

To the shareholders and the board of directors of  
Icecat N.V.  
Attn. Mr. M.J. Hoogeveen  
De Liesbosch 12D  
3439 LC NIEUWEGEIN

ANNUAL ACCOUNTS 2019

Report  
On financial statements 2019

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Icecat N.V.  
AMSTERDAM

## Table of contents

### Page

#### **1. Management Board report**

1.1	Management Board report	4
-----	-------------------------	---

#### **2. Consolidated accounts**

2.1	Consolidated balance sheet as of December 31, 2019	11
2.2	Consolidated statement of income for the year 2019	13
2.3	Consolidated cash flow statement for the year 2019	14
2.4	Notes to the financial statements of the consolidated annual report	16
2.5	Notes to the consolidated balance sheet	22
2.6	Notes to the consolidated statement of income	30

#### **3. Non-consolidated accounts**

3.1	Non-consolidated balance sheet as of December 31, 2019	34
3.2	Non-consolidated statement of income for the year 2019	36
3.3	Non-consolidated cash flow statement for the year 2019	37
3.4	Notes to the financial statements of the non-consolidated annual report	39
3.5	Notes to the balance sheet	44
3.6	Notes to the non-consolidated statement of income	52

#### **4. Other information**

4.1	Independent auditor's report	54
-----	------------------------------	----

	<i>Investment disclaimer</i>	57
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1. MANAGEMENT BOARD REPORT

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### **1.1 Management Board report**

During 2019, the annual revenues of Icecat increased by 9%. Most of the growth was organic. The net profit increased sharply by 56% to 1.4 million euro, mainly caused by the EBITDA increasing sharply by 26% to 1.2 million euro compared to 2018, thanks to cost optimizations, and an increase in the result of daughter companies. As a percentage, the net result increased to 15% compared to 11% of revenues during 2018. During 2019, we were more cautious regarding costs than previous years as there were persistent recession signals from the end of 2018. Although that didn't materialize during 2019, it has been a very good preparation for the current Covid-19 crisis. Consequently, cash reserves have increased healthily to 5.1 million euro (up from 4.4 million in 2018).

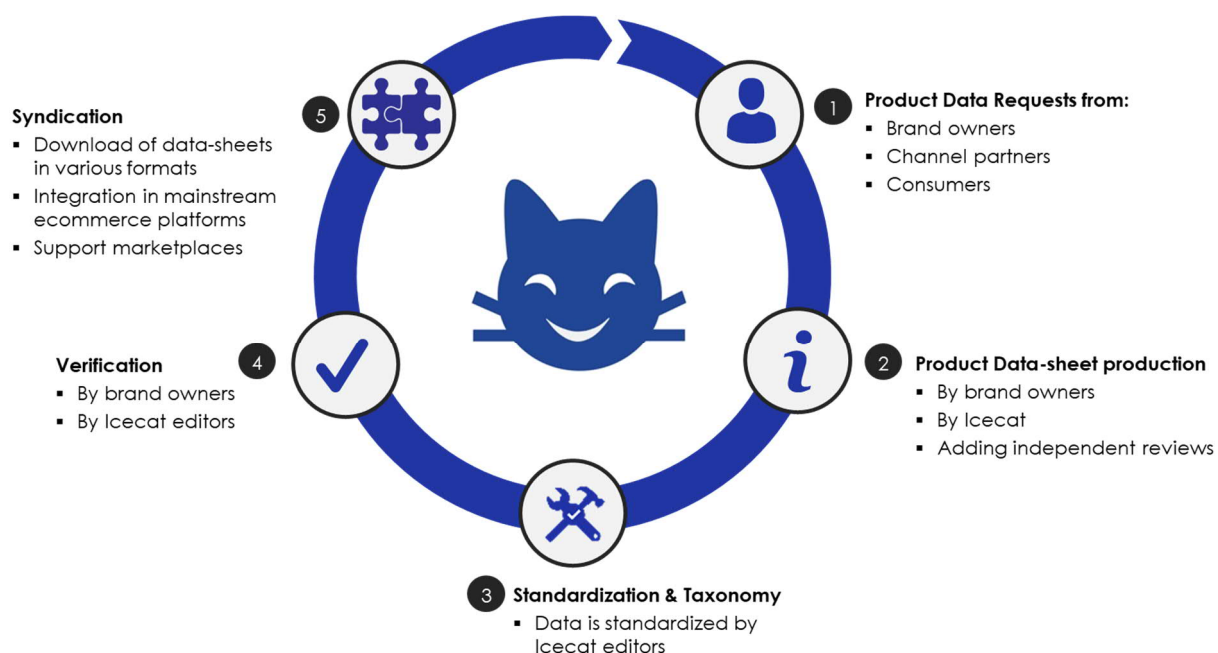
The general financial strategy of Icecat is further focused on continued fast-growth and operational excellence to optimize but not yet maximize profitability, in order to finance further acquisitions in the consolidating Product Information Management & Syndication (PIMS) market such as recently, in early 2020, the acquisition of Cedemo's toys and entertainment data activity, which has no effect on the 2019 figures, but is expected to add around 10% in revenues growth from Q2-2020 on. See <https://iceclog.com/icecat-finalizes-acquisition-of-cedemos-french-e-commerce-data-business-despite-corona-crisis/>.

We're continuously looking into further options for acquiring competing and highly synergistic businesses.

There was a no increase in the number of staff, compared to one year earlier: 41, but remote staff increased from 108 to 122, so the total went from 149 to 163. There were no material investments in IT hardware investments during 2019.

During 2019, Icecat was able to expand both its international and local business in The Netherlands. The share of international business is marginally changed to 62%. Icecat expanded its product data activities in the Fashion, Toys & Entertainment, Health & Beauty, Do It Yourself and FMCG verticals. Further, Icecat continued to win PIMS deals, in which it successfully deployed its PIMS cloud solutions.

Participation Hatch, close to being cash-flow positive, was expanding considerably.



*Business Flow Icecat Product Information Management and Syndication (PIMS)*

The fast-growth of Icecat resulted again in a FD Gazellen award in 2019, see: <https://iceclog.com/icecat-wins-fd-gazellen-award-2019/> .

**Non-financial KPIs**

The key processes in Icecat's PIMS workflow are monitored through non-financial KPIs (Key Performance Indicators). The annual was during 2019 stable at 1.7 million new product data-sheets, whereby the overall cost per data-sheet was reduced by -5%. Further, the number of product data-sheet downloads was around 6 billion downloads. Further, the number of supported manufacturer brands increased by 5% to 24.5 thousand, the number of supported product categories grew by 10% to 5.6K. The number of connected technical platforms expanded by 2% to 11K, distributed over around 200 countries or territories. The higher degree of automation by our user base, results logically in a lower number of manual downloads by retailers through our user portal, which is in line with Icecat's usage policies. Ideally, we have only fully automated downloads by tech platforms, and manual downloads occasionally during the test phase of new accounts.

	2019	2018	Y-o-Y
Product Data-Sheet Downloads	6 Bio*		
Product Data-Sheet Production	1.7 million	1.7 million	stable
Brands supported	24,544	23,317	5%
Categories supported	5,627	5,121	10%
Tech Platforms Supported	10,755	10,399	3%
Countries or Territories	199		

\*NOTE: compared to previous years, this metric has been cleansed for downloads by internal systems).

For more statistical backgrounds see: <https://iceclog.com/category/statistics/>.

### ***Changes in competition***

In its core-vertical of product data for tech products, Icecat experiences that its free Open Icecat model continues to be very successful, and continues to discourage direct competitors. In the UK, thus a local competitor in office supplies data, disappeared from the market. The same has happened in Germany before. The main competitive struggle in this core-vertical has moved to the US during 2018.

The take-over of Cedemo in 2020, has strengthened Icecat's position in the Toys & Entertainment vertical and reduces the competition in this top online vertical, that also has proven to be quite resilient during Covid-19 lockdowns.

The further opening up of major ecommerce marketplaces, such as the ones of Amazon, Alibaba, Google Shopping, and Facebook, for vendors to easily upload their product data through content partners, has moved Icecat's competitive edge to being a certified content partner of such marketplaces and building the most efficient rich media integrations. New entrants, like Salsify in the USA, have claimed a local position as PIMS integrator in this new arena. It's likely, that over time this niche market of PIMS integrators will experience a shake-out. It also creates a new opportunity to strengthen Icecat's position in the USA. By providing free PIMS entry services, in the form of Icecat's free Vendor Central, Icecat is positioning itself for the long term.

### ***Innovation***

The tech innovation of Icecat, and its daughter companies Iceshop and Syndy, have been focused during 2019 on improving its PIMS cloud services for manufacturer and merchant clients, integrations with Amazon and Google for clients, and launching the free Vendor Central service for retail clients.

Icecat continued its pilots for the application of its ICURY (ICY) token in its ecosystem, whereby the token has been listed by a number of crypto exchanges such as Nocks.com. Since then the token has been trading around 2.5 eurocent, and been used as a loyalty instrument.

On average, Icecat and daughter companies coach around 10 trainees, in the areas of tech, digital marketing, and online sales. This fosters a culture of innovation, an influx of fresh ideas and new staff on master or bachelor level, and relations with universities participating in the EU Erasmus program.

Icecat continues to qualify for Dutch R&D subsidies (Dutch: "WBSO") and the related profit tax break, i.e., the so-called innovation box (Dutch: "innovatiebox").

### ***Sustainability***

Icecat's small fleet of 15 lease cars consists of 7 Full Electrical Vehicle (FEVs), 8 plug-in hybrid electrical vehicles (PHEVs). We have replaced the last fossil (diesel) car, and are phasing out the PHEVs.

The solar panels on the rooftop of the Dutch Nieuwegein office of Icecat takes care of the energy needs in that office including recharging cars.

In the Amsterdam office, we placed seven Icecat branded company bikes, which help to limit the use of cars for commuting and other short trips from and to the office, and also have a promotional value. Further, recycling has been introduced here for paper, glass and plastic.

The hosting company we use for co-locating our servers are run by a company that claims to be climate neutral.

A bigger impact - as it relates to Icecat's core-business - is that the product data-sheets of Icecat include the mandatory EU Energy Labels for home appliances and cars, and other sustainability labels such as Energy Star and GEN (global ecolabelling network) labels, when relevant for the product category. Research has shown that the presence of such labels strongly influences buying decisions.

More about Icecat's ambition to become climate neutral: <https://iceclog.com/icecat-becoming-climate-neutral/>

Iccat's outsourced operational and technical activities provide decent work to around 122 (2018: 108) remote editors, developers and operational staff, mainly located in Ukraine, indirectly providing stable income to families in a turbulent nation that in the European context can be considered to be a developing nation. Emigration among Icecat's remote hires is very low. Continuous innovation and productivity gains keep the high-skilled jobs interesting.

### ***Board and Remuneration***

There were no changes in the formal management board.

The shareholding of CEO Martijn Hoogeveen through iMerge B.V: had a holding of 256,214 DRs (Depository Receipts of Icecat shares) at the start of 2019, which increased to 291,580 per December 31, 2019 (Note: the increase is almost completely caused by the execution of a put option by a few former Syndy shareholders in behalf of Icecat; iMerge sold itself 25 DRs during 2019).

The annual management fee of Netvalue, the holding of CEO Martijn Hoogeveen, has been modestly increased to 166K euro during 2019 as the principal focus of a main shareholder should be to continue to create shareholder value.

Emre Tan's gross salary was stable at 109K euro during 2019.

The following nominal changes took place in the board: Peter Sol has been appointed as CCO. Marc Weehuizen has become managing director of Iceshop.

Iccat has still a one-tier board, for efficiency reasons, whereby the independent managing director of the trust office (Stichting Administratiekantoor Icecat) represents the

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interests of the investors in DRs in shareholder meetings, whereby the shareholder meeting has a supervisory function, and whereby Icecat board members don't participate in decision making or voting in case of a conflict of interest. As Icecat becomes bigger and more complex, planning the formal installation of a supervisory board or expanding the one-tier board with one or more independent directors has become an agenda point. Composition of the board per December 31, 2019: of the seven members, two are non-native, one is female. The appointment policy is purely meritocratic: it's just factual and measurable results that matter.

### ***External Auditor***

The external auditor continues to be Calculations B.V. (part of HLB Den Hartog Accountants and Consultants B.V.), represented by register accountant, Anthonie van Zwiene.

### ***Business Risks incl Covid-19 outlook***

Regarding business risks, 2019 brought only gradual changes. There's an ongoing consolidation in the e-commerce market in which global platforms like Amazon and Alibaba are increasingly dominant. Marketplaces, intermediaries through which retailers offer their goods to consumers, are becoming increasingly important for major ecommerce players like Amazon, BOL, Zalando, Alibaba and others.

Further, the effects of the ongoing cannibalization of the physical retail market manifested itself in high-profile retail chains continuing to go bankrupt. A trend that increasingly applies to any retail vertical.

The general economic conditions during 2019 were very favorable, despite recession fears global political tensions, and increased uncertainties related to Brexit and US-centered trade conflicts. Nevertheless, the Covid-19 pandemic makes a global slowdown and recessions unavoidable in many G-20 economies during 2020. It depends on the crisis mitigation measures of governments whether this will lead to a depression. Thus far, the impact on Icecat and its daughter companies is very limited as even lockdowns mainly affect traditional retail, but leads to a further expansion of Icecat's main market: e-commerce. The pressure on the labor market has diminished, making it easier for Icecat to hire new staff. The subscription based model at reasonable tariffs forms a good buffer for sudden demand shocks. It's observed that there is an increased interest in Icecat's free services, and that decisions for new Icecat purchases are sometimes postponed.

The inclusion of multiple PIMS solutions in the portfolio of Icecat pays off, as it led to better integrations of product content into the ecosystems of major clients. Nevertheless, there are many players on the PIMS market, and every high-end client has complex and changing requirements, which can be difficult to meet. In the PIMS market it's important to develop a strong and competitive brand. At the same time, many PIMS players are (potential) partners for Icecat.

The adoption of new or updated (EU) legal frameworks for copyrights in the digital age might continue to have some impact on the way that Icecat is organizing and operating its content syndication processes. Icecat didn't face any legal challenges during 2019 in



this respect, but is closely monitoring changes in the legal environment. GDPR compliance had, apart from updating terms and conditions, a limited impact as Icecat is hardly exposed to the data of private persons, and already operates secure databases in its self-managed hosting facility.

Due to the tight labor market for staff with digital competences, Icecat might not always be able to quickly fill its job positions. Nevertheless, the Covid-19 crisis seems to have eased the labor market.

The tax ruling for the innovation box ended in 2017, and Icecat has asked for a new ruling. It doesn't seem to be a priority for the tax authority to provide new innovation box rulings. It might be that, eventually, in a new ruling a different application of the innovation box is agreed upon, which might lead to a somewhat higher or lower profit tax (Dutch "vpb").

#### **Icecat Depository Receipts (DRs)**

The Icecat share price ended in 2019 at €10.01, slightly above the IPO introduction price of DRs through Dutch exchange NPEX in February 2017, and -2.5% compared to the share price one year earlier.

During 2019, the highest transaction price was €11.10, and the lowest was €7.55 (day rates €7.80, and the lowest was €10.58).

During 2019, the liquidity of Icecat on NPEX improved sharply year-on-year: by 89% in terms of traded DR volume, and by 90% in terms of traded euro amounts. Including options, 51,488 DRs changed hands for a total of €480K euro.

The income per ordinary share over 2019 was 0.13 euro, compared to 0.08 during 2018.

<https://iceclog.com/liquidity-of-icecat-shares-90-higher-during-2019/>

The financial calendar for 2020 is maintained here: <https://iceclog.com/financial-calendar-icecat-n-v/>

Amsterdam, April 30, 2020,

Martijn J Hoogeveen  
Emre Tan Altinok

Board of Icecat

2. CONSOLIDATED ACCOUNTS

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## 2.1 Consolidated balance sheet as of December 31, 2019

(After proposal appropriation of result)

		31-12-2019		31-12-2018	
		€	€	€	€
<b>ASSETS</b>					
<b><u>Fixed assets</u></b>					
<b>Tangible fixed assets</b>					
	1				
Land and buildings		3,382		4,312	
ICT hardware and other equipment		233,145		285,597	
			236,527		289,909
<b>Financial fixed assets</b>					
	2				
Participations in group companies (equity value)	3	5,321,830		4,884,674	
Participations in affiliated companies	4	4,099,790		3,931,200	
Deferred tax		65,981		-	
Right-to-use (lease)		235,654		-	
Other amounts receivable	5	<u>14,927</u>		<u>14,927</u>	
			9,738,182		8,830,801
<b><u>Current assets</u></b>					
<b>Receivables</b>					
Trade debtors	6	2,268,369		1,913,839	
Receivables from associated companies	7	-		-	
Other receivables and accrued assets	8	<u>695,945</u>		<u>544,233</u>	
			2,964,314		2,458,072
<b>Cash</b>	9		5,127,958		4,402,508
<b>Total assets</b>			<u><u>18,066,981</u></u>		<u><u>15,981,290</u></u>

	<u>31-12-2019</u>		<u>31-12-2018</u>	
	€	€	€	€
<b>LIABILITIES</b>				
<b>Group equity</b>	10	12,965,820		11,594,932
<b>Long-term liabilities</b>				
Lease liabilities		235,654		-
<b>Short-term liabilities</b>				
Trade creditors	11	134,432		232,331
Liabilities to group companies	12	703,932		956,426
Taxes and social security premiums	13	355,470		217,097
Other liabilities and accrued expenses	14	<u>3,671,673</u>		<u>2,980,504</u>
		4,865,507		4,386,358
<b>Total liabilities</b>		<u>18,066,981</u>		<u>15,981,290</u>

## 2.2 Consolidated statement of income for the year 2019

		2019		2018	
		€	€	€	€
<b>Net Turnover</b>	15	9,084,108		8,361,377	
Cost of sales		<u>-870,252</u>		<u>-756,593</u>	
<b>Gross margin</b>			8,213,856		7,604,784
Expenses work contracted out and other external expenses	16	234,067		250,066	
Personnel expenses	17	2,721,489		2,756,791	
Depreciation of intangible and tangible fixed assets		118,822		126,731	
Other operating expenses	18	<u>3,959,533</u>		<u>3,536,921</u>	
<b>Total operating expenses</b>			<u>7,033,911</u>		<u>6,670,509</u>
<b>Operating result</b>			1,179,945		934,275
Revenues of receivables from fixed assets and securities		-		-	
Interest and similar expenses		<u>-12,372</u>		<u>-10,107</u>	
<b>Financial income and expense</b>			<u>-12,372</u>		<u>-10,107</u>
<b>Consolidated result from operational activities before taxation</b>			1,167,573		924,168
Taxation	19		<u>-195,116</u>		<u>-217,286</u>
			972,457		706,882
Share in result from participations			<u>399,988</u>		<u>174,911</u>
<b>Net consolidated result after taxation</b>			<u><u>1,372,445</u></u>		<u><u>881,793</u></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 Consolidated cash flow statement for the year 2019

The figures below are stated x € 1,000

#### Cash flow from operating activities

Operating result		1,180		934
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#### *Adjustments for*

Depreciation of intangible and tangible fixed assets	119		127	
Result from participations not through participations	-		-	
		119		127

#### *Changes in working capital*

Trade debtors	-354		-85	
Receivables from associated companies	-		17	
Other accounts receivable	-152		-50	
Accounts payable (excluding banks)	479		886	
		-27		768

<b>Cash flow from operating activities</b>		<b>1,272</b>		<b>1,829</b>
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Interest received	-		-	
Interest paid	-12		-10	
Taxation	-195		-217	
		-207		-227

<b>Cash flow from operating activities</b>		<b>1,065</b>		<b>1,602</b>
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#### Cash flow from operating activities

Investments in tangible assets	-65		-92	
Investments in financial fixed assets	-274		-1,542	
Disposal of tangible fixed assets	-		-	
<b>Cash flow from operating activities</b>		<b>-339</b>		<b>-1,634</b>

#### Cash flow from financing activities

Receipts from issuance of share capital	-		-	
Share premium in financial year	-		-	
Dividend paid	-		-	
Movement banks	-		-	
<b>Cash flow from financing activities</b>		<b>-</b>		<b>-</b>

<b>Movements cash</b>		<b>726</b>		<b>-32</b>
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	<u>2019</u>	<u>2018</u>
	€	€
<b>Turnover movement cash and cash equivalents</b>		
Balance as at beginning of financial year	4,402	4,434
Movements during financials year	<u>726</u>	<u>-32</u>
Balance at financial year end	<u><u>5,128</u></u>	<u><u>4,402</u></u>

## 2.4 Notes to the financial statements of the consolidated annual report

### Entity information

#### **Registered address and registration number trade register**

The actual address of Icecat N.V. is De Liesbosch 12D, 3439 LC in Nieuwegein, the registered seat is Amsterdam (J. Geesinkweg 125, 1114 AB). Icecat N.V. is registered at the trade register under number 30259744.

#### **General notes**

#### **The most important activities of the entity**

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

#### **Disclosure of group structure**

Icecat N.V. is part of a group. The head of this group is Netvalue B.V., having its legal seat in Bilthoven. The financial statements of Icecat N.V. are not included in the consolidated financial statements of Netvalue B.V., due to exemption for small legal entities.

#### **Disclosure of estimates**

In applying the principles and policies for drawing up the financial statements, the directors of Icecat N.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide transparency, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

#### **Disclosure of consolidation**

In the consolidated financial statements 2019 of Icecat N.V. are included the financial figures of Iceshop B.V., having its legal seat in Utrecht (business seat: Nieuwegein), Icecat International B.V., Icecat Nederland B.V., both companies with legal seat in Nieuwegein (incorporated in 2017) and Syndy B.V.. In 2018 the shares of Syndy B.V. were acquired by Icecat N.V. on the basis of an cash and exchange of shares transaction. The shares of Syndy B.V. have been acquired with effect from January 1, 2018.

#### **The policies for consolidation**

The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

#### **The reason for not consolidating a subsidiary**

The following subsidiaries are not consolidated, due to lack of predominant control:

- Hatch B.V., Amsterdam
- Icecat Ukraine LLC, Kiev, Ukraine
- Icecat Content Sourcing OÜ, Tallin, Estonia



### **Disclosure of related party transactions**

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the company are considered to be a related party. In addition, statutory directors, other key management of Icecat N.V. or the ultimate parent corporation and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

### **General accounting principles**

#### **The accounting standards used to prepare the financial statements**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 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.

#### **Disclosure of fair value information when the report is prepared on historical cost basis**

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.

#### **Foreign currency translation for the balance sheet**

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the consolidated statement of income and expenses, unless hedge accounting is applied.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

### **Financial instruments**

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 2019 is EUR 347K (2018: 129K).

#### 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.

### **Accounting principles**

#### **ICT hardware and other equipment**

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.

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.

#### **Impairment of ICT hardware and other equipment**

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.

### **Financial 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.

*Other participations (net asset value)*

Where significant influence is exercised, associated companies are valued under the net asset value method, but not lower than a nil value. This net asset value is based on the same accounting principles as applied by Icecat N.V.. Associated companies with a negative net equity value are valued at nil.

If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the associated company are taken into account.

*Other participations (fair value)*

Where no significant influence is exercised, associated companies are valued under the fair value method, but not lower than a nil value.

If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the associated company are taken into account.

*Deferred tax*

Insofar as applicable for deductible tax losses, a deferred tax asset is recognized on the balance sheet.

*Right-to-use (Leases)*

Implementation of IFRS 16 results in the recognition of an asset and a liability on the balance sheet. The value of the asset and the liability is the same. The value of the asset and the liability are calculated on the basis of the lease terms still to be expected on the balance sheet date for the lease contracts concluded at that time. Interest is not taken into account. The valuation of the asset and the liability is at nominal value. The lease costs that are allocated annually are recognized in the income statement. The implementation of IFRS 16 has no effect on the equity and the net result of the company.

The term of the lease contracts has been taken into account. Long-term lease obligations (more than 12 months after the balance sheet date) are included under financial fixed assets (right-to-use) and long-term liabilities (liability) and short-term lease obligations under receivables and short-term debts, respectively.

*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 of financial assets**

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.

### **Receivables**

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

### **Cash and cash equivalents**

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

Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities.

### **Equity**

When Icecat N.V. purchases treasury shares, the consideration paid is deducted from equity (other reserves or any other reserve if the articles of association allow so) until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received is included in equity (other reserves or any other reserve). The consideration received will be added to the reserve from which earlier the purchase price has been deducted.

Incremental costs directly attributable to the purchase, sale and/or issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### **Current other payables**

Upon initial recognition other payables are recognised at fair value. After initial recognition other payables are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

### **Accounting principles for determining the result**

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

### **Revenue recognition**

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.

### **Depreciation of ICT hardware and other equipment**

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.

Future depreciation is adjusted if there is a change in estimated future useful life.

Gains and losses upon disposal of a business asset are included in depreciation.

### **Income tax expense**

Tax on the result is calculated based on the result before tax in the consolidated statement of income and expenses, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

In the financial statements of group companies a tax charge is calculated on the basis of the accounting result.

### **Cash flow statement**

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.

## 2.5 Notes to the consolidated balance sheet

### Fixed assets

#### 1 Tangible fixed assets

	ICT hardware and other equipment €
Balance as of January 1, 2019	
Purchase value	630,144
Accumulated depreciation	<u>-340,235</u>
Book value as of January 1, 2019	<u>289,909</u>
Movements	
Investments	65,440
Depreciation	-118,822
Disposal purchase value	-7,466
Disposal accumulated depreciation	<u>7,466</u>
Balance movements	<u>-53,382</u>
Balance as of December 31, 2019	
Purchase value	688,118
Accumulated depreciation	<u>451,591</u>
Book value as of December 31, 2019	<u>236,527</u>
Depreciation percentages	<u>20</u>

## **2 Financial fixed assets**

	Participations in group companies (equity value) €	Other participations (net asset value) €	Other amounts receivable €	Total €
Balance as of January 1, 2018				
Principal value	<u>4,884,674</u>	<u>3,931,200</u>	<u>14,927</u>	<u>8,830,801</u>
Balance as of January 1, 2018	<u>4,884,674</u>	<u>3,931,200</u>	<u>14,927</u>	<u>8,830,801</u>
Movements				
Goodwill	38,726	168,590	-	207,316
Result	<u>398,430</u>	-	-	<u>262,155</u>
Balance movements	<u>437,156</u>	<u>168,590</u>	-	<u>469,471</u>
Balance as of December 31, 2018				
Principal value	<u>5,321,830</u>	<u>4,099,790</u>	<u>14,927</u>	<u>9,436,547</u>
Balance as of December 31, 2018	<u>5,321,830</u>	<u>4,099,790</u>	<u>14,927</u>	<u>9,436,547</u>

	<u>31-12-2019</u> €	<u>31-12-2018</u> €
<b>3 Participations in group companies (equity value)</b>		
Icecat Ukraine LLC	5,104	5,104
Iceshop B.V.	2,959,704	2,959,704
Syndy B.V.	1,581,228	1,542,502
Icecat Content Sourcing OÜ	<u>775,794</u>	<u>377,364</u>
	<u>5,321,794</u>	<u>4,884,674</u>

	<u>2019</u>	<u>2018</u>
	€	€
<b>Icecat Ukraine LLC</b>		
Book value as of January 1	5,104	5,104
Balance movements	<u>-</u>	<u>-</u>
Book value as of December 31	<u><u>5,104</u></u>	<u><u>5,104</u></u>

	<u>2019</u>	<u>2018</u>
	€	€
<b>Iceshop B.V.</b>		
Book value as of January 1	2,959,704	-
Investments in participation (goodwill)	<u>-</u>	<u>2,959,704</u>
Book value as of December 31	<u><u>2,959,704</u></u>	<u><u>2,959,704</u></u>

	<u>2019</u>	<u>2018</u>
	€	€
<b>Icecat Content Sourcing OÜ</b>		
Book value as of January 1	377,364	202,453
Investments in participation	-	-
Profit/(Loss) of participation	<u>398,430</u>	<u>174,911</u>
Book value as of December 31	<u><u>775,794</u></u>	<u><u>377,364</u></u>

	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>4 Participations in affiliated companies</b>		
Hatch B.V. (42.72%)	<u><u>4,099,790</u></u>	<u><u>3,931,200</u></u>



	<u>2019</u>	<u>2018</u>
	€	€
<b>Hatch B.V.</b>		
Balance as of January 1		
Purchase value	3,931,200	3,931,200
Book value as of January 1	<u>3,931,200</u>	<u>3,931,200</u>
Balance movements	<u>168,590</u>	<u>-</u>
Balance as of December 31		
Purchase value	4,099,790	3,931,200
Book value as of December 31	<u>4,099,790</u>	<u>3,931,200</u>
	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>5 Other amounts receivable</b>		
Rent deposit	<u>14,927</u>	<u>14,927</u>
<b><u>Current assets</u></b>		
	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>6 Trade debtors</b>		
Trade debtors	2,615,218	2,043,039
Provision for doubtful debts	<u>-346,849</u>	<u>-129,200</u>
	<u>2,268,369</u>	<u>1,913,839</u>
<p>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, 2019.</p>		
<b>7 Receivables from associated companies</b>		
STAK Icecat (NPEX)	-	-
Hatch B.V.	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

<u>2019</u>	<u>2018</u>
€	€

### **8 Other receivables and accrued income**

Loans receivable	319,875	319,875
Other receivables	<u>376,070</u>	<u>224,358</u>
	<u><u>695,945</u></u>	<u><u>544,233</u></u>

The loans receivable concern the financing of purchase of shares by the Managing Director (E.T. Altinok). Interest rate of the loan is EURIBOR + 4.2% per annum. Provided security for the repayment of the loan: option for lender to offer shares to other shareholders at fair market value.

#### **Other receivables**

Interest of loans receivable	-	-
Net wages	-	725
Right-to-use (short-term lease)	140,285	-
Prepayments and other receivables	235,785	223,633
Cost of pre-invoiced sales	-	-
	<u><u>376,070</u></u>	<u><u>224,358</u></u>

### **9 Cash**

Of the cash and cash equivalents as of December 31, 2019 and December 31, 2018, no amounts were restricted.

## **10 Group equity**

The shareholders' equity is explained in the notes to the non-consolidated balance sheet.

### **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	1,372,445	881,793
Weighted average number of common shares for the purpose of earnings per share	10,443,633	10,406,663
Earnings per share attributable to common shareholders	<u>0.13</u>	<u>0.08</u>

### **Shareholder's information**

The shareholders of Icecat N.V. are:

Name:	Number of shares:
iMerge B.V.	8,315,603
Stichting Administratiekantoor (STAK) Icecat	690,830
E-nvest B.V.	365,000
SA Rocks	1,072,200

**Short-term liabilities**

	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>11 Trade creditors</b>		
Trade creditors	<u>134,432</u>	<u>232,331</u>
<b>12 Liabilities to group companies</b>		
Icecat Content Sourcing OÜ	489,307	425,407
iMerge B.V.	<u>214,625</u>	<u>531,019</u>
	<u>703,932</u>	<u>956,426</u>
<b>13 Taxes and social security premiums</b>		
Value added tax	116,321	141,858
Wage tax	83,471	71,888
Corporation tax	<u>155,678</u>	<u>3,351</u>
	<u>355,470</u>	<u>217,097</u>
<b>14 Other liabilities and accrued expenses</b>		
Instalment invoiced in advance	3,001,648	2,588,174
Other payables	80,870	31,750
Tantiemes	203,538	157,329
Holiday allowance	90,391	82,099
Outstanding Holidays	122,881	90,652
Audit and consultancy costs	26,300	30,500
Short-term lease liabilities	140,285	-
Other accruals	<u>5,760</u>	<u>-</u>
	<u>3,671,673</u>	<u>2,980,504</u>

## **Off-balance-sheet rights, obligations and arrangements**

### **Buy back obligations**

The company has the conditional obligation to buy back shares from investors till an (maximum) amount of € 200,000.

### **Subsequent events**

#### *COVID-19*

At the moment of draw up of the annual report there is a global health-pandemic: virus COVID-19 is causing impact on every country in the world. The Dutch government has taken several measures, it is also possible that the government will take more measures, so that the health consequences of this virus will minimize as much as possible. We cannot be sure of the business consequences that the government measures imply. The company's main business could be affected in case of prolonged or extended measures which could also affect the financial health of the company. The government is taking measures to make the impact on the businesses as low as possible but the result of these measures is still unclear.

At the time of drawing up these financial statements, to the best of our estimation and taking all facts and circumstances into account, there is no serious uncertainty about the continuity of our organization and therefore no unavoidable discontinuity. We therefore believe that the accounting policies used in the financial statements should be based on the assumption of continuity of the company.

### **Proposal appropriation of result**

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

The appropriation of profit for the year 2019 in the amount of € 1,372,445 will be added to in full to the other reserves.

This proposal needs to be determined by the General Meeting, but has already been processed in anticipation in the annual accounts 2019 for the company.

## 2.6 Notes to the consolidated statement of income

	<u>2019</u>	<u>2018</u>
	€	€
<b><u>18 Net Turnover</u></b>		
Turnover Netherlands	3,439,633	3,008,801
Turnover International	<u>5,644,475</u>	<u>5,352,576</u>
	<u>9,084,108</u>	<u>8,361,377</u>
	<u>2019</u>	<u>2018</u>
	€	€
<b><u>19 Expenses work contracted out and other external expenses</u></b>		
Cost of work contracted out	<u>234,067</u>	<u>250,066</u>
	<u>2019</u>	<u>2018</u>
	€	€
<b><u>20 Personnel expenses</u></b>		
Wages and salaries Netherlands	2,340,440	2,376,710
Wages and salaries International	174,981	167,032
Social security premiums and other social liabilities / insurance	<u>206,068</u>	<u>213,049</u>
	<u>2,721,489</u>	<u>2,756,791</u>
	<u>2019</u>	<u>2018</u>
	€	€
<b>Remuneration of directors</b>		
Remuneration of directors	265,000	263,000
Remuneration of former directors	-	16,000
Total remuneration of directors and former directors	<u>265,000</u>	<u>279,000</u>

**Average number of employees**

2019

	Active within the Netherlands	Active outside the Netherlands	Total the
Average number of employees 2018	40,00	1,00	41,00

	Active within the Netherlands	Active outside the Netherlands	Total the
Average number of employees	40,00	1,00	41,00

<u>2019</u>	<u>2018</u>
€	€

**Social security premiums and other social liabilities / insurance**

Social security charges	206,068	206,672
Other social liabilities / insurance	-	6,377
	<u>206,068</u>	<u>213,049</u>

**Related party transactions for the year 2019**

	<u>Sales to related parties</u> €	<u>Purchases from related parties</u> €	<u>Amounts receivable from related parties</u> €	<u>Amounts payable to related parties</u> €
<b>Parent :</b>				
iMerge B.V.	-	-	-	213,457
	-	-	-	-
<b>Subsidiaries:</b>				
Icecat Ukraine LLC	-	-	-	-
Icecat Content Sourcing OÜ	-	-	-	353,032
Iceshop B.V.	34,617	95,337	-	-
Syndy B.V.	-	1,375	-	17,240
Icecat International B.V.	-	-	840	-
Icecat Nederland B.V.	-	433,081	-	-
<b>Associated companies:</b>				
Hatch B.V.	181,077	-	-	-
<b>Total</b>	<u>215,694</u>	<u>529,793</u>	<u>840</u>	<u>583,729</u>

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

**21 Other operating expenses**

Other staff expenses	678,840	424,756
Housing expenses	185,465	182,472
Selling expenses	601,149	341,478
Car expenses	186,118	223,103
Office expenses	188,485	175,273
Other expenses	1,962,936	2,040,753
Management fee	156,540	149,086
	<u>3,959,533</u>	<u>3,536,921</u>

**22 Taxation**

Income tax expense from current financial year	<u>-195,116</u>	<u>-217,286</u>
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**3. NON-CONSOLIDATED ACCOUNTS**

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**3.1 Non-consolidated balance sheet as of December 31, 2019**  
(After proposal appropriation of result)

	<u>31-12-2019</u>		<u>31-12-2018</u>	
	€	€	€	€
<b>ASSETS</b>				
<b><u>Fixed assets</u></b>				
<b>Tangible fixed assets</b>				
	20			
Land and buildings		3,382		4,312
ICT hardware and other equipment		218,132		268,538
			221,514	272,850
<b>Financial fixed assets</b>	21		9,611,167	8,981,844
<b><u>Current assets</u></b>				
<b>Receivables</b>				
Trade debtors	22	1,982,088		1,651,265
Receivables from associated companies	23	840		-
Other receivables and accrued assets	24	<u>867,084</u>		<u>759,497</u>
			2,850,012	2,410,762
<b>Cash</b>			4,659,650	4,122,591
<b>Total assets</b>		<u><u>17,342,343</u></u>		<u><u>15,788,047</u></u>

	<u>31-12-2019</u>		<u>31-12-2018</u>	
	€	€	€	€
<b>LIABILITIES</b>				
<b>Shareholders' equity</b>				
	25			
Issued share capital	26	104,436		104,436
Share premium reserve	27	4,431,894		4,431,894
General reserve	28	<u>8,549,599</u>		<u>7,058,602</u>
			12,965,820	11,594,932
<b>Long-term liabilities</b>				
Lease liabilities			91,108	-
<b>Short-term liabilities</b>				
Trade creditors	29	96,427		216,522
Liabilities to group companies	30	720,004		1,134,322
Taxes and social security premiums	31	245,080		141,383
Other liabilities and accrued expenses	32	<u>3,223,904</u>		<u>2,700,888</u>
			4,285,415	4,193,115
<b>Total liabilities</b>		<u><u>17,342,343</u></u>		<u><u>15,788,047</u></u>

### 3.2 Non-consolidated statement of income for the year 2019

		2019		2018	
		€	€	€	€
<b>Net Turnover</b>	33	7,833,303		7,281,501	
Cost of sales		<u>-795,710</u>		<u>-672,900</u>	
<b>Gross margin</b>			7,037,593		6,608,601
Expenses work contracted out and other external expenses	34	122,575		103,982	
Personnel expenses	35	2,030,266		2,263,593	
Depreciation of intangible and tangible fixed assets		111,179		116,690	
Other operating expenses	36	<u>3,494,701</u>		<u>2,948,908</u>	
<b>Total operating expenses</b>			<u>5,758,721</u>		<u>5,329,191</u>
<b>Operating result</b>			1,278,872		1,175,428
Revenues of receivables from fixed assets and securities		-		-	
Interest and similar expenses		<u>-3,256</u>		<u>-9,949</u>	
<b>Financial income and expense</b>			<u>-3,256</u>		<u>-9,949</u>
<b>Result from operational activities before taxation</b>			1,275,616		1,165,479
Taxation	37		<u>-235,155</u>		<u>-209,085</u>
			1,040,461		956,394
Share in result from participations	38		<u>331,984</u>		<u>-74,601</u>
<b>Net result after taxes</b>			<u><u>1,372,445</u></u>		<u><u>881,793</u></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.

### 3.3 Non-consolidated cash flow statement for the year 2019

The figures below are stated x € 1,000

#### Cash flow from operating activities

Operating result		1,279		1,175
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#### *Adjustments for*

Depreciation of intangible and tangible fixed assets	111		117	
Result from participations not through participations	-		-	
		111		117

#### *Changes in working capital*

Trade debtors	-331		53	
Receivables from associated companies	-1		23	
Other accounts receivable	-108		-322	
Accounts payable (excluding banks)	91		882	
		-349		636

<b>Cash flow from operating activities</b>		<b>1,041</b>		<b>1,928</b>
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Interest received	-		-	
Interest paid	-3		-10	
Taxation	-235		-209	
		-238		-219

<b>Cash flow from operating activities</b>		<b>803</b>		<b>1,709</b>
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#### Cash flow from operating activities

Investments in tangible assets	-60		-71	
Investments in financial fixed assets	-206		-1,731	
Disposal of tangible fixed assets	-		-	
<b>Cash flow from operating activities</b>		<b>-266</b>		<b>-1,802</b>

#### Cash flow from financing activities

Receipts from issuance of share capital	-		-	
Share premium in financial year	-		-	
Dividend paid	-		-	
Movement banks	-		-	
<b>Cash flow from financing activities</b>		<b>-</b>		<b>-</b>

<b>Movements cash</b>		<b>537</b>		<b>-93</b>
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	<u>2019</u>	<u>2018</u>
	€	€
<b>Turnover movement cash and cash equivalents</b>		
Balance as at beginning of financial year	4,123	4,216
Movements during financials year	<u>537</u>	<u>-93</u>
Balance at financial year end	<u><u>4,660</u></u>	<u><u>4,123</u></u>

### **3.4 Notes to the financial statements of the non-consolidated annual report**

#### **Entity information**

##### **Registered address and registration number trade register**

The registered and actual address of Icecat N.V. is De Liesbosch 12d, 3439 LC in Nieuwegein, another registered seat is Amsterdam (J. Geesinkweg 125, 1114 AB). Icecat N.V. is registered at the trade register under number 30259744.

#### **General notes**

##### **The most important activities of the entity**

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

##### **Disclosure of group structure**

Icecat N.V. is part of a group. The head of this group is Netvalue B.V., having its legal seat in Bilthoven. The financial statements of Icecat N.V. are not included in the consolidated financial statements of Netvalue B.V., due to exemption for small legal entities.

##### **Disclosure of estimates**

In applying the principles and policies for drawing up the financial statements, the directors of Icecat N.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide transparency, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

#### **General accounting principles**

##### **The accounting standards used to prepare the financial statements**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 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.

##### **Disclosure of fair value information when the report is prepared on historical cost basis**

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.

#### **Foreign currency translation for the balance sheet**

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the non-consolidated statement of income and expenses, unless hedge accounting is applied.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

#### **Financial instruments**

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 2019 is EUR 311K (2018: 98K).

##### 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.

#### **Accounting principles**

##### **ICT hardware and other equipment**

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.

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.



### **Impairment of ICT hardware and other equipment**

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.

### **Financial assets**

#### *Participations in group companies*

Participations in group companies are companies over which Icecat N.V. has the power to control. These participations are valued using the equity method.

#### *Other participations (net asset value)*

Where significant influence is exercised, associated companies are valued under the net asset value method, but not lower than a nil value. This net asset value is based on the same accounting principles as applied by Icecat N.V.. Associated companies with a negative net equity value are valued at nil.

If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the associated company are taken into account.

#### *Other participations (fair value)*

Where no significant influence is exercised, associated companies are valued under the fair value method, but not lower than a nil value.

If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the associated company are taken into account.

#### *Right-to-use (Leases)*

Implementation of IFRS 16 results in the recognition of an asset and a liability on the balance sheet. The value of the asset and the liability is the same. The value of the asset and the liability are calculated on the basis of the lease terms still to be expected on the balance sheet date for the lease contracts concluded at that time. Interest is not taken into account. The valuation of the asset and the liability is at nominal value. The lease costs that are allocated annually are recognized in the income statement. The implementation of IFRS 16 has no effect on the equity and the net result of the company.

The term of the lease contracts has been taken into account. Long-term lease obligations (more than 12 months after the balance sheet date) are included under financial fixed assets (right-to-use) and long-term liabilities (liability) and short-term lease obligations under receivables and short-term debts, respectively.

#### *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 of financial assets**

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.

### **Receivables**

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

### **Cash and cash equivalents**

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

Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities.

### **Equity**

When Icecat N.V. purchases treasury shares, the consideration paid is deducted from equity (other reserves or any other reserve if the articles of association allow so) until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received is included in equity (other reserves or any other reserve). The consideration received will be added to the reserve from which earlier the purchase price has been deducted.

Incremental costs directly attributable to the purchase, sale and/or issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### **Current liabilities**

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

### **Accounting principles for determining the result**

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

### **Revenue recognition**

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.

### **Depreciation of ICT hardware and other equipment**

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.

Future depreciation is adjusted if there is a change in estimated future useful life.

Gains and losses upon disposal of a business asset are included in depreciation.

### **Income tax expense**

Tax on the result is calculated based on the result before tax in the non-consolidated statement of income and expenses, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

In the financial statements of group companies a tax charge is calculated on the basis of the accounting result.

### **Cash flow statement**

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.

### 3.5 Notes to the balance sheet

#### Fixed assets

#### 20 Tangible fixed assets

	ICT hardware and other equipment €
Balance as of January 1, 2019	
Purchase value	600,641
Accumulated depreciation	<u>-327,791</u>
Book value as of January 1, 2019	<u><u>272,850</u></u>
Movements	
Investments	59,843
Depreciation	-111,179
Disposal purchase value	-7,466
Disposal accumulated depreciation	<u>7,466</u>
Balance movements	<u><u>-51,336</u></u>
Balance as of December 31, 2019	
Purchase value	653,018
Accumulated depreciation	<u>431,504</u>
Book value as of December 31, 2019	<u><u>221,514</u></u>

	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b><u>21 Financial fixed assets</u></b>		
Participations in group companies (Equity Value)	5,035,717	5,035,717
Participations in affiliated companies	3,931,200	3,931,200
Other amounts receivable	<u>14,927</u>	<u>14,927</u>
	<u><u>8,981,844</u></u>	<u><u>8,981,844</u></u>

**Financial fixed assets**

	Participations in group companies (equity value) €	Other participations (net asset value) €	Other amounts receivable €	Total €
Balance as of January 1, 2018				
Principal value	<u>5,035,717</u>	<u>3,931,200</u>	<u>14,927</u>	<u>8,981,844</u>
Balance as of January 1, 2018	<u><u>5,035,717</u></u>	<u><u>3,931,200</u></u>	<u><u>14,927</u></u>	<u><u>8,981,844</u></u>
Movements				
Investments	37,641	168,590	-	206,231
Result	<u>331,984</u>	<u>-</u>	<u>-</u>	<u>195,709</u>
Balance movements	<u><u>369,625</u></u>	<u><u>168,590</u></u>	<u><u>-</u></u>	<u><u>401,940</u></u>
Balance as of December 31, 2018				
Principal value	<u>5,405,342</u>	<u>4,099,790</u>	<u>14,927</u>	<u>9,520,059</u>
Balance as of December 31, 2018	<u><u>5,405,342</u></u>	<u><u>4,099,790</u></u>	<u><u>14,927</u></u>	<u><u>9,520,059</u></u>

	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>Participations in group companies (Equity Value)</b>		
Iceshop B.V.	3,272,533	3,196,671
Icecat Ukraine LLC	5,104	5,104
Icecat International B.V.	1	1
Icecat Nederland B.V.	47,552	4,979
Syndy B.V.	1,304,358	1,451,598
Icecat Content Sourcing OÜ	<u>775,794</u>	<u>377,364</u>
	<u>5,405,342</u>	<u>5,035,717</u>
	<u>2019</u>	<u>2018</u>
	€	€
<b>Icecat Ukraine LLC</b>		
Book value as of January 1	5,104	5,104
Balance movements	<u>-</u>	<u>-</u>
Book value as of December 31	<u>5,104</u>	<u>5,104</u>
	<u>2019</u>	<u>2018</u>
	€	€
<b>Iceshop B.V.</b>		
Book value as of January 1	3,196,671	3,170,999
Investments in participation	-	-
Profit/(Loss) of participation	<u>75,862</u>	<u>25,672</u>
Book value as of December 31	<u>3,272,533</u>	<u>3,196,671</u>

	<u>2019</u>	<u>2018</u>
	€	€
<b>Icecat Content Sourcing OÜ</b>		
Book value as of January 1	377,364	202,453
Investments in participation	-	-
Profit/(Loss) of participation	<u>398,430</u>	<u>174,911</u>
Book value as of December 31	<u><u>775,794</u></u>	<u><u>377,364</u></u>
	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>Participations in affiliated companies</b>		
Hatch B.V.	<u>4,099,790</u>	<u>3,931,200</u>
	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>Other amounts receivable</b>		
Rent deposit	<u>14,927</u>	<u>14,927</u>
	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b><u>Current assets</u></b>		
	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>22 Trade debtors</b>		
Trade debtors	2,293,151	1,749,275
Provision for doubtful debts	<u>-311,063</u>	<u>-98,010</u>
	<u><u>1,982,088</u></u>	<u><u>1,651,265</u></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, 2019.

	<u>2019</u>	<u>2018</u>
	€	€
<b>Provision for doubtful debts</b>		
Balance as of January 1	98,010	102,365
Written-off amounts during the year	-188,989	-161,005
Allocation to the result	<u>231,266</u>	<u>156,650</u>
Balance as of December 31	<u><u>140,287</u></u>	<u><u>98,010</u></u>
	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>23 Receivables from associated companies</b>		
STAK Icecat (NPEX)	-	-
Iceshop B.V.	-	-
Icecat International B.V.	840	-
Hatch B.V.	-	-
	<u>840</u>	<u>-</u>
	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>24 Other receivables and accrued income</b>		
Loans receivable	644,975	619,975
Other receivables	<u>222,109</u>	<u>139,522</u>
	<u><u>867,084</u></u>	<u><u>759,497</u></u>

The loans receivable concern (for the amount of € 319,875) the financing of purchase of shares by the Managing Director (E.T. Altinok). Interest rate of the loan is EURIBOR + 4.2% per annum. Provided security for the repayment of the loan: option for lender to offer shares to other shareholders at fair market value. For an amount of € 325,000 (2018: € 300,000) the loans receivable concern a loan to Syndy B.V.



	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>Other receivables</b>		
Interest of loans receivable	-	-
Net wages	8,064	6,425
Prepayments and other receivables	137,088	133,097
Lease	76,957	-
Cost of pre-invoiced sales	-	-
	<u>222,109</u>	<u>139,522</u>

## **25 Shareholders' equity**

Movements in equity were as follows:

	Issued share capital	Share premium reserve	General serve	re- Total
	€	€	€	€
Balance as of January 1, 2019	104,436	4,431,894	7,058,602	11,594,932
Result for the year	-	-	1,372,445	1,372,445
Addition in financial year	-	-	-	-
Share issue	-	-	-	-
Balance as of December 31, 2019	<u>104,436</u>	<u>4,431,894</u>	<u>8,431,047</u>	<u>12,965,820</u>

## **26 Issued share capital**

	Shares A €
Balance as of January 1, 2019	104,436
Share issue	-
Balance as of December 31, 2019	<u>104,436</u>

	<u>2019</u>	<u>2018</u>
	€	€
<b>27 Share premium reserve</b>		
Balance as of January 1	4,431,894	4,431,894
Share premium in financial year	-	-
Balance as of December 31	<u>4,431,894</u>	<u>4,431,894</u>
	<u>2019</u>	<u>2018</u>
	€	€
<b>28 General reserve</b>		
Balance as of January 1	7,058,602	6,176,811
Appropriation of result	1,372,445	881,791
Dividend	-	-
Balance as of December 31	<u>8,431,047</u>	<u>7,058,602</u>
<b><u>Short-term liabilities</u></b>		
	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>29 Trade creditors</b>		
Trade creditors	<u>96,427</u>	<u>216,522</u>
	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>30 Liabilities to group companies</b>		
iMerge B.V.	213,457	530,478
Icecat Content Sourcing OÜ	489,307	425,407
Syndy B.V.	17,240	178,437
Icecat International B.V.	-	-
Icecat Nederland B.V.	-	-
	<u>720,004</u>	<u>1,134,322</u>
	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>31 Taxes and social security premiums</b>		
Value added tax	58,972	93,244
Wage tax	43,601	42,481
Corporation tax	142,507	5,658
	<u>245,080</u>	<u>141,383</u>

	<u>31-12-2019</u>	<u>31-12-2018</u>
	€	€
<b>32 Other liabilities and accrued expenses</b>		
Instalment invoiced in advance	2,755,003	2,379,550
Other payables	61,170	30,000
Tantiemes	165,088	137,843
Holiday allowance	46,844	53,309
Outstanding Holidays	92,542	74,186
Audit and consultancy costs	26,300	26,000
Lease liabilities (short-term)	76,957	-
Other accruals	-	-
	<u>3,223,904</u>	<u>2,700,888</u>

### **Off-balance-sheet rights, obligations and arrangements**

#### **Buy back obligations**

The company has the conditional obligation to buy back shares from investors till an (maximum) amount of € 200,000.

#### **Subsequent events**

##### *COVID-19*

At the moment of draw up of the annual report there is a global health-pandemic: virus COVID-19 is causing impact on every country in the world. The Dutch government has taken several measures, it is also possible that the government will take more measures, so that the health consequences of this virus will minimize as much as possible. We cannot be sure of the business consequences that the government measures imply. The company's main business could be affected in case of prolonged or extended measures which could also affect the financial health of the company. The government is taking measures to make the impact on the businesses as low as possible but the result of these measures is still unclear.

At the time of drawing up these financial statements, to the best of our estimation and taking all facts and circumstances into account, there is no serious uncertainty about the continuity of our organization and therefore no unavoidable discontinuity. We therefore believe that the accounting policies used in the financial statements should be based on the assumption of continuity of the company.

#### **Proposal appropriation of result**

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

The appropriation of profit for the year 2019 in the amount of € 1,372,445 will be added to in full to the other reserves.

This proposal needs to be determined by the General Meeting, but has already been processed in anticipation in the annual accounts 2019 for the company.

### 3.6 Notes to the non-consolidated statement of income

	<u>2019</u>	<u>2018</u>
	€	€
<b><u>33 Net Turnover</u></b>		
Turnover Netherlands	2,334,993	2,097,414
Turnover International	5,498,310	5,184,087
	<u>7,833,303</u>	<u>7,281,501</u>

	<u>2018</u>	<u>2017</u>
	€	€

### **34 Personnel expenses**

Wages and salaries Netherlands	1,742,924	1,946,981
Wages and salaries International	174,981	167,032
Social security premiums and other social liabilities / insurance	112,361	149,580
	<u>2,030,266</u>	<u>2,263,593</u>

### **Remuneration of directors**

Remuneration of directors	265,000	263,000
Remuneration of former directors	-	16,000
Total remuneration of directors and former directors	<u>265,000</u>	<u>279,000</u>

### **Average number of employees**

2019

	<u>Number</u>
Average number of employees	20,00

2018

	<u>Number</u>
Average number of employees	26,00

	<u>2019</u>	<u>2018</u>
	€	€

### **Social security premiums and other social liabilities / insurance**

Social security charges	112,361	143,202
Other social liabilities / insurance	-	6,377
	<u>112,361</u>	<u>149,580</u>

	<u>2019</u>	<u>2018</u>
	€	€
<b><u>35 Other operating expenses</u></b>		
Other staff expenses	416,520	225,173
Housing expenses	138,803	124,769
Selling expenses	543,977	322,371
Car expenses	148,351	193,225
Office expenses	178,115	156,889
Other expenses	1,912,395	1,777,395
Management fee	<u>156,540</u>	<u>149,086</u>
	<u><u>3,494,701</u></u>	<u><u>2,948,908</u></u>

	<u>2019</u>	<u>2018</u>
	€	€
<b><u>37 Share in result from participations</u></b>		
Result Iceshop B.V.	75,862	25,672
Result Icecat Nederland B.V.	42,573	4,978
Result Icecat International B.V.	-	-
Result Syndy B.V.	-184,881	-280,162
Result Icecat Content Sourcing OÜ	<u>398,430</u>	<u>174,911</u>
	<u><u>331,984</u></u>	<u><u>-74,601</u></u>

Amsterdam, April 30, 2020

M.J. Hoogeveen  
Director

E.T. Altinok  
Director

Icecat N.V.  
Attn.: Mr. M.J. Hoogeveen  
Joop Geesinkweg 125  
1096 AT AMSTERDAM

## INDEPENDENT AUDITOR'S REPORT

To: The shareholders of Icecat N.V.

### A. Report on the audit of the financial statements 2019 included in the annual report

#### Our opinion

We have audited the financial statements 2019 of Icecat N.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Icecat N.V. as at 31 December 2019, and of its result and its cash flows for 2019 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company statement of financial position as at 31 December 2019;
2. the following statements for 2019:  
the consolidated and company income statement, the consolidated and company statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Icecat N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (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).

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

### B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the management report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

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

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## **C. Description of responsibilities regarding the financial statements**

### **Responsibilities of management for the financial statements**

Management 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. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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 included among others:

- 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 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 management;

# Calculations

administraties ■ belastingen ■ advies

- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events 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. However, future events or conditions may cause a 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.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rotterdam, April 30, 2020

Calculations B.V.

Signed on the original: A. van Zwiene RA



## INVESTMENT DISCLAIMER

### Important information

This annual report (the "Document") contains a description of some important subjects regarding Icecat N.V. (alone or together with her daughter companies, "Icecat" or "Company"). This Document, which is not complete, is distributed in behalf of Icecat and Icecat is responsible for the accuracy of information included. The information contained in this Document is accurate only as of the date of this Document, regardless of the time of delivery of the Document. Icecat however, points out that this Document gives only a limited view of its activities and its subsidiaries. Therefore, this document is an inappropriate basis for taking a decision to invest in the depository receipts of ordinary shares of Icecat as issued by Stichting Administratiekantoor Icecat (the "DRs"), and as currently listed at NPEX. Regarding the decision to buy or sell DRs, a potential investor should exclusively base himself or herself on information included in the prospectus, and all subsequently distributed information, and not just on information in this Document. Market information or expectations or forward looking statements in so far expressed in this Document don't form a sound basis for investment decisions. This Document doesn't form an offer or an invitation to buy DRs, in particular the (citizens and territories of the) United States, Canada, Japan and Australia are excluded. The DRs are not allowed to be offered or sold in the United States or in behalf of persons in the United States as defined in Regulation S conforming to the U.S. Securities Act 1933, as changed ("Securities Act"), unless they are registered conforming the Securities Act or are exempted from registration under any exception term to it. Icecat has not registered DRs as such and is not planning an initial public offering of DRs of Shares in the United States.

### Investment Risks

Investing in products like (depository receipts of) shares involves risks. The results of the company or companies in which you invest can be disappointing. This is also true for the results of Icecat. The DRs might not be tradable on a public market, and there might not be an active and liquid market for the DRs. Further, there is the possibility that you will not receive dividends. Potential investors, before deciding to buy Depository Receipts, should read the prospectus and subsequent communications carefully. In particular, they should read the sections related to risks in investing in the DRs, as included in the chapter "Risk Factors" of the prospectus. Before a potential investor decides to trade DRs, it is advised to consult a professional financial advisor. This Document contains statements about the future that are based on current strategies, and current strategies, assessments, and expectations about the future of Icecat with regard to external developments. These statements will include assumptions, risks and uncertainties, that can change after the date of publication of this Document.

The value of your investment in DRs can fluctuate. Results of the past, don't provide a guarantee for future results. For further information, please see

<https://www.npex.nl/en/platform/icecat/documents>.