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ANNUAL REPORT 2023

Contents

Notes to the reader

Disclaimer
This document is only a ‘website version’ and is not the official annual financial report, including the associated audited financial statements, pursuant to Section 361 of Book 2 of the Dutch Civil Code. The official annual financial report, the associated audited financial statements and the independent auditor’s report are included in the single reporting package, which is available at https://www.ctac.nl/wp-content/uploads/2024/02/724500BGF3XIKX9EST18-2023-12-31-nl.zip

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

Please note that the auditor’s report included in the website version does not relate to the website version, but only to the official annual financial report. 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 a nutshell

Ctac in a nutshell

Ctac is a leading Business & Cloud Integrator. Our team of 461 FTEs and 212 professional temporary workers has thorough technological knowledge, combined with an in-depth knowledge of markets and business processes.

Ctac takes all the burden off of the client: from strategic advice and practical supervision in the transition to the (public) cloud, Enterprise Resource Planning (ERP) and hosting to creating and managing the ideal IT workplace. The starting point is that Ctac puts itself in its clients' shoes and supports clients in realising their business ambitions. We call that 'Enabling Your Ambition'.

Ctac primarily focuses on organic growth in the core markets of the Netherlands and Belgium. Ctac has been optimally set up for clients who have a turnover between 100 million and 1.5 billion euros and concentrates on the focus markets of Retail, Wholesale and Manufacturing. Other markets in which we hold a strong position are our focus markets of Real Estate, Public and Professional Services.

Our organisational culture is based on the five core values of Together, Ambitious, Results-oriented, Aware and Enterprising. This allows us to continue building a culture in which people can come into their own and be the best they can. A culture in which people realise projects with pleasure and passion and create tangible added value, not only for clients, but for all customers, employees, suppliers, partners and shareholders.

Ctac is listed on the NYSE Euronext in Amsterdam (TICKER: CTAC) and operates in the Netherlands and Belgium.

Mission

Enabling Your Ambition
Offering stability and trust in the dynamics of business and IT processes. We have been making organisations future-proof since 1992. Supervising the digital transformation is a challenge that goes beyond just IT. A successful transformation requires adjustments of business processes and culture. This means that we know our clients' business and understand an organisation's dynamics. We develop effective solutions which enable us to help clients realise their ambitions.

This requires that we not only know IT, but we must also be familiar with our clients' business. Making use of this knowledge and experience helps us ensure organisations are future-proof. It also helps us realise our clients' ambitions with the help of technology.

We call this: Enabling Your Ambition.

Foreword by the CEO

We look back on what proved to be a turbulent year. In the first quarter of 2023 Pieter-Paul Saasen very sadly passed away. This was a huge and extremely upsetting loss. Everyone really showed the best of themselves in dealing with this loss and I would like to express my thanks to our employees for this.

The change we have seen in our result is a reflection of a sector in transition. Organisations are increasingly outsourcing IT knowledge, a shift can be seen from traditional software licences towards a use-based approach and the adoption of cloud solutions is gathering pace. This is translating into a focus on cost control and smaller-scale projects. Clients want to make manageable investments with a clear duration. Ctac has all the knowledge and experience needed to help clients get control of their IT architecture.

At the same time, we are seeing increasing demand for cyber security and for real-time insights into supply chains, as well as a hunger for data when it comes to sustainability and energy consumption. To respond to these trends, this year we adjusted and redefined our strategy in a number of key areas. Together we laid the foundations that we will build on in the years to come.

Labour market shortages continue to present a challenge. Ctac is responding to this situation creatively through various initiatives. I am extremely proud of the success of the Ctacademy, our very own study centre, where experienced employees offer skills training and workshops to colleagues. The Ctacademy programme is allowing Ctac employees to further enhance their skills, together with their colleagues. In this way we are not only giving a boost to talent, but also stimulating entrepreneurship within the organisation.

This year, by integrating acquisitions that we had previously made, we bundled and embedded our expertise. This also involved making some painful choices, such as the impairment applied to Technology2Enjoy following the redefinition of Ctac's strategy and the strategic review. In 2023 we consolidated our position as a strategic SAP partner and accelerated the growth of public and hybrid cloud solutions. In 2024 we will focus our attention on optimising processes and increasing our effectiveness. This will create a more streamlined organisation and agile teams that are well-equipped to cope with a rapidly changing market. That means we will be able to support our clients with an even wider range of digitalisation issues.

Although I have, of course, known Ctac for over 15 years now, I continue to be impressed by the resilience, entrepreneurship and ambition that I see throughout the organisation. Moving forward, we will align the organisation more and more clearly with market propositions and bring the performance indicators within the company into sharper focus. As an organisation, we have managed to redefine our strategy. I would like to express my huge thanks to all colleagues for the efforts they have made. They have given me great confidence that we will be able to achieve our main objective for the future: to be an enterprising organisation where the digital transformation is guided by the ambitions of our clients.

Gerben Moerland
Chief Executive Officer (CEO)

Facts and figures

Key figures

	2023	2022
Results (in € x 1 million)		
Revenue from contracts with clients	127.2	117.6
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	10.2	12.3
Net result attributable to the shareholders of Ctac N.V.	1.0	4.7
Operational cash flow	10.6	6.1
Employees and professional external staff hired (in FTE)		
Employees averaged over the year	461	463
Professional external staff hired, averaged over the year	212	182
Revenue per employee, incl. external staff hired (per FTE x € 1,000)	189	182
Revenue per direct employee, incl. external staff hired (per FTE x € 1,000)	218	213
Satisfaction		
Employee satisfaction	7.3	7.2
Client satisfaction	8.2	7.6
Ratios		
Year-on-year revenue growth	8.2%	10.6%
Operating result + depreciation and amortisation (EBITDA) / revenue from contracts	8.0%	10.5%
Net result / revenue from contracts with clients	0.8%	4.0%

Strategy for 2024 – 2028

Ctac's strategy for the coming years focuses on working with customers to help them transition to the – mainly public – cloud and on functioning as a trusted IT partner for customers in our focus markets. We make use of tried-and-tested IT solutions to make our customers' ambitions come true.

Connecting with a changing world

The IT world is changing drastically. Key trends in the market include outsourcing IT knowledge, a shift from traditional software licences towards a more use-based approach, and a focus on the cloud. The transition to the cloud is a major digital transformation for which many organisations need help, and Ctac is excellently positioned to give customers this support. We also see that demand for IT coordination and integration management has increased. This is a new type of service that is becoming more prominent in the IT market and to which Ctac has responded.

To ensure that Ctac can continue to optimally serve customers, the organisation will move along with these developments in the years to come, whilst making clever use of advancing technological expertise. We will intensify collaboration within and between the Ctac group brands (Purple Square, Oliver IT, Digimij and Technology2Enjoy) to strengthen the group and enable customers to benefit more from the widely available expertise within the group. The group enables Ctac to offer customers support ranging from strategy and vision to the implementation of ERP and other applications. In addition, Ctac takes care of the entire digital experience: the IT infrastructure, on-boarding and off-boarding, the digital workplace and optimisation of other IT aspects. Internally, there will be an even greater focus on entrepreneurship and employee development in the coming period. This way Ctac will continue to be an attractive employer in a changing and challenging landscape – and this will also benefit customers.

Building excellence

In the next few years, Ctac will gradually strengthen its foundations to enable further growth. This calls for uniform standards, including quality standards, a preferred position with a limited or smaller number of partners, and innovation and implementation based on proven technology. Ctac assumes that there will be organic growth in the period to come; the company is open to making acquisitions, provided they are complementary.

The goal is to achieve an optimised organisation that is fully fitted out to help customers with their digital transformations. Ctac is the partner of choice in selected markets in the Netherlands and Belgium when it comes to strategic advice or practical assistance with the implementation of relocation to the (public) cloud, Enterprise Resource Planning (ERP), housing, hosting or creating and managing the ideal IT workplace. The starting point here is always that Ctac looks at things from its customers' perspectives and supports customers to help them achieve their business ambitions using technology – this is what we call 'Enabling Your Ambition'.

We have organised our propositions around four themes:

1. Strategy and transformation; we advise our customers on their digital or IT transition and support them with programme management and IT coordination and integration management.
2. Digital experience; we can relieve our customers of all their concerns, ranging from IT infrastructure services to creating flexible workplaces, including hardware, hosting, monitoring, management and security.
3. Core and insights; we assist and work with our customers to help them transition to an ERP solution in the cloud and give them a better understanding and relevant information by providing a basis in line with their ERP. We gather relevant data from the organisation to increase efficiency and effectiveness and enhance awareness and understanding.
4. Technology; technology is the basis. We combine personalised solutions with standard applications to offer flexibility whilst avoiding any unnecessary costs for our customers. We take the latest technological developments, such as AI, into account.

In addition to these four themes, we continue to support our customers with the right people (resourcing).

Ctac is optimally set up for customers generating between 100 million and 1.5 billion in turnover, and concentrates on the following focus markets.

- Retail
- Wholesale
- Manufacturing

Retail

Demand for real-time information continues to grow in Retail. Just like wholesalers, retailers work with ever smaller stocks. Ctac matches its service offering to the changing demand. Ctac offers national and international retailers a separate point-of-sale (POS) proposition combined with ERP. This makes Ctac unique.

Wholesale

The vulnerability of long supply chains first became apparent during the COVID-19 period. As geopolitical turmoil has once again demonstrated that dependence on production and distribution outside Europe involves operational risks, companies are looking at opportunities to insource parts of their production and distribution and bring them back to Europe. That calls for adjustments to stock management and for more distribution centres closer to their own locations.

The wholesale sector has always worked with large volumes and an annual schedule divided into seasons. Relative uncertainty has caused more companies to keep smaller stocks. The industry is faced with disruption in the chain, and with decreasing loyalty from price-conscious customers. These dynamics call for even better understanding and more real-time information. Ctac expects this trend to continue and is well positioned to respond to it. Furthermore, wholesalers are also setting up or expanding online channels. This has led to a greater need for support, integration and availability.

Successful S/4HANA implementation at Beeztees
International Pet Trade Service B.V., which consists of Beeztees and Karlie GMBH, has been a pet supplies specialist for more than 50 years. Ctac helped Beeztees successfully migrate from SAP ECC to SAP S/4HANA. The purpose of this migration was to achieve a modern, scalable and future-proof ERP platform that enables further growth and innovation in the fields of digitalisation and automation, in line with Beeztees' ambitious growth plans. Based on a thorough project plan and excellent teamwork between Beeztees employees and Ctac consultants, the legacy system was successfully converted to the new platform in a short period of time, without disrupting Beeztees' operations. SAP S/4HANA has safeguarded continuity, stability, safety and innovation capacity for Beeztees and has made the company fit for the future!

Manufacturing

Similar to Wholesale, Manufacturing has also noticed the sensitivity of the supply chain, partly due to highly volatile market prices of raw materials. This affects delivery reliability. Smaller stocks in Retail and Wholesale also affect manufacturers, who have seen the number of orders increasing and the volume per order decreasing. Demand for customisation requires flexibility and the capability to adapt. Ctac provides insight into schedules, purchase orders, actual costing, delivery reliability and stocks. Ctac offers manufacturers what they need to respond to an insecure supply chain, changing customer demand and margins and to achieve the best possible returns.

Thielco Steel Solutions public cloud live within 13 weeks
Ctac has advised the Thielco Steel Solutions manufacturing company on a future-proof growth path. This long-standing customer decided to switch to SAP S/4HANA Cloud, public edition. The implementation process was successfully completed within a mere 13 weeks. As part of this process, Ctac implemented 66 best practices in the sales, procurement production and financial modules.

Other markets where we are well positioned and make use of the knowledge gathered in our focus markets are Real Estate, Public and Professional Services.

Real Estate

Ctac offers flexible solutions for the real estate sector with end-to-end business applications that are implemented entirely in the cloud. This offers clients flexibility and greater control of their costs.

Public

Ctac helps local government institutions such as municipalities, provinces and universities of applied sciences; this specific domain knowledge combined with the breadth of our service offering is what distinguishes us.

Professional Services

In addition to the aforementioned markets, Ctac also serves the professional services market. This market includes business service providers in the accountancy, finance, legal and staffing sectors. Our services range from the outsourcing of entire infrastructures to relieving customers of their workplace concerns, giving employees a renewed digital experience.

Materiality analysis

Introduction

Increasing attention is being paid to sustainable business practices, also referred to as ESG (Environmental, Social and Governance). With the European Green Deal, Europe is aiming to realise the transition to a climate-neutral economy. Part of the Green Deal is the Corporate Sustainability Reporting Directive (CSRD). In 2026 Ctac will report on the 2025 reporting year, in accordance with the CSRD and the associated European Sustainability Reporting Standards (ESRS). To prepare for this, in 2023 Ctac performed a double materiality and stakeholder analysis. This analysis looks at ESG factors from the perspectives of impact materiality (the 'inside-out' perspective) and financial materiality (the 'outside-in' perspective).

Process for determining material topics and impacts, risks and opportunities (IROs)

Ctac has completed a five-step process to determine material topics.

We explain each step of this process below.

Step 1

Desktop research and discussions with internal and external stakeholders were used to draw up a shortlist of eleven ESG topics. Ctac has linked the material topics to the related ESRS sub-topics and standards.

The shortlist of topics and the associated definitions are presented below:

#	Shortlist topic	ESRS sub-topic	Definition
1	**Greenhouse gas emissions**	Climate change mitigation Energy	• Managing and reducing scope 1, 2 and 3 emissions • Climate change mitigation (sustainability/ electrification of vehicle fleet and office building) • Energy management (consumption/efficiency/ greening)
2	**Water**	Water	• Water consumption/water withdrawals during own operations

#	Shortlist topic	ESRS sub-topic	Definition
3	**Waste and circularity**	Resource inflows, including resource use Resource outflows related to products and services Waste	• Resource efficiency and circular processes in the office environment, e.g. use of materials and products with a lower environmental impact, such as refurbished ICT hardware or hardware with a higher proportion of recycled material • Management of waste and efficiency (within own operations), in particular e-waste
4	**Health, safety and wellbeing**	Working conditions	Working conditions of (own and externally hired employees as regards: • Work-life balance • Health and safety, focus on (reducing) absenteeism • Mental and physical wellbeing, vitality
5	**Diversity, equality and inclusion**	Equal treatment and opportunities for all	Working conditions of (own and externally hired) employees as regards: • Equal treatment and opportunities for all • Gender equality and equal pay for work of equal value • Inclusive working environment (measures to combat discrimination/measures to combat violence and harassment at work, employment and integration of persons with a disability, availability of confidential counsellor) • Diverse workforce, equal male/female ratio within Ctac
6	**Talent development**	Equal treatment and opportunities for all – training and skills development and secure employment	Safeguarding talent development and retention by focusing on: • Recruitment, including hiring of talents with diverse backgrounds, non-Dutch speakers and refugees • Employer branding • Evaluation of employee satisfaction • Training and skills development and working with personal development plans • Internal growth opportunities and remuneration
7	**Sustainable purchasing**	Management of relationships with suppliers including payment practices and workers in the value chain	• Responsible purchasing and management of relationships with suppliers, to mitigate (potential) impacts for people and the environment in the chain, including: fair working conditions, equal treatment/opportunities, protection of human and children's rights for workers in the chain

#	Shortlist topic	ESRS sub-topic	Definition
8	**Privacy en data security**	Privacy	Safeguarding data privacy and digital security within our own organisation and at clients by focusing on: • Compliance with the General Data Protection Regulation • Information security policy
9	**Responsible digital innovation**	None (Ctac-specific topic)	• Carefully considering and testing (with users) any new product or service (e.g.: IT system, applied AI or algorithms) and mitigating potential risks (e.g.: discrimination and bias) • Developing (software) products with a lower environmental impact
10	**Ethics and compliance**	Corporate culture Protection of whistleblowers Corruption and bribery	• Compliance with laws and regulations • Ethical operations, corporate culture in accordance with Ctac's code of conduct • Prevention of corruption and bribery • Protection of whistleblowers
11	**Sustainability transition**	None (Ctac-specific topic)	• Further develop sustainability transition/agenda internally within Ctac • Facilitate sustainability at clients through services provided • Expand sustainable proposition

Step 2
The eleven topics were mapped onto a value chain to gain an insight into where the greatest impacts, risks or opportunities could potentially arise and which stakeholders they concern. This mapping summarises Ctac's activities, broken down into upstream activities, own operations and downstream activities. During this step we also performed stakeholder mapping. This is indicated in the table on page 14 via the references to 'affected stakeholder' or 'user of the future sustainability statement'.

Step 3 Stakeholder engagement
A number of key stakeholders were selected on the basis of our stakeholder analysis. Discussions were held with them to validate our topics and to gather input on impacts, risks and opportunities relating to these topics.

Stakeholder (bold = key stakeholder)	Type of stakeholder
Customer / client	**Affected stakeholder**
Suppliers / partners	**Affected stakeholder**
Board of Directors	**Affected stakeholder**
Supervisory Board	**Affected stakeholder**
Employees	**Affected stakeholder**
Investors / shareholders	**User of sustainability statement**
Financiers	**User of sustainability statement**
Industry organisations	User of sustainability statement
Government / legislator	User of sustainability statement
Rating and benchmarking agencies	User of sustainability statement
Universities and research organisations	User of sustainability statement
Media	User of sustainability statement
Wider community	Affected stakeholder

Step 4 Assessment of impacts, risks and opportunities
On the basis of internal documentation, additional insights and the discussions held with stakeholders, a register of impacts, risks and opportunities was drawn up for each topic. Impacts were formulated on the basis of the 2022 annual report, supplemented with internal and external insights. Relevant ESG risk factors from Ctac's risk assessment were adopted in full and ESG opportunities were formulated based on the stakeholder discussions. These IROs were assessed and given a quantitative score using the parameters specified in ESRS 1.

Impact materiality (impacts)
- Where in the value chain: upstream, own activities, downstream or a combination of these.
- Direction of impact: positive or negative.
- Potential or actual.
- Scale: severity of the negative impact or benefit of the positive impact.
- Scope: how widespread the impact is (e.g.: number of people affected).
- Irreversibility: extent to which a negative impact can be remedied.
- Probability: likelihood of a potential impact occurring.

Financial materiality (opportunities and risks)
- Magnitude: extent of risk/opportunity.
- Probability.

IROs that exceeded the set limit were considered material and included in the prioritisation at topic level.

Step 5 Prioritisation of material topics

As a final step the scores for each IRO were translated into scores at topic level. The result was included in the materiality matrix below. The topics in the boxes in the top left, top right and bottom right are considered to be material by Ctac. Not every topic is equally important: Ctac considers the topics on the right-hand side of the matrix to be of strategic importance, while topics in the top-left corner are ones for which Ctac takes responsibility.

Material topics

1. Talent development
2. Privacy and data security
3. Sustainability transition
4. Health, safety and wellbeing
5. Greenhouse gas emissions
6. Diversity, equality and inclusion
7. Responsible digital innovation

- Evironment
- Social
- Gonvernance

This result was discussed and validated with our Board of Directors and executive committee. As a next step, in 2024 Ctac will carry out an ESRS gap analysis. The findings resulting from this analysis will be used to further embed the seven material topics within the organisation. In this way we will ensure we make improvements in relation to these topics, both in terms of content and in terms of collecting and analysing data. This will enable Ctac to make better use of and better manage its IROs.

Our environment

Market environment

Introduction

2023 was a year of challenges for European economies. Persistent inflation forced the European Central Bank to raise interest rates. How long rates will remain at this level is uncertain, as the situation could change quickly as a result of a recession or new debt crisis. The energy market was also characterised by a degree of nervousness. At the beginning of the year this led to competition between EU Member States to keep gas stocks topped up. Prices reached record levels and some energy-intensive industries came to a standstill.

These macroeconomic developments were outside the control of businesses and created uncertainty. The threat of a recession hung over the market. Industry opted to first run down the stocks that had been hoarded in the wake of the COVID-19 pandemic. The uncertainty translated into a reluctance to invest and a greater focus on cost control.

At the same time, 2023 also gave hope for change. In spite of the focus on costs, economic growth held up and inflation adjustments allowed consumers' purchasing power to remain at a reasonable level. Artificial intelligence (AI) really took off this year. Following the launch of ChatGPT at the end of 2022, in 2023 businesses and consumers gained access to the knowledge and possibilities offered by AI on a large scale. As a result, language models themselves obtained access to the knowledge and input of millions of people at a stroke. There is huge enthusiasm surrounding these developments and start-ups that are transforming the new AI models of Microsoft, Google and OpenAI into practical applications are mushrooming.

Employers and employees are trying to find the right balance between working from home and working in the office. This year employers talked more explicitly about the negative effects of homeworking on cohesion on the shop floor. Nevertheless, one or two days of homeworking has become accepted as the new normal in many sectors. This is giving employees more flexibility, the government is embracing it from the perspective of sustainability and there is a possibility that it will be placed on a statutory footing in the future. However, if people are to work 'anyplace, anywhere', more attention needs to be paid to data security, integration and connectivity.

The energy transition, the application of AI and the facilitation of remote working present both opportunities and challenges for organisations. A digital transformation is needed to take full advantage of the opportunities presented by these developments. Ctac is well positioned to support organisations with this transformation.

Market trends

Cloud migration

One trend that continued in 2023 is cloud migration. Over the coming years organisations will be faced with a digital transformation that will see applications or even their entire Enterprise Resource Planning (ERP) move to the cloud. The driving force behind this shift are software suppliers like SAP and Microsoft, as well as infrastructure providers like Google Cloud and Amazon Web Services. SAP is aiming to migrate all clients to its new (public) cloud environment by 2028. A transition to the cloud not only means a change to an organisation's IT infrastructure – it has an impact on the business as a whole. Alongside a flawless IT implementation, change management is therefore also crucial to achieve a successful cloud migration.

Opportunities for Ctac

Migrating to the (public) cloud involves restructuring. The core of the system is kept simple and is enhanced with sophisticated cloud solutions that are tailored to the client, instead of a completely customised ERP system. As a result, the tasks of IT departments shift more towards management and become more focused. This development opens up a number of opportunities.

- *IT integration*
  To optimise the use of data, it must not be 'stuck' in separate systems and must instead be widely accessible. Whereas, in the past, integration was a necessary evil, it is now a strategic choice. Ctac offers a total integration solution that is tailored to the needs of the client and can advise, implement, manage and monitor.

- IT coordination and integration management
  Organisations often have multiple applications and solutions from different suppliers. Partly as a result of cloud migration, there is a need to manage the IT chain, translating any changes to business processes into new functional and technical solutions. This requires an optimal working relationship with various partners inside and outside the organisation, with continuity of service a prerequisite. IT coordination and integration management is essential to maintain an overview of the supplier landscape, and of which licences are needed, how systems are linked and how data is processed. Security and privacy are also extremely important in this regard. Ctac can take this coordination and management role entirely off its clients' hands.

- Application development
  The existing tools and platforms make it easier to quickly develop client-specific applications to complement the standardised core of the cloud application.

Benefits for companies
The benefits for companies of switching over to the cloud environment are as follows.

- Cost control and flexibility
  On-premise IT infrastructure requires companies to make major investments in hardware and software. Such one-off investments are certainly less attractive in an environment characterised by higher interest rates. Cloud subscription models transform these one-off investments (CapEx) into operating expenses (OPEX), offering greater flexibility. This gives companies more control over costs and helps them avoid unexpected maintenance costs on capital-intensive IT investments.

- Scalability
  In the cloud, companies can scale their IT infrastructure up and down more quickly according to their needs. They then only pay for the applications they are using at a particular moment in time.

- Application development
  New technologies and services can be implemented more quickly in the cloud environment than in legacy environments. In the current market environment, which is characterised by rapidly changing conditions, this shorter time to market offers competitive advantages.

Cyber security
KPN's 2023 SME Cybersecurity Monitor reveals that cyber security is under pressure. The number of companies that had to deal with a cyber threat or incident rose by 34% in 2023. At the same time, the costs per data breach are increasing, making this an ever-growing operational risk for companies and public authorities.

Due to cloud migration, data is being shifted from old to new environments and its storage is being spread over different applications. Organisations are going to be using new services and apps, sometimes alongside existing ones. To make this data accessible on different devices, a robust security policy is needed. Focusing attention on the cyber security of the new environment is essential to safeguard the continuity, availability and integrity of the entire IT landscape.

Connectivity
The calls for better connectivity are also linked to cloud migration. More and more organisations want to allow their employees to work 'anyplace, anywhere', which means that employees need to be able to work just as effectively from a remote location as they do in the office. This requires better integration, security and linking of systems and devices.

ESG (Environment, Social and Governance)
European legislation requires companies to monitor their own impact on the (natural) environment and report on it. The Corporate Sustainability Reporting Directive (CSRD) entered into force in 2023 for listed companies with more than 500 employees and from 2024 will be extended to medium-sized companies with more than 250 employees or a turnover of more than € 40 million.

The calls for change are being heard and embraced by the business community. To bring about this change, data collection and transparency are required. Clients are demanding IT solutions that provide an insight into their own supply chain and support them with the preparation of ESG reports.

Consolidation
The IT market is going through a process of consolidation. Clients are demanding a total solution and looking for a party that can manage and coordinate, leaving less space for niche providers. In addition, existing IT projects require a combination of solutions and staff who have experience of them. Due to the shortages on the sector's labour market, it is becoming increasingly difficult to find the right people. The battle for talent on the tight Dutch labour market is acting as a driver of consolidation within the IT sector. In recent years Ctac has responded to these trends by making various acquisitions and remains open to other strategically complementary acquisitions in the future.

Stakeholder dialogue

Ctac's long-term strategy is geared to the continuity of the business and long-term value creation for all stakeholders. Our stakeholders are groups and individuals who have a direct or indirect influence on Ctac's activities, or groups and individuals who are directly or indirectly affected by Ctac's activities. The various backgrounds of our stakeholders and their knowledge of Ctac are a good starting point for engaging in dialogue. In order to further professionalise our dealings and dialogue with stakeholders, in 2023, as part of our double materiality analysis, Ctac carried out an in-depth stakeholder analysis.

On the basis of this analysis we have distinguished seven types of stakeholders. These are stakeholders with whom we are already in regular contact. Following this stakeholder review, a stakeholder policy was drawn up at the end of 2023. The policy was developed in accordance with the Corporate Governance Code and offers a framework for the interaction with Ctac's internal and external stakeholder groups. Ctac seeks out dialogue and asks for feedback on the topics that are most important to its stakeholders; these are current issues, but also strategically relevant developments, including in the area of ESG/sustainability.
This allows us to continually gain new insights in relation to impacts, risks and opportunities for Ctac and its stakeholders. This helps us to fine-tune and enhance our long-term strategy.

The stakeholder dialogue table below shows the main points as to how we organise and ensure the dialogue with stakeholders.

Stakeholder group	Method of interaction
Customers / clients	• Telephone and e-mail • Physical and digital meetings • Events • Webinars • Client satisfaction surveys • Social media • Stakeholder dialogue Frequency: daily
Suppliers / partners	• Telephone and e-mail • Physical and digital meetings • Events • Webinars • Social media • Stakeholder dialogue Frequency: daily
Board of Directors	• Telephone and e-mail • Physical and digital meetings • Works Council • Intranet/Viva Engage • Social media • Townhall meetings • Events • General and Extraordinary General Meetings of Shareholders • Stakeholder dialogue Frequency: daily
Supervisory Board	• Telephone and e-mail • Physical and digital meetings • General and Extraordinary General Meetings of Shareholders • Stakeholder dialogue Frequency: regularly

Employees	• Telephone and e-mail • Physical and digital meetings • Works Council • Intranet/Viva Engage • Social media • Townhall meetings • Video updates • Events • Employee satisfaction surveys • Stakeholder dialogue • Newsletters Frequency: daily
Shareholders / financiers	• Telephone and e-mail • Physical and digital meetings • General and Extraordinary General Meetings of Shareholders • Roadshows • Investor days • Stakeholder dialogue Frequency: regularly
Local community	• Volunteer work by employees • Donations and good causes • Cooperation and initiatives with local communities • Internships for graduates Frequency: regularly

Report of the Board of Directors

Board of Directors

Gerben Moerland (1972)
Dutch nationality.

Director under the articles of association.
Chief Executive Officer
Appointed with effect from 13 October 2023.

Paul de Koning (1963)
Dutch nationality.

Director under the articles of association.
Chief Financial Officer
Appointed with effect from 13 April 2023.

Note from the CEO

We ended 2023 on an 8.1% increase in revenue. This increase in revenue was mainly due to double-digit revenue growth in Cloud services, which is what we are focusing on more explicitly as a Business & Cloud Integrator. This is driven by ERP providers pushing their customers to transition to the (public) cloud within the next four years. For instance, we managed to fully complete an SAP public cloud implementation project for a manufacturing customer, including the go live, within thirteen weeks in the fourth quarter of 2023. We also realise that this transition will cause our hosting revenue to decrease. The redefined strategy will give substance to the shift in our revenue model to support customers transitioning to the cloud.

Enabling Your Ambition

Customers need support in order for them to transition to the – mainly public – cloud. This transformation goes beyond IT and thus also requires a partner who not only advises customers, but also works with them and supports them. Besides cloud migration, we have also seen an increase in the outsourcing of IT knowledge and a shift from traditional software licences towards a use-based approach. Because we expect these trends to be permanent, we responded to them by redefining our strategy in the second half of 2023, as discussed in more detail in the chapter 'Strategy for 2024 - 2028'.

We are bringing uniformity to quality standards and other standards, and are aiming for a preferred position with a select number of partners. We are also strengthening collaboration within the Ctac group and are putting more emphasis on entrepreneurship. These changes will make us better equipped for shorter projects and will help us tailor the setup of our organisation more towards helping customers with their digital transformation.

The impairment follows the redefinition of Ctac's strategy and the strategic review of our activities. In this context, it was found that Technology2Enjoy requires more time and investment for the implementation of ongoing projects than was initially expected. Technology2Enjoy has a number of projects that were taken on at a fixed contract price and that cannot be completed cost-effectively. Ctac has therefore recognised an impairment of intangible fixed assets of € 0.9 million and a write-down of deferred tax assets of € 1.2 million. The focus is now on finalising ongoing implementation projects and developing a sustainable solution.

We have also created a provision for long-term sickness. Until now, Ctac was a self-insurer for purposes of the Return to Work Scheme for Partially Disabled Persons (WGA). Insurance has been taken out for this with effect from 2024.

Gerben Moerland
Chief Executive Officer (CEO)

Performance

Key figures € mln (unless otherwise stated)	**2023**	**2022**	Delta
Revenue	**127.2**	117.7	+8.1%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**10.2**	12.3	-17.1%
Operating result	**4.1**	6.9	-40.6%
Net result	**1.1**	5.0	-78.0%

Revenue from contracts with clients came in at € 127.2 million in 2023, an increase of 8.1%, with 7.1% of this organic growth. Besides the impact of the smaller size of projects – a trend we see across the entire IT market – the result was negatively impacted by non-recurring charges and a provision that was created.

Revenue per service € mln (unless otherwise stated)	**2023**	**2022**	Delta
Projects and secondment	**73.1**	70.3	+4.0%
Cloud services	**51.9**	44.8	+15.8%
Licence and hardware sales	**2.2**	2.6	-15.4%
Revenue from contracts with clients	**127.2**	117.7	+8.1%
Other income	**0.3**	**0.7**	-57.1%

In **Projects and secondment**, revenue rose by 4.0% with revenue from both projects and secondment increasing. The smaller size and shorter duration of projects had a negative impact on revenue. Although companies are reluctant to make large investments, revenue in **Cloud services** went up by 15.8% compared to last year. This growth is due to the shift from on-premise licences to cloud-based licences, and increases in price rates. Revenue in the public sector went up to € 8.8 million in 2023 (2022: € 6.4 million) and revenue from Security Services – divided between Projects and secondment, and Cloud services – increased slightly to € 4.5 million (in 2022: € 4.3 million). The shift to public cloud environments caused the revenue from **Licence and hardware sales** to decrease. The **Other income** item relates to sales of the Fit4Woco housing association software service in 2022 and 2023.

Employees

FTE (unless otherwise stated)

	2023	2022	Delta
Year-end			
Direct	**365**	385	-5.2%
Indirect	**88**	92	-4.3%
Total	**453**	**477**	-5.0%
Average			
Direct	**371**	371	0.0%
Indirect	**90**	92	-2.2%
Total	**461**	**463**	-0.4%
Professional external staff hired (direct)	**212**	182	+16.5%

The average number of direct FTEs at the end of 2023 was the same as the previous year. The average number of indirect FTEs decreased by 2.2% due to an optimisation of the organisation. The increase in the number of professional external staff is correlated with the revenue growth from Projects and secondment.

Because projects were smaller and this posed challenges for optimum staffing, revenue per employee (based on an average number of direct FTEs including professional external staff hired) increased to € 218,000, which was less than expected (2022: € 213,000).

EBITDA and EBIT

€ mln (unless otherwise stated)

	2023	2022	Delta
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**10.2**	12.3	-17.1%
Margin	*8.0%*	*10.5%*	*-2.5%*
Depreciation and amortisation	**6.1**	5.4	+13.0%
Operating result (EBIT)	**4.1**	6.9	-40.6%
Margin	*3.2%*	*5.9%*	*-2.7%*

EBITDA decreased by 17.1% to € 10.2 million, translating into an EBITDA margin of 8.0%. Margin development was negatively impacted by losses on Technology2Enjoy and the smaller size of projects. In addition, non-recurring charges of € 0.6 million were recognised for fine-tuning the organisation and a provision of € 0.8 million was created for long-term sickness. The EBITDA margin normalised for non-recurring charges amounted to € 11.8, with a 9.3% margin, in line with the 2023 margin target.

EBIT decreased to € 4.1 million (2022: € 6.9 million), resulting in an EBIT margin of 3.2%. Besides the aforementioned non-recurring charges, the impairment of capitalised intangible fixed assets related to Technology2Enjoy affected EBIT.

Net profit € mln (unless otherwise stated)	**2023**	**2022**	Delta
Financial expenses	**-0.5**	-0.5	0.0%
Taxes	**-2.5**	-1.4	-78.6%
Net result attributable to shareholders of Ctac N.V.	**1.0**	4.7	-78.7%
Earnings per share (in €)	**0.07**	0.34	-79.4%

The tax burden rose to 68.5% (2022: 21.2%) due to the impairment of the deferred tax asset created for the offsettable losses at Technology2Enjoy and the fact that no deferred tax asset was created for the actual loss in 2023. This resulted in an impact of € 1.5 million.

The net result attributable to Ctac N.V. shareholders decreased to € 1.0 million, which equals a result per weighted average ordinary share outstanding of € 0.07 (2022: € 0.34). The normalised net result attributable to Ctac N.V. shareholders is € 4.2 million, which is a result per weighted share of € 0.30.

The total number of outstanding ordinary shares as at year-end 2023 stood at 14,149,023, an increase of 1.5%, or 217,375 shares. This increase is due to the fact that the dividend for the 2022 financial year was partly paid out in shares.

Financial strength € mln (unless otherwise stated)	**2023**	**2022**	Delta
Operational cash flow	**10.7**	5.7	+87.7%
Net cash (at year-end)	**7.0**	5.4	+29.6%
Headroom*	**18.3**	14.6	+25.3%

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

Operational cash flow amounted to € 10.7 million (2022: € 5.7 million). Cash flow was positively impacted by the average faster payment behaviour of customers, thereby lowering the receivables position. In addition to this, there was nothing out of the ordinary as regards regular working capital management (receivables and payables).

In 2024, Ctac acquired the remaining 39% stake in Oliver B.V. earlier than planned. The purchase price for this was determined in accordance with the valuation system previously drawn up and concerned a total sum of € 2.36 million.

Net cash stood at € 7.0 million at year-end 2023. The existing credit facility stood at € 10.0 million as at year-end 2023, putting headroom at € 18.3 million. The facility was renewed in the fourth quarter and committed for four years with an option to extend by one year. An amount of € 0.7 million was repaid on loans in 2023. Ctac's liquidity and capital positions are good and give the company a sound basis for continued growth.

Balance sheet

Intangible fixed assets decreased by € 1.8 million to € 26.8 million at year-end 2023. On the one hand, this is due to a € 0.9 million impairment of capitalised intangible fixed assets relating to the Technology2Enjoy acquisition and regular amortisation of € 1.5 million. On the other hand, there was a € 0.6 million increase due to investments in the further development of the XV omni-channel platform.

The write-down of the capitalised losses from the Technology2Enjoy acquisition resulted in a decrease in the deferred tax asset. Recognised losses were zero at year-end 2023. Other long-term receivables decreased because the portion of the purchase price yet to be received from selling Fit4Woco became a short-term receivable. Trade receivables and other receivables decreased by around € 0.7 million to € 24.6 million, mainly as a result of shorter average payment periods after which debtors paid.

Shareholders' equity decreased to € 28.5 million (year-end 2022: € 30.9 million). The net result for 2023 (€ 1.0 million), the dividend partially paid in shares for 2022 (€ -0.8 million), the dividend paid to minority shareholders (€ -0.3 million) and the settlement of the minority stake in Oliver B.V. (€ -2.36 million) were recognised in shareholders' equity.

The short-term and long-term lease liabilities came to € 9.2 million (year-end 2022: € 10.1 million).

Bank liabilities were € 1.4 million; due to early repayment in 2024 they were fully recognised as short-term bank liabilities at year-end 2023.

Provisions increased due to the creation of a provision for long-term sickness. Up to the end of 2023 Ctac was a self-insurer for purposes of the Return to Work Scheme for Partially Disabled Persons (WGA). Ctac has taken out insurance against this risk with effect from 2024.

The total earn-out obligations to the minority shareholders at year-end 2023 were € 0.1 million and are all short-term obligations (2022: € 0.7 million).

Trade creditors and other liabilities stood at € 29.5 million at year-end 2023 (year-end 2022: € 29.5 million).

Proposed dividend

The proposal submitted to the General Meeting of Shareholders is to pay out a cash dividend of € 0.11 per ordinary share for the 2023 financial year (2022: € 0.12 per share). This corresponds to a pay-out ratio of around 37.1% of the normalised net profit in line with the dividend policy.

Legal structure

Ctac has increased its majority stake in Oliver B.V. from 61% to 100%. The remaining 10% minority interest in Purple Square Management B.V. has also been acquired by Ctac. As a result of this share transaction, Purple Square Management B.V. is now a wholly owned subsidiary. In the case of Digisolve-Mijn ICT B.V., 15% of the remaining interest has been acquired.

Events after the balance sheet date

There were no events after the balance sheet date.

Personnel developments

Central focus on employees

Ctac's tagline 'Enabling Your Ambition' partly relates directly to 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 mission: realising our customers' ambitions. This is why we 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.

An employee satisfaction survey was conducted in the Netherlands and Belgium in 2023, with the help of Effectory. The findings were shared and discussed with the employees in the first half of 2023. Areas for improvement and an action programme were identified for the individual teams and followed up on. In addition, the generic areas for improvement were followed up on centrally.

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'.

Strategic Personnel Planning

Ctac actively implements 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 2023.

Ctacademy
Learning and development are key aspects of Ctac's 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
The Talent & Development Programme was developed for employees with the potential and ambition to grow. 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 benefit individuals and to ensure the continuity of the organisation.

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.

Ctac pursues an active absence policy to prevent long-term absenteeism. Thus, jointly with Werkatleet, Ctac organised the ‘fitness for your brain’ vitality programme in 2023. This programme consists of workshops focusing on mental health. Ctac also makes use of preventative medical examinations to increase its employees’ health awareness.

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.

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 employees are an important aspect of our recruitment; they are our ambassadors on the labour market. They talk about their jobs, experiences and challenges at Ctac, specifically targeting relevant groups on social media. Our employees are an important recruitment channel and they receive a recruitment bonus if their referral is successful.

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.

Employee participation
Several consultation meetings with the Works Council took place in 2023. This not only benefits formal employee participation, but also the informal dialogue between the Board of Directors and the Works Council. Periodic consultations were held on all aspects of operations. Recurring agenda items in these meetings are market and result trends, organisational changes, and the human resources policy.

Sustainable business practices

The energy consumption data related to accommodation, the internal and external data centres, and employee mobility in 2023, which we received from our external suppliers, were used to calculate the estimated overall CO2 emissions for the Ctac organisation. From the 2023 financial year onwards, all participating interests have been added to the scope because there has been operational control over these entities since this year.

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 CO2-generating activities that Ctac has included in its calculations are defined for each scope.

Total emissions for the entire group in the 2023 calendar year amounted to 1,291.84 tonnes of CO2 (2022: 1,238.51 tonnes of CO2).
The main reason for the increase was that the scope was expanded to include participating interests. Based on the 2022 scope, total emissions were 1,060.01 tonnes of CO2. The decrease based on the old scope was mainly achieved by switching over to more electric cars.

Scope 1

Scope 1 concerns 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, this includes fuel consumption, natural gas and consumption of refrigerants. Taken together, this resulted in the emission of 1,050.90 tonnes of CO_2 in 2023 (2022: 1,031.86 tonnes). Emissions produced by fuel consumption are the most important factor in this.

Scope 2

In addition to direct greenhouse gas emissions, a CO_2 footprint also includes indirect CO_2 emissions resulting from the use of electricity. CO_2 is emitted when electricity is produced at the power plant. Ctac is therefore indirectly responsible for these CO_2 emissions through its purchase of electricity.
Ctac's total Scope 2 CO_2 emissions were 227.03 tonnes (2022: 206.35 tonnes). The increase was caused by the fact that the company has more and more electric cars.

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. 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 2023 calendar year amounted to 13.91 tonnes (in 2022: 0.3 tonnes). The increase is mainly due to an increased number of flights.

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

Outlook

We look to the future with confidence. The redefined strategy has put us in a good position to support our customers with their digital transformation. The year 2024 will be all about strengthening mutual collaboration and making additional investments in operational excellence. We expect revenue to increase in 2024 and our emphasis will be on improving results. Our expertise as a Business & Cloud Integrator and high demand for migration solutions are the growth drivers and the foundations for Ctac's further development.

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.

Investments to replace hardware and modernise our offices in 2024 are expected. We will also make investments to replace our ERP system, with Ctac moving to S4 Public Cloud. This investment will consist of hours to be worked by our own staff.

The investments in ICT hardware during 2023 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.

's-Hertogenbosch, 26 February 2024

The Board of Directors

Gerben Moerland (CEO)

Paul de Koning (CFO)

Governance

Risk management

Risk management

Risk management is very important to Ctac. On the one hand, structural risk management allows Ctac to continue providing services to clients and it is an important part of the faith that clients have in Ctac. On the other, the risk management process is continually being monitored, both bottom up and top down, as to the effectiveness of implemented measures, with the goal of further improving the operating processes. 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.

Risk management process

The risk management process (Figure 1) is a cycle in which the material risks are identified and analysed, the likelihood of occurrence and impact of the risks are determined, which leads to the following heat map (Figure 2), and on the basis of which appropriate management measures are drawn up. This is discussed with the Board of Directors. The risk management process with the control mechanisms and mitigating measures is also a regularly recurring item on the Supervisory Board's agenda.

Process

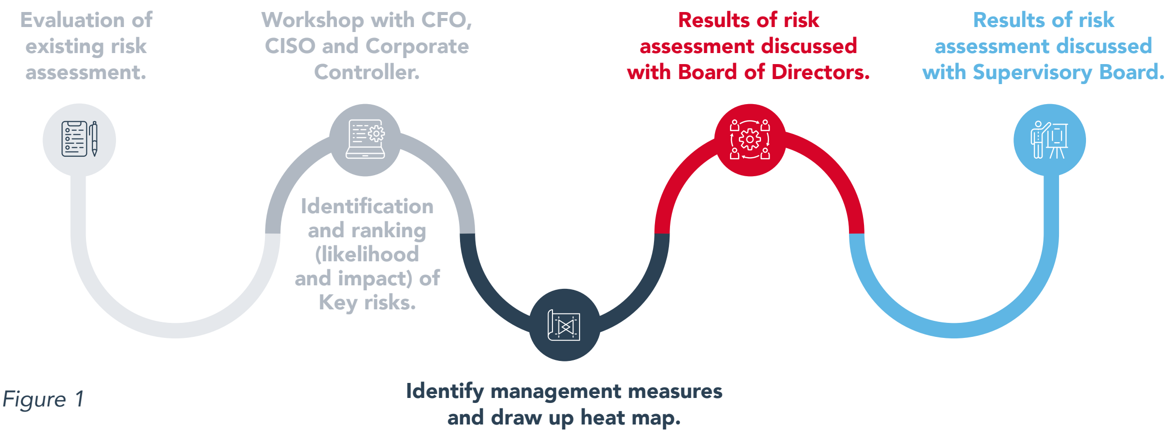

Figure 1

Heat map

	Risks
1	Sensitivity to economic cycle
2	Competitive and price pressure
3	Technological developments
4	Tight labour market
5	Partnerships
6	Credit risk
7	Liquidity risk
8	Value of fixed assets
9	Cyber-security incidents
10	Compliance risks and negative reporting
11	Project risk

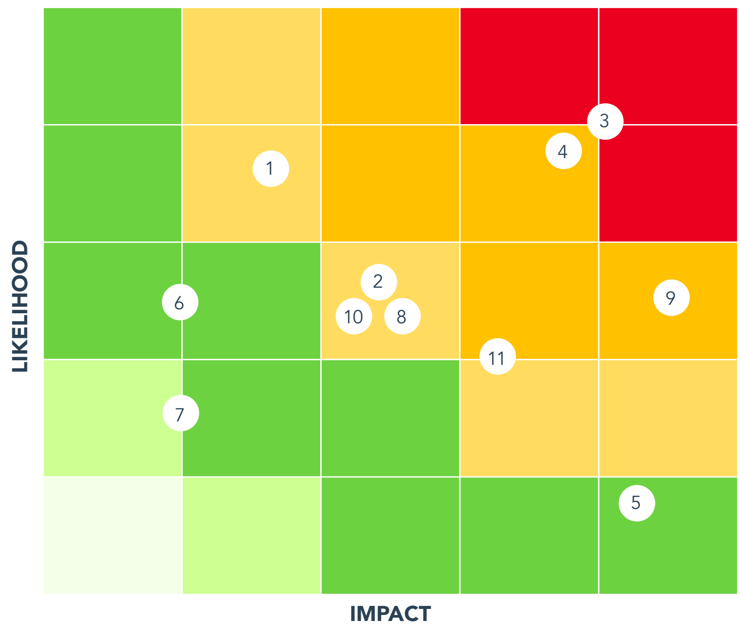

Figure 2

Responsibilities
Risk management is an integral part of the planning and control cycle. Where possible, Ctac uses uniform work processes, procedures and information systems with fixed guidelines, procedures and processes. Each person's responsibilities, authority and job boundaries are fixed. It is of great importance that employees are aware of the possible risks and how to deal with them. In addition to the management's focus on this topic, attention is also drawn to it by means of such things as e-learning courses. The effective management of risks also requires an open culture. Ctac is continually seeking a balance between control and stimulating decentralised responsibilities and enterprise. The Chief Information Security Officer (CISO) has an initiating and coordinating role in this respect.

The management and the business controllers of the various business units report to the Board of Directors on a monthly basis. They report the progress on the realisation of their business plan, the resulting KPIs and the financial performance and associated risks to the Board of Directors. The Board of Directors has final responsibility for the risk management system. Monthly business reviews were introduced in 2023.

The reviews deal with the following topics, among others:
- actions agreed in previous reviews;
- relevant commercial developments;
- project and client developments/risks;
- financial results of the past month and the updated prospects;
- progress on the identified KPIs;
- developments in the area of organisation and employees.

Risk appetite
Determining our risk appetite is part of the risk management process. Risks exceed our risk appetite when:
- our continuity is under pressure;
- our reputation in the area of compliance and integrity comes under pressure;
- there is a material impact on revenue or on profitability.

Material risks
Ctac distinguishes the following risks:
- strategic risks;
- financial risks;
- cyber risks;
- operational risks.

The risk matrix below outlines 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.

Risk matrix

Strategic

Risk	Explanation of risk	Likelihood	Impact	Mitigation
1. Sensitivity to economic cycle	Fluctuations in economic cycles due to, e.g., inflation or an unstable geopolitical situation in combination with a relatively fixed cost structure have a direct effect on the result.	High	Medium	Ctac's goal is more added value in its services by focusing on: - business propositions and market topics; - maintaining and strengthening of long-term collaborations; - a manageable and flexible cost structure; - increasing the revenue from contracts with a longer term; - revenue distribution across the various markets; - indexation of contracts.

Risico	Explanation of risk	Likelihood	Impact	Mitigation
2. Competitive and price pressure	The IT services market is a mature market. The competitive market puts pressure on prices and margins.	Medium	Medium	Making clear strategic choices relating to the positioning in the market. Investing in the development of competencies and skills of employees.
3. Technological developments	Rapid developments in technology can result in employees being unemployable over the longer term and in clients making alternative choices and/or perhaps not getting the best solution for their problem.	High	High	Aligning business propositions with market developments. Long-term employability of employees by means of such things as extensive training options for employees.
4. Tight labour market	Ctac's most important asset is its employees. Ctac grows thanks to its employees. Scarcity on the labour market can put the brakes on growth in IT knowledge from a qualitative perspective. Quantitatively it can lead to increasing personnel costs or the limiting of revenue growth.	High	High	HR policy for a stimulating work climate in which there is scope for employee growth. In addition to attracting new employees, retaining employees is an important goal. Employer branding in line with the strategy and geared to various target groups. Talent management, diversity and vitality are important topics, including with regard to attracting new employees. Successful referral channel. Strong links with educational institutions.
5. Partnerships	The risk that Ctac will not meet the compliance requirements of business partners, resulting in Ctac running a continuity risk in relation to the delivery of products and services of these business partners.	Low	High	Periodic consultation with the partner managers of our business partners. Weekly discussion with the SAP partner manager and regular discussions with other partners. Regular consultation on the business plan. Monitoring of whether Ctac meets the certification requirements by means of weekly dashboards. Interim external audits to determine that Ctac meets the compliance requirements. Examples of this are ISAE 3402 type II, accountant audits and ISO certifications. Periodic audits have also been established in processes to mitigate non-compliance.

Financial

Risk	Explanation of risk	Likelihood	Impact	Mitigation
6. Credit risk	Ctac has a material receivables item. If clients or suppliers are facing liquidity, solvency or continuity issues, they would not be able to perform their contractual commitments. This forms a credit risk for Ctac.	Medium	Low	Central management of the credit risk. Client creditworthiness is assessed in advance on the basis of acceptance criteria and, if available, with the help of external credit ratings. If no external ratings are available, Ctac assesses the creditworthiness on the basis of, among other things, the financial position and previous experience. Internal monthly reporting on payment conduct and the outstanding invoices. Customers are continually assessed as to compliance with agreements on payment terms.
7. Liquidity risk	Market developments and/or a critical attitude of financiers limit the availability of financing options in the market.	Medium	Low	Central liquidity management. Credit facilities available in the Netherlands and Belgium. Periodic liquidity forecasts for both the short term and the medium term. These forecasts are adjusted at regular intervals based on realisation.
8. Value of fixed assets	Worsening market conditions and expectations for the future can lead to write-downs on the fixed assets. In view of the amount of the fixed assets, the effect would be material.	Medium	Medium	An assessment is carried out every year to check that the value as recognised on the balance sheet can still be recovered.

Cyber risks				
Risks	**Explanation of risk**	**Likelihood**	**Impact**	**Mitigation**
9. Cyber-security incidents	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. There is a risk of persons gaining unauthorised access to systems and data of Ctac or its clients as a result of these cyber risks. Such unauthorised access to systems and data can lead to reputational damage.	Medium	High	The Chief Information Security Officer (CISO) identifies these risks together with the Privacy Officer, the business units and the staff departments. The necessary mitigating measures are implemented in consultation in order to reduce these risks to an acceptable level. Ctac also has a Cyber Security Board, headed by the CFO, which meets every quarter to discuss and follow up security and privacy risks. Ctac has based the Information Security Management System (ISMS) on the ISO27001 standard and an ISAE3402 and ISAE300 framework. The design, existence and operation of all mitigating actions and activities are tested annually by means of internal and external audits. As part of the ISMS, Ctac has an internal operational security team. This team continuously monitors the IT landscape and will respond immediately in the event of a threat. Besides detection measures, Ctac has also implemented numerous preventive measures. Ctac has cyber-security insurance so that, if a cyberattack takes place, it can enlist the aid of external specialists to support its own team.

Operational risks

Risks	Explanation of risk	Liklihood	Impact	Mitigation
10. Compliance risks and negative reporting	Ctac must comply with laws and regulations in its business operations. Ctac's reputation can be harmed by unfavourable reporting in the media and on social media. In addition, there is a risk of claims in case of non-compliance with laws and regulations.	Medium	Medium	Ctac applies a multidisciplinary approach to laws and regulations in order to monitor risks. Ctac has drawn up a code of conduct, an insider policy and a whistleblower policy, which all employees must comply with. These can be found on the website.
11. Project risk	Ctac has various types of contracts with clients. Ctac generates an important part of its revenue by executing projects for clients. How Ctac executes projects can affect Ctac's performance and results. There is a risk that projects will not be completed in accordance with specifications, agreements and the margins planned.	Low	Medium	Precise formulation of the scope, frequent reporting to the Project Review Board and execution by experienced and qualified employees.

Risk management with regard to sustainability

At this time we estimate the impact of sustainability risks on our business operations to be low. We have identified a number of material topics in the area of sustainability and corporate social responsibility, for which we refer to the chapter 'Materiality Matrix'. These topics are beyond the scope of the heat map that is included in Figure 2.

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 2022 Dutch Corporate Governance Code (which can be consulted at www.mccg.nl). 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 20 December 2022).

- 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. Since risks and derogations are reported adequately, and derogations can be corrected afterwards, a separate internal audit function is not deemed to be necessary (1.3, as explicitly permitted in 1.3.6). Consequently, the company also derogates from subsections 1.3.1 to 1.3.5iii and 2.6.4. Every year, both the external auditor and (the Supervisory Board of) 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. To date, such a function has not been deemed to be needed.

- 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. and 1.6.3). The same applies to reports by the remuneration, selection and appointments committee to the Supervisory Board, as all members of the Supervisory Board also sit on this committee (2.2.5, 2.3.5 and 3.2.1).

- 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, 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 Corporate Governance 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.

- In 2023 the Supervisory Board did not perform a self-evaluation or have an external evaluation carried out. This is because, for part of the year, the Supervisory Board consisted of two members and there was regular contact between them, during which they also reflected regularly on the approach taken (2.2.6, 2.2.8.iii and 2.2.8.iv).

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

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 company affiliated with it. The Board of Directors aims to achieve sustainable, long-term value creation for Ctac, taking into account the interests of all stakeholders and the impacts that the actions of the company and its affiliated companies have on people and the environment. For this purpose, KPI-based, short-term and long-term variable remuneration has been promised to the Board of Directors.

On 28 March 2023 Mr Pieter-Paul Saasen, who had served as CEO since 15 November 2021, resigned from his role for health reasons and immediately stood down as a director under the articles of association. Mr Paul de Koning had been working for the company in the role of CFO, as a director not mandated by the articles of association, since 15 February 2023. When Mr Saasen stepped down as director, the Supervisory Board appointed Mr De Koning and Mr Wim Geraats as interim directors to assume Mr Saasen's duties. On 13 April 2023 the Supervisory Board appointed Mr De Koning as a director under the articles of association in the role of CFO and Mr Geraats stepped down from his position as interim director. Mr Gerben Moerland was appointed to the role of CEO, as a director not mandated by the articles of association, on 1 September 2023. On 13 October 2023 the Supervisory Board appointed Mr Moerland as a director under the articles of association, from which point he has held the role of CEO and chair of the Board of Directors. Further information about the Board of Directors can be found on page 24.

Executive committee

To promote the implementation of the company's strategy, the executive committee was established at the beginning of 2022. The operational managers, i.e. the Cloud Director, Sales Director and Director of Ctac Belgium, 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, members of the executive committee who are not members of the Board of Directors are invited to participate in meetings of the Supervisory Board to shed light on specific business issues and discuss them together. 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 pursued and management conducted by 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 the Ctac website.

The Supervisory Board currently consists of Mr Harry Hendriks (chair), Mr Ton Vernaus and Ms Marlies van Elst. Ms Van Elst has taken the place of Ms Liesbeth Karsten, whose term of office as a Supervisory Board member ended following the General Meeting of Shareholders held on 13 April 2023. Since she was appointed on 13 October 2023 Ms Van Elst has been maintaining contact with the Works Council on behalf of the Supervisory Board. Ms Van Elst is 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 on the basis of the two-tier board regime, which Ctac introduced following the amendment of the articles of association on 5 May 2022. 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 48.

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;
- holding an advisory vote on the remuneration report;
- 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. Ctac also has a stakeholder dialogue policy in which it sets out how it interacts with its stakeholders. This policy can be found on Ctac's website under 'About Ctac', Corporate Governance, Code & regulations.

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.

Explanation of the diversity policy and its implementation

Ctac has introduced a diversity and inclusion policy ('D&I policy') for the company in which it sets out specific, appropriate and ambitious targets to ensure a good balance in relation to gender diversity and other aspects of D&I that are relevant to Ctac. These targets relate to the composition of the Board of Directors, the Supervisory Board, the executive committee, second-tier management and other management levels.

The D&I policy relating to the composition of the Board of Directors and Supervisory Board was adopted by the Supervisory Board. That relating to the composition of the executive committee, second-tier management and other employees was adopted by the Board of Directors after having been approved by the Supervisory Board.

An explanation of the D&I policy and its implementation in the past financial year is provided below.

Aims of D&I policy

The aim of the D&I policy is to ensure that within Ctac we create a (more) diverse and inclusive working environment, in which everyone feels welcome and valued, regardless of ethnic origin, race, sexual orientation, gender, age, religion, cultural background or physical condition. Ctac develops and implements this policy in line with its core values: together, ambitious, enterprising, results-oriented and aware.

In the area of D&I, Ctac has formulated the following targets, which it aims to achieve by the end of 2027, unless indicated otherwise.

Management diversity:

- at least one third of the members of the Supervisory Board should be female and at least one third should be male;
- at least one third of the members of the Board of Directors should be female and at least one third should be male;
- at least one third of the members of the executive committee should be female and at least one third should be male; and
- at least one third of the members of second-tier management should be female and at least one third should be male.

Diversity in promotion practices

- at least one third of persons promoted to the management roles of Team Leads, Competence Leads or second-tier management positions ("Management Roles") should be female and at least one third should be male; and
- at least 20% of persons promoted to more senior roles (scale 7 or 8), not including Management Roles, should be female and at least 20% should be male.

Workforce diversity

- at least 25% of the workforce should be female and at least 25% should be male;
- at least 15% of the workforce should have a non-Dutch or non-Belgian background;
- at least 10% of the workforce should have a non-European background;
- at least 30% of the workforce should be <35 years of age; and
- at least six people who are disadvantaged on the labour market should be employed by the company.

Inclusion
- at least 60% of the workforce should have followed the online training course "unconscious bias";
- an improvement (to be defined in more detail) should be achieved in relation to the 'inclusive employee experience' baseline measurement; this will be determined in 2024.

Action plan
For all roles, Ctac applies the following principles in relation to recruitment, selection, advancement and promotion:
- in principle, all persons with the same skills, versatility and potential have an equal opportunity of being appointed to the same role, although in certain cases preference is given to candidates who are underrepresented in terms of gender or background;
- decisions are made on the basis of relevant, objective criteria and discrimination must be avoided;
- differences are valued positively.

Board of Directors and Supervisory Board
Whenever there are any vacancies on the Board of Directors or Supervisory Board, the possibilities of achieving the target male/female ratio as set out in the diversity policy will be considered, with due observance of other diversity aspects as well. Ctac's action plan is geared towards achieving a (more) inclusive and diverse profile description, organising the recruitment and selection process in such a way that more female candidates are found and applying specific targets to the longlist and shortlist (in both cases at least one third of the candidates should be female). 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 is also aiming to achieve a sufficient level of diversity in terms of age and (cultural) background, again without losing sight of other diversity aspects.

Executive committee, second-tier management and other management levels
Whenever there are any vacancies within this category of roles, the possibilities of achieving the target male/female ratio as set out in the diversity policy will be considered. Ctac's action plan is geared towards achieving a (more) inclusive and diverse job description and (more) inclusive and diverse selection criteria, implementing mentoring and coaching programmes focusing on women, and conducting awareness campaigns on prejudices and biases. The recruitment and selection process is also being made more inclusive and is being adapted to promote candidate diversity. Via a partnership with the Refugee Talent Hub, Ctac is also managing to reach candidates who have been granted refugee or residency status. When both recruiting and promoting employees, in the event that candidates are equally suitable for a role, preference is given to a woman or a person with a non-Dutch/non-Belgian background.

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[1] *This target applies immediately, in accordance with applicable legislation.*

[2] *Second-tier management comprises, on the one hand, the business unit managers and the board members of all group entities (not including members of the executive committee) and, on the other, the heads of the staff departments and business management teams.*

[3] *Persons with a non-Dutch or non-Belgian background are defined as persons who were not born in the Netherlands or Belgium themselves or who have at least one parent who was not born in the Netherlands or Belgium. For the branches of the Ctac group this target relates to employees with a non-Dutch background and for the Ctac branch in Belgium to employees with a non-Belgian background.*

[4] *In accordance with the definition of Statistics Netherlands (CBS), Europe is understood to include Russia, but not Turkey, Georgia or Armenia. Persons with a non-European background are defined as persons who were not born in Europe themselves or who have at least one parent who was not born in Europe.*

[5] *This target must be met by the end of 2025.*

Results of the D&I policy and explanation

Board of Directors
During 2023 the composition of the Board of Directors changed. On 28 March 2023 Mr Pieter-Paul Saasen, who had served as CEO since 15 November 2021, resigned from his role for health reasons and immediately stood down as a director under the articles of association. Mr Paul de Koning was appointed as a director under the articles of association (CFO) on 13 April 2023 and Mr Gerben Moerland as a director under the articles of association (CEO) on 13 October 2023. As two men were appointed as directors, the composition of the Board of Directors has not yet improved, in light of the target percentage set. The target date for achieving this target is the end of 2027, given the more general challenge faced within the IT sector of attracting a sufficient number of female directors.

Supervisory Board
The composition of the Supervisory Board also changed in 2023: Ms Liesbeth Karsten stood down following the General Meeting of Shareholders held on 13 April 2023, and Ms Marlies van Elst was appointed as a Supervisory Board member on 13 October 2023. The Supervisory Board comprises two men and one woman and therefore complies with the (statutory) target percentage.

Executive committee
The composition of the executive committee changed in 2023, but the male/female ratio remained unchanged: the committee is made up of five men and no women. In light of the target percentage set, it can therefore be stated that the composition of the executive committee has not yet improved. Here again, the target date for achieving this target is the end of 2027, given the more general challenge faced within the IT sector of attracting and/or developing a sufficient number of female managers.

For the vacancies that arose in 2023, there were no female candidates within the organisation who qualified for the positions concerned. By encouraging the recruitment and promotion of female colleagues in accordance with the D&I policy, Ctac aims to ensure that more women are present within the organisation's more senior management levels, with the result that they will be more likely to be considered for director positions in the event of a vacancy arising.

Second-tier management
The composition of the second-tier management changed in 2023 and now comprises ten men and four women. With men and women accounting for shares of 71% and 29% respectively, the organisation's second-tier management therefore does not yet meet the target percentage set for the end of 2027. Over the course of 2023 the male/female ratio has, however, moved closer to the target, as in 2022 the second-tier management comprised eleven men and three women. It should be noted that Ctac has defined its second-tier management and started reporting on it in the 2023 financial year.

Composition as at year-end 2023
The table below shows the gender breakdown of the Board of Directors, Supervisory Board, executive committee and second-tier management at the end of 2023.

Diversity	Supervisory Board		Board of Directors		Executive committee		Second-tier management	
	#	%	#	%	#	%	#	%
Male	2	67%	2	100%	5	100%	10	71%
Female	1	33%	0	0%	0	0%	4	29%

Employee recruitment, promotions and retention
The table below shows the male/female ratio within Ctac for 2023 in relation to employee recruitment, departures and retention. Monitoring – and managing – the recruitment, departures and retention of male and female employees helps Ctac achieve its gender diversity targets.

Diversity	Recruitment		Departures		Retention[6]
	#	%	#	%	#
Male	59	78%	85	79%	78%
Female	17	22%	22	21%	79%

[6] *The retention percentage has been calculated as follows: (number of employees as at year-end 2023 – number of employees recruited) / (number of employees as at year-end 2022).*

Ctac also monitors the promotion of employees to Management Roles and other senior roles (scale 7 or 8, not including Management Roles). The table below breaks down these promotions by gender for 2023.

Promotions	Management Roles		Scale 7 or 8 (not including Management Roles)		Total	
	#	%	#	%	#	%
Male	9	75%	8	89%	17	81%
Female	3	25%	1	11%	4	19%

Workforce diversity
The other diversity targets and the results achieved per target are shown in the table below. Hardly any of these targets have yet been achieved in 2023. This is in line with expectations, as the aim is to realise the targets by the end of 2027.

Workforce diversity	Target for end of 2027	Result
Male	≥25%	80%
Female	≥25%	20%
Non-Dutch/non-Belgian background	≥15%	15%
Non-European background	≥10%	12%
Employees under the age of 35	≥30%	28%
Employment of persons who are disadvantaged on the labour market	≥6 employees	1

Inclusion:
The implementation of initiatives aimed at improving inclusion within Ctac will begin from 2024. In terms of timing, this is in line with the targets formulated in this area.

Report of the Supervisory Board

Supervisory Board

Harry 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.

Ton 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.

Marlies van Elst (1966),
Dutch nationality.

Chair of remuneration, selection and appointments committee.

Member of the Supervisory Board of BNG Bank and Bank Mendes Gans
A full list of her relevant other positions is stated in the Report of the Supervisory Board on page 51.

Appointed to the Supervisory Board of Ctac in October 2023. The current term is for four years until the date of the 2027 Annual General Meeting of Shareholders.

Foreword by the Chair of the Supervisory Board

Ctac's Supervisory Board looks back on a dynamic year. In particular, our thoughts turn to Pieter-Paul Saasen, who sadly passed away this year. Partly due to his death, the year was also characterised by a number of changes to the board. By the time this report is published, both the Board of Directors and the Supervisory Board will have been at full strength for several months. Another important feat was the strategy redefinition serving to position Ctac even better for the future in a consolidating industry.

Personnel changes

Mr Paul de Koning was nominated as Chief Financial Officer (CFO) in February 2023. He was officially appointed as such after the Annual General Meeting of Shareholders on 13 April 2023. Ctac was looking for a CFO who had experience at a publicly listed company, knew how those dynamics work and could start to contribute right away. Mr De Koning's experience and seniority suit Ctac. The search for a new Chief Executive Officer (CEO) started shortly after Pieter-Paul's death. In October, we could announce that we envisaged to appoint Mr Gerben Moerland as our CEO. Mr Moerland is experienced, also as an entrepreneur. He also has substantive knowledge of Ctac and stands out as a capable problem solver. His focus on results and his knowledge of the IT market were the decisive aspects.

The Extraordinary General Meeting of Shareholders, following which Mr Moerland was appointed, also approved the appointment of Ms Marlies van Elst as a member of the Supervisory Board. Ms Van Elst's years of management experience and knowledge of digital transformations at public and private organisations are greatly valued by Ctac's Supervisory Board. Thus, after Ms Liesbeth Karsten's departure due to the end of her (re)appointment period and in line with the Dutch Corporate Governance Code, the Supervisory Board has regained full strength. We would like to thank Ms Karsten for the pleasant collaboration and for her contribution over the past years.

Strategy update

In mid-2023, the Board of Directors and the executive committee started redefining our strategy. The Supervisory Board was involved in this process, in which we considered the interests of all stakeholders, the market segmentation, technological developments and Ctac's current portfolio. In today's consolidating market, it is very important that the added value of different services is clearly defined. The redefinition of the strategy should put Ctac in an even better position for the future.

Results

The Supervisory Board looks back on a good financial year in which Ctac achieved an 8.1% increase in revenue, with 7.1% of this through organic growth. We can see the effects of the trend of the size of projects decreasing. In addition, a necessary impairment of intangible fixed assets and a write-down of Technology2Enjoy's deferred tax asset, as well as the formation of a provision for long-term sickness, negatively affected profitability. The Supervisory Board was briefed by the Board of Directors on the operating losses in 2023 at Technology2Enjoy, which was acquired in 2022, and supports the intervention by the Board of Directors following the disappointing developments.

Interesting steps for future revenue were taken in the second half of the year, and the strategy was redefined in response to the transition to the (public) cloud. The fact that Cloud services grew by 15.8% is proof that we have taken the right direction. We fully realise that this transition also entails a different revenue model and we are confident that the path embarked upon in 2024 will contribute to the expected improvement in results.

Challenges

In a challenging labour market, we still manage to attract staff. Staff turnover has shown a similar pattern compared to previous years. Furthermore, the Supervisory Board is attentive to cyber security, also in view of the shift of services to the cloud. We not only look at Ctac's security, but we also highlight what Ctac can do for other companies.

Stakeholders

We have to maintain contact with both the major shareholders and other shareholders. As every year, remuneration was one of the issues discussed with shareholders. In addition, together with and for the shareholders and all stakeholders we consider what is best for the company.

We also maintained open and regular contact with the Works Council. It is very important that the culture in a company is good, and the Works Council plays an important role in this.

Besides the regular Supervisory Board meetings, we were in frequent contact with the Board of Directors and the quality of this contact was good. We actively work together with the management team, keeping the right balance between constructive guidance and support, and necessary supervision. Therefore, I can say, without any hesitation, that we have confidence in the fine-tuned policy course presented by the board headed by the CEO, Mr Moerland, and that we support this course.

We see that the redefinition of the strategy sharpens Ctac's profile and puts us in a good position in the market, which has good growth expectations. The Supervisory Board also paid attention to the further steps being taken in the organisation to make profiling, operations and sales more effective and more efficient.

A word of thanks

On behalf of the Supervisory Board, I would like to thank the Board of Directors for their efforts and commitment in the past year. I would like to thank Mr De Koning and Mr Geraats in particular for their willingness to assume CEO duties on an interim basis during a difficult period. I would also like to express a word of thanks to Ctac's employees for their relentless efforts and flexibility in the past year. Furthermore, I would like to thank my fellow supervisory directors and shareholders for their dedication and trust.

Through the redefinition, Ctac has managed to combine knowledge and commitment into a new, broadly supported strategy. There is a French saying 'reculer pour mieux sauter', or 'step back in order to jump better'. The Supervisory Board is convinced that the changes that have been implemented will take Ctac further.

On behalf of the Supervisory Board,
Harry Hendriks – Chair

Pieter-Paul Saasen

Pieter-Paul Saasen's announcement that he was going to step down and his passing away shortly afterwards deeply touched us and the entire company. He was marvellous in many respects, but he had to yield to an invisible enemy and the speed of this process shocked us all.

Pieter-Paul left us after the best year in the company's history. Like no other, he managed to combine ambitions and business leadership with an eye for people. Pieter-Paul did not linger on problems, Pieter-Paul came up with solutions. He did not just suggest proposals, but he came up with ready-to-implement measures and followed through on them. You could read between the lines that he was eager and impatient to add new dimensions to his leadership skills.

On behalf of everyone at Ctac, I would like to use this opportunity to once again express our great appreciation and gratitude for his collegiality and incredible commitment, and for how he made the heart of the company stronger.

Report of the Supervisory Board

The Supervisory Board is primarily responsible for supervising the policy, the general state of affairs and the functioning of the Board of Directors. In doing so, the Supervisory Board also considers the effectiveness of risk management and control systems and the integrity and quality of financial and sustainability reporting. 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 the website.

Composition of the Supervisory Board

The Supervisory Board consists of three members: the chair Mr Hendriks, Ms Van Elst and Mr Vernaus. At the Extraordinary General Meeting of Shareholders of 13 October 2023 Ms Van Elst was appointed as a member of the Supervisory Board for a four-year term, which term will end following the Annual General Meeting of Shareholders in 2027.

The personal details and profiles of the Supervisory Board members are listed below. Further details can be found on the website.

Name	Principal role	Gender and year of birth	Nationality	Relevant other positions	Date of first appointment	Current term of office
H.J.G. (Harry) Hendriks	Chair of the Supervisory Board	Male, 1950	Dutch	Chair of the Supervisory Board of Pala Groep and board member of Stichting PSV Voetbal	May 2021	Four years, up to 2025 AGM
T. (Ton) Vernaus	Chair of audit committee	Male, 1965	Dutch	CFO of GreenV, subsidiary of HAL	May 2021	Four years, up to 2025 AGM
M.E.R. (Marlies) van Elst	Chair of the remuneration, selection and appointments committee	Female, 1966	Dutch	Member of the Supervisory Board of BNG Bank and Bank Mendes Gans, member of the Supervisory Board of Nictiz, IKNL, VSBfonds, chair of the Supervisory Board of the Nederlands Hypotheken Fonds, board member of VSB Vermogensfonds and Voedselbank Amsterdam	October 2023	Four years, up to 2027 AGM
E. (Liesbeth) Karsten	Chair of the remuneration, selection and appointments committee (until 13 April 2023)	Female, 1954	Dutch		May 2014	April 2023

The composition of the Supervisory Board complies with the 2022 Corporate Governance Code guidelines. The Supervisory Board has established that the requirements of best practice provision 2.1.7 on 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: the chair Mr Vernaus, Mr Hendriks and Ms Van Elst. The remuneration, selection and appointments committee also consists of three members: the chair Ms Van Elst, Mr Vernaus and Mr Hendriks.

Meetings

There were eight Supervisory Board meetings in 2023, all eight of them also attended by the Board of Directors. Whenever any specific topics were on the agenda, executive committee members or senior staff members were invited to share their input. All Supervisory Board members were present during the Supervisory Board and committee meetings, i.e. the attendance rate was 100%.

Topics discussed during the Supervisory Board meetings included the composition of the Board of Directors and the Supervisory Board, market developments and the revenue pipeline, risk management, result development, the budget and its realisation, the organisational structure and culture, general operational affairs, sustainability reporting and redefining the strategy. As part of redefining the strategy, the Supervisory Board paid particular attention to Technology2Enjoy and its future direction. Extra attention was paid to establishing the remuneration policy in the first quarter of 2023, in preparation for the Annual General Meeting of Shareholders. The Supervisory Board also shared their input on potential acquisitions.

The full Supervisory Board met with the Works Council on several occasions, including to discuss the appointments of the CFO and CEO, and the current state of affairs within all parts of Ctac. The Supervisory Board is pleased to note that it has a healthy and open dialogue with the Works Council.

Audit committee

The audit committee meetings ensure the integrity and quality of the financial and sustainability reporting and the effectiveness of the internal risk management and internal control systems. 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 audit committee met five times in 2023. During those meetings, the committee discussed IT risk management, the overarching risk analysis, sustainability reporting, the audit plan and the 2024 budget planning schedule and the fraud assessment/internal control framework. These meetings were attended by the full Supervisory Board and the Board of Directors.

Remuneration, selection and appointments committee

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.

Strategy redefinition

Headed by the new Board of Directors, i.e. Mr De Koning and Mr Moerland, a process was launched in 2023 to redefine the strategy in close consultation with the members of the executive committee. The Supervisory Board supervised this process, supported it by giving their advice and acted as a sounding board. The Supervisory Board specifically considered whether the strategy was focused on sustainable long-term value creation, the company's position in the market, the quality of the organisation in order to achieve the objectives, and its role in the consolidation of the market.

Appointment of CEO Mr Gerben Moerland

The Supervisory Board undertook a thorough search to find a suitable CEO. After a longlist of suitable candidates had been drawn up, talks were held with these candidates. This resulted in the longlist being reduced to a shortlist of the most promising candidates. Intensive follow-up interviews took place with these candidates, during which the desired operational and communication skills and leadership style were discussed in detail. An assessment was carried out to also objectively substantiate the decision to appoint Mr Moerland. A peer review was also undertaken.

At the beginning of 2023 Ctac had a majority interest of 61% in Oliver IT and a call option to acquire 10% of the shares in Oliver IT annually. In connection with the nomination of Mr Moerland, the Supervisory Board decided to complete the acquisition of the remaining 39% stake in Oliver IT from Mr Moerland early, to avoid potential conflicts of interests in the performance of his management role at Ctac.

The acquisition of the remaining 39% stake qualifies as a 'related party transaction' within the meaning of Section 2:169 of the Dutch Civil Code. The purchase price for the remaining stake was determined in accordance with the valuation system previously drawn up and concerned a total sum of € 2.36 million. Ctac's Supervisory Board approved the transaction and is of the opinion that the transaction is reasonable and fair in accordance with the principles agreed in 2021 in view of the interests of Ctac and its stakeholders.

Risk management

No notable disputes with customers or suppliers arose in 2023. The risk management strategy has not changed. Because of the small size of the Ctac organisation, Ctac does not have an internal audit position. The Supervisory Board agrees with the Board of Directors' decision not to establish an internal audit function in the year 2024 either.

The subject of fraud prevention and risk management was on the agenda during joint meetings of the Supervisory Board, the external auditor, and the Board of Directors. No indications of any fraud or non-compliance have been identified.

The Supervisory Board considers the fraud risk analysis by the Board of Directors to be appropriate and has seen the results.

Evaluation

No external evaluation or self-evaluation took place in 2023. This is because, for part of the year, the Supervisory Board consisted of two members and there was regular contact between them, during which they also reflected regularly on the approach taken.

In 2023, the Supervisory Board also maintained intensive contact outside ordinary meetings, both amongst themselves and with the rest of the organisation.

Corporate Sustainability Reporting Directive

In line with the Corporate Sustainability Reporting Directive, Ctac will report on the impact of its activities on people and the environment, and vice versa, in the 2025 financial year; this report will be published in 2026. Preparations are proceeding as planned.

2023 financial statements

Ctac ended the 2023 financial year with a net result of € 1.0 million. The Board of Directors has submitted the 2023 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 N.V., which issued an unqualified opinion. The audit opinion is included on pages 126 to 139 of this annual report.

The Supervisory Board has established that the report of the Board of Directors over 2023 satisfies the requirements of transparency and that the 2023 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 2023 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

Furthermore, the Supervisory Board agrees with the Board of Directors' proposal to distribute a cash dividend of € 0.11 per share to holders of ordinary Ctac shares.

Ctac N.V. - 2023 remuneration report

This remuneration report has been prepared on the basis of Section 2:135b of the Dutch Civil Code and best practice provision 3.4.1 of the 2022 Dutch Corporate Governance Code. For this purpose, account has been taken of the relevant remuneration principles, as incorporated in the 2022 Corporate Governance Code and the revised European Shareholders' Directive that was implemented in Dutch legislation in 2019. This report describes how the remuneration policy was implemented in 2023.

The composition of both the Board of Directors and the Supervisory Board changed in the year under review. Mr P.P.J.G. Saasen, who had served as CEO since 15 November 2021, resigned from his role on 28 March 2023 for health reasons and stood down as a director under the articles of association with immediate effect. Mr P.H.J. de Koning had been working for the company since 15 February 2023 in the role of CFO, initially as a director not mandated by the articles of association. Mr De Koning was appointed a director under the articles of association by the Supervisory Board on 13 April 2023 and has formally been a member of the Board of Directors since that date. Mr G.M. Moerland was appointed CEO of the company on 1 September 2023, initially as a director not mandated by the articles of association. On 13 October 2023 the Supervisory Board appointed Mr Moerland as a director under the articles of association, from which point he has held the role of CEO and chair of the Board of Directors. After having been a member of the Supervisory Board for a total period of nine years, Ms E. Karsten stood down as a member of the Supervisory Board immediately following the end of the Annual General Meeting of Shareholders held on 13 April 2023 (the '2023 AGM'). At the Extraordinary General Meeting of Shareholders of 13 October 2023 (the '2023 EGM') Ms M. van Elst was appointed as a member of the Supervisory Board for a four-year term, which term will end following the Annual General Meeting of Shareholders in 2027.

The 2023 AGM approved the 2022 remuneration report with 99% of all votes cast.

2023 remuneration policy

The Supervisory Board drafted a new proposal for the remuneration policy for 2023. The proposal was submitted to the General Meeting of Shareholders on 13 April 2023 for their adoption and was adopted with 78% of the votes for the proposal. This remuneration policy took effect on 1 January 2023.

Application of 2023 remuneration policy

The Supervisory Board wants to provide a clear and transparent view of the application of the policy with regard to the remuneration of the members of the Board of Directors in 2023. This is partly with a view to permanently being able to rely on qualified and experienced directors, as well as providing appropriate, market-compliant and socially acceptable remuneration. The remuneration policy contributes to the business strategy, the sustainable long-term interests and the sustainability objectives of the company, its affiliated company and the interests of its stakeholders.

The application of the remuneration policy was based on the following basic principles.

- Stakeholder interests are served when the members of the Board of Directors and management satisfy the most stringent professional requirements, and they therefore deserve adequate remuneration.
- The remuneration reflects the required expertise, commitment and involvement contributed 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 management 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 to be discussed by the Supervisory Board, as part of 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 established the 2023 remuneration levels, using objectivised and market-compliant salary scales. This safeguards an appropriate remuneration and ensures that no remuneration is awarded that would not be socially acceptable inside or outside the company. When determining remuneration levels, consideration is also given to the remuneration and terms of employment of Ctac employees, as well as the internal pay ratio, to ensure that the remuneration of the Board of Directors remains in line with the identity, mission and values of Ctac.

The remuneration committee did not conduct a separate scenario analysis this year, since the remuneration policy contains a representation of the maximum remuneration to be received for the three scenarios: below average (targets not met), average (at target), and above average. It was specifically considered whether the strategic targets of Ctac N.V. are aligned with the targets set for the variable remunerations for the directors. According to the remuneration committee, the targets chosen for the year 2023 are appropriate, since the targets of the Board of Directors are aligned with the targets 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. The 2023 targets for all members of the Board of Directors are identical, although the CEO was not appointed until later in 2023.

Fixed remuneration - Base salary

The fixed component of Mr Moerland's remuneration in 2023 consisted of a gross annual salary of € 300,000 (the base salary), including holiday pay. For Mr De Koning, the fixed component of the remuneration in 2023 was a gross annual salary of € 265,000 (the base salary), including holiday pay. Both directors received a pro-rated share of this with effect from the time they were appointed to their respective roles as directors under the articles of association. This was 13 April 2023 for Mr De Koning and 13 October 2023 for Mr Moerland.

Variable remunerations

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

With regard to the variable remuneration, it should be noted that the company is entitled to claim them back, entirely or in part, if and to the extent that payment was made on the basis of incorrect information about the targets on which the variable remuneration was based having been achieved or about the conditions which had to be fulfilled for the variable remuneration to be paid. The claim may also be instituted by the Supervisory Board on behalf of the company. In 2023 no variable remuneration was claimed back within the meaning of 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 the total STI and non-financial performance measures make up the remaining 30%.

Performance measures

The Supervisory Board formulated the following financial STI performance measures for 2023 (weighting of 70% of the total STI):

- achieving the revenue target as budgeted, with the budget at the beginning of 2023 having been set at € 135.6 million;
- achieving an EBITDA target as budgeted, with the EBITDA amount at the beginning of 2023 having been set at € 15.1 million.

The above STI components represent 30% (revenue target) and 40% (EBITDA target) respectively of the total STI.

The Supervisory Board formulated the following non-financial STI performance measures for 2023 (weighting of 30% of the total STI):

- honing and redefining the group-level strategy for the period 2024-2028, with the delivery of the strategy plan being considered to be a necessary deliverable in order to qualify for being awarded this STI component;
- drafting a plan with a concrete roadmap to enable Ctac to comply with the Corporate Sustainability Reporting Directive (CSRD) in good time, with the delivery of this plan being considered to be a necessary deliverable in order to qualify for being awarded this STI component. Another goal set besides drafting the above plan was that a double materiality analysis should be carried out before the end of 2023.

Each of the above targets represents 15% of the total STI.

Performance measurement & height
For the members of the Board of Directors, the STI when achieving target performance is 27% of the base salary, 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 (30% of STI)	0%	Pro rata 50% – 100% target	8,1%	Pro rata 100% – 150% target	12%
EBITDA (40% of STI)	0%	Pro rata 50% – 100% target	10,8%	Pro rata 100% – 150% target	16%
Strategy plan (15% of STI)	0%	Pro rata 50% – 100% target	4,05%	Pro rata 100% – 150% target	6%
CSRD preparation plan (15% of STI)	0%	Pro rata 50% – 100% target	4,05%	Pro rata 100% – 150% target	6%

Also when setting qualitative targets, the minimum, target and maximum performance levels are determined in advance of the year of performance. 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 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 three-year performance period, from 1 January 2023 to 31 December 2025, with an annual conditional award to be settled in cash at the end of the three-year performance period, provided the requirements have been met during those three years. Financial performance measures make up 80% of the total LTI and non-financial performance measures make up the remaining 20%.

Performance measures
The financial performance measures for the LTI plan are:
- A profit-related performance measure, i.e. achievement of the budgeted EBITDA (weighting of 50% of the total LTI award); and
- a measure related to the growth in Earnings Per Share ('EPS', weighting of 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 2023 to 31 December 2025 has been set at an annual growth rate of 6%.

The EBITDA performance measure and the EPS growth target provide a means for the company to achieve its sustainable growth objectives.

The Supervisory Board formulated the following non-financial LTI performance measures for the three-year performance period from 1 January 2023 to 31 December 2025:
- achievement of a client satisfaction level of 8.0 or higher;
- achievement of an employee satisfaction level at Ctac of 8.0 or higher.

The client and employee satisfaction performance measures are built up gradually during the three-year performance period from 1 January 2023 to 31 December 2025. The client and employee satisfaction targets for the year 2023 are for a level of 7.5 or higher. This will go up to a level of 7.7 or higher in the 2024 financial year to arrive at a level of 8.0 or higher in 2025.

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

Performance measurement and height
The at-target value is based on a percentage of annual base salary.

For the members of the Board of Directors, the at-target LTI is 40% of the base salary, with a minimum of 0% and a maximum of 60% of their base salary (150% of target).

The part of the LTI award that becomes unconditional based on the EBITDA-related measure, the EPS-related measure, and, where applicable (if quantitative), the client satisfaction and employee satisfaction targets, 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
LTI total (% of base salary)	**0%**	**Pro rata 50% – 100% target**	**40%**	**Pro rata 100% – 150% target**	**60%**
EBITDA (50% of LTI)	0%	Pro rata 50% – 100% target	20%	Pro rata 100% – 150% target	30%
EPS (30% of LTI)	0%	Pro rata 50% – 100% target	12%	Pro rata 100% – 150% target	18%
Qualitative measurement of client satisfaction (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 performance levels are determined in advance of the period of performance. 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.

EBITDA
EBITDA performance is measured for a three-year period (1 January to 31 December during the three-year performance period). Ctac reports the EBITDA achieved as such in each annual report.

Earnings Per Share
Annual EPS growth is measured for a three-year period (1 January to 31 December during 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.

Elaboration of variable remuneration policy for 2023

Calculation of 2023 short-term variable remuneration (STI)
The summary below shows to what extent the formulated financial and non-financial STI targets for 2023 were achieved. The targets for the CEO and CFO for Mr Moerland and Mr De Koning are identical. The summary is followed by an explanation of how the performance achieved compares to the targets, how performance is measured and then expressed as a target percentage.

(in € x 1,000 unless stated otherwise)

CEO and CFO targets	Weight in allocation at target	Score	CEO STI value	CFO STI value
Financial targets				
Achievement of revenue in accordance with budget	30%	94.0%	3,551	10,633
Achievement of EBITDA in accordance with budget	40%	67.5%	0	0
Non-financial targets				
Strategy plan	15%	95.0%	1,898	5,702
CSRD preparation plan	15%	100.0%	€ 2,531	€ 7,602
Total	**100%**		**€ 7,980**	**€ 23,967**

Explanation of targets achieved

Achievement of revenue in accordance with budget
Budgeted revenue was set at € 135.6 million at the beginning of 2023. Actual revenue for 2023 was € 127.5 million, i.e. 94.0% of the budgeted amount. The amount of the variable remuneration for this component was then calculated on the basis of 94.0% of the target percentage for this component in accordance with the method stated in the table on page 56.

Achievement of EBITDA in accordance with budget
Budgeted EBITDA was set at € 15.1 million at the beginning of 2023. The EBITDA for 2023 amounted to € 10.2 million, resulting in 67.5% of the budgeted amount. Since actual EBITDA was lower than 90% of the target, no variable incentive was awarded. The amount of the variable remuneration for this component was calculated in accordance with the method stated in the table on page 56.

Achievement of a new strategy plan
In mid-2023, the Board of Directors, then consisting only of Mr De Koning (CFO), started to redefine the strategy. From that point in time onwards, Mr Moerland was actually involved in redefining the strategy, because of his role as a member of Ctac's executive committee. Subsequently, Mr Moerland was appointed CEO and member of the Board of Directors in October 2023, after which the Board of Directors jointly and energetically continued to shape the Ctac Group strategy. In this regard, the Board of Directors prepared a revised strategy for the period 2024 – 2028, based on both qualitative and quantitative aspects. The strategy was arrived at with the help of employees from different parts of the organisation. Their involvement served to involve the organisation in the new strategic direction, establish ownership at the right levels within the organisation and immediately initiate the performance of the redefined strategy. To the extent possible, the redefined vision, direction and focus were shared within the organisation in the fourth quarter of 2023. Given the fact that the Board of Directors was at full strength for only a short time in 2023, much progress was made. However, not all aspects of the plan were completed and it was not communicated externally to stakeholders. Although the Supervisory Board has not yet given its final approval to the redefined strategy plan, it has noted that the strategy process had reached its final stages by the end of 2023.

The delivery of a redefined strategy plan is required in order for the threshold objective (90% of the target) to be reached. Achieving 100% of the target (target objective) requires the redefined strategy plan to be approved by the Supervisory Board. As, on the one hand, the redefined strategy plan was completed on time and had already been partly implemented and, on the other hand, had not yet been formally approved by the Supervisory Board, the Supervisory Board awarded a performance of 95%, equivalent to a 75% target score.

Realisation of a plan with a roadmap to prepare for the CSRD
In 2023, the Board of Directors drafted a plan to prepare Ctac for the CSRD. The CSRD will become applicable to Ctac with effect from the 2025 financial year. This means that 2026 will be the first year in which Ctac will have to set up its annual report in accordance with the CSRD requirements. Ctac should have formulated policy in relation to the sustainability topics that are material to it and should be able to monitor and analyse the necessary data with regard to these topics no later than as from the 2025 financial year. The plan drawn up by the Board of Directors also contains a roadmap detailing the steps that Ctac must have completed by the end of 2024 in order to comply with the above. The double materiality analysis, as explained on page 11 of the annual report, was carried out as part of this plan in 2023.

Since the Board of Directors delivered a plan that was approved by the Supervisory Board, it is the Supervisory Board's opinion that the target was met for 100%. In this regard, the Supervisory Board considers that, if the Board of Directors had only drafted a plan that would not meet with the approval of the Supervisory Board, the performance rating would have been 90%. If the Board of Directors had realised significantly more follow-up steps from the plan than planned for the goals set, the Board of Directors would have achieved a performance of 120% or more.

Calculation of 2023 long-term variable remuneration (LTI)
The summary below shows to what extent the formulated financial and non-financial LTI targets for 2023 were achieved.

(in € x 1,000 unless stated otherwise)

CEO and CFO targets	Weight in allocation at target	Score as at 31 December 2023 (% compared to target)	CEO LTI value	CFO LTI value
Financial targets				
EBITDA	50%	67.5%	0	0
Earnings per Share (EPS) growth of 6% p.a.	30%	19.4%	0	0
Non-financial targets				
Achievement of client satisfaction (>7.5)	10%	109.3%	1,028	3,088
Achievement of employee satisfaction (>7.5)	10%	96.0%	667	2,003
Total	**100%**		**1,695**	**5,091**

Achievement of EBITDA in accordance with budget
For an explanation of the achievement of EBITDA, please refer to the explanation about the STI on page 57.

Earnings Per Share ('EPS') growth by 6%
The EPS growth target was set at € 0.36 at the beginning of 2023. Actual EPS growth for 2023 was € 0.07, i.e. 19.4% of the target. Since the actual growth was below 90% of the target, no variable incentive was awarded. The amount of the variable remuneration for this component was calculated in accordance with the method stated in the table on page 57.

Achievement of client satisfaction target
The 2023 client satisfaction target was set at a figure of 7.5 (on a scale of 0 to 10). Client satisfaction measured for 2023 was 8.2, i.e. 109.3% of the target. The amount of the variable remuneration for this component was then calculated based on 109.3% of the target percentage for this component in accordance with the method mentioned in the table on page 57.

Achievement of employee satisfaction target
The 2023 employee satisfaction target was set at a figure of 7.5 (on a scale of 0 to 10). Employee satisfaction measured for 2023 was 7.2, i.e. 96.0% of the target. The amount of the variable remuneration for this component was then calculated based on 96.0% of the target percentage for this component in accordance with the method mentioned in the table on page 57.

Remuneration in 2023

The fixed and variable remuneration provided to the members of the Board of Directors for 2023 was as follows.

(in € x 1,000 unless stated otherwise)

Position	Director	Financial year	Fixed remuneration		Variable remuneration		Extraordinary items	Total remuneration	Fixed share and variable share	
			Base salary	Other remunerations*	STI	LTI			Variable	Fixed
CEO	P.P.J.G. Saasen	2023 (01-01/31-03)	84	2	6	59	78	229	28%	72%
CEO	G.M. Moerland	2023 (13-10/31-12)	63	14	8	-	-	85	9%	91%
CFO	P.H.J. de Koning	2023 (13-04/31-12)	188	38	24	-	-	250	10%	90%
CEO	P.P.J.G. Saasen	2022	326	50	71	-	-	447	16%	84%

*) Other remunerations consist of car expenses, expense allowance and pension and employee insurance costs.

Mr P.P.J.G. Saasen resigned from his role for health reasons on 28 March 2023 and stood down as director under the articles of association with immediate effect, and passed away on 31 March 2023. Mr Saasen received his base salary until 31 March 2023, and, in addition, € 78,000 in salary was paid posthumously.

The Supervisory Board decided to settle the financial STI components based on achievement against budgeted revenue and EBITDA for the first three months. The STI amount paid for 2023 was € 6,000. The LTI amount for 2022 paid in 2023 was € 59,000.

The remuneration of the Board of Directors charged to the company is as follows.

(in € x 1,000)	2023	2023	2023	2022
	G.M. Moerland	P.H.J. de Koning	P.P.J.G. Saasen	
Periodically payable remunerations*	69	208	84	356
Other benefits payable in due course**	18	47	67	150
Remuneration costs after termination of employment	-	-	-	-
Payments on termination of employment	-	-	78	-
Share-based payments	-	-	-	-
Total remuneration to the Board of Directors	**87**	**255**	**229**	**506**

*) Periodically payable remunerations consist of the base salary and car expenses.
**) Other benefits payable in due course are variable remunerations and pension and employee insurance costs.

The difference between the remuneration charged to the company (€ 86 and € 255) and the fixed and variable remuneration provided (€ 85 and € 250) is explained by the LTI remuneration.

Pension

The salary is pensionable up to an amount of € 128,810 a year. Ctac has a defined contribution pension scheme with a defined contribution percentage according to a graduated age scale.

Employment relationships

Fixed-term management agreements were entered into with Mr Moerland and Mr De Koning, on 1 September 2023 and on 15 February 2023 respectively; both these agreements will end at the end of the 2027 Annual General Meeting of Shareholders. Both agreements include a fixed and maximum severance payment of one year's salary.

No members of the Board of Directors receive any additional remuneration from subsidiaries for their board positions in the group.

Development of remuneration of the Board of Directors

(in € x 1,000)	2023	2022	2021	2020	2019*
Directors' remunerations					
CEO G.M. Moerland (with effect from 13 October 2023)	87	-	-	-	-
CFO P.H.J. de Koning (with effect from 13 April 2023)	255	-	-	-	-
CEO P.P.J.G. Saasen (with effect from 15 November 2021 until 31 March 2023)	229	506	47	-	-
CEO H.L.J. Hilgerdenaar (until 1 November 2021)	-	-	634	470	444
CFO P.P.J.G. Saasen (until 14 November 2021)	-	-	607	384	347
CFO D.G.H. van der Werf (until 14 May 2019)	-	-	-	-	-
Development of operating result					
Revenue	127,230	117,672	106,424	87,534	81,872
Net result attributable to the shareholders of Ctac N.V.	951	4,728	4,455	3,032	1,262
Average remuneration					
Directors	571	506	644	427	396
Employees	112	108	106	109	94
Directors' pay ratio	5.1	4.7	6.1	3.9	4.2
CEO's pay ratio	2.8	4.7	6.0	4.3	4.7

*) 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 2023. 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 remuneration 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 Dutch Corporate Governance Code.

This pay ratio was calculated by dividing the average costs of the Board of Directors over 2023 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 were 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 the expenses of the Board of Directors). The pay ratio for the Board of Directors for 2023 was 5.1 (2022: 4.7). The pay ratio for the remuneration of the CEO for 2023 was 2.8 (2022: 4.7).

In view of the nature of the company (by virtue of which the costs of external hires would give 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 rose in comparison with the previous year. This is because there were two directors in 2023 (one director in 2022), leading to higher costs of the Board of Directors. The CEO's pay ratio decreased by comparison with the previous year. Due to Mr Saasen passing away and Mr Moerland not being appointed until late 2023, the company only employed a CEO for part of the year. In addition, variable remunerations were higher in 2022, also resulting in a higher CEO pay ratio.

Remuneration of the members of the Supervisory Board
The remuneration of the members of the Supervisory Board in 2023 was € 45,000 for the chairman and € 32,500 for the other members. This is a fixed remuneration without any variable or pension components.

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)	2023	2022	2021	2020	2019
M. van Elst (with effect from 13 October 2023)	8	-	-	-	-
H.J.G. Hendriks (with effect from 12 May 2021)	45	45	28	-	-
L.A.M. Vernaus (with effect from 12 May 2021)	33	33	21	-	-
E. Karsten (up to 13 April 2023)	10	33	33	33	33
G. van de Weerdhof (with effect from 10 May 2017 until 12 May 2021)	-	-	17	45	45
E. Kraaijenzank (up to 12 May 2021)	-	-	12	33	33
Totaal beloningen	**96**	**111**	**111**	**111**	**111**

Total remunerations for the Supervisory Board were lower in 2023 because Ms Van Elst was not appointed until later in 2023.

Other
Neither the company nor its subsidiaries granted any loans, advances and/or guarantees to the member of the Board of Directors or the members of the Supervisory Board.

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

	Note	2023	2022
ASSETS			
FIXED ASSETS			
Intangible fixed assets	1	26,852	28,694
Right-of-use assets	2	8,947	9,908
Tangible fixed assets	3	1,892	1,227
Deferred tax assets	4	74	1,340
Other long-term receivables	5	400	1,378
		38,165	**42,547**
CURRENT ASSETS			
Inventories	6	175	200
Trade receivables	7	13,469	14,748
Other receivables	7	11,184	10,644
Cash and cash equivalents	8	8,312	7,439
		33,140	**33,031**
		71,305	**75,578**
LIABILITIES			
SHAREHOLDERS' EQUITY	9		
Issued share capital		3,396	3,344
Share premium reserve		11,403	11,455
Other reserves		12,761	10,234
Result for financial year		951	4,728
Attributable to shareholders Ctac N.V.		**28,511**	**29,761**
Minority interests		-	1,171
GROUP EQUITY		**28,511**	**30,932**
LONG-TERM LIABILITIES			
Long-term bank liabilities	10	-	1,125
Lease obligations	2	6,873	7,279
Other long-term liabilities	11	346	1,054
Deferred tax liabilities	4	1,227	1,620
		8,446	**11,078**
SHORT-TERM LIABILITIES			
Lease obligations	2	2,336	2,858
Short-term bank liabilities	10	1,350	900
Provisions	12	1,083	58
Trade creditors and other liabilities	13	29,527	29,543
Taxes		52	209
		34,348	**33,568**
		71,305	**75,578**

Consolidated statement of profit and loss

(in € x 1,000)

	Note	2023	2022
Revenue from contracts with clients	14	127,230	117,672
Other income	14.1	250	704
Total operating income		**127,480**	**118,376**
Expenses			
Cost of materials		(12,822)	(9,223)
Subcontracted work		(40,944)	(35,807)
Personnel costs	15	(50,805)	(48,156)
Amortisation of intangible fixed assets	1	(1,513)	(1,437)
Depreciation of right-of-use assets	2	(3,109)	(3,527)
Depreciation of tangible fixed assets	3	(594)	(428)
Impairment	1	(888)	-
Other operating expenses	16	(12,732)	(12,897)
Total operation expenses		**(123,407)**	**(111,475)**
Operating result		**4,073**	**6,901**
Financial expenses	17	(473)	(502)
Total financial expenses		**(473)**	**(502)**
Result before taxes		**3,600**	**6,399**
Income tax expense	18	(2,466)	(1,356)
Net result		**1,134**	**5,043**
Minority interests		183	315
Attributable to shareholders Ctac N.V.		951	4,728
Total		**1,134**	**5,043**
Profit per share	**19**		
Net result attributable to shareholders Ctac N.V. per share (in €)		0.07	0.34
Net result attributable to shareholders Ctac N.V. per share after dilution (in €)		0.07	0.34
Number of ordinary shares (year-end)		14,149,023	13,931,648
Weighted average of shares outstanding		14,076,565	13,809,008
Weighted average of shares outstanding for the calculation of the diluted earnings per share		14,076,565	13,809,008

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

	2023	2022
Net result for the financial year	1,134	5,043
Other total result, not recognised in the result	-	-
Total result for the financial year	**1,134**	**5,043**
Total result attributable to the shareholders of Ctac N.V.	951	4,728
Total result attributable to minority interests	183	315
Total result for the financial year	**1,134**	**5,043**

Consolidated statement of changes in equity in 2023
(€ 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	**3,344**	**11,455**	**10,234**	**4,728**	**29,761**	**1,171**	**30,932**
Net result for the financial year	-	-	-	951	951	183	1,134
Total result for the financial year	**-**	**-**	**-**	**951**	**951**	**183**	**1,134**
Appropriation of the result in previous financial year	-	-	3,910	(3,910)	-	-	-
Dividend	52	(52)	-	(818)	(818)	-	(818)
Paid to third parties	-	-	(1,383)	-	(1,383)	(1,354)	(2,737)
Other movements	-	-	-	-	-	-	-
Balance as at 31 December	**3,396**	**11,403**	**12,761**	**951**	**28,511**	**-**	**28,511**

Consolidated statement of changes in equity in 2022
(in € x 1,000)

	Issued share capital	Share premium reserve	Other reserves	Undis-tri-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 cash flow statement
(in € x 1,000)

	Note	2023	2022
CASH FLOW STATEMENT			
Operating result		4,073	6,901
Amortisation of intangible fixed assets	1	1,513	1,437
Depreciation of right-of-use assets	2	3,109	3,527
Depreciation of tangible fixed assets	3	594	428
Impairment	1	888	-
Gain on sale of intangible fixed asset	14.1	-	(704)
Change in provisions	12	1,025	(375)
Change in other long-term liabilities	11	(5)	(260)
Changes in working capital			
Stocks		25	(136)
Receivables	*	1,717	(4,528)
Short-term debt	*	(52)	756
Cash flow from operations		**12,887**	**7,046**
Interest paid		(446)	(501)
Income tax paid		(1,751)	(829)
Cash flow from operating activities		**10,690**	**5,716**
Acquisition of participating interest		-	(1,317)
Payments to minority shareholders	9	-	(500)
Investments in intangible fixed assets	1	(559)	(459)
Divestments of intangible fixed assets	1	-	1,388
Investments in tangible fixed assets	3	(1,269)	(817)
Divestments of tangible fixed assets	3	10	-
Cash flow from investment activities		**(1,818)**	**(1,705)**
Repayment of borrowings	10	(675)	(900)
Earn-out obligations paid	11	(693)	(1,772)
Dividend payments to shareholders Ctac N.V.	9	(818)	(309)
Dividend payment to minority shareholders of acquired participating interests	9	(374)	(497)
Lease payments	2	(3,076)	(3,498)
Acquisition of minority interest	9	(2,363)	-
Cash flow from financing activities		**(7,999)**	**(6,976)**
Movement in cash and cash equivalents		**873**	**(2,965)**
Cash and cash equivalents	8	7,439	10,404
Balance of cash and cash equivalents as at 1 January		7,439	10,404
Cash and cash equivalents	8	8,312	7,439
Net balance of cash and cash equivalents as at 31 December		8,312	7,439
Movement in cash and cash equivalents		**873**	**(2,965)**

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.

The tax paid on profits is the tax on profits according to the statement of profit and loss of € 2,466 thousand, adjusted for the non-cash movements in the deferred tax liabilities of € -872 thousand and the movements in the corporation tax balance sheet item of € 157 thousand.

The outgoing cash flow for the acquisition of a minority interest relates to the acquisition of the remaining shares in Oliver B.V., this transaction is explained in note 9. As this concerns a cash flow to acquire a portion of the shares in a subsidiary that is already consolidated, it is classified as a financing cash flow.

The impairment recognised in 2023 concerns the write-down of the customer relationships and goodwill relating to the acquisition of Technology2Enjoy Holding B.V. See note 1.1 for a further explanation.

The divestment of intangible fixed assets recognised in 2022 concerns the divestment linked to the sale of the intangible asset relating to the Fit4Woco application of € 684 thousand, as well as the book gain made on the sale of the asset of € 704 thousand. See the summary of changes in note 1.

The change in long-term bank liabilities relates to the reclassification of the short-term portion of bank liabilities, which has been included in changes in working capital. The actual repayments of bank liabilities have been recognised under cash flow from financing activities.

The overall change (short and long term) in the earn-out obligation results from the amortisation of the obligation as at the balance sheet date by € 4 thousand and the cash settlement of earn-out obligations amounting to € 693 thousand. See the summary of changes in note 11.1.

In 2023 part of the dividend was settled in cash and part was paid as a stock dividend. Only the cash dividend of € 818 thousand has been recognised in the cash flow statement. Please refer to note 9 for an explanation of the dividend paid out.

*In the 2022 financial statements the investment in financial fixed assets of € -978 and the change in other long-term liabilities of € 552 were presented under cash flow from investment activities and cash flow from financing activities respectively. For purposes of the comparative figures in the 2023 financial statements these figures have been reclassified under working capital, as a component of operational cash flow, in view of the fact that there was no actual cash flow.

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 2023, Ctac employed 453 FTEs. 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 26 February 2024. The financial statements will be submitted to the General Meeting of Shareholders for adoption on 9 April 2024.

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.

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, in the 2022 figures, the LTI obligation. In view of the amended remuneration policy, the LTI plan has been adapted and from 2023 will be cash-based rather than share-based.

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 2023 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:
- 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 2024;
- Amendment of IFRS 16 'Leases' – 'Lease Liability in a Sale and Leaseback'. The amendment explains how a sale and leaseback should be recognised after the transaction date. It ensures that the seller-lessee determines lease payments and revised lease payments in a way that does not result in recognition of a gain or loss relating to the right of use. The amendment is mandatory with effect from 1 January 2024;
- Amendment of IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' – 'Supplier finance arrangements' (SFAs). The aim of the new disclosure requirements is to provide information on SFAs that allows investors to assess the effects on the entity's liabilities, cash flows and exposure to liquidity risks. The amendment is mandatory with effect from 1 January 2024;
- 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 2023 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 2023:

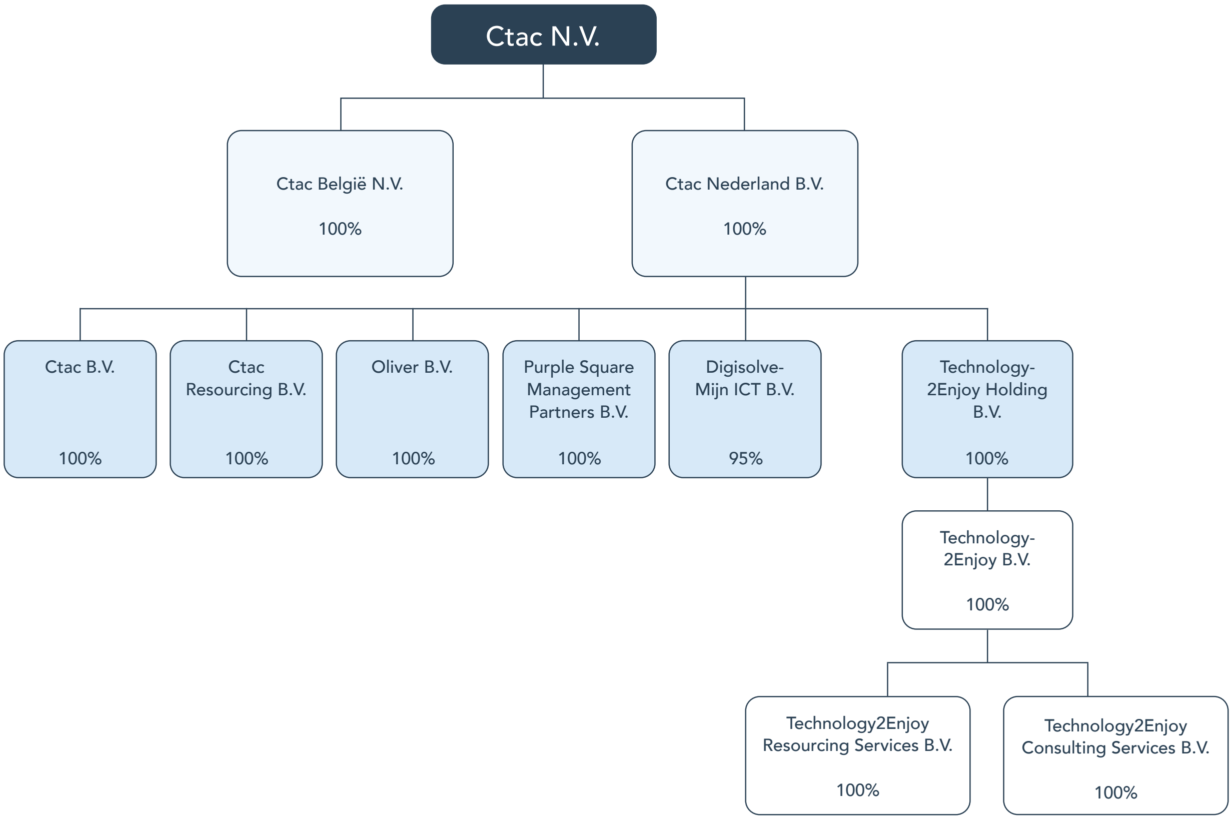
- Implementation of IFRS 17 'Insurance Contracts' – Replacement of IFRS 4 by IFRS 17. As Ctac does not have any contracts that fall within the scope of IFRS 17, this amendment has no impact;
- Amendment of IAS 1 'Presentation of Financial Statements – Disclosure of Accounting Policies'. Obligation to 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. Ctac has taken this amendment into account when formulating the information disclosed in this annual report;
- 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. Changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. Ctac has taken this amendment into account when preparing this annual report;
- 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. As no such transactions apply to Ctac, this amendment has no impact;
- Implementation of 'OECD Pillar Two Rules' and amendment of IAS 12 'Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction'. The application of these standards does not affect Ctac's financial statements, as Ctac does not operate in any jurisdictions where the effective tax rate is lower than 15%.

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**	**Share in issued capital in %**	
		year-end 2023	**year-end 2022**
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	100	90
Oliver B.V.	's-Hertogenbosch	100	61
Digisolve-Mijn ICT B.V.	Helmond	95	80
Technology2Enjoy Holding B.V.	Amstelveen	100	100
Technology2Enjoy B.V.	Zoetermeer	100	100
Technology2Enjoy Consulting Services B.V.	Amstelveen	100	100
Technology2Enjoy Resourcing Services B.V.	Amstelveen	100	100
Ctac België N.V.	Wommelgem, Belgium	100	100



Intercompany 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 acquisition 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. This latter point does not apply.

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 acquisition 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. Following initial recognition, customer and contract portfolios are stated at cost, less cumulative amortisation and impairments.

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 - 12 years
- brand names 10 years
- intangible fixed assets produced in-house 3 years - 7 years

The amortisation periods are evaluated annually and adjusted when necessary.

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

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

- the contract contains an asset that is explicitly or implicitly identified in the contract;
- Ctac has the right to obtain substantially all of the economic benefits from using the asset identified during the period of use, given its rights within the defined scope of the contract;
- 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 corrected for adjustments resulting from the 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.

For leases with a term of less than 12 months Ctac applies the exemption in respect of the lease payments. These leases have a term of less than 12 months from the commencement date and do not contain a purchase option. The exemption for low-value leases (less than € 5,000) is also applied. Payments relating to short-term or low-value leases are charged to the statement of profit and loss, spread evenly over the term of the lease.

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 - 10 years
- Leased cars 3 years - 4 years
- Other equipment 1 year - 2 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 tangible fixed assets and right-of-use assets Ctac has defined the identified segments as the cash-generating unit. For intangible fixed assets use has been made of CGUs, which represent the smallest cash-generating unit; for these CGUs please refer to the impairment test under note 1.2.

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 of a financial instrument is the price that would be received to sell an asset or that would be paid to transfer a liability in a regular transaction between economic operators on the valuation date. 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 value in use 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;
- 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;
  - long-term liability relating to sale of Fit4Woco;
- short-term bank liabilities;
- trade creditors and other liabilities:
  - trade creditors;
  - taxes and national insurance contributions;
  - other liabilities.

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, 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 2023 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').

Other receivables

Receivables are recognised initially at the fair value of the consideration. After initial recognition, they are valued at amortised cost price. If there is no premium/ discount or transaction costs, the amortised cost price is equal to the nominal value of the receivables.

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. Cash and cash equivalents also include blocked bank accounts that can only be used for the payment of payroll taxes and/or VAT. 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. In view of the new remuneration policy, there is no longer a share-based LTI plan.

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

(in € x 1,000)	Amortised cost price	Fair value through profit or loss	Fair value through equity	Derivates	Total
Balance as at 31 December 2023					
Other long-term receivables	400	-	-	-	400
Trade receivables and other receivables	24,653	-	-	-	24,653
Cash and cash equivalents	8,312	-	-	-	8,312
Long-term bank liabilities	-	-	-	-	-
Lease obligations	9,209	-	-	-	9,209
Other long-term liabilities	346	-	-	-	346
Short-term bank liabilities	1,350	-	-	-	1,350
Trade creditors and other liabilities	29,471	56	-	-	29,527
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

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 2023, the issued share capital consisted of 14,149,023 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 2023, no own shares were held by Ctac N.V. or by any of its subsidiaries.

Dividend

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

Legal reserves

In accordance with statutory obligations, a legal reserve is established in the company financial statements for the amount of the capitalised costs of intangible fixed assets developed in-house. The legal 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.

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 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, the likelihood of departure and the size of the payment, and is recognised at the present value (discount rate of 4.5%).

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.

Provision for long-term sickness
A provision formed for obligations that exist on the balance sheet date to continue to pay remuneration in the future to employees who, as at the balance sheet date, are not expected to be able to work as a result of sickness or incapacity.

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. The budgeted costs are adjusted monthly by the project managers to allow project progress to be accurately estimated. 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. Ctac has no additional performance obligations upon sale of a licence.

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 licences 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.

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 financing 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, upon initial acquisition, under the cash flow from investment activities, taking into account the presence of cash and cash equivalents within these interests. Payments related to earn-out obligations following initial acquisition of minority interests are recognised in cash flow from financing activities. 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 relates to short-term financing and results from changes in the one-month average Euribor. 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:

- the lease liabilities under the application of IFRS 16 'Leases'.

The € 4.5 million loan taken out in 2020 to finance the acquisition of Purple Square Management Partners B.V. will be paid off early in January 2024. The applicable interest rate for 2023 was three-months Euribor plus a spread of 2.95% per year.

Ctac owes a variable basic interest rate for the short-term interest-bearing bank loan, i.e. the credit facility. This credit facility was renewed by Ctac in December 2023. The applicable interest rates up to December 2023 were one-month average Euribor plus a spread, which was set at 3.00%. The bank has the possibility to change this spread once every three months. Such a change has not taken place. The renewed credit facility applies from December 2023. This credit facility has been committed for a four-year period from December 2023, with the option of a one-year extension. The interest rate is one-month average Euribor plus a market spread of 1.20%.

Ctac made use of the credit facility in 2023. If, during 2023, 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 2023.

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 notes to the cash flow statement for non-cash transactions.

Currency risk

All companies within Ctac are located in the eurozone. Most of their revenue is generated and most of their purchases are made within the eurozone. As a result, there is only a limited number of purchase invoices in foreign currencies. Negative consequences of changes in exchange rates may affect Ctac's operating result. 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 2023.

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. This definition is applied for the categories trade receivables, revenue still to be invoiced, contract assets, other long-term receivables, and cash and cash equivalents.

Credit risk management is centralised at Ctac. The credit risk arises from cash and cash equivalents 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 group is with ABN AMRO Bank.

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 categories 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 on trade receivables (gross), revenue still to be invoiced in respect of services already provided, contract assets, accrued income, other receivables, other long-term receivables, and cash and cash equivalents concerned the following amounts for the individual segments on the balance sheet date.

(in € x 1,000)	**2023**	**2022**
The Netherlands	27,618	28,917
Belgium	6,027	5,572
Maximum credit risk as at 31 December	**33,645**	**34,489**

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 on trade receivables 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. For cash and cash equivalents and other long-term receivables it is determined on an individual basis whether the counterparty is unable to comply with its payment obligation. This assessment forms the basis for the write-down of these items.

The items revenue still to be invoiced, cash and cash equivalents, contract assets and other long-term receivables are positions with a low risk of credit loss. The credit risk on revenue still to be invoiced, contract assets, cash and cash equivalents and other long-term receivables did not increase significantly during the past 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 2023**				
	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%**	**5.0%**	**100.0%**
Trade receivables	11,998	1,271	122	82	254
Revenue still to be invoiced	8,143	-	-	-	-
Cash and cash equivalents	8,312	-	-	-	-
Contract assets	362	-	-	-	-
Other long-term receivables	400	-	-	-	-
Expected credit loss	**-**	**-**	**-**	**4**	**254**

Credit losses in previous years were extremely limited. In addition, Ctac generally has customers with good creditworthiness, which explains the low level of the expected credit loss.

The cash and cash equivalents have been placed with professional market parties that have a credit quality that is qualified as good. The credit rating of these parties is at least A. An amount of € 400 thousand of other long-term receivables relates 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. Liquidity risk arises when the company cannot continue its operations due to a lack of liquidity. With this in mind, the group makes use of centrally managed credit facilities with ABN AMRO Bank, for which a new combination facility amounting to € 10 million was agreed in December 2023. The credit facility with ING Bank in Belgium has been terminated. The new credit facility has been committed for a four-year period, with the option of a one-year extension after the first year.

The covenant within the credit facility is constituted by a 'total net debt/EBITDA' ratio. The maximum ratio allowed is 2.5 (2022: 2.0). 'Total 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, amortisation and impairment of tangible and intangible assets, interest and other financial income and expenses, the result from participating interests, taxes and minority interests. In 2023, the ratio was -0.99 (2022: -0.62). 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 at regular intervals 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 2023**			
	Financial obligation	**<1 year**	**Between 1 and 2 years**	**>2 years**
Bank liabilities	1,350	1,350	-	-
Lease payments	9,887	2,574	3,886	3,427
Trade creditors and other liabilities	29,527	29,373	115	39
Other long-term liabilities	346	-	126	220

(in € x 1,000)	**31 December 2022**			
	Financial obligation	**<1 years**	**Between 1 and 2 years**	**>2 years**
Bank liabilities	2,025	900	1,125	-
Lease payments	10,843	3,074	3,629	4,140
Trade creditors and other liabilities	29,543	29,543	-	-
Other long-term liabilities	1,054	-	656	398

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. Capital risk arises when the company cannot continue its operations due to a lack of cash and cash equivalents and credit facilities.

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 2023 was approx. 40.0% (year-end 2022: approx. 40.9%). The solvency ratio is determined on the basis of group equity in relation to the balance sheet total. Ctac considers a minimum solvency of 25% to be a responsible minimum. There is no external solvency requirement.

Project risk
Ctac has different forms of contracts with clients. An important part of Ctac's revenues is generated by projects for 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. This may result in clients submitting claims. 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.

There is a risk of persons gaining unauthorised access to systems and data of Ctac or its clients as a result of these cyber risks. Such unauthorised access to systems and data can lead to reputational damage.

The Chief Information Security Officer (CISO) identifies these risks together with the Privacy Officer, the business units and the staff departments. The necessary mitigating measures are implemented in consultation in order to reduce these risks to an acceptable level. Ctac also has a Cyber Security Board, headed by the CFO, which meets every quarter to discuss and follow up security and privacy risks.
- Ctac has based the Information Security Management System (ISMS) on the ISO27001 standard and an ISAE3402 and ISAE300 framework. The design, existence and operation of all mitigating actions and activities are tested annually by means of internal and external audits.
- As part of the ISMS, Ctac has an internal operational security team. This team continuously monitors the IT landscape and will respond immediately in the event of a threat.
- Besides detection measures, Ctac has also implemented numerous preventive measures.
- Ctac has cyber-security insurance so that, if a cyberattack takes place, it can enlist the aid of external specialists to support its own 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. For purposes of the calculation use is also made of the Weighted Average Cost of Capital (WACC). When determining the WACC, an estimate is made of the cost of equity and the cost of debt. Entity-specific parameters are used for this purpose that reflect Ctac's activities and risk profile. Please see note 1.2 for a detailed explanation of the goodwill impairment tests carried out. As at 31 December 2023, the book value was € 20 million.

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. (acquired in 2022). 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 € 2,204 thousand and the book value of the brand name was € 220 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 € 933 thousand, the book value of the brand name was € 320 thousand and the book value of the technology was € 251 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 € 937 thousand.

The book value of the goodwill and the customer and contract portfolios acquired relating to the acquisition of Technology2Enjoy Holding B.V. was zero as at 31 December 2023, following a one-off write-down. See note 1.1 for an explanation.

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 obligation concerns the put option relating to the acquisition of Digisolve-Mijn ICT B.V.; at year-end 2023 this obligation amounted to € 56 thousand. Please refer to note 11.1 for an explanation. The short-term put/call obligations that existed at the end of 2022 were settled in the course of 2023. Settlement took place in accordance with the value as at year-end 2022.

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 € 290 thousand recognised as contract assets and € 6 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. There is a risk that insufficient taxable profits will be available to offset 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. In 2023 an impairment was recognised in relation to the deferred tax asset formed for offsettable losses of Technology2Enjoy Holding B.V. An important starting point for the estimates made were the implementations of ByDesign projects, in combination with recurring revenue resulting from licence income. In the second half of 2023 it was concluded that current project implementations will require more time and investment, meaning that it will not be possible to complete these projects while covering costs. We can also see a decline in the secondment activities of Technology2Enjoy. These developments have an impact on future cash flows, which is why the impairment was recognised. Please refer to note 1.1 for a further explanation.

The total amount of available losses at group level as at year-end 2023 amounts to approx. € 8.4 million (year-end 2022: approx. € 7.5 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 € 8.4 million in offsettable losses. The book value of the deferred tax asset is € 74 thousand (2022: € 1.3 million). The remaining book value relates to temporary differences in connection with IFRS 16.

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 Board of Directors, as the chief operating decision maker, receives separate reports for each of Ctac's operating companies (Ctac B.V., Ctac Resourcing B.V., Oliver B.V., Purple Square Management B.V., Technology2Enjoy Holding B.V., Digisolve-Mijn-ICT B.V. and Ctac België B.V.). These entities are therefore regarded as separate operating segments. The Board of Directors has combined the Dutch operating companies into a Netherlands segment, which will report separately, as these companies have the same economic characteristics. Belgium is also regarded as a separate segment for reporting purposes. The Board of Directors receives its information at the level of the operating segments. On the basis of IFRS 8.12, all qualitative elements are met and the Dutch operating companies have therefore been aggregated into a single reporting segment. The holding activities have been incorporated into the Other segment.

In 2022, in connection with quantitative thresholds, as described in IFRS 8.13, Digisolve-Mijn ICT B.V. was presented in the Other segment.

The segments of the Netherlands and Belgium 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.

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 2023 exceeded 10% of total revenue. The revenue generated from this client came to € 23.6 million (2022: € 17.6 million).

The segmented results for the year 2023 can be specified as follows:

2023 Results
(in € x 1,000)

	The Netherlands	Belgium	Other	Intersegment eliminations	Consolidated
Revenue from contracts with clients	122,434	23,200	519	(18,923)	**127,230**
Other income	250	-	-	-	**250**
Operating result	5,904	1,843	(3,674)	-	**4,073**
Financial expenses	(111)	(22)	(340)	-	**(473)**
Result before tax	5,794	1,821	(4,015)	-	**3,600**
Taxes	(2,694)	(492)	720	-	**(2,466)**
Net result	**3,100**	**1,329**	**(3,295)**	**-**	**1,134**

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 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**

The assets and liabilities per segment as at 31 December 2023 can be specified as follows:

Assets and liabilities as at 31 December 2023
(in € x 1,000)

	The Netherlands	Belgium	Other	Consolidated
Total assets	32,065	6,768	32,472	**71,305**
Total liabilities	26,302	5,905	10,587	**42,794**

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

Assets and liabilities as at 31 December 2023
(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 other segmented information regarding the statement of profit and loss of 2023 is as follows:

Depreciation and amortisation 2023
(in € x 1,000)

	The Netherlands	Belgium	Other	Consolidated
Intangible fixed assets	724	-	789	**1,513**
Right-of-use assets	1,944	297	868	**3,109**
Tangible fixed assets	290	35	269	**594**
Total depreciation and amortisation	**2,958**	**332**	**1,926**	**5,216**

Investments in 2023
(in € x 1,000)

	The Netherlands	Belgium	Other	Consolidated
Intangible fixed assets	559	-	-	**559**
Right-of-use assets	1,615	-	-	**1,615**
Tangible fixed assets	62	42	1,165	**1,269**
Total investments	**2,236**	**42**	**1,165**	**3,443**

Impairments in 2023
(in € x 1,000)

	The Netherlands	Belgium	Other	Consolidated
Intangible fixed assets	-	-	888	**888**
Total impairments	**-**	**-**	**888**	**888**

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 revenue and assets presented by geographical areas are as follows:

	Revenue from contracts with clients		**Total assets**	
(in € x 1,000)	**2023**	**2022**	**2023**	**2022**
The Netherlands	118,702	100,812	64,537	69,026
Belgium	23,200	22,147	6,768	6,552
Inter-segment eliminations	(14,672)	(5,287)	-	-
Total	**127,230**	**117,672**	**71,305**	**75,578**

1. Intangible fixed assets

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

	Goodwill		Customer and contract portfolios acquired		Brand names		Intangible fixed assets produced in-house		Total	
(in € x 1,000)	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Total acquisition value	32,520	32,357	6,807	5,996	824	824	7,316	8,454	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 1 January	**20,207**	**20,044**	**5,443**	**5,253**	**623**	**705**	**2,421**	**3,380**	**28,694**	**29,382**
Produced in-house	-	-	-	-	-	-	559	459	559	459
Investments	-	163	-	811	-	-	-	-	-	974
Disposals	-	-	-	-	-	-	-	(684)	-	(684)
Amortisation	-	-	(644)	(621)	(83)	(82)	(786)	(734)	(1,513)	(1,437)
Impairment	(163)	-	(725)	-	-	-	-	-	(888)	-
Book value as at 31 December	**20,044**	**20,207**	**4,074**	**5,443**	**540**	**623**	**2,194**	**2,421**	**26,852**	**28,694**
Total acquisition value	32,357	32,520	5,996	6,807	824	824	7,875	7,316	47,052	47,467
Total amortisation and impairments	(12,313)	(12,313)	(1,922)	(1,364)	(284)	(201)	(5,681)	(4,895)	(20,200)	(18,773)
Book value as at 31 December	**20,044**	**20,207**	**4,074**	**5,443**	**540**	**623**	**2,194**	**2,421**	**26,852**	**28,694**

1.1 Impairments and reversals of impairments

In 2022 and 2023 various projects were launched within Technology2Enjoy Holding B.V. that had a fixed contract price and turned out to require more time and investment than expected to implement. Ctac therefore concluded that the existing proposition is loss-making. It also determined that the current proposition cannot be implemented competitively on the market and it will focus on finding a sustainable solution.

During the financial year we subsequently assessed how the future cash flows of Technology2Enjoy Holding B.V. (value in use of the asset), based on the previous position, relate to the book value of the intangible fixed assets (goodwill and recognised customer relationships). On the basis of this calculation it was concluded that the value in use is negative, which resulted in an impairment being recognised. Goodwill has been written down by € 163 thousand and capitalised customer relationships by € 725 thousand, resulting in the values being nil at the end of 2023. The acquisition cost of the customer relationships amounted to € 811 thousand and the cumulative amortisation to € 86 thousand. The deferred tax asset has been written down fully by € 1.2 million; see note 4.

Provisions for loss-making contracts have been formed for the current implementation projects; please refer to note 12.

In 2024 Ctac has received an amount of € 275 thousand in relation to the acquisition of Technology2Enjoy, which is classified as a reduction in the acquisition price. This amount has not been recognised in the figures for 2023.

In 2023, as well as 2022, Ctac did not 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)

	2023	**2022**
Ctac B.V.	13,592	13,592
Purple Square	3,511	3,511
Oliver	2,037	2,037
Digisolve-Mijn ICT	611	611
Other	293	293
Technology2Enjoy	-	163
Book value as at 31 December	**20,044**	**20,207**

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

The 2023 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 2023 was 15.9% (2022: 16.5%).

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. As was the case last year, a detailed forecast is prepared per CGU for the coming year based on the 2024 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 2024 financial year have been approved by the Supervisory Board. The main assumptions applied during the impairment test are presented below.

The assumptions for all CGUs that are not disclosed separately are as follows as of the 2025 financial year:
- 2% gross margin growth (revenue from contracts with clients less outsourced work and purchase value of hardware and software), and
- an EBITDA margin (percentage of the operating result before depreciation and amortisation) equal to budgeted margin in 2024, i.e. between 15% and 42%.

Last year the same assumptions were employed for the forecasts from the 2024 financial year.

A divergent assumption was employed for the EBITDA margin for the CGU Digisolve-Mijn ICT. This was as follows:
- the EBITDA margin (percentage of the operating result before depreciation and amortisation) will increase by 1% per year from 2025 to 2029. The current EBITDA margin is lower as a result of investments in the organisation. It is expected to grow back to its 2021 level over the coming years. In the 2022 financial year the same divergent assumption was employed for the 2024-2028 period.

Last year a divergent assumption was also applied in the forecasts from the 2024 financial year for the CGU Purple Square, in connection with two employees who, for a temporary period, were only able to work to a limited extent. The EBITDA margin from 2024 came to 19% instead of the budgeted EBITDA margin of 15% for 2023.

In line with last year, cash flows after a period of five years are extrapolated with a growth percentage of 2%. Based on the starting points chosen, the above impairment tests did not result in any impairment as at year-end 2023, except in the case of Technology2Enjoy. Please refer to note 1.1 for an explanation of the CGU Technology2Enjoy.

In addition to the impairment test at the end of 2023, like last year, sensitivity analyses were performed for all CGUs,

with the exception of the CGU Technology2Enjoy. An explanation of the sensitivity analyses is presented below:
- 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 in acquired customer and contract portfolios and brand name
In the 2023 financial year no investments were made in new customer and contract portfolios or brand names.

1.4 Intangible fixed assets produced in-house
The book value of 'intangible fixed assets produced in-house' was € 2.2 million at the end of 2023. This book value mainly concerned the development costs of the XV Retail cash desk software, the Integration-as-a-Service software package Oliver Connect and the cloud development platform Oliver Cloud, and the Fit4RealEstate application. The investment in 2023 concerned the new functionalities of the XV product. The disposal in 2022 concerned the sale of the Fit4Woco application.

In 2023 no completely written-off assets were decommissioned (2022: € 15 thousand).

Fit4RealEstate and Fit4Woco
The Fit4RealEstate application is an SaaS product for commercial real estate. Its book value as at 31 December 2023 was € 126 thousand. 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, a divestment of € 0.7 million was recognised for the related intangible asset. The book 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 2023 was € 1.7 million. The remaining life of this asset is nine months 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 2023 was € 259 thousand. The remaining life of this asset is three to four 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)	2023	2022	2023	2022	2023	2022	2023	2022
Total acquisition value	9,192	8,541	6,405	4,536	3,316	3,116	18,913	16,193
Total depreciation and impairments	(2,972)	(2,083)	(3,305)	(1,590)	(2,728)	(1,805)	(9,005)	(5,478)
Book value as at 1 January	**6,220**	**6,458**	**3,100**	**2,946**	**588**	**1,311**	**9,908**	**10,715**
First-time application of IFRS 16 for newly acquired participating interests	-	-	-	106	-	-	-	106
Book value inclusive of newly acquired participating interests	**6,220**	**6,458**	**3,100**	**3,052**	**588**	**1,311**	**9,908**	**10,821**
Investments/new contracts	-	-	1,615	1,883	-	-	1,615	1,883
Interim contract adjustments	603	651	(70)	(120)	-	200	533	731
Depreciation	(1,017)	(889)	(1,577)	(1,715)	(515)	(923)	(3,109)	(3,527)
Book value as at 31 December	**5,806**	**6,220**	**3,068**	**3.100**	**73**	**588**	**8,947**	**9,908**
Total acquisition value	9,795	9,192	7,950	6,405	3,316	3,316	21,061	18,913
Total depreciation and impairments	(3,989)	(2,972)	(4,882)	(3.305)	(3,243)	(2,728)	(12,114)	(9,005)
Book value as at 31 December	**5,806**	**6,220**	**3,068**	**3,100**	**73**	**588**	**8,947**	**9,908**

The right-of-use assets include contracts with a remaining term of less than one year. At year-end 2023 this was an amount of € 0.2 million (2022: € 0.8 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 2025. 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)	2023	2022
Book value as at 1 January	**10,137**	**10,914**
First-time application of IFRS 16 for newly acquired participating interests	-	108
Book value inclusive of newly acquired participating interests	**10,137**	**11,022**
Investments/new contracts	1,615	1,883
Interim contract adjustments	533	731
Interest charges	271	272
Lease payments (including interest component)	(3,347)	(3,771)
Book value as at 31 December	**9,209**	**10,137**
Lease obligations - long-term	6,873	7,279
Lease obligations - short-term	2,336	2,858
	9,209	**10,137**

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 between 2.6% and 5.5%. The incremental interest rate for new investments is determined annually.

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

(in € x 1,000)	2023	2022
Depreciation of right-of-use assets	(3,109)	(3,527)
Interest charges in connection with lease obligations	(271)	(272)
Total	**(3,380)**	**(3,799)**

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)	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Total acquisition value	1,533	1,520	2,046	2,378	909	776	4,488	4,688
Total depreciation	(1,461)	(1,400)	(1,139)	(1,819)	(661)	(631)	(3,261)	(3,850)
Book value as at 1 January	**72**	**120**	**907**	**559**	**248**	**145**	**1,227**	**838**
Investments	106	13	993	633	170	171	1,269	817
Disposals	-	-	-	-	(10)	-	(10)	-
Depreciation	(31)	(61)	(474)	(299)	(89)	(68)	(594)	(428)
Book value as at 31 December	**147**	**72**	**1,426**	**907**	**319**	**248**	**1,892**	**1,227**
Total acquisition value	1,639	1,533	2,920	2,046	1,042	909	5,601	4,488
Total depreciation	(1,492)	(1,461)	(1,494)	(1,139)	(723)	(661)	(3,709)	(3,261)
Book value as at 31 December	**147**	**72**	**1,426**	**907**	**319**	**248**	**1,892**	**1,227**

3.1 Investments and disposals

The investments in ICT hardware during 2023 mainly concerned investments in laptops and data-centre hardware.

The acquisition cost of the disposals amounted to € 30 thousand and the cumulative depreciation to € 20 thousand.

Completely written-off assets representing an amount of € 125 thousand were decommissioned in 2023 (2022: € 1.1 million). This had an impact on the total acquisition value and total depreciation.

3.2 Impairments and reversals of impairments

Ctac did not recognise any impairment of tangible fixed assets in 2023. In 2023, as in 2022, Ctac did not reverse any impairments recognised in earlier years.

4. Deferred taxes

Deferred taxes can be specified as follows:

(in € x 1,000)	2023	2022
Deferred tax assets	74	1,340
Deferred tax liabilities	(1,227)	(1,620)
Book value as at 31 December	**(1,153)**	**(280)**

Deferred tax assets and liabilities have not been offset, as they relate to separate fiscal units.

Changes in deferred tax assets can be specified as follows:

(in € x 1,000)	2023	2022
Balance as at 1 January		
Recognised rights to offset losses	1,277	731
Temporary valuation differences commercial - tax	63	51
Total deferred tax assets	**1,340**	**782**
Investment		
Recognised rights to offset losses as a result of newly acquired participating interest	-	1,237
Recognised in the statement of profit and loss		
Written-down rights to offset losses	(1,237)	-
Offsetting of losses	(40)	(703)
Change in rates	-	13
Temporary valuation differences commercial - tax	11	11
Balance as at 31 December		
Recognised rights to offset losses	-	1,277
Temporary valuation differences commercial - tax	74	63
Total deferred tax assets	**74**	**1,340**

The tax losses carry forward position is only recognised when it is expected that any losses available will actually be offset (total year-end 2023: € 0, year-end 2022 approx.: € 5.5 million). The amount is recognised at the nominal rate as applicable to future financial years, without taking any discounting into account.

The written-down rights to offset losses relate to the write-down of the deferred tax asset formed for the offsettable losses of Technology2Enjoy Holding B.V. Partly as a consequence of this write-down, no deferred tax asset has been recognised for an amount of € 8.4 million in offsettable losses. Please refer to the significant estimates for an explanation.

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

With regard to the deferred tax assets formed for the differences between the commercial and tax-related valuations of right-of-use assets, an amount of € 82 thousand is expected to have a term longer than twelve months after the balance sheet date. The short-term portion concerns a debt of € 8 thousand; as the positions are settled simultaneously, they have been included net under deferred tax assets.

Changes in deferred tax liabilities can be specified as follows:

(in € x 1,000)	**2023**	**2022**
Balance as at 1 January		
Differences in depreciation/amortisation of (in)tangible fixed assets	1,620	1,610
Total deferred tax liabilities	**1,620**	**1,610**
Investment		
Intangible fixed assets	-	209
Recognised in the statement of profit and loss		
Depreciation/amortisation of (in)tangible fixed assets	(206)	(199)
Impairment	(187)	-
Balance as at 31 December		
Differences in depreciation/amortisation of (in)tangible fixed assets	1,227	1,620
Total deferred tax liabilities	**1,227**	**1,620**

The deferred tax liability for intangible fixed assets as at 1 January 2023 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.

The addition in 2022 related to the acquisition of Technnolgy2Enjoy Holding B.V. The impairment in 2023 relates to the write-down of the intangible assets connected with the acquisition of Technology2Enjoy Holding B.V.

It is expected that an amount of € 1.0 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)	**2023**	**2022**
Balance as at 1 January	**1,378**	**400**
Deposit payment		-
Long-term receivable relating to sale of Fit4Woco	(978)	978
Balance as at 31 December	**400**	**1,378**

Up to the end of 2023 Ctac was a self-insurer for purposes of the Return to Work and Income according to Labour Capacity Act (WGA). The mandatory warranty to the Dutch Tax and Customs Administration that a financial institution will take over this obligation should Ctac no longer be able to comply with it has been reinsured. A deposit of € 400 thousand was paid for this. This contract is effective until 2032. The fair value of the deposit is close to the book value.

The other long-term receivable in 2022 concerns a portion of the purchase price yet to be received for the sale of the intangible fixed asset relating to the Fit4Woco application. This became a current receivable as of 31 December 2023.

6. Stocks

Stocks can be specified as follows:

(in € x 1,000)	2023	2022
Merchandise	175	200
Total stocks as at 31 December	**175**	**200**

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)	2023	2022
Trade receivables	13,727	15,002
Provision for expected credit losses	(258)	(254)
Total trade receivables - net	**13,469**	**14,748**
Revenue still to be invoiced with regard to contracts based on subsequent costing and fixed monthly instalments	8,143	8,020
Contract assets	362	238
Other receivables	1,025	1,481
Accrued income	1,654	905
Total other receivables	**11,184**	**10,644**
Total trade receivables and other receivables as at 31 December	**24,653**	**25,392**

Accrued income concerns prepaid costs and other receivables relate to the amounts yet to be received as part of the sale of Fit4Woco. The other receivables and accrued income mostly have a duration of less than one year both at year-end 2023 and year-end 2022.

The fair value of the trade receivables and other receivables is close to the book value. This applied on 31 December 2023 for an amount of trade receivables of € 1.7 million (31 December 2022: € 1.6 million). The payment term has expired. Although the payment period has elapsed for receivables up to € 1.7 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.

The age of the trade receivables is as follows:

(in € x 1,000)	2023 Trade receivables	2023 Provision	2023 Trade receivables net	2022 Trade receivables net
Trade receivables for which there is no credit loss and for which the payment period has not yet elapsed	11,998		11,998	13,421
Trade receivables for which there is no credit loss and for which the payment period has elapsed				
for less than 3 months	1,271	-	1,271	1,190
between 3 and 6 months	122	-	122	-
between 6 and 12 months	82	(4)	78	137
more than 1 year	254	(254)	-	-
	1,729	**(258)**	**1,471**	**1,327**
Total trade receivables - net as at 31 December	**13,727**	**(258)**	**13,469**	**14,748**

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

(in € x 1,000)	**2023**	**2022**
Balance as at 1 January	**254**	**164**
Addition to the provision	6	90
Write-off in connection with expected credit loss	-	-
Release from the provision	(2)	-
Balance as at 31 December	**258**	**254**

At year-end 2023, the provision for expected credit losses was € 0.3 million (at year-end 2022: € 0.3 million). The total amount charged to the statement of profit and loss was € 4 thousand (2022: € 90 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

€ 0.5 million of the cash and cash equivalents balance at year-end 2023 were funds in a guarantee account. This part is not at Ctac's free disposal.

9. Shareholders' equity

At year-end 2023, the authorised share capital amounted to € 9,600,000 and was divided into 40,000,000 shares with a nominal value of € 0.24 as follows: 20,000,000 ordinary shares and 20,000,000 preference shares. The issued share capital consists of 14,149,023 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 217,375 new shares being issued in 2023 (2022: 294,336 new shares). The cash dividend payable to Ctac shareholders amounts to € 818 thousand.

In 2023 an amount of € 374 thousand was paid out in dividends to minority shareholders. This has been recognised in the 'paid to third parties' line of the summary of changes.

Recognition of acquisition of minority interest in Oliver B.V.

At the beginning of 2023 Ctac had a majority interest of 61% in Oliver IT and a call option to acquire 10% of the shares in Oliver B.V. annually. In the past Ctac has not recognised a systematic put/call option and has instead recognised the remaining stake under 'minority interests' (a component of shareholders' equity). In connection with the nomination of Gerben Moerland (CEO), the Supervisory Board decided to complete the acquisition of the remaining 39% stake in Oliver B.V. from Mr Moerland early, to avoid potential conflicts of interests in the performance of his management role at Ctac. The purchase price for the remaining stake was determined in accordance with the valuation system previously drawn up and concerned a total sum of € 2.36 million. As a consequence of this transaction, the minority interests under shareholders' equity are zero. The remainder has been recognised as a change in equity under other reserves. Ctac has also determined that the share transaction does not classify as an IFRS 2 expense.

Up to the date of acquisition, 39% of the result of Oliver B.V. has been recognised in minority interests. Since completion of the acquisition, which was effected on 16 October 2023 after the Supervisory Board had appointed Mr Moerland as a director under the articles of association on 13 October 2023, the results of Oliver B.V. have been taken into account in full in the profit per share and dividend payment to Ctac shareholders.

Change in other reserves in 2022

The summary of changes in equity for 2022 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.

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 2023 and 2022 are stated on page 66 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

The € 4.5 million loan taken out in 2020 to finance the acquisition of Purple Square Management Partners B.V. will be paid off early in January 2024. The applicable interest rate for 2023 was three-months Euribor plus a spread of 2.95% per year.

Liquidity management is centralised at Ctac. With this in mind, the group makes use of centrally managed credit facilities with ABN AMRO Bank, for which a new combination facility amounting to € 10 million was agreed in December 2023. The credit facility with ING Bank in Belgium has been terminated. The new credit facility has been committed for a four-year period, with the option of a one-year extension after the first year.

The covenant within the credit facility is constituted by a 'total net debt/EBITDA' ratio. The maximum ratio allowed is 2.5 (2022: 2.0). 'Total 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, amortisation and impairment of tangible and intangible assets, interest and other financial income and expenses, the result from participating interests, taxes and minority interests. In 2023, the ratio was -0.99 (2022: -0.62). As this ratio has been comfortably met, no sensitivity analysis has been carried out.

(in € x 1,000)	**Nominal amount at inception**	**Repayment commitments after 5 years**	**Repayment commitments from 1 to 5 years**	**Book value as at 31-12-2023**	**Book value as at 31-12-2022**
Long-term loan	4,500	-	-	-	1,125
Total long-term bank liabilities	**4,500**	**-**	**-**	**-**	**1,125**

(in € x 1,000)	**2023**	**2022**
Repayment commitment	1,350	900
Total short-term bank liabilities	**1,350**	**900**

11. Other long-term liabilities

11.1 Earn-out obligation

The liability in respect of the put/call agreement at year-end 2023 concerns the purchase of the 5% minority interest in Digisolve-Mijn ICT B.V. at the time of the acquisition in October 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 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 5%, payable in cash by 31 January 2024 at the earliest.

The results of Digisolve-Mijn ICT B.V. in 2023 are in line with the forecast used for the valuation of the liability as at 31 December 2022. This did not therefore result in a valuation difference in 2023. In 2022 a valuation difference of € 0.1 million was recognised in the statement of profit and loss.

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

(in € x 1,000)	**2023**	**2022**
Long-term earn-out obligation	46	1,490
Short-term earn-out obligation	706	1,267
Balance as at 1 January	**752**	**2,757**
New earn-out obligation	-	366
Valuation differences	(4)	(260)
Amortisation obligation	-	27
Settlement of remaining earn-out obligation	(692)	(2,138)
Balance as at 31 December	**56**	**752**
Balance of long-term liability	**-**	**46**
Balance of short-term liability	**56**	**706**

In 2023 the settlement of the remaining earn-out obligation concerns the purchase of the 15% minority interest in Digisolve-Mijn ICT B.V. and the purchase of the 10% minority interest in Purple Square Management Partners B.V.

The valuation differences in 2022 include, in addition to the amount for Digisolve-Mijn ICT B.V., a valuation difference of € 0.1 million for Purple Square Management Partners B.V.

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)	**2023**	**2022**
Balance as at 1 January	**329**	**412**
Release of discount received in advance	(5)	-
Transferred to short-term liabilities	(52)	(83)
Balance as at 31 December	**272**	**329**

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	52	52	220	**324**
Total discounts received in advance	**52**	**52**	**220**	**324**

11.3 Long-term liabilities relating to sale of Fit4Woco
In 2022 this related to a long-term liability of € 0.6 million in connection with the sale of Fit4Woco. 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)				2023	2022
	Anniversary payments	Long-term sickness	Loss-making contracts	Total	Total
Balance as at 1 January	**58**	**-**	**-**	**58**	**433**
Additions charged to the result	14	767	257	1,038	-
Released to the result	-	-	-	-	(40)
Allocated	(13)	-	-	(13)	(335)
Balance as at 31 December	**59**	**767**	**257**	**1,083**	**58**

12.1 Provision for anniversary payments
An amount of € 50 thousand (2022: € 46 thousand) of the provision for anniversary payments has a term longer than one year. 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 long-term sickness
A provision has been formed for obligations that exist on the balance sheet date to continue to pay remuneration in the future to employees who, as at the balance sheet date, are not expected to be able to work as a result of sickness or incapacity. When the provision was formed assumptions relating to recovery were taken into account. The provision has been charged to personnel costs; see note 15.

This provision has been formed because, up to the end of 2023, Ctac was a self-insurer for purposes of the Work Scheme for Partially Disabled Persons (WGA). As of 2024 Ctac has insured this risk with an insurer.

In 2022 no provision for long-term sickness was formed, in view of expectations regarding the resumption of work.

12.3 Provision for loss-making contracts
The term of the provision for loss-making contracts is less than one year. A provision has been formed based on the estimate of the hours that still need to be worked, at the cost rate, to complete the projects.

13. Trade creditors and other liabilities

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

(in € x 1,000)	**2023**	**2022**
Trade creditors	8,482	8,329
Taxes and national insurance contributions	4,716	5,209
Contract liabilities	3,815	1,945
Other liabilities	86	754
Accruals and deferred income	12,428	13,306
Total trade creditors and other liabilities as at 31 December	**29,527**	**29,543**

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. € 0.2 million of these contract liabilities have a term of more than 1 year (2022: € 0.2 million).

In both 2023 and 2022 the other liabilities item mainly concerned the earn-out obligations to be settled. All other liabilities have a term of less than 1 year.

The accruals and deferred income item includes liabilities relating to holiday pay, annual leave and bonuses (€ 6.5 million), as well as other items to be paid (€ 5.5 million) that are charged to the financial year in accordance with the accounting principles for the determination of the result. The other items to be paid include external hires for December that are yet to be paid for.

13.1 Share-based payments

In 2022 Ctac had a share-based LTI plan. At the General Meeting of Shareholders in 2022 the new remuneration policy was approved and the LTI plan was therefore amended. In the new remuneration policy it was agreed that the old LTI plan (plan applicable in 2022) would be settled in cash when the new remuneration policy entered into force. Consequently, Ctac has settled the 2022 LTI plan. The share-based-payment expense recognised in 2022 for the cash-settled LTI plan amounted to € 59 thousand, based on 17,614 shares. The corresponding liability as at 31 December 2022 was recognised under accruals and deferred income, as a component of trade creditors and other liabilities. Please refer to the 2022 annual report for an explanation of the determination of the LTI in 2022.

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)

	2023	2022
Licence and hardware sales	2,263	2,592
Cloud services	51,888	44,832
Secondment assignments and project agreements	73,079	70,248
Total revenue from contracts with clients	**127,230**	**117,672**

Breakdown of revenue for the 2023 financial year on the basis of the reported segments.

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

	The Netherlands	Belgium	Other	Total
Goods transferred 'at a point in time'	2,037	226	-	**2,263**
Cloud services	45,594	6,294	-	**51,888**
Secondment assignments and project agreements	58,933	14,146	-	**73,079**
Total revenue from contracts with clients	**106,564**	**20,666**	**-**	**127,230**

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

	2023	2022
Goods transferred 'at a point in time'	2,263	2,592
Services provided 'over time'	124,967	115,080
Total revenue from contracts with clients	**127,230**	**117,672**

Breakdown of timing of recognition of revenue for the 2023 financial year on the basis of the reported segments.

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

	The Netherlands	Belgium	Other	Total
Goods transferred 'at a point in time'	2,037	226	-	**2,263**
Services provided 'over time'	104,527	20,440	-	**124,967**
Total revenue from contracts with clients	**106,564**	**20,666**	**-**	**127,230**

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 2023	31 December 2022
Trade receivables	13,469	14,748
Revenue still to be invoiced with regard to contracts based on subsequent costing and fixed monthly instalments	8,143	8,020
Contract assets	362	238
Contract liabilities	(3,815)	(1,945)

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. Approx. € 289 thousand of the contract assets as at year-end 2023 will lead to revenue in the years after 2024. The contract assets that were recognised as at year-end 2022 led to € 119 thousand in revenue being recognised in 2023.

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

	Within 1 year	1-2 years	After 2 years
Contract assets year-end 2022	119	46	73
Contract assets year-end 2023	289	46	27

A provision for expected credit losses on trade receivables of approx. € 0.3 million has been recognised at year-end 2023 (year-end 2022: € 0.3 million). No expected credit loss has been recognised in relation to revenue still to be invoiced or contract assets.

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. € 3.6 million of the contractual obligations as at year-end 2023 will lead to revenue in the years after 2024. The contractual obligations that were recognised at year-end 2022 led to € 1.7 million in revenue being recognised in 2023.

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

	Within 1 year	1-2 years	After 2 years
Contract liabilities year-end 2022	1.7	0.2	-
Contract liabilities year-end 2023	3.6	0.2	-

14.1 Other income

Other income in 2023 relates to the conditional purchase price for the sale of Fit4Woco. This became unconditional at the end of 2023 and has therefore been recognised in the result.

Other income in 2022 concerned the book 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)

	2023	2022
Revenue	250	3,361
Liabilities	-	(1,973)
Disposal of Fit4Woco	-	(684)
Other income	**250**	**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 2023	31 December 2022
Long-term receivables	-	978
Other receivables	976	1,099
Other long-term liabilities	-	(552)
Contract liabilities	(586)	(611)

15. Personnel costs

The composition of the personnel costs is as follows:

(in € x 1,000)	2023	2022
Wages	39,961	39,050
Social charges	5,911	5,085
Pension charges	2,160	2,128
Other personnel costs	2,773	1,893
Total personnel costs	**50,805**	**48,156**

The pension charges 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 indexation of wages.

A one-off expense has also been included under other personnel costs for the provision for long-term sickness. Please refer to note 12.2 for a more detailed explanation of this provision.

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 2023 amounts to 461 (2022: 463). This is divided among the segments as follows:

Number of FTEs per segment	2023	2022
The Netherlands	370	363
Belgium	49	49
Other	42	51
Total number of FTEs	**461**	**463**
Professional external staff hired (direct)	**212**	**182**

Number of FTEs per department	2023	2022
Cloud services	127	119
Consulting & Resourcing	256	252
Staff	42	53
Sales	34	38
BoD	2	1
Total number of FTEs	**461**	**463**

16. Other operating costs

The other operating costs can be specified as follows:

(in € x 1,000)	2023	2022
Car expenses	2,456	2,352
Accommodation expenses	961	1,021
Infrastructure costs	5,356	5,683
Marketing and sales costs	1,477	1,426
Other costs	2,487	2,675
Valuation differences earn-out obligations	(5)	(260)
Total other operating costs	**12,732**	**12,897**

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 in 2022.

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

Auditors' fees

In the financial year the following amounts of auditors' fees were charged for the financial years below:

2023 *(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**

The above fees concern the work performed at the company and the companies involved in the consolidation by external auditors and audit firms as referred to in Section 1(1) Wta (Audit Firms (Supervision) Act) and the fee charged by the entire network to which the audit firm belongs. These fees relate to the auditing of the financial statements for the year 2023, regardless of whether the work was already carried out during 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**

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)	2023	2022
Financial expenses	(202)	(203)
Amortisation of earn-out obligations	-	(27)
Financial expenses of lease obligations	(271)	(272)
Total financial expenses	**(473)**	**(502)**

The financial expenses include the interest due with regard to the current account facilities at banks, and the interest due in connection with IFRS 16. No credit losses have been recognised under financial expenses.

18. Taxes

Taxes can be specified as follows:

(in € x 1,000)	2023	2022
Taxes currently payable for the ongoing financial year	(1,560)	(1,217)
Deferred taxes	(873)	(480)
Taxes for prior financial years	(33)	341
Total taxes	**(2,466)**	**(1,356)**

The tax burden on the result before taxes amounts to 68.5% (2022: 21.2%) and can be specified as follows:

As a % of the result from ordinary activities before tax	2023	2022
Nominal tax burden	25.8	25.8
Effects of lower first bracket	(1.8)	(2.5)
Rate difference foreign countries	(0.5)	-
Innovation Box for the ongoing financial year	(3.2)	(2.7)
Change in rate in the years to come	-	(0.2)
Non-deductible amounts	2.5	1.8
Earn-out scheme payment differences	-	(0.9)
Uncapitalised deferred taxes on loss set-off	8.0	0.7
Valuation difference in deferred tax asset for offsettable losses	35.5	-
Other differences	2.2	(0.8)
Tax burden according to the consolidated financial statements	**68.5**	**21.2**

The effective tax burden in 2023 was higher than the nominal tax burden of 25.8%, primarily due to the write-down of the deferred tax asset formed for the offsettable losses of Technology2Enjoy Holding B.V. and the fact that no deferred tax asset was formed for the loss posted by Technology2Enjoy Holding B.V. in 2023.

On the other hand, a lower tax rate applied to the taxable profit of the fiscal entity Ctac N.V. as a result of application of the Innovation Box. The effective tax burden was also brought down as a result of the reduced rate applicable to the tax threshold for five fiscal entities.

The 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, € 0.2 million (2022: € 1.4 million) of the taxable amount for 2021 and 2022 of the fiscal entity Ctac N.V. was offset with the liquidation loss in the 2023 financial year. As at 31 December 2023 there was no remaining liquidation loss.

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	**2023**	**2022**
Net result (in € x 1,000)	1,134	5,043
Net result attributable to shareholders of Ctac N.V. (in € x 1,000)	951	4,728
Net result from continued operations attributable to shareholders Ctac N.V. (in € x 1,000)	951	4,728
Number of shares		
Number of ordinary shares outstanding (start-of-year)	13,931,648	13,637,312
Number of ordinary shares outstanding (year-end)	14,149,023	13,931,648
Weighted average of shares outstanding	14,076,565	13,809,008
Net result attributable to shareholders Ctac N.V. per weighted average share outstanding (in €)	**0.07**	**0.34**
Average share price (in €)	3.63	3.85

20. Dividend per share

The proposal submitted to the General Meeting of Shareholders is to pay out a cash dividend of € 0.11 per share. A resolution was adopted by the General Meeting of Shareholders of 13 April 2023 to pay a dividend of € 0.12 per Ctac N.V. ordinary share, to be paid as an optional dividend. Pursuant to this resolution, 217,375 shares were issued as stock dividends in 2023.

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 (2022: approximately € 0.3 million) outstanding. These guarantees have been issued in connection with current lease obligations.

At year-end 2023, Ctac has entered into purchase commitments relating to SAP Public Cloud and leadership training amounting to € 1.0 million in total. In 2022 it had an investment commitment relating to the data centre of € 0.8 million.

In connection with its rental and lease obligations, Ctac has a total amount of approximately € 3.9 million (2022: € 4.2 million) in liabilities regarding service components in connection with rental, data and car leasing contracts..

In 2024 Ctac has entered into a contract to insure its own risk under the Return to Work Scheme for Partially Disabled Persons (WGA). As a result of this contract, a one-off sum of € 0.8 million will be paid to reflect the risk linked to employees who were already sick before the insurance commencement date. An annual insurance premium of approximately € 0.1 million will also be paid.

Ctac N.V. and the Dutch group companies, except Oliver B.V. and Digisolve-Mijn ICT B.V., are a fiscal entity for revenue tax purposes. Ctac N.V. and the Dutch group companies, except Ctac Resourcing B.V., Purple Square Management Partners B.V, Oliver B.V., 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

Ctac has increased its majority interest in Oliver B.V. from 61% to 100%; see note 9 for an explanation.

The remaining 10% minority interest in Purple Square Management B.V. has also been acquired by Ctac; see note 11.1. As a result of this share transaction, Purple Square Management B.V. is now a wholly owned subsidiary.

In the case of Digisolve-Mijn ICT B.V., 15% of the remaining interest has been acquired; see note 11.1.

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, the minority shareholders 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 2023 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 2023 financial year a dividend for the 2022 financial year of € 307 thousand was paid out by Oliver B.V. to the co-shareholder in Oliver B.V. This amount has been recognised in the summary of changes under 'paid to third parties', as a component of minority interests.

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 2023 and 2022 respectively:

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

	2023	2022
Periodically payable remunerations	452	356
Other benefits payable in due course	156	150
Remuneration costs after termination of employment	-	-
Payments on termination of employment	78	-
Share-based payments	-	-
Total remuneration to the Board of Directors	**686**	**506**

A detailed explanation of the remuneration of the Board of Directors can be found on page 54 of the remuneration report. Other benefits payable in due course consist of the LTI, STI and pension contributions.

In 2023 Ctac acquired the remaining 39% stake in Oliver B.V. from Mr Moerland earlier than planned. The purchase price for the remaining stake was determined in accordance with the valuation system previously drawn up and concerned a total sum of € 2.36 million. Ctac's Supervisory Board approved the transaction and is of the opinion that the transaction is reasonable and fair in accordance with the principles agreed in 2021, in view of the interests of Ctac and its stakeholders. Ctac has determined that the share transaction does not classify as an IFRS 2 expense.

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 2023 and 2022 respectively:

Supervisory Board
(in € x 1,000)

	2023	2022
M. van Elst (from 13 October 2023)	8	-
E. Karsten (up to 13 April 2023)	10	33
H.J.G. Hendriks (from 13 May 2021)	45	45
L.A.M. Vernaus (from 13 May 2021)	33	33
Total remuneration	**96**	**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-only balance sheet as at 31 December (before profit appropriation)
(in € x 1,000)

	Note	2023	2022
ASSETS			
Fixed assets			
Intangible fixed assets	25	2,477	2,519
Tangible fixed assets	26	18	6
Financial fixed assets	27	30,171	28,517
		32,666	**31,042**
Current assets			
Trade receivables and other receivables	28	5,314	12,081
Cash and cash equivalents	29	396	132
		5,710	**12,213**
		38,376	**43,255**
LIABILITIES			
Shareholders' equity	**30**		
Issued share capital		3,396	3,344
Share premium reserve		11,403	11,455
Statutory reserves		2,193	2,383
Other reserves		10,568	7,851
Result for financial year		2,933	4,728
		30,493	**29,761**
Provisions			
Provisions	27	-	83
		-	**83**
Short-term liabilities			
Short-term bank liabilities	31	-	-
Trade creditors and other liabilities	32	7,883	13,411
		7,883	**13,411**
		38,376	**43,255**

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

	Note	2023	2022
Revenue		-	1
Expenses			
Personnel costs	33	1,042	609
Depreciation and amortisation	25-26	45	53
Other operating costs	34	361	1,209
Total operation expenses		**(1,448)**	**(1,871)**
Operating result		**(1,448)**	**(1,870)**
Financial expenses	35	(79)	(81)
Total financial expenses		**(79)**	**(81)**
Result before profit tax		**(1,527)**	**(1,951)**
Taxes	36	181	(310)
Result after profit tax		**(1,346)**	**(2,261)**
Result from group companies	27.1	4,279	6,989
Net result		**2,933**	**4,728**

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 2022 were reclassified to enable a comparison with those for 2023. Outsourced work and charged-on personnel costs within other operating costs have been re-presented under personnel costs.

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 67 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)	2023	2022	2023	2022	2023	2022
Book value as at 1 January	**2,450**	**2,450**	**69**	**118**	**2,519**	**2,568**
Amortisation	-	-	(42)	(49)	(42)	(49)
Book value as at 31 December	**2,450**	**2,450**	**27**	**69**	**2,477**	**2,519**
Total acquisition value	6,646	6,646	1,192	1,192	7,838	7,838
Total amortisation and impairments	(4,196)	(4,196)	(1,165)	(1,123)	(5,361)	(5,319)
Book value as at 31 December	**2,450**	**2,450**	**27**	**69**	**2,477**	**2,519**

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)

	2023	2022
Book value as at 1 January	**6**	**6**
Investments	15	4
Depreciation	(3)	(4)
Book value as at 31 December	**18**	**6**
Total acquisition value	87	72
Total depreciation	(69)	(66)
Book value as at 31 December	**18**	**6**

In 2023 no completely written-off assets were decommissioned (2022: € 3 thousand).

27. Financial fixed assets

The composition of the financial fixed assets is as follows:

(in € x 1,000)	31-12-2023	31-12-2022
Participating interests	29,771	28,077
Other receivables	400	440
Total financial fixed assets	**30,171**	**28,517**

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)	2023	2022
Balance as at 1 January	**28,077**	**22,447**
Result from group companies	4,279	6,989
Dividend	(1,268)	(1,392)
Purchase of shares in participation	(1,317)	-
Other movements	-	33
Balance as at 31 December	**29,771**	**28,077**

'Purchase of shares in participation' relates to the acquisition of the remaining 39% of the shares in Oliver B.V., increasing Ctac Nederland B.V.'s stake to 100%. This change has been recognised separately, given that this transaction affects the net asset value of Ctac Nederland B.V. The remaining interest had previously been recognised under minority interests (a component of shareholders' equity). The difference between the value of the minority interests and the purchase price has been recognised under 'Purchase of shares in participation'.

The other movements in 2022 concern the 2022 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 long-term receivables can be specified as follows:

(in € x 1,000)	2023	2022
Balance as at 1 January	**440**	**1,131**
Movement in deferred tax assets	(40)	(691)
Balance as at 31 December	**400**	**440**

Up to the end of 2023 Ctac was a self-insurer for purposes of the Return to Work Scheme for Partially Disabled Persons (WGA). The mandatory warranty to the Dutch Tax and Customs Administration that a financial institution will take over this obligation should Ctac no longer be able to comply with it has been reinsured. A deposit of € 400 thousand was paid for this. This contract is effective until 2032. The fair value of the deposit is close to the book value.

Deferred taxes can be specified as follows:

(in € x 1,000)	2023	2022
Deferred tax assets	-	40
Deferred tax liabilities	-	(83)
Book value as at 31 December	**-**	**(43)**

28. Trade receivables and other receivables

Trade receivables and other receivables can be specified as follows:

(in € x 1,000)	2023	2022
Trade receivables and receivables in respect of group companies	4,226	10,777
Other claims and payments and accrued income	273	289
Taxes	815	1,015
Total trade receivables and other receivables as at 31 December	**5,314**	**12,081**

The receivables in respect of group companies have a term of less 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 2023 is at Ctac N.V.'s free disposal.

30. Shareholders' equity

Changes in shareholders' equity in 2023 can be specified as follows:

(in € x 1,000)	Issued share capital	Share premium reserve	Statutory reserves	Other reserves	Undis-tributed profit	Total
Balance as at 31 December 2022	**3,344**	**11,455**	**2,383**	**7,851**	**4,728**	**29,761**
Appropriation of the result in the previous financial year	-	-	-	3,910	(3,910)	-
Dividend	52	(52)	-	-	(818)	(818)
Result for financial year	-	-	-	-	2,933	2,933
Paid to third parties	-	-	-	(1,383)	-	(1,383)
Change in accordance with the statutory reserve	-	-	(190)	190	-	-
Other movements	-	-	-	-	-	-
Balance as at 31 December 2023	**3,396**	**11,403**	**2,193**	**10,568**	**2,933**	**30,493**

The difference between shareholders' equity according to the company balance sheet and shareholders' equity according to the consolidated balance sheet can be explained by the fact that a participation included in the consolidation, Technology2Enjoy Holding B.V., has a negative net asset value, but is valued at zero in the company balance sheet. No declaration of liability or other guarantee has been issued for this company.

The difference between the unconsolidated and consolidated shareholders' equity and result developed as follows in the financial year.

(in € x 1,000)	As at 31 December 2023
Consolidated shareholders' equity	28,511
Negative net asset value of consolidated participation Technology2Enjoy Holding B.V.	1,982
Unconsolidated shareholders' equity	**30,493**

As Ctac has not assumed liability for the debts, no provision has been formed for the participation. This means that the net asset value of the participation has been reduced to zero for the company financial statements.

The difference between the consolidated and unconsolidated result attributable to shareholders of Ctac N.V. is as follows:

(in € x 1,000)	2023
Consolidated result	951
Increase in negative net asset value of consolidated participation Technology2Enjoy Holding B.V.	1,982
Unconsolidated result	**2,933**

The difference between the consolidated result and the unconsolidated result is due to the negative equity of one of the participations. The net asset value of the relevant participation has been reduced to zero. For an explanation of shareholders' equity, please see note 9.

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	Undis-tributed 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 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**

The decision to pay a stock dividend led to 217,375 new Ctac N.V. shares being issued in 2023 (2022: 294,336 new shares). This concerns ordinary shares.

The statutory reserves relate entirely to the capitalised development costs for assets developed in-house.

The other movement in the summary of changes for 2022 concerns the 2022 result from participating interests of Ctac België N.V., which was incorrectly not recognised in 2021.

30.1 Profit appropriation proposal

A net profit of € 1.0 million was achieved in the year under review. A cash dividend is applicable for the 2023 financial year. The proposal submitted to the General Meeting of Shareholders is to pay out a dividend of € 0.11 per share.

31. Short-term bank liabilities

Amounts drawn by Ctac N.V. under the total current account credit facility, totalling € 10.0 million at year-end 2023 (2022: € 6.3 million), are recognised under short-term bank liabilities. As in 2022, short-term bank liabilities at year-end 2023 were nil.

32. Trade creditors and other liabilities

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

(in € x 1,000)	**2023**	**2022**
Trade creditors	1,091	2,122
Taxes and national insurance contributions	26	12
Other debts to group companies	6,018	10,298
Accruals and deferred income	748	979
Total trade creditors and other liabilities as at 31 December	**7,883**	**13,411**

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)	**2023**	**2022**
Wages	828	792
Social charges	5	15
Pension charges	22	16
Other personnel costs	169	295
Hires from group companies	775	425
Charged on to group companies	(757)	(934)
Total personnel costs	**1,042**	**609**

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 (2022: 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 2023 amounts to 1.5 (2022: 1).
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)	2023	2022
Financial expenses	(79)	(81)
Total financial expenses	**(79)**	**(81)**

36. Taxes
Taxes can be specified as follows:

(in € x 1,000)	2023	2022
Tax currently payable for the financial year	271	125
Tax for prior financial years	(50)	338
Deferred tax for the financial year	(40)	(773)
Total taxes	**181**	**(310)**

Tax for prior financial years in 2023 mainly concerns additional charges on the basis of final assessments for 2021 and 2022 that were imposed in the financial year. In 2022 this mainly related 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. and Digisolve-Mijn ICT B.V., are a fiscal entity for revenue tax purposes. Ctac N.V. and the Dutch group companies, except Ctac Resourcing B.V., Purple Square Management Partners B.V, Oliver B.V., 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, 26 February 2024

Board of Directors
Paul de Koning
Gerben Moerland

Supervisory Board
Harry Hendriks
Ton Vernaus
Marlies van Elst

Other information

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 of Shareholders.

Proposed profit appropriation

A cash dividend is applicable for the 2023 financial year. It will be proposed to the General Meeting of Shareholders that a dividend of € 0.11 per ordinary share be distributed in the form of cash and that this be charged to the undistributed profit and the other reserves.

Subsidiaries and branch offices

For subsidiaries and branch offices, please refer to the overview of participating interests on pages 70 and 71 of the annual report.

Protective measures

Ctac can make use of the following protective measures:

- 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 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 (which was dissolved and wound up in 2022) 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 Shareholders of the company. Preference shares can be issued against partial payment, on the understanding that the part of the nominal amount to be paid mandatorily must be the same for each preference share and that when preference shares are subscribed to, at least one quarter (25%) of the nominal amount must have been paid. The Ctac Continuity Foundation is authorised to sell, pledge – providing that the voting right attached to the shares in question is not transferred to the pledgee – or otherwise encumber the shares it has acquired with the proviso that the Foundation requires the approval of the Supervisory Board to sell the shares. Prior to 26 March 2013, there was an option right that equalled 50% of Ctac N.V.'s issued share capital at the moment when the option was exercised. The increase to 100% was deemed necessary to offer the Ctac Continuity Foundation sufficient opportunities to counter any hostile takeover attempts.

The board of the Ctac Continuity Foundation consists of at least three members. The members of the board are appointed by the board of the Foundation itself and can be suspended and dismissed by that board. Decisions to appoint a board member require the approval of the Board of Directors of the company, for which approval the Board of Directors requires the approval of the company's Supervisory Board. The Ctac Continuity Foundation is independent of Ctac. The Ctac Continuity Foundation can only be represented by two board members acting jointly.

The board members of the Ctac Continuity Foundation in 2023 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. Ms Haan is also head of ESG at CMS.

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 2023 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 from 4 May 2021 to 17 July 2023);
4. Mr P.J.J.M. Swinkels (board member since 17 July 2023).

Mr J.H.W. 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.

Mr P.J.J.M. Swinkels is CEO and chair of the Executive Board of Royal Swinkels, a family company with various activities, including the production of beer and soft drinks (B2C), malt production (B2B) and real estate. The company operates worldwide. Mr Swinkels is also a member of the advisory board of ABN AMRO Bank N.V., a member of the governing board of Brabants Landschap, a member of the board of Belgian Brewers and a member of the Supervisory Board of Bolsius Group.

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.

This is an English translation of the original Dutch tekst, furnished for convenience only.
In case of any conflict between this translation and the original tekst, the latter will prevail.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2023

Our opinion
In our opinion:
- the consolidated financial statements of Ctac N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2023 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as approved by the European Union (EU-IFRS) and in accordance with Title 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Ctac N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2023 and of its result for the year then ended in accordance with Title 9 of Book 2 of the Dutch Civil Code.

What we have audited
We have audited the accompanying financial statements 2023 of Ctac N.V. of ’s-Hertogenbosch, the Netherlands. The financial statements comprise the consolidated financial statements of the Group and the Company financial statements.

The consolidated financial statements comprise:
- the consolidated balance sheet as at 31 December 2023;
- the following statements for 2023: the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
- the notes, comprising a summary of the main accounting policies and other explanatory information.

The company financial statements comprise:
- the company-only balance sheet as at 31 December 2023;
- the company profit and loss account and
- the explanatory notes, comprising a summary of the main accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section ‘Our responsibilities for the audit of the financial statements’ of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of Ctac N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the ‘Wet toezicht accountantsorganisaties’ (Wta, 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 relevant independence regulations in the Netherlands. Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics).

Our audit approach
We designed our audit procedures with respect 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 related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Overview and context
Ctac N.V. is an organisation that provides IT and business consulting services to customers. The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'.

The 2023 financial year was characterised by organic growth of Ctac's operations, but also by disappointing results for Technology2Enjoy, resulting in a strategic reorientation for this group entity. 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, 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, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, among other things, the assumptions underlying the physical and transition risk related to climate change.

In paragraph 'Key estimates and assumptions' of the financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the level of the impairment recognised and the estimation uncertainty of associated future cash flows, we considered the impairment related to the intangible fixed assets and deferred tax asset of Technology2Enjoy as a key audit matter.

The risk of fraud in revenue recognition was also considered to be a key audit matter, with a specific focus on the existence of unsettled revenue transactions resulting from contracts with clients. These two key audit matters are explained in the section 'Key audit matters'. 'Sale of the intangible fixed asset relating to the Fit4Woco application', which had been identified as a key audit matter in 2022, was not considered to be a key audit matter in 2023, given that this sale transaction took place in 2022.

Other areas on which our audit focused, but which were not regarded as key audit matters, included the acquisition of the remaining shares in Oliver B.V. and the provision formed for long-term sickness as per 31 December 2023.

Ctac N.V. assessed the possible effects of climate change on its financial position. We discussed Ctac N.V.'s assessment and governance thereof with the board of directors and the supervisory board and evaluated the potential impact on the financial position including underlying assumptions and estimates. The expected effects of climate change are not considered a key audit matter.

We ensured that our audit team included the appropriate skills and competences which are needed for the audit of an IT and business consulting services provider. We therefore included experts and specialists from the fields of IT and remuneration in our team.

The outline of our audit approach was as follows:

Materiality
- Overall materiality: € 1,270,000.

Audit scope
- We conducted the 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: 93% of the consolidated total operating income, 96% of the consolidated balance sheet total and 92% of the consolidated net result.

Key audit matters
- Impairment related to the intangible fixed assets and deferred tax asset of Technology2Enjoy.
- Recognition of unsettled revenue transactions resulting from contracts with clients.

Materiality
The scope of our audit 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 certain 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 on our opinion.

Overall group materiality	€ 1,270,000 (2022: € 1,100,000).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 1% of the revenues from contracts with clients.
Rationale for benchmark applied	We used revenues from contracts with clients as the primary, a generally accepted auditing practice, based on our analysis of the common information needs of the 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 group's financial performance.
Component materiality	Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall group materiality. The range of materiality allocated across components was between € 615,000 and € 1,270,000.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above € 63,500 (2022: € 54,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit
Ctac N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Ctac N.V.

We tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required 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 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, one group entity was included within the scope of the group audit to obtain sufficient coverage for auditing individual financial line items in the consolidated financial statements.

Specific audit procedures were conducted on a significant risk which had been identified at the group entity Technology2Enjoy. We also considered this to be a key audit matter, as set out in the section 'Key audit matters'.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Operating income	93%
Balance sheet total	96%
Net result	92%

None of the remaining components represented more than 4% of the consolidated total operating income or 3% of the consolidated balance sheet total. For those remaining components we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

By performing the procedures outlined above at the components, combined with additional procedures exercised at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide 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 due to fraud. During our audit we obtained an understanding of Ctac N.V. and its environment and the components of the internal control system. This included the board of directors' risk assessment process, the board of directors' process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to section 'Fraud risk management' 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.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the board of directors' fraud risk analysis, the code of conduct, the whistle-blower policy and the insider policy, as published on the Company's website.

We asked members of the board of directors, Legal Affairs and the supervisory board as to whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets, and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

FRAUD RISKS IDENTIFIED	OUR AUDIT RESPONSE AND OBSERVATIONS
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 results 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 specific attention on access security in the IT system and the possibility that the separation of functions could be breached. Our audit approach was mainly substantive. We selected journal entries on the basis of risk criteria and carried out specific audit procedures in relation to them. These audit procedures included inspecting underlying source documentation. We also paid specific attention to consolidation and elimination entries. We did not identify any significant transactions outside the ordinary course of business. In addition, 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. We carried out specific audit procedures relating to the key estimates made by the board of directors, including: • possible indications of impairment of goodwill and customer and contract portfolios acquired; • the valuation of deferred tax assets; • the valuation and capitalisation of assets produced in-house; • the valuation of provisions and other liabilities. 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.
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 incorporated an element of unpredictability in our audit. We reviewed the lawyers letter and, during the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non compliance with laws and regulations.

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 continuity assessment for the foreseeable future and has not identified any events or circumstances that could give rise to reasonable doubt about the entity's ability to continue as a going concern (hereinafter: continuity risks).

Our procedures to evaluate the board of directors' going-concern assessment included, among other things:
- Considering whether the board of directors' going-concern assessment included all relevant information of which we were aware as a result of our audit by questioning the board of directors about 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.
- Evaluating the board of directors' current budget including cash flows for at least twelve months from the date of preparation of the financial statements taken into account current developments in the industry and all relevant information of which we were aware as a result of our audit.
- Assessing the credit facilities available in the Netherlands, 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.
- Performing inquiries of the board of directors as to its knowledge of going-concern risks beyond the period of the board of directors' assessment.

Our procedures did not result in outcomes contrary to the board of directors' assumptions and judgements 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 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
Impairment related to the intangible fixed assets and deferred tax asset of Technology2Enjoy *Refer to 'Key estimates and assumptions', and notes '1.1 Impairments and reversals of impairments' and '4. Deferred taxes'* On 1 June 2022 Ctac acquired all the shares in Technology2Enjoy and capitalised intangible fixed assets, consisting of goodwill (€ 163,000) and customer and contract portfolios acquired (€ 811,000). In the financial statements for 2022 a deferred tax asset for available tax losses was also capitalised, with a value of € 1,236,000. In 2023 the board of directors noted that the results of the group entity Technology2Enjoy were negative and that the customer and contract portfolios acquired were loss-making. The board of directors also carried out a strategic review of Technology2Enjoy's activities. Based on the loss-making contracts and the strategic review, the board of directors concluded that the future cash flows expected from the acquired business activities of Technology2Enjoy were insufficient, and that it was necessary to apply an impairment to the intangible fixed assets and to fully write down the deferred tax asset for available tax losses. As at 31 December 2023, the remaining book values of Technology2Enjoy's intangible fixed assets and of the deferred tax asset for offset table tax losses were zero. Given the level of the impairment recognised and the estimation uncertainty relating to expected future cash flows, we considered this to be a key audit matter.	We noted that events and circumstances exist that indicate impairment of the intangible fixed assets and deferred tax asset of Technology2Enjoy. On the basis of an analytical procedure, we established that the results of the group entity Technology2Enjoy were negative. We carried out specific audit procedures to confirm the expectation that the customer and contract portfolios acquired are loss-making. We assessed the board of directors' conclusion as to whether contracts are loss-making by reconciling the contract prices with customer contracts, and reconciling the costs already incurred and the expected costs to complete projects with the time sheets and project records. We also inspected communications between Technology2Enjoy and the customers concerned. We obtained information from the board of directors and supervisory board and took note of minutes of discussions held by the board of directors and supervisory board. In doing so, we established that there had been a strategic redefinition of Technology2Enjoy's activities and that the future cash flows expected from Technology2Enjoy's operations were insufficient to substantiate goodwill, intangible fixed assets and/or a deferred tax asset. We assessed the adequacy of the related notes in the financial statements. Based on our audit procedures, we conclude that the estimates made by the board of directors are substantiated by underlying audit evidence.

KEY AUDIT MATTERS	OUR AUDIT RESPONSE AND OBSERVATIONS
Recognition of unsettled revenue transactions resulting from contracts with clients *See '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 sections above, Ctac provides various types of services to its clients, for which it enters into individual contractual agreements. Ctac has set a clear and ambitious target for realising revenue growth. Performance-related bonuses for the board of directors and other officers 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 does not exist, may be recognised by the board of directors as revenue from contracts with clients in the current financial year. This risk relates specifically to the existence of revenue transactions that had not yet been settled as at 31 December 2023. 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 effective operation of the internal control measures 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 or services in the financial year concerned. 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. We assessed, on a test basis, the existence of receivables as at 31 December 2023 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 revenue transaction and the claim against the debtor by reconciling this claim with banking receipts in 2024. If the payment had not been received in 2024, we determined the existence of the revenue transaction on the basis of source documentation, such as contracts with clients and time sheets. We also examined whether credit notes have been sent in 2024 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 2023 and assessed, on the basis of internal records of time sheets and contracts with clients, whether this revenue had been correctly recognised as such. 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 contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the directors' report 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 ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment
We were appointed as auditors of Ctac N.V. on 1 July 2020 by the supervisory board. This followed the passing of a resolution by the shareholders at the annual general meeting held on 4 May 2020. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of four years.

European Single Electronic Format (ESEF)
Ctac N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the (partially) marked-up consolidated financial statements, as included in the reporting package by Ctac N.V., complies in all material respects with the RTS on ESEF.

The board of directors is responsible for preparing the annual report, including the financial statements in accordance with the RTS on ESEF, whereby the board of directors combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

Our procedures included:
- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

No prohibited services
To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services provided
The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in note 16 to the financial statements.

Responsibilities for 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 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 the 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. Based on the financial reporting frameworks mentioned, the board of directors should 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 in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

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 engagement 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, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. 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 the 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, 26 February 2024
PricewaterhouseCoopers Accountants N.V.

Original (Dutch version) has been signed by J.J.T. van Kessel RA

Appendix to our auditor's report on the financial statements 2023 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 auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on 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.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, 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 this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

Historical summary

Historical summary

	2023	2022	2021	2020	2019
Results (x € 1,000)					
Revenue from contracts with clients	127,230	117,672	106,424	87,307	81,782
Operating result + depreciation and amortisation (EBITDA)	10,177	12,293	12,049	10,227	7,525
Operating result + depreciation and amortisation (EBITDA) as % of revenue	8.0%	10.4%	11.3%	11.7%	9.2%
Net result attributable to the shareholders of Ctac N.V.	951	4,728	4,455	3,032	1,262
Net result attributable to the shareholders of Ctac N.V. as % of revenue	0.7%	4.0%	4.2%	3.5%	1.5%
Depreciation and amortisation	6,104	5,392	5,587	5,566	5,464
Cash flow (x € 1,000)					
Operational cash flow	10,690	6,142	9,542	15,148	8,092
Net cash position	7.0	5.4	7.5	6.7	1.5
Balance sheet (x € 1,000)					
Shareholders' equity	28,511	30,932	27,161	22,489	19,457
Total assets	71,305	75,578	74,010	64,520	45,370
Solvency as % of total assets	40.0%	40.9%	36.7%	34.9%	42.9%
Per share € 0.24 nominal					
Number of weighted average shares outstanding	14,076,565	13,809,008	13,603,100	13,243,302	12,879,601
(Proposed) dividend per share	0.11	0.12	0.11	0.08	0.08
Net earnings per share (attributable to the shareholders of Ctac N.V.)	0.07	0.34	0.33	0.23	0.10
Operational cash flow per share	0.76	0.44	0.70	1.14	0.63

Data based on published annual reports for the years in question

The Ctac share

Financial schedule 2024	
27 February 2024	publication of 2023 financial figures + 2023 annual report
9 April 2024	General Meeting of Shareholders
24 April 2024	publication of quarterly report for the first quarter of 2024
26 July 2024	publication of half-year figures for 2024
25 October 2024	publication of quarterly report for the third quarter of 2024

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 2023 contained the following investors with participating interests higher than 2.5% (source: AFM).

Date of disclosure	Disclosing Party	Interest
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)

	2023	2022
Weighted average of shares outstanding	14,079,055	13,809,008
Highest closing price	4.20	4.37
Lowest closing price	3.24	3.26
Closing price at year-end	3.30	3.35
Net result	0.07	0.34
Operating result	0.29	0.50
Operating result + depreciation and amortisation (EBITDA)	0.72	0.89
Net cash flow	0.76	0.44
Shareholders' equity	2.03	2.24
(Proposed) dividend	0.11	0.12
Dividend yield based on closing price	3.3%	3.6%

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 14,149,023 ordinary shares.

Development of share capital

The number of outstanding ordinary shares on 31 December 2023 was 14,149,023.

Dividend policy

In principle, Ctac's dividend policy aims to pay out 30 to 40% of the net profit. For 2023 the decision has been made to pay shareholders a cash dividend to prevent dilution of the outstanding shares. Ctac has also decided to pay out 30 to 40% of the normalised net profit for 2023, as the fall in net profit is mainly due to one-off setbacks, as described on page 91. Ctac may depart from the above policy in connection with the financing of future growth.

Index terminology

AI *(Artificial Intelligence)* **-** *A technology that emulates human intelligence to perform tasks and can repeatedly improve itself based on the information gathered.*

GDPR *(General Data Protection Regulation)* **-** *Since the GDPR came into effect on 25 May 2018, the same privacy legislation has been applicable all over the European Union (EU).*

CapEx *(Capital Expenditures)* **-** *These are the costs of developing or supplying non-consumable parts of a product or system (investment).*

ChatGPT - ChatGPT is a prototype of a chatbot with artificial intelligence developed by OpenAI. Users put in a proposal, certain information or a question and ChatGPT comes up with ready-to-use text.

CISO *(Chief Information Security Officer)* **-** *A CISO is responsible for the information security policy. This concerns both implementing policy and supervising compliance with it.*

Corporate Governance Code - Rules of conduct for good governance of a listed company protect the interests of shareholders, employees and stakeholders, and are contained in the Corporate Governance Code. Listed companies must comply with this code.

CSRD *(Corporate Sustainability Reporting Directive)* **-** *The CSRD is a European directive on sustainability reporting. This directive requires companies to report on their sustainability based on various sustainability criteria. The purpose of the CSRD, which has been in force since January 2023, is to align sustainability reporting with financial reporting.*

Cyber security - Cyber security is where people, processes and technology meet in order to protect organisations, people or networks from digital attacks.

ERP system *(Enterprise Resource Planning)* **-** *Software that enables business processes to be supported administratively.*

ESRS *(European Sustainability Reporting Standards)* **-** *The ESRS are the standards for sustainability reporting that support the Corporate Sustainability Reporting Directive (CSRD). The purpose of the CSRD, which has been in force since January 2023, is to align sustainability reporting with financial reporting.*

Hybrid cloud - The hybrid cloud combines one or more private and public clouds. Although these two types of infrastructures continue to operate separately from each other, they mutually exchange applications and data where necessary.

ISAE3402 - The international standard for assurance on aspects such as risk management, cyber security or privacy in case of outsourcing.

ISAE300 - The ISAE3000 report is based on the Cobit framework. An external assessment can be carried out to demonstrate that the proper quality requirements are complied with when handling infrastructure and financial systems of customers.

ISO - ISO certification is a tool for continuous organisational improvement. It requires processes and procedures to be recorded in a management system.

ISO27001 - ISO27001 is a globally recognised information security standard. The standard describes a process approach for handling information security in order to ensure the confidentiality, availability and integrity of information within an organisation.

OpenAI - A US company that researches and develops products in the field of artificial intelligence (*AI*).

OPEX - *Operating Expenditures Recurring costs for a product, system or company.*

POS *(Point of Sale)* **-** *Cash register.*

Privacy Officer *(PO)* **-** *A Privacy Officer assures compliance with privacy legislation and protects customers' personal data within the organisation.*

Private cloud - A private cloud is an infrastructure that a cloud provider provides to a single specific organisation, using the resources that are inherent in cloud computing, but without sharing any hardware or software with other organisations. The private infrastructure is on-premise at the organisation's location or is located at the supplier's.

Public cloud - The public cloud is a cloud solution that uses a shared, online infrastructure. This infrastructure is located at a cloud provider's location and applications and data are in this infrastructure.

Refugee Talent Hub - Refugee Talent Hub brings together employers and refugees in order to achieve paid employment.

S/4HANA - Industry-specific integrated ERP system.

WMS *(Warehouse management system)* **-** *A warehouse management system is a software solution that provides detailed information on a company's stock levels and manages supply chain processes from the distribution centre to the shop shelves.*

Colophon

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