

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

Annual Report 2015

Report  
On financial statements 2015

---

**Hak + Baak**  
Accountants met een PLUS B.V.  
Postbus 27 1304 206  
3360 AH SLIEDRECHT

## Table of contents

	<b>Page</b>
<b><u>1. Auditors' report</u></b>	
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
<b><u>2. Financial statements</u></b>	
2.1 Balance sheet as at December 31, 2015	16
2.2 Statement of income and expenses and other comprehensive income for the year 2015	18
2.3 Cash flow statement for the year 2015	19
2.4 Statement of changes in equity	20
2.5 Notes to the financial statements	21
2.6 Notes to the balance sheet	26
2.7 Notes to the statement of income and expenses	30
<b><u>3. Other information</u></b>	
3.1 Statutory provision regarding appropriation of result	32
3.2 Proposal appropriation of result	32
3.3 Subsequent events	32

Icecat N.V.  
Amsterdam

---

1. AUDITORS' REPORT

---

**Hak + Baak**  
Accountants met een PLUS B.V.  
Postbus 327 1700 HS  
3360 AH SLIEDRECHT

Stationspark 100  
3304 DA Sliedrecht  
Postbus 327  
3360 AH Sliedrecht

T 0184 42 03 28  
F 0184 42 03 87  
E [info@hakbaak.nl](mailto:info@hakbaak.nl)  
[www.hakbaak.nl](http://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 2015 of Icecat N.V., Nieuwegein, which comprise the balance sheet as at December 31, 2015, 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.

### **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  
13/06/2016

## 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, 2015 and of its result for the year then ended in accordance with IFRSs.

Sliedrecht, June 13, 2016

Hak + Baak Accountants met een PLUS B.V.

A. van Zwienen RA

## **1.2 General**

### **Incorporation company**

The Company was incorporated on April 6, 2009.

### **Activities**

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

### **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 has planned to adopt the 2014 financial statements on June 16, 2016. The net result after taxation for the year ending 2014 was € 540,924.

## 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, 2015 in an abridged form.

The table below is presented in thousands.

### Financial structure

	31-12-2015		31-12-2014	
	€	%	€	%
<b><u>Assets</u></b>				
Tangible fixed assets	316	4.2	250	3.7
Financial fixed assets	3,946	53.0	3,938	58.2
Receivables	1,897	25.5	2,347	34.7
Cash	1,285	17.3	233	3.4
	<u>7,444</u>	<u>100.0</u>	<u>6,768</u>	<u>100.0</u>
<b><u>Liabilities</u></b>				
Shareholders equity	5,093	68.4	4,519	66.8
Current liabilities	2,351	31.6	2,249	33.2
	<u>7,444</u>	<u>100.0</u>	<u>6,768</u>	<u>100.0</u>

Icecat N.V.  
Amsterdam

---

The table below is presented in thousands.

## Analysis of the financial position

	<u>31-12-2015</u>	<u>31-12-2014</u>
	€	€
<b><u>Available on short term</u></b>		
Receivables	1,897	2,347
Cash	<u>1,285</u>	<u>233</u>
	3,182	2,580
Current liabilities	<u>-2,351</u>	<u>-2,249</u>
<b>Liquidity surplus = working capital</b>	<u>831</u>	<u>331</u>
<b><u>Established for the long term</u></b>		
Tangible fixed assets	316	250
Financial fixed assets	<u>3,946</u>	<u>3,938</u>
	<u>4,262</u>	<u>4,188</u>
<b>Financed with on the long term available assets</b>	<u>5,093</u>	<u>4,519</u>
<b><u>Financing</u></b>		
Shareholders equity	<u>5,093</u>	<u>4,519</u>



## 1.4 Result

The table below is presented in thousands.

### Analysis of the result

	2015		2014	
	€	%	€	%
<b>Net turnover</b>	5,414	100.0	3,513	100.0
Cost of sales	-1,626	-30.0	-652	-18.6
<b>Gross profit</b>	<b>3,788</b>	<b>70.0</b>	<b>2,861</b>	<b>81.4</b>
Wages and salaries	1,382	25.5	1,017	28.9
Social security charges	174	3.2	174	5.0
Pension contributions	13	0.2	21	0.6
Other staff expenses	123	2.3	113	3.2
Depreciation of tangible fixed assets	91	1.7	68	1.9
Other operating expenses	1,035	19.1	806	22.9
<b>Total operating expenses</b>	<b>2,818</b>	<b>52.0</b>	<b>2,199</b>	<b>62.5</b>
<b>Operating result</b>	<b>970</b>	<b>18.0</b>	<b>662</b>	<b>18.9</b>
Financial income and expense	-4	-0.1	-10	-0.3
<b>Result from operational activities before taxation</b>	<b>966</b>	<b>17.9</b>	<b>652</b>	<b>18.6</b>
Income tax	-187	-3.5	-111	-3.2
	779	14.4	541	15.4
Share in result from participations	5	0.1	-	-
<b>Net result from ordinary activities after taxation</b>	<b>784</b>	<b>14.5</b>	<b>541</b>	<b>15.4</b>

Icecat N.V.  
Amsterdam

The table below is presented in thousands.

## Analysis of the results

	2015	
	€	€
<b><u>Increase in result</u></b>		
Higher gross profit	927	
Lower pension contributions	8	
Higher financial income and expense	6	
Higher share in result from participations	5	
	<u>5</u>	946
<b><u>Decrease in result</u></b>		
Higher wages and salaries	365	
Higher other staff expenses	10	
Higher depreciation of tangible fixed assets	23	
Higher other operating expenses	229	
Higher income tax	76	
	<u>76</u>	<u>703</u>
<b>Improvement of the net result</b>		<u><u>243</u></u>

## 1.5 Ratios

### Liquidity

#### Current ratio

	<u>2015</u>	<u>2014</u>
<u>Current assets</u>		
<u>Current liabilities</u>	1	1

#### Quick ratio

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

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

### Solvency

		<u>2015</u>	<u>2014</u>
		%	%
<u>Shareholders equity</u>	x 100	68	66
<u>Total assets</u>			
<u>Shareholders equity</u>	x 100	216	201
<u>Total liabilities</u>			
<u>Total liabilities</u>	x 100	31	33
<u>Total assets</u>			

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

### Profitability

		<u>2015</u>	<u>2014</u>
		%	%
<u>Operating result</u>	x 100	13	p.i
<u>Total assets</u>			
<u>Result for the year</u>			
<u>Shareholders equity</u>	x 100	15	p.i

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>2015</u>	<u>2014</u>
<u>Turnover</u>			
Turnover base year (2015)	x 100	100	64

### Gross margin

<u>Gross margin</u>			
Gross margin base year (2015)	x 100	100	75

### Operating result

<u>Operating result</u>			
Operating result base year (2015)	x 100	100	68

### Net result

<u>Net result</u>			
Net result base year (2015)	x 100	100	69

Icecat N.V.  
Amsterdam

## 1.6 Fiscal position

	<u>2015</u>
	€
<b>Calculation taxable amount</b>	
Result from ordinary activities before taxation	966,165
Share in result from participations	<u>5,012</u>
Result before taxation	971,177
<b><u>Non-deductible amounts</u></b>	
For deduction excluded fines	826
<b><u>Partially deductible amounts</u></b>	
Application lump sum	<u>4,400</u>
	976,403
<b><u>Investment agreements</u></b>	
Small scale investment allowance	<u>-10,169</u>
	966,234
Non-eligible benefits 'Innovatiebox' referred to in article 12b VPB	-232,755
Participation exemption	<u>-5,012</u>
Taxable amount	728,467
Rounding	<u>2</u>
<b>Rounded taxable amount</b>	<u><u>728,465</u></u>
<b>Calculation corporate tax</b>	
	<u>2015</u>
	€
20.0% of € 200,000	40,000
25.0% of € 528,465	<u>132,116</u>
<b>Payable corporate taxes</b>	<u><u>172,116</u></u>

**Situation at balance sheet date**

Year	Liability / Receivable at 01-01-2015	Corporate tax in 2015	Payments / receipts during 2015	Liability / Receivable at 31-12-2015
	€	€	€	€
2011	-880	14,564	-14,564	-880
2012	9,207	-	-	9,207
2013	60,384	-	8,186	68,570
2014	22,830	-	-	22,830
2015	-	172,116	-10,958	161,158
	<u>91,541</u>	<u>186,680</u>	<u>-17,336</u>	<u>260,885</u>

Yours sincerely,

Hak + Baak Accountants met een PLUS B.V.

A. van Zwienen-RA

Icecat N.V.  
Amsterdam

---

## 2. FINANCIAL STATEMENTS

---

**Hak + Baak**  
Accountants met een PLUS B.V.  
Postbus 27 1206/2016  
3360 AH SLIEDRECHT

**2.1 Balance sheet as at December 31, 2015**  
*Before result appropriation*

	<u>31-12-2015</u>		<u>31-12-2014</u>	
	€	€	€	€
<b>ASSETS</b>				
<b><u>Fixed assets</u></b>				
<b>Tangible fixed assets</b>	1			
Furniture, fixtures and fittings		315,820		249,507
<b>Financial fixed assets</b>	2			
Participations in group companies	3	7,604	92	
Participations in associated companies	4	3,931,200	3,931,200	
Other amounts receivable	5	<u>6,785</u>	<u>6,785</u>	
		3,945,589		3,938,077
<b><u>Current assets</u></b>				
<b>Receivables</b>	6	1,896,616		2,346,594
<b>Cash</b>	7	1,284,742		232,540
<b>Total assets</b>		<u><u>7,442,767</u></u>		<u><u>6,766,718</u></u>



	<u>31-12-2015</u>		<u>31-12-2014</u>	
	€	€	€	€
<b>LIABILITIES</b>				
<b>Shareholders equity</b>	8			
Issued share capital		100,000		100,000
General reserve		4,208,842		3,877,918
Result for the year	9	<u>784,497</u>		<u>540,924</u>
		5,093,339		4,518,842
<b>Current liabilities</b>	10	2,349,428		2,247,876
<b>Total liabilities</b>		<u><u>7,442,767</u></u>		<u><u>6,766,718</u></u>

## 2.2 Statement of income and expenses and other comprehensive income for the year 2015

		2015		2014	
		€	€	€	€
<b>Net turnover</b>	11	5,414,094		3,512,559	
Cost of sales		<u>-1,625,760</u>		<u>-651,964</u>	
<b>Gross profit</b>			3,788,334		2,860,595
Wages and salaries		1,569,641		1,212,083	
Depreciation of tangible fixed assets		91,066		67,944	
Other operating expenses		<u>1,157,816</u>		<u>919,016</u>	
<b>Total operating expenses</b>			<u>2,818,523</u>		<u>2,199,043</u>
<b>Operating result</b>			969,811		661,552
Other interest and similar income		1,695		519	
Interest and similar expenses		<u>-5,341</u>		<u>-10,385</u>	
<b>Financial income and expense</b>			<u>-3,646</u>		<u>-9,866</u>
<b>Result from operational activities before taxation</b>			966,165		651,686
Income tax	12		<u>-186,680</u>		<u>-110,762</u>
			779,485		540,924
Share in result from participations			<u>5,012</u>		<u>-</u>
<b>Net result after taxes</b>			<u>784,497</u>		<u>540,924</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 2015

	2015		2014	
	€	€	€	€
<b>Cash flow from operating activities</b>				
Operating result		969,811		661,552
<i>Adjustments for</i>				
Depreciation of intangible and tangible assets	91,066		67,944	
Mutation of provision	-		-413,849	
		91,066		-345,905
<i>Changes in working capital</i>				
Trade debtors	-476,316		166,663	
Receivables from group companies	48,878		178,738	
Other accounts receivable	980,908		-602,848	
Prepaid expenses	-103,492		-463,443	
Accounts receivable (excluding banks)	101,178		1,009,312	
		551,156		288,422
<b>Cash flow from operating activities</b>		1,612,033		604,069
Interest received	1,695		519	
Interest paid	-5,341		-10,385	
Income tax	-186,680		-110,762	
		-190,326		-120,628
<b>Cash flow from operating activities</b>		1,421,707		483,441
<b>Cash flow from operating activities</b>				
Investments in tangible assets	-157,379		-133,207	
Investments in financial fixed assets	-2,500		-	
Disposal of tangible fixed assets	-		3,947	
<b>Cash flow from operating activities</b>		-159,879		-129,260
<b>Cash flow from financing activities</b>				
Capital contribution	-		-250,000	
Dividend paid	-210,000		-	
<b>Cash flow from financing activities</b>		-210,000		-250,000
<b>Movements cash</b>		1,051,828		104,181

### Turnover movement cash and cash equivalents

Balance as at beginning of financial year	231,928	127,747
Movements during financials year	1,051,828	104,181
Balance at financial year end	1,283,756	231,928

Flak + Baak  
Accountants met een PLUS B.V.  
Postbus 327 1710 BT 2016  
3360 AH SLIEDRECHT

## 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 31 December 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	-	-250,000	-	-250,000
Balance as at 31 December 2014	<u>100,000</u>	<u>3,877,918</u>	<u>540,924</u>	<u>4,518,842</u>
Appropriation of result	-	540,924	-540,924	-
Result for the year	-	-	784,497	784,497
Dividend payment	-	-210,000	-	-210,000
Balance as at 31 December 2015	<u>100,000</u>	<u>4,208,842</u>	<u>784,497</u>	<u>5,093,339</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

There has been a change in the accounting policies applied in 2014. The management of the company decided to switch to International Financial Reporting Standards (IFRSs) 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 IFRSs, 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 IFRSs 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

Iccat 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

Iccat 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 2015

	Sales to related parties	Purchases from related parties	Amounts receivable from related parties	Amounts payable to related parties
	€	€	€	€
<b>Parent:</b>				
iMerge B.V.	-	260,983	-	980,908
<b>Subsidiaries:</b>				
Iccat Ukraine LLC	-	73,043	-	-
Iccat Content Sourcing OÜ	-	-	-	-
<b>Associated companies:</b>				
Hatch B.V.	127,598	17,017	-	48,878
<b>Other related parties:</b>				
Icceshop B.V.	60,391	295,688	326,316	-
<b>Total</b>	<b>187,989</b>	<b>646,731</b>	<b>326,316</b>	<b>1,029,786</b>

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

Hak + Baak  
Accountants met een PLUS B.V.  
Postbus 327 1730 2016  
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 for using the equity method.

#### **Participations in associated companies**

Participations in associated companies are companies over which Icecat N.V. has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over those policies. Associates are accounted at their 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.

### **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 1 January 2015	
Acquisition value	401,567
Accumulated depreciation	<u>-152,060</u>
Book value as at 1 January 2015	<u>249,507</u>
Movements	
Investments	157,379
Depreciation	<u>-91,066</u>
Balance movements	<u>66,313</u>
Balance as at 31 December 2015	
Acquisition value	558,947
Accumulated depreciation	<u>-243,127</u>
Book value as at 31 December 2015	<u>315,820</u>
Depreciation percentages	<u>20</u>

## 2 Financial fixed assets

### Register of participations

	Share in issued capital in %
Icecat Ukraine LLC, Kiev, Ukraine	100.00
Icecat Content Sourcing OÜ, Kuressaare, Estonia	100.00
Hatch B.V., Amsterdam	41.37

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

### 3 Participations in group companies

	<u>31-12-2015</u>	<u>31-12-2014</u>
	€	€
<b>Icecat Ukraine LLC</b>		
Book value as at 1 January	92	92
Profit of participation	5,012	-
Book value as at 31 December	<u>5,104</u>	<u>92</u>
<b>Icecat Content Sourcing OÜ</b>		
Book value as at 1 January	-	-
Investments in participation	2,500	-
Book value as at 31 December	<u>2,500</u>	<u>-</u>

Due to the lack of activities no results have been recognized.

### 4 Participations in associated companies

#### Hatch B.V.

Book value as at 1 January	3,931,200	3,931,200
Balance movements	-	-
Book value as at 31 December	<u>3,931,200</u>	<u>3,931,200</u>

Determination of fair value is based on the price per share paid by investors in March 2015. There are no indications of impairment of the investment.

### 5 Other amounts receivable

Rent deposit

**Hak + Baak**  
Accountants met 6.785 PLUS BA 6.785  
Postbus 3271, 3360 AH SMIEDRECHT

**Current assets**

	<u>31-12-2015</u>	<u>31-12-2014</u>
	€	€
<b><u>6 Receivables</u></b>		
Trade receivables	1,294,921	818,605
Receivables from group companies	-	48,878
Prepaid expenses and other current assets	<u>601,695</u>	<u>1,479,111</u>
	<u>1,896,616</u>	<u>2,346,594</u>

**Trade receivables**

Trade debtors	1,398,263	985,515
Provision for doubtful debts	<u>-103,342</u>	<u>-166,910</u>
	<u>1,294,921</u>	<u>818,605</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, 2015.

**7 Cash**

ABN AMRO Bank N.V.	1,203,203	139,948
Rabobank	3,346	6,204
Other banks	<u>78,193</u>	<u>86,388</u>
	<u>1,284,742</u>	<u>232,540</u>

Of the cash and cash equivalents as of December 31, 2015 and December 31, 2014, no amounts were restricted.

<u>31-12-2015</u>	<u>31-12-2014</u>
€	€

## 8 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	784,497	540,924
Weighted average number of common shares for the purpose of earnings per share	100,000	100,000
Earnings per share attributable to common shareholders	7.84	5.41

## 9 Result for the year

During 2016, a dividend of € 210,000 was paid to the shareholders regarding the result of 2015.

## 10 Current liabilities

Payables to credit institutions	986	612
Accounts payable	41,091	15,817
Taxes and social security premiums	341,506	186,066
Other current liabilities	1,965,845	2,045,381
	<u>2,349,428</u>	<u>2,247,876</u>

## 2.7 Notes to the statement of income and expenses

	<u>2015</u>	<u>2014</u>
	€	€
<b><u>11 Net turnover</u></b>		
Turnover Netherlands	1,765,921	1,074,992
Turnover Europe	2,805,220	1,333,320
Turnover Rest of the world	842,953	429,247
Deferred income	-	675,000
	<u>5,414,094</u>	<u>3,512,559</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	-172,116	-32,991
Correction income tax 'Innovatiebox'	-14,564	-77,771
	<u>-186,680</u>	<u>-110,762</u>

Icecat N.V.  
Amsterdam

---

### 3. OTHER INFORMATION

---

**Hak + Baak**  
Accountants met een PLUS B.V.  
Postbus 327 1316/20.6  
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 2015 in the amount of € 784,497 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 2015 for the company.

### 3.3 Subsequent events

There have been no significant subsequent events.