	27	83	-
		83	**-**
Short-term liabilities			
Short-term bank liabilities	31	-	-
Trade creditors and other liabilities	32	13,411	3,670
		13,411	**3,670**
		43,255	**29,720**

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

	Note	2022	2021
Revenue		1	-
Operation expenses			
Outsourced work		425	289
Personnel costs	33	1,118	2,241
Depreciation and amortisation	25-26	53	76
Other operating costs	34	275	(2,310)
Total operation expenses		**(1,871)**	**(296)**
Operating result		**(1,870)**	**(296)**
Financial expenses	35	(81)	(2)
Total financial expenses		**(81)**	**(2)**
Result before profit tax		**(1,951)**	**(298)**
Taxes	36	(310)	75
Result after profit tax		**(2,261)**	**(223)**
Result from group companies	27.1	6,989	4,678
Net result		**4,728**	**4,455**

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, shareholders' equity or borrowed capital) as are applied in the consolidated financial statements.

Pursuant to a legislative amendment, public-interest entities, which include 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 2021 were reclassified to enable a comparison with those for 2022.

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 carried out 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.

Exemption from presentation of cash flow statement
In accordance with DAS 360.104, the company financial statements do not include a cash flow statement. The capital of the legal entity is included in full in the cash flow statement presented in the consolidated financial statements of Ctac N.V. on page 55 of this annual report.

25. Intangible fixed assets

Changes in intangible fixed assets are as follows:

	Goodwill		Intangible fixed assets produced in-house		Total	
(in € x 1,000)	2022	2021	2022	2021	2022	2021
Book value as at 1 January	**2,450**	**2,450**	**118**	**84**	**2,568**	**2,534**
Investments	-	-	-	100	-	100
Amortisation	-	-	(49)	(66)	(49)	(66)
Book value as at 31 December	**2,450**	**2,450**	**69**	**118**	**2,519**	**2,568**
Total acquisition value	6,646	6,646	1,192	1,194	7,838	7,840
Total amortisation and impairments	(4,196)	(4,196)	(1,123)	(1,076)	(5,319)	(5,272)
Book value as at 31 December	**2,450**	**2,450**	**69**	**118**	**2,519**	**2,568**

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

26. Tangible fixed assets

Changes in tangible fixed assets are as follows:

Total ICT hardware
(in € x 1,000)

	2022	2021
Book value as at 1 January	**6**	**16**
Investments	4	-
Depreciation	(4)	(10)
Book value as at 31 December	**6**	**6**
Total acquisition value	72	71
Total depreciation	(66)	(65)
Book value as at 31 December	**6**	**6**

Completely written-off assets representing an amount of € 3 thousand were decommissioned in 2022 (2021: nil).

27. Financial fixed assets

The composition of the financial fixed assets is as follows:

(in € x 1,000)	31 December 2022	31 December 2021
Participating interests	28,077	22,447
Other receivables	357	1,131
Total financial fixed assets	**28,434**	**23,578**

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)	2022	2021
Balance as at 1 January	**22,447**	**17,678**
Result from group companies	6,989	4,678
Dividend	(1,392)	(148)
Other movements	33	239
Balance as at 31 December	**28,077**	**22,447**

The other movement concerns the 2021 result from participating interests of Ctac België N.V., which was incorrectly not recognised in 2021.

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)	2022	2021
Balance as at 1 January	**1,131**	**1,344**
Deposit payment	-	149
Movement in deferred tax assets	(691)	(362)
Balance as at 31 December	**440**	**1,131**

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 was reinsured in 2021. 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.

Deferred taxes can be specified as follows:

(in € x 1,000)	2022	2021
Deferred tax assets	40	731
Deferred tax liabilities	(83)	-
Book value as at 31 December	**(43)**	**731**

28. Trade receivables and other receivables

Trade receivables and other receivables can be specified as follows:

(in € x 1,000)	2022	2021
Trade receivables and receivables in respect of group companies	10,777	2,036
Other claims and payments and accrued income	289	235
Taxes	1,015	654
Total trade receivables and other receivables as at 31 December	**12,081**	**2,925**

There are no receivables in respect of group companies with a term 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 2022 is at Ctac's free disposal.

30. Shareholders' equity

Changes in shareholders' equity in 2022 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 2021	**3,273**	**11,526**	**3,380**	**3,416**	**4,455**	**26,050**
Appropriation of the result in the previous financial year	-	-	-	4,146	(4,146)	-
Dividend	71	(71)	-	-	(309)	(309)
Result for the financial year	-	-	-	-	4,728	4,728
Paid to third parties	-	-	-	(742)	-	(742)
Change in accordance with the statutory reserve	-	-	(997)	997	-	-
Other movements	-	-	-	34	-	34
Balance as at 31 December 2022	**3,344**	**11,455**	**2,383**	**7,851**	**4,728**	**29,761**

For an explanation of shareholders' equity, please see note 9.

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 2020	**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 2021	**3,273**	**11,526**	**3,380**	**3,416**	**4,455**	**26,050**

The decision to pay a stock dividend led to 294,336 new Ctac N.V. shares being issued in 2022 (2021: 82,109 new shares). This concerns ordinary shares.

30.1 Profit appropriation proposal

A net profit of € 4.7 million was achieved in the year under review. An optional dividend is applicable for the 2022 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 € 0.12 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. Short-term bank liabilities

Amounts drawn by Ctac N.V. under the total current account credit facility, totalling € 6.3 million at year-end 2022 (2021: € 6.3 million), are recognised under short-term bank liabilities. Equal to 2021, short-term bank liabilities at year-end 2022 were nil.

32. Trade creditors and other liabilities

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

(in € x 1,000)	**2022**	**2021**
Trade creditors	2,122	1,951
Taxes and national insurance contributions	12	57
Other debts to group companies	10,298	26
Accruals and deferred income	979	1,636
Total trade creditors and other liabilities as at 31 December	**13,411**	**3,670**

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 has been charged either. The fair value of the trade creditors and other liabilities is close to the book value.

33. Personnel costs

The composition of the personnel costs is as follows:

(in € x 1,000)	**2022**	**2021**
Wages	792	1,672
Social charges	15	23
Pension charges	16	29
Other personnel costs	295	517
Total personnel costs	**1,118**	**2,241**

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.

The main features of the pension scheme are:
- the pensionable age is 68 years (2021: 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.

The average staffing (FTEs) over 2022 amounts to 1 (2021: 2).
Ctac N.V. does not employ any employees outside of the Netherlands.

34. Other operating costs
The other operating costs mainly consist of car leasing expenses, marketing and sales costs, ICT costs, auditors' and consultancy fees, and costs passed on to the other group companies.

35. Financial expenses
Financial expenses can be specified as follows:

(in € x 1,000)	**2022**	**2021**
Financial expenses	(81)	(2)
Total financial expenses	**(81)**	**(2)**

36. Taxes
Taxes can be specified as follows:

(in € x 1,000)	**2022**	**2021**
Tax currently payable for the financial year	125	-
Tax for prior financial years	338	(17)
Deferred tax for the financial year	(773)	92
Total taxes	**(310)**	**75**

Tax for prior financial years mainly relates to the carry back of offsettable losses as a result of the winding-up of Ctac France SAS in 2021. The carry back is applied to the taxable profit from the 2020 financial year.

CONTINGENT LIABILITIES

Ctac N.V. and the Dutch group companies, except Oliver B.V., Digisolve-Mijn ICT B.V. and Technology2Enjoy Holding 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., Digisolve-Mijn ICT B.V. and Technology2Enjoy Holding 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, 2 March 2023

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

In accordance with article 34 of the articles of association, the Board of Directors, with the approval of the Supervisory Board, determines which part of the profit shall be reserved. The remaining profit, after the addition to reserves, is at the disposal of the general meeting.

Proposed profit appropriation

An optional dividend is applicable for the 2022 financial year. Shareholders who do not indicate their preference will automatically be awarded a divided in the form of shares. It will be proposed to the general meeting that, in such a case, a dividend of € 0.12 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 59 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) (discontinued as of 5 May 2022);
- 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 following applies to implementing these measures.

Ctac Priority Foundation

Special controlling rights were attached to the priority share held until 5 May 2022 by the Ctac Priority Foundation. On 4 May 2022 the General Meeting of Shareholders resolved to convert the priority share held at that time by the Ctac Priority Foundation into an ordinary share. This conversion was effected on the basis of the amendment made to the articles of association on 5 May 2022. As a result of the above, the protective measure in question was withdrawn on 5 May 2022. As of that date the Ctac Priority Foundation discontinued its activities and attended to the administrative settlement of its existing obligations. Within this context, the Ctac Priority Foundation transferred the converted share to Ctac N.V. for no consideration, after which the Ctac Priority Foundation was dissolved on 29 September 2022 and now no longer exists

As the Ctac Priority Foundation actually continued to function as a protective measure until 5 May 2022, Ctac considers it important, for reasons of transparency, to provide an insight into the powers and composition of the Ctac Priority Foundation board.

The special controlling rights described below were attached to the priority share until 5 May 2022. Shares were issued pursuant to a resolution of the Ctac Priority Foundation. The appointment of the Ctac Priority Foundation as the body authorised to issue shares could be extended under the articles of association or by a resolution of the general meeting 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, passed by bodies other than the general meeting, were always subject to the cooperation of the Supervisory Board. A transfer of preference shares required the approval of the Supervisory Board. The pre-emptive right in connection with an issue of shares could be restricted or excluded by the Ctac Priority Foundation. The appropriate authority of the Ctac Priority Foundation ended at the point in time at which the authority of the Priority Foundation to issue shares ended.

The Ctac Priority Foundation also played a role in the appointment, suspension and dismissal of members of the Board of Directors. The members of the Board of Directors were appointed by the general meeting 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 could, if not passed following a proposal by the Ctac Priority Foundation, only be adopted by a majority of two-thirds of the votes cast representing more than half of the issued share capital. Finally, the Ctac Priority Foundation played a decisive role in amendments to the articles of association and in any resolution to dissolve the company. Such resolutions could only be adopted following a proposal by the Ctac Priority Foundation.

The board of the Ctac Priority Foundation consisted 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 could only be represented by two board members acting jointly.

The board members of the Ctac Priority Foundation in 2022 were:
1. Mr H.P.M. Jägers (chair, from 15 March 2021);
2. Ms E. Karsten (from 15 March 2021);
3. 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, a member of the Advisory Board of the Alliancys Group and chair of Ontmoeting in Beweging.

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 in the capital of the company, provided that certain conditions are fulfilled and without the cooperation of the general meeting 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 2022 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 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. Besides working as a lawyer, she also holds various other positions, including as a supervisory director. In addition, Ms Haan is a member of CMS's ESG Taskforce.

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 2022 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 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.

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 2022 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 2022 and of its result and its cash flows for 2022 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. ('Ctac') give a true and fair view of the financial position of the company as at 31 December 2022 and of the result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited
We have audited the accompanying 2022 financial statements of Ctac of 's-Hertogenbosch, the Netherlands. These financial statements consist of the consolidated financial statements of the group and the company financial statements.

The financial statements comprise:
- the consolidated and company balance sheet as at 31 December;
- the following statements for 2022: the consolidated and company statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity in 2022 and the consolidated cash flow statement; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the consolidated 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 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 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 2022 financial year was characterised by a focus on realising Ctac's growth strategy, both organically and through acquisitions. 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 which 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. Due to the higher inherent risk associated with the complex process of recognising the sale of the intangible fixed asset related to the Fit4Woco application, we identified this 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'. The key audit matter in 2021 'Initial recognition and valuation of the acquisition of Oliver' was not identified as a key audit matter in 2022.

Other areas of attention during our audit that were not identified as key audit matters were the initial recognition and valuation of the purchased customer and contract portfolio of Technology2Enjoy Holding B.V. ('Technology2Enjoy'), the potential for offsetting the deferred tax asset related to the acquisition of Technology2Enjoy, the capitalisation of development costs and the valuation of goodwill and intangible fixed assets.

Ctac has assessed the potential impact of climate change on its financial position. The risks relating to climate change are explained in more detail in the report of the Board of Directors. We discussed the Board of Directors' assessment of climate-related risks and evaluated the potential impact on the financial position, including the underlying assumptions and estimates. The expected impacts of climate change do not give rise to any key audit matters.

We ensured that our audit teams, both at group level and at the level of the group entities, had sufficient specialist knowledge and expertise to conduct an audit of a business consulting organisation and IT service provider. Therefore, we included experts and specialists from fields including IT, tax, valuation and remuneration in our team.

The key features of our audit approach were:

Materiality
- Materiality: €1,100,000

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.
- Audit coverage: 97% of the consolidated revenue, 91% of the consolidated balance sheet total and 74% of the consolidated result before taxation.

Key audit matters
- Sale of the intangible fixed asset related to the Fit4Woco application.
- 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	€1,100,000 (2021: €1,000,000).
Basis for determining materiality	We determine materiality on the basis of our professional judgement. We used 1% of the 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 €660,000 and €1,100,000.

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 €54,000 (2021: €50,000) 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 is the parent company of a group of entities. This group's financial information is included in the consolidated financial statements of Ctac.

We tailored the scope of our audit such 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. Additionally, two group entities were included in the scope of the group audit to obtain sufficient coverage for the audit of individual consolidated financial statement line items.

By conducting this work, we obtained the following coverage for the financial statement line items listed below:

Revenue	97%
Balance-sheet total	91%
Result before tax	74%

None of the group entities not covered by the scope of the audit represent more than 2% of the consolidated revenue or 4% 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.

By conducting the procedures above at group entities, in combination with additional procedures at group level, 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. We refer you to the 'Fraud risk management' section of the consolidated financial statements, in which the Board of Directors has set out its fraud risk analysis, and to the 'Risk management' section of the report of the Supervisory Board, in which the Supervisory Board reflects on this analysis.

With regard to the risk of material misstatements as a result of fraud, we assessed the design and implementation of internal controls, 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. Where considered appropriate, we also tested the operating effectiveness of these internal controls.

We made enquiries with the members of the Board of Directors, Legal Affairs 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 actual, suspected or presumed cases 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 risks we identified and the specific procedures performed 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 specifically 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 acquisition of Technology2Enjoy. 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 and purchased customer and contract portfolios; • valuation of deferred taxes; • 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 control 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	Here 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 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 circumstances that may cast reasonable doubt about the company'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 with the Board of Directors regarding the key assumptions and basic principles. The Board of Directors focused, among other things, on expectations relating to revenue, expected operating results, expected net results and the cash flows derived from them.
- Assessing the budgeted operating results and related cash flows for a period of at least twelve months from the date of preparation of the financial statements, 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.

KEY AUDIT MATTERS	OUR AUDIT RESPONSE AND OBSERVATIONS
Sale of the intangible fixed asset related to the Fit4Woco application *Refer to section 1.4 'Intangible fixed assets produced in-house', note 5 'Other long-term receivables', note 11.3 'Long-term liabilities relating to sale of Fit4Woco' and note 14.1 'Other income'.* With an economic transfer date of 1 January 2022, Ctac B.V. sold the intangible fixed asset related to the Fit4Woco application, including one client contract for use of this application. The sale transaction has created future performance obligations for Ctac and the transaction price has a future settlement date. Ctac has determined the gain on this sale transaction by deducting Ctac's future performance obligations and the cumulative amortisation related to the intangible fixed asset sold from the transaction price. This gain is presented as 'Other income'. We consider this a key audit matter, as this is a complex transaction involving several contracting parties that falls outside the company's ordinary course of business. Furthermore, the determination of the gain is a complex process, as the valuation of the future performance obligations is based on Ctac's estimates of the hours to be worked and the costs of licences.	We familiarised ourselves with this transaction by means of discussions with the Board of Directors. We obtained all contracts related to the sale transaction and, by studying these contracts, gained an understanding of how the transaction is structured and the related rights and obligations. We received the calculation of the gain from Ctac and reconciled it with the financial accounting records and financial statements. We performed recalculations to confirm the accuracy of the financial calculation. With regard to the valuation of the (long-term and short-term) performance obligations linked to the sale of the intangible fixed asset related to Fit4Woco, we conducted audit procedures to validate the accuracy and completeness of the obligation to work hours and supply licences. The hours to be worked in the future were reconciled with the sale contract. The rate for these hours is based on the cost of an IT specialist employed at Ctac. We verified the cost by reconciling it with the average hourly wage of a Ctac IT specialist according to the payroll accounts. The costs of licences were reconciled with purchase contracts and invoices. We checked the adequacy of the notes in respect of the transaction and the notes on the estimates and assumptions made. 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 2022. 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 substantive audit procedures in relation to them. Where applicable, we established that these revenue entries are based on actual deliveries in the financial year concerned. We assessed, on a test basis, the existence of receivables as at 31 December 2022 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 2023. We also examined whether credit notes have been sent in 2023 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 2022 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 for the report of the Board of Directors and the other information, and as required by Sections 135b and 145(2) of Book 2 of the Dutch Civil Code for the remuneration report.

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 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. The Board of Directors and the Supervisory Board are responsible for preparing and disclosing 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 on 1 July 2020 following a resolution passed by the general meeting of shareholders on 4 May 2020, which has been reconfirmed annually by the shareholders. We have now been the company's auditor for an uninterrupted period of 3 years.

European Single Electronic Format (ESEF)
Ctac 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, 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 us 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, 2 March 2023
PricewaterhouseCoopers Accountants N.V.

Original signed by drs. J.J.T. van Kessel RA

Appendix to our auditor's report on the 2022 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 appendix 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 auditor's 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)

	2022	2021	2020
Results (x € 1,000)			
Revenue from contracts with clients	117,672	106,424	87,307
Operating result	6,901	6,462	4,661
Operating result + depreciation and amortisation (EBITDA)	12,293	12,049	10,227
Net result attributable to the shareholders of Ctac N.V.	4,728	4,455	3,032
Net result	5,043	4,665	3,032
Depreciation and amortisation	5,392	5,587	5,566
Operational cash flow	6,142	9,542	15,148
Equity (x € 1,000)			
Intangible fixed assets	28,694	29,382	24,052
Right-of-use assets	9,908	10,715	10,607
Tangible fixed assets	1,227	824	921
Financial fixed assets	2,718	1,182	1,567
Current assets	33,031	31,907	27,373
Long-term liabilities	11,078	13,478	13,640
Short-term liabilities	33,568	33,371	28,391
Shareholders' equity	30,932	27,161	22,489
Total assets	75,578	74,010	64,520
Ratios			
Operating result / revenue from contracts with clients	5.9%	6.1%	5.3%
Operating result + depreciation and amortisation (EBITDA) / revenue from contracts	10.5%	11.3%	11.7%
Net result / revenue from contracts with clients	4.0%	4.2%	3.5%
Net result / average shareholders' equity	17.4%	18.8%	14.5%
Current assets / short-term liabilities	0.98	0.96	0.96
Shareholders' equity / total assets	40.9%	36.7%	34.9%
Per share € 0.24 nominal			
Number of weighted average shares outstanding	13,809,008	13,603,100	13,243,302
(Proposed) dividend	0,12	0,11	0,08
Net result (attributable to shareholders of Ctac N.V.)	0,34	0,33	0,23
Operational cash flow	0,44	0,70	1,14

Data based on published annual reports for the years in question.

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 2022, the authorised share capital amounted to € 9,600,000 and was divided into 40,000,000 shares of € 0.24 as follows: 20,000,000 ordinary shares and 20,000,000 preference shares. The issued share capital consists of 13,931,648 ordinary shares. All issued shares are fully paid up. The decision to pay a stock dividend led to 294,336 new shares being issued in 2022 (2021: 82,109 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 114 to 116.

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.

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 2022, the following parties had an interest of 2.5% 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%
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%
2 March 2022	Regents of the University of Michigan	3.85%
2 March 2022	Otus Capital Management Ltd	8.48%
1 June 2022	H.P.W.P.T.M. van Groenendael	2.94%

Ctac N.V. is not aware of any agreements with a shareholder which might give cause to restrict the transfer of shares or restrict 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.

DEVOPS - An efficient and agile way of collaborating which, in contrast to traditional management approaches, involves bringing together people, processes and technology with a view to making improvements that are of value to the business on an ongoing basis.

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).

Inriver - Inriver is a new-generation Product Information Management (PIM) platform that enables organisations to create, maintain and distribute all product-related information more quickly, more efficiently and in a standardised way.

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.

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.

Precisely - Precisely is a workflow engine platform that is integrated with and suitable for use in combination with SAP. This platform offers a data automation & quality solution, among other things.

Predictive Analytics - Making predictions using data.

Product Information Management solution (PIM) - Software to generate and manage Product Information.

Prosci ADKAR - The Prosci ADKAR model is a result-focused change-management model that supports individual and organisational changes.

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 HANA - SAP real-time inmemory 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.

Vendor agnostic partner - Supplier-neutral: a business model in which no single supplier has a monopoly over all the technologies a party uses.

A supplier-independent or supplier-neutral partner who does not insist on a specific brand or technology being used and instead offers an unbiased approach. By working with various brands and technologies, the partner identifies the best option to satisfy the unique needs of the client.

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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