

To the shareholders and the board of directors of
Icecat N.V.
De Liesbosch 12d
3439 LC NIEUWEGEIN

Annual Report 2014

Report
On financial statements 2014

Hak + Baak
Accountants met een PLUS B.V.
Postbus 327 *17-11-16*
3360 AH SLIEDRECHT

Table of contents

	Page
<u>1. Auditors' report</u>	
1.1 Independent auditors' report	4
1.2 General	6
1.3 Financial position	7
1.4 Result	9
1.5 Ratios	11
1.6 Fiscal position	13
<u>2. Financial statements</u>	
2.1 Balance sheet as at December 31, 2014	15
2.2 Statement of income and expenses and other comprehensive income for the year 2014	17
2.3 Cash flow statement for the year 2014	18
2.3 Statement of changes in equity	19
2.5 Notes to the financial statements	20
2.6 Notes to the balance sheet	25
2.7 Notes to the statement of income and expenses	29
<u>3. Other information</u>	
3.1 Statutory provision regarding appropriation of result	31
3.2 Proposal appropriation of result	31
3.3 Subsequent events	31

Iccat N.V.
Amsterdam

1. AUDITORS' REPORT

Hak + Baak
Accountants met een PLUS B.V.
Postbus 327 1216 ZG
3360 AH SLIEDRECHT



Accountants met een PLUS B.V.

Stationspark 100
3364 DA Sliedrecht
Postbus 327
3360 AH Sliedrecht

T 0184 42 03 28
F 0184 42 03 87
E Info@hakbaak.nl
www.hakbaak.nl

To the shareholders and the board of directors of
Icecat N.V.
De Liesbosch 12d
3439 LC NIEUWEGEIN

Sliedrecht, June 13, 2016

Dear Sirs,

1.1 Independent auditors' report

We have audited the accompanying financial statements 2014 of Icecat N.V., Nieuwegein, which comprise the balance sheet as at December 31, 2014, the statement of income and expenses and other comprehensive income for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information. The financial statements for the year 2013 are unaudited. The amounts included for comparative purposes in the profit and loss account have therefore not been audited.

Management's responsibility

Management is responsible for the preparation and fair presentation of these Financial statements and for the preparation of the management board report, both in accordance with International Financial Reporting Standards (IFRSs). Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Hak + Baak
Accountants met een PLUS B.V.
Postbus 327
3360 AH SLIEDRECHT

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Icecat N.V. as at December 31, 2014 and of its result for the year then ended in accordance with IFRSs.

Unaudited corresponding figures

We have not audited the financial statements 2013. Consequently, we have not audited the corresponding figures included in the profit and loss account.

Sliedrecht, June 13, 2016

Hak + Baak Accountants met een PLUS B.V.

A. van Zwiene RA

1.2 General

Incorporation company

The Company was incorporated on April 6, 2009.

Managing board

At balance sheet date iMerge B.V. is director of the company.

Adoption of the annual accounts

The Annual General Meeting of Shareholders had adopted the 2013 financial statements on May 6, 2015.
The net result after taxation for the year ending 2013 was € 31,654.

1.3 Financial position

To provide insight in the development of the financial position of the Company we provide you with the following statements. These are based on the information from the annual report. Hereafter we provide you with the balance sheet as at December 31, 2014 in an abridged form.

The table below is presented in thousands.

Financial structure

	31-12-2014		31-12-2013	
	€	%	€	%
<u>Assets</u>				
Tangible fixed assets	250	3.7	188	3.2
Financial fixed assets	3,938	58.2	3,938	67.0
Receivables	2,347	34.7	1,626	27.6
Cash	233	3.4	128	2.2
	<u>6,768</u>	<u>100.0</u>	<u>5,880</u>	<u>100.0</u>
<u>Liabilities</u>				
Shareholders equity	4,519	66.8	4,228	71.9
Non-current liabilities	-	-	414	7.0
Current liabilities	2,249	33.2	1,238	21.1
	<u>6,768</u>	<u>100.0</u>	<u>5,880</u>	<u>100.0</u>

The table below is presented in thousands.

Analysis of the financial position

	<u>31-12-2014</u>	<u>31-12-2013</u>
	€	€
<u>Available on short term</u>		
Receivables	2,347	1,626
Cash	233	128
	<u>2,580</u>	<u>1,754</u>
Current liabilities	-2,249	-1,238
Liquidity surplus = working capital	<u>331</u>	<u>516</u>
<u>Established for the long term</u>		
Tangible fixed assets	250	188
Financial fixed assets	3,938	3,938
	<u>4,188</u>	<u>4,126</u>
Financed with on the long term available assets	<u>4,519</u>	<u>4,642</u>
<u>Financing</u>		
Shareholders equity	4,519	4,228
Non-current liabilities	-	414
	<u>4,519</u>	<u>4,642</u>

1.4 Result

The table below is presented in thousands.

Analysis of the result

	2014		2013	
	€	%	€	%
Net turnover	3,513	100.0	3,015	100.0
Cost of sales	-652	-18.6	-920	-30.5
Gross profit	2,861	81.4	2,095	69.5
Wages and salaries	1,017	28.9	801	26.6
Social security charges	174	5.0	140	4.6
Pension contributions	21	0.6	28	0.9
Other staff expenses	113	3.2	103	3.4
Depreciation of tangible fixed assets	68	1.9	49	1.6
Other operating expenses	806	22.9	937	31.2
Total operating expenses	2,199	62.5	2,058	68.3
Operating result	662	18.9	37	1.2
Financial income and expense	-10	-0.3	-2	-0.1
Result from operational activities before taxation	652	18.6	35	1.1
Income tax	-111	-3.2	-3	-0.1
Net income	541	15.4	32	1.0

Icecat N.V.
Amsterdam

The table below is presented in thousands.

Analysis of the results

	2014	
	€	€
<u>Increase in result</u>		
Higher gross profit	766	
Lower pension contributions	7	
Lower other operating expenses	<u>131</u>	
		904
<u>Decrease in result</u>		
Higher wages and salaries	216	
Higher social security charges	34	
Higher other staff expenses	10	
Higher depreciation of tangible fixed assets	19	
Lower financial income and expense	8	
Higher income tax	<u>108</u>	
		<u>395</u>
Improvement of the net result		<u><u>509</u></u>

1.5 Ratios

Liquidity

Current ratio

	<u>2014</u>	<u>2013</u>
<u>Current assets</u>		
Current liabilities	1	1

Quick ratio

<u>Current assets - stock</u>		
Current liabilities	1	1

The liquidity ratios provide information about a firm's ability to meet its short-term financial obligations.

Solvency

		<u>2014</u>	<u>2013</u>
		%	%
<u>Shareholders equity</u>	x 100	66	71
Total assets			
<u>Shareholders equity</u>	x 100	201	256
Total liabilities			
<u>Total liabilities</u>	x 100	33	28
Total assets			

The solvency ratios provide information about a firm's ability to meet its long-term financial obligations.

Profitability

		<u>2014</u>	<u>2013</u>
		%	%
<u>Operating result</u>	x 100	9	0
Total assets			
<u>Result for the year</u>	x 100	12	0
Shareholders equity			

The profitability on total assets provides information about a firm's ability to generate a return on its total assets.

The profitability on equity provides information on the return a firm has generated on its equity. This return is attributable to the owner.

Ratios in relation to the results

Rate of turnover

		<u>2014</u>	<u>2013</u>
<u>Turnover</u>			
Turnover base year (2014)	x 100	100	85

Gross margin

<u>Gross margin</u>			
Gross margin base year (2014)	x 100	100	73

Operating result

<u>Operating result</u>			
Operating result base year (2014)	x 100	100	5

Net result

<u>Net result</u>			
Net result base year (2014)	x 100	100	5

Iccat N.V.
Amsterdam

1.6 Fiscal position

	<u>2014</u>
	€
Calculation taxable amount	
Result from ordinary activities before taxation	651,686
Added	
Higher fiscal cost of sales	-413,849
	<u>237,837</u>
Partially deductible amounts	4,400
	<u>242,237</u>
Investment agreements	
Small scale investment allowance	-13,433
	<u>228,804</u>
Non-eligible benefits 'Innovatiebox' referred to in article 12b VPB	-59,449
Taxable amount	<u><u>169,355</u></u>

Calculation corporate tax

	<u>2014</u>
	€
20.0% of €169,355	<u><u>33,871</u></u>

Situation at balance sheet date

Year	Liability / Receivable at 01-01-2014	Corporate tax in 2014	Payments / receipts during 2014	Adjustments in 2014	Liability / Receivable at 31-12-2014
	€	€	€	€	€
2010	17,017	1,945	-18,962	-	-
2011	-	-2,831	-	1,951	-880
2012	-2,249	9,207	2,249	-	9,207
2013	-8,186	68,570	-	-	60,384
2014	-	33,871	-11,041	-	22,830
	<u>6,582</u>	<u>110,762</u>	<u>-27,754</u>	<u>1,951</u>	<u>91,541</u>

Yours sincerely,

Hak + Baak Accountants met een PLUS B.V.

A. van Zwiener RA

Hak + Baak
Accountants met een PLUS B.V.
Postbus 327
3360 AH SLIEDRECHT
12/02/2016

Icecat N.V.
Amsterdam

2. FINANCIAL STATEMENTS

Hak + Baak
Accountants met een PLUS B.V.
Postbus 327
3360 AH SLIEDRECHT

Handwritten signature

2.1 Balance sheet as at December 31, 2014
Before result appropriation

	31-12-2014		31-12-2013		01-01-2013	
	€	€	€	€	€	€
ASSETS						
<u>Fixed assets</u>						
Tangible fixed assets	1					
Furniture, fixtures and fittings		249,507		188,191		138,965
Financial fixed assets	2					
Participations in group companies		3,931,292		3,931,292		3,931,292
Other amounts receivable	3	<u>6,785</u>		<u>6,785</u>		<u>6,785</u>
		3,938,077		3,938,077		3,938,077
<u>Current assets</u>						
Receivables	4	2,346,594		1,625,704		1,006,638
Cash	5	232,540		127,747		185,359
Total assets		<u>6,766,718</u>		<u>5,879,719</u>		<u>5,269,039</u>

	31-12-2014		31-12-2013		01-01-2013	
	€	€	€	€	€	€
LIABILITIES						
Shareholders equity	6					
Issued share capital		100,000		100,000		100,000
General reserve	7	3,877,918		4,096,264		4,004,003
Result for the year	8	<u>540,924</u>		<u>31,654</u>		<u>109,257</u>
		4,518,842		4,227,918		4,213,260
Non-current liabilities	9			413,849		587,357
Current liabilities	10			1,237,952		468,422
Total liabilities		<u>6.766.718</u>		<u>5.879.719</u>		<u>5.269.039</u>

2.2 Statement of income and expenses and other comprehensive income for the year 2014

		2014		2013	
		€	€	€	€
Net turnover	11	3,512,559		3,015,152	
Cost of sales		<u>-651,964</u>		<u>-919,832</u>	
Gross profit			2,860,595		2,095,320
Personnel expenses		1,212,083		968,971	
Depreciation of tangible fixed assets		67,944		49,088	
Other operating expenses		<u>919,016</u>		<u>1,040,081</u>	
Total operating expenses			<u>2,199,043</u>		<u>2,058,140</u>
Operating result			661,552		37,180
Other interest and similar income		519		11,505	
Interest and similar expenses		<u>-10,385</u>		<u>-13,968</u>	
Financial income and expense			<u>-9,866</u>		<u>-2,463</u>
Result from operational activities before taxation			651,686		34,717
Income tax	12		<u>-110,762</u>		<u>-3,063</u>
Net income			<u>540,924</u>		<u>31,654</u>

As there is no other comprehensive income, net income is equal to the total of comprehensive income. The net result, and therefore the comprehensive income are fully attributable to the shareholders.

2.3 Cash flow statement for the year 2014

	2014		2013	
	€	€	€	€
Cash flow from operating activities				
Operating result		661,552		37,180
<i>Adjustments for</i>				
Depreciation of intangible and tangible assets	67,944		43,264	
Mutation of provision	<u>-413,849</u>		<u>49,575</u>	
		-345,905		92,839
<i>Changes in working capital</i>				
Trade debtors	166,663		-440,250	
Receivables from group companies	178,738		-202,839	
Other accounts receivable	-602,848		-200,961	
Prepaid expenses	-463,443		764	
Accounts receivable (excluding banks)	<u>1,009,312</u>		<u>770,666</u>	
		<u>288,422</u>		<u>-72,620</u>
Cash flow from operating activities		604,069		57,399
Interest received	519		11,505	
Interest paid	-10,385		-13,968	
Income tax	<u>-110,762</u>		<u>-3,063</u>	
		<u>-120,628</u>		<u>-5,526</u>
Cash flow from operating activities		483,441		51,873
Cash flow from operating activities				
Investments in tangible assets	-133,207		-98,315	
Disposal of tangible fixed assets	<u>3,947</u>		<u>5,825</u>	
Cash flow from operating activities		-129,260		-92,490
Cash flow from financing activities				
Capital contribution	-250,000		-	
Corrections	<u>-</u>		<u>-16,996</u>	
Cash flow from financing activities		-250,000		-16,996
Movements cash		<u>104,181</u>		<u>-57,613</u>
Turnover movement cash and cash equivalents				
Balance as at beginning of financial year		127,747		185,360
Movements during financials year		<u>104,181</u>		<u>-57,613</u>
Balance at financial year end		<u>231,928</u>		<u>127,747</u>

2.4 Statement of changes in equity

Movements in equity were as follows:

	Issued share capital	General reserve	Result for the year	Total
	€	€	€	€
Balance as at January 1, 2013 (Dutch GAAP)	100,000	83,603	109,257	292,860
Adjustment due to change in accounting policies	-	3,920,400	-	3,920,400
Balance as at January 1, 2013 (IFRS)	<u>100,000</u>	<u>4,004,003</u>	<u>109,257</u>	<u>4,213,260</u>
Appropriation of result	-	109,257	-109,257	-
Adjustment of income tax	-	-16,996	-	-16,996
Result for the year	-	-	31,654	31,654
Balance as at December 31, 2013	<u>100,000</u>	<u>4,096,264</u>	<u>31,654</u>	<u>4,227,918</u>
Appropriation of result	-	31,654	-31,654	-
Result for the year	-	-	540,924	540,924
Capital contribution	7 -	-250,000	-	-250,000
Balance as at December 31, 2014	<u>100,000</u>	<u>3,877,918</u>	<u>540,924</u>	<u>4,518,842</u>

2.5 Notes to the financial statements

General

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements. These financial statements are presented in €, the company's functional currency.

Comparative figures

The classification of comparative figures for the previous financial year has only been adjusted, where applicable, for the purpose of comparison.

Reporting period

These annual accounts have been compiled based on a reporting period of a calendar year.

Activities

The activities of Icecat N.V., having its legal seat at Utrecht and its actual location at Amsterdam and Nieuwegein, primarily consist of developing and exploiting open content media.

Consolidation exemption according article 408

In accordance with article 2:408 of the Dutch Civil Code no consolidated financial statements are presented. The financial statements of the company and its subsidiaries are included in the consolidated financial statements of iMerge B.V., Nieuwegein.

Changes in accounting policies

Compared with previous year, there has been a change in the accounting policies applied. The management of the company decided to switch to International Financial Reporting Standards (IFRS) for the preparation of the financial statements. The management of the company believes that the application of these principles results in reliable and more relevant information in the financial statements about the financial position and results. By applying IFRS, the figures of the company are more comparable with industry peers and the company is ready for a possible IPO.

The end of Icecat N.V.'s first IFRS reporting period is 31 December 2014. Icecat N.V. decides to present comparative information in those financial statements for one year only. Therefore, its date of transition to IFRSs is the beginning of business on 1 January 2013. Icecat N.V. presented financial statements in accordance with Dutch GAAP to 31 December each year up to, and including, 31 December 2013.

In accordance with IFRS 1 Icecat N.V. is required to apply the IFRSs effective for periods ending on 31 December 2014 in preparing and presenting its opening IFRS statement of financial position at 1 January 2013 and preparing and presenting its statement of financial position for 31 December 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year to 31 December 2014 and disclosures (including comparative amounts and information for 2013).

The resulting adjustments arise from events and transactions before the date of transition to IFRSs. Therefore, Icecat N.V. recognises those adjustments directly in general reserve at the date of transition to IFRSs.

Translation of foreign currency

The assets and liabilities of the foreign business operations are translated into euros at the exchange rate as at balance sheet date and the profit and loss account items at the exchange rate at transaction date.

Financial instruments and financial risk management

In the context of financial risk management Icecat N.V. has identified the following risks:

Currency risk

Icecat N.V. operates internationally and the sales in foreign currency is less than 1%. The effects on equity and results are calculated at the balance sheet data.

Interest rate risk

Long-term and bank debt are not applicable within Icecat N.V.

Current liabilities and receivables in affiliated companies, the fee applicable interest rate at that time, which is reflected in the figures at the balance sheet date.

Credit risk

Receivables whose due date has passed more than 100 days, a provision of 100% will be made without VAT. The provision accounts receivables at the end of 2015 is EUR 103K (2014: 166K).

Liquidity risk

Icecat N.V. manages its liquidity risk with cash provided from operating activities being the primary source of liquidity.

Based on the current operating performance and liquidity position, the Company believes that cash provided by operating activities and available cash balances will be sufficient for working capital, capital expenditures, interest payments, dividends for the next 12 months and the foreseeable future.

All financial liabilities held at the reporting date, for which payments are already contractually agreed, have been included. Amounts in foreign currency have been translated using the reporting date closing rate.

Related party transactions for the year 2014

	Sales to related parties €	Purchases from related parties €	Amounts receivable from related parties €	Amounts payable to related parties €
Parent:				
iMerge B.V.	-	84,840	715,437	-
Subsidiaries:				
Iceleads B.V.	52,551	60,326	48,878	-
Icecat Ukraine LLC	-	85,624	-	-
Other related parties:				
Iceshop B.V.	12,413	179,104	-	331,621
Total	64,964	409,894	764,315	331,621

The interest which is calculated on the receivables and payables is in conformity with the market.

Hak + Baak
Accountants met een PLUS B.V.
Postbus 327 2316
3360 AH SLIEDRECHT

Accounting policies in respect of the valuation of assets and liabilities

Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Land is not depreciated.

Tangible fixed assets are capitalized if the economic ownership held by the company, and its group companies, is governed by a financial lease agreement. The commitment arising from the financial lease agreement is accounted for as a liability. The interest included in the future lease instalments is charged to the result over the term of the financial lease agreement.

Financial fixed assets

Participations in group companies

Participations in group companies are companies over which Icecat N.V. has the power to control. These participations are, if possible, valued at fair value.

Other amounts receivable

Upon initial recognition the receivables from and loans to associated companies and other receivables are valued at fair value and then valued at amortized cost, which equals the face value, after deduction of any provisions.

Impairment

Assets with a long life should be tested for impairment in the case of changes or circumstances arising that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets in use is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate.

If the carrying amount of an asset exceeds the estimated present value of the future cash flows, impairment is charged to the difference between the carrying amount and the recoverable amount.

Accounts receivable

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Cash

Cash and cash equivalents are valued at face value. If cash is not freely available this is taken into account for the valuation.

Equity

Financial instruments are classified as equity, if they have the substance of equity instruments; the legal form is of no consequence.

Provisions

The provision for warranties is recorded on behalf of the estimated costs expected to arise from the current warranties on account of goods and services delivered. Warranty claims are deducted from this provision.

Current liabilities

Upon initial recognition, current liabilities are stated at fair value and then valued at amortized cost.

Other payables

Upon initial recognition, other short-term liabilities are stated at fair value and then valued at amortized cost.

Accounting policies in respect of result determination

General

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Revenues from services are recognized in proportion to the services rendered, based on the cost incurred in respect of the services performed up to balance sheet date, in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated to the same period.

The profit to be allocated to the work in progress on construction contracts is determined on the basis of costs incurred for the work as at balance sheet date, in proportion to the aggregate costs expected to be spent on the work. The net realizable value is based on an expected sales price net of costs to be incurred for completion and sales.

Net turnover

Net turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes.

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

Cost of sales

The cost of sales consists of the cost of goods sold and delivered, consisting of direct use of materials, direct wages and machine costs and other direct and indirect production costs that can be attributed to the production.

Depreciation and amortization

Depreciation of other fixed assets is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Book profits and losses upon disposal of a business asset are included in depreciation.

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realization is likely.

Principles of the cash flow summary

The cash flow statement is prepared according to the indirect method.

The funds in the cash flow statement consist of cash and cash equivalents.
Cash equivalents can be considered to be highly liquid investments.

Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement under cash flow from operating activities.

Corporate income taxes, interest paid, interest received and dividends received are presented under the cash flow from operating activities. Issuance of share capital and dividends paid are presented under the cash flow from financing activities.

The cost of group companies acquired is presented under the cash flow from investment activities, as far as payment has been made with cash and cash equivalents. The cash and cash equivalents of the group companies acquired are deducted from the purchase cost.

Transactions that do not result in exchange of cash and cash equivalents, such as financial lease, are not presented in the cash flow statement. The payment of lease terms on account of the financial lease contract is considered as an expenditure of financing activities as far as it concerns redemptions and as an expenditure of operational activities as far as it concerns interest.

Determination of fair value

Some accounting principles demand determination of the fair value of both financial and non-financial assets and liabilities. Fair value is therefore determined for each relevant section as written below.

Determination of fair value is categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 inputs are unobservable inputs for the asset or liability.

2.6 Notes to the balance sheet

Fixed assets

1 Tangible fixed assets

	<u>Furniture, fixtures and fittings</u> €
Balance as at January 1, 2014	
Acquisition value	274,945
Accumulated depreciation	<u>-86,754</u>
Book value as at January 1, 2014	<u>188,191</u>
Movements	
Investments	133,207
Depreciation	-67,944
Disposals	<u>-3,947</u>
Balance movements	<u>61,316</u>
Balance as at December 31, 2014	
Acquisition value	401,567
Accumulated depreciation	<u>-152,060</u>
Book value as at December 31, 2014	<u>249,507</u>
Depreciation percentages	<u>20</u>

2 Financial fixed assets

Register of participations

	Share in issued capital in %
Iceleads B.V., Amsterdam	60.00
Icecat Ukraine LLC, Kiev	100.00

There are no contingent liabilities or significant restrictions relating to the interest in the companies.

	2014 €	2013 €
Iceleads B.V.		
Book value as at January 1	3,931,200	3,931,200
Balance movements	-	-
Book value as at December 31	<u>3,931,200</u>	<u>3,931,200</u>

The revaluation is processed at January 1, 2013 because Icecat N.V., at the time of transition to IFRS, has chosen to determine the cost of investments at the assumed cost based on the fair value measured at the time of transition to IFRS.

Determination of fair value is based on the price per share paid by investors in March 2015. Searching for an investor and valuation of the price per share also took place in 2014. In our opinion, the applied price per share indicates an accurate reflection of the real value of the shares, even though the actual sales transaction took place in March 2015.

Icecat Ukraine LLC

Book value as at January 1	92	92
Balance movements	-	-
Book value as at December 31	<u>92</u>	<u>92</u>

Determination of fair value is based on the price per share paid by Icecat N.V. in 2011. Due to the lack of growth of the activities in this company, the fair value hasn't changed in the past years.

3 Other amounts receivable

Rent deposit	<u>6,785</u>	<u>6,785</u>
--------------	--------------	--------------

Current assets

	<u>31-12-2014</u>	<u>31-12-2013</u>
	€	€
<u>4 Receivables</u>		
Trade receivables	818,605	985,268
Receivables from group companies	48,878	227,616
Prepaid expenses and other current assets	1,479,111	412,820
	<u>2,346,594</u>	<u>1,625,704</u>

Trade receivables

Trade debtors	985,515	1,190,974
Bad debts	-	128,238
	<u>985,515</u>	<u>1,319,212</u>
Provision for doubtful debts	-166,910	-333,944
	<u>818,605</u>	<u>985,268</u>

The concentration of credit risk with respect to receivables is limited. Icecat N.V. does not hold any significant collateral on its receivables. Management believes there is no further credit risk provision required in excess of the normal impairment, based on the aging analysis performed as of December 31, 2014.

5 Cash

ABN AMRO Bank N.V.	139,948	92,102
Rabobank	6,204	5,800
Other banks	86,388	29,845
	<u>232,540</u>	<u>127,747</u>

Of the cash and cash equivalents as of December 31, 2014 and December 31, 2013, no amounts were restricted.

<u>31-12-2014</u>	<u>31-12-2013</u>
€	€

6 Shareholders equity

Earnings per share

The calculation of net income per share attributable to common shareholders is based on the following data:

Net income attributable to common shareholders for the purposes of earnings per share	540,924	31,654
Weighted average number of common shares for the purpose of earnings per share	100,000	100,000
Earnings per share attributable to common shareholders	5.41	0.32

7 General reserve

During 2014, a capital contribution to the participation Iceleads B.V. is recognized in the general reserve. This is because this capital contribution is included in the valuation of the share price as applied in the transition to IFRS.

8 Result for the year

During 2015, a dividend of € 210,000 was paid to the shareholders regarding the result of 2014.

9 Non-current liabilities

Other provisions

Warranty provision	-	<u>413,849</u>
--------------------	---	----------------

As a result of changed views regarding the items for which the warranty provision was formed, the entire provision in the year was decreased to result.

10 Current liabilities

Payables to credit institutions	612	-
Accounts payable	15,817	78,597
Taxes and social security premiums	186,066	98,448
Other current liabilities	2,045,381	1,060,907
	<u>2,247,876</u>	<u>1,237,952</u>

Hak + Baak
Accountants (get een PLUS B.V.)
Postbus 327 1210BL 2016
3360 AH SLIEDRECHT

2.7 Notes to the statement of income and expenses

	<u>2014</u>	<u>2013</u>
	€	€
<u>11 Net turnover</u>		
Turnover Netherlands	1,074,992	1,222,846
Turnover Europe	1,333,320	2,039,224
Turnover Rest of the world	429,247	428,082
Deferred income	675,000	-675,000
	<u>3,512,559</u>	<u>3,015,152</u>

Until 2013, the deferred income was presented as a separate item. As of 2014, the deferred income is corrected on the turnover by geographical classification. The release of the deferred income from 2013 is presented as a separate item because it is also recognized as a separate item in 2013.

12 Income tax

Income tax	-32,991	-3,063
Correction income tax 'Innovatiebox'	-77,771	-
	<u>-110,762</u>	<u>-3,063</u>

Signature management for approval of the financial statements:

Mr. M.J. Hoogeveen,
CEO Icecat N.V.

Hak + Baak
Accountants met een PLUS B.V.
Postbus 327 12106/2016
3360 AH SLIEDRECHT

Icecat N.V.
Amsterdam

3. OTHER INFORMATION

Hak + Baak
Accountants met een PLUS B.V.
Postbus 327 1516 BZ
3360 AH SLIEDRECHT

3.1 Statutory provision regarding appropriation of result

In article 20 of the company statutory regulations the following has been presented concerning the appropriation of result:

1. The profit is at the disposal of the general meeting.
2. The company may only make distributions to shareholders and other persons entitled to distributable profits to the extent that equity exceeds the paid and called-up share capital plus the reserves that must be maintained by law or the statutes.
3. Distribution of profits shall be made after adoption of the annual accounts showing that such distribution is permitted.
4. When calculating the profit distribution, the shares held by the Company in its own capital shall not be counted unless these shares have a usufruct or certificates of those shares have been issued with the cooperation of the company.
5. The company may only make interim distributions, if the requirements of paragraph 2 are met.

3.2 Proposal appropriation of result

The management of the company proposes to appropriate the result as follows.

The appropriation of profit for the year 2014 in the amount of € 540,924 will be added to in full to the general reserve.

This proposal needs to be determined by the General Meeting and has therefore not yet been processed in the annual accounts 2014 for the company.

3.3 Subsequent events

There have been no significant subsequent events.