



Interim report 1st half year 2018

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1.1 Management board report

Key financials

The benefits of Icecat's IPO, a higher autonomous growth rate, and the consolidation after the take-over of Syndy B.V. are visible in the figures of Year Half 1, 2018. The annual revenues growth of Icecat N.V. has accelerated to 24.4% over the first six months of 2018 (from 21.5% one year earlier), and led to revenues of 4.2 million euro during this period. Both the national and international business contributed to the growth. Without the Syndy take-over, which explains 8.7% of the growth, the autonomous and comparable growth would have been 15.6%. The EBT of Icecat has remained stable at 444K euro (-8K euro), despite the around -400K euro one-time integration costs of Syndy. Finally, during the first half year of 2018, the cash reserves of Icecat are only slightly (-100K euro) reduced to 3.4 million euro thanks to company profits, and good debtor management, despite the realized take-over of Syndy.

The focus during 2018 will be to fully integrate the Syndy Product Information Management (PIM) environment in Icecat's ecosystem and manage Syndy towards financial profitability. The first joint clients are being serviced.

Non-financial KPIs

Regarding non-financial KPIs, the trends continue to be positive: the comparable number of data-sheet downloads has increased annually by 70% to 2.3 billion downloads by ecommerce companies and consumers during Q2-2018.

The number of supported brands has expanded by 47% to 23 thousand, the number of supported product categories grew by 16% to 4,835, the number of registered ecommerce channel partners grew by 8% to 78 thousand, and the number of technical platforms supported expanded by 8% to 4,559. Of the technical users, 15% (706) are now making use of Icecat Live, real-time downloads through JSON and/or consumers directly.

Thanks to the application of artificial intelligence (AI) techniques, the number of described products (PDSs – product data-sheets) has increased by 33% to 5.0 million. The AI-techniques roughly doubled the annual production capacity to 100K PDSs/month, whilst lowering the CPD (cost per datasheet) significantly. The increased production through AI is critical for the diversification of Icecat into new verticals, such as Do It Yourself and Media & Entertainment, and improving retailer catalog coverage in the USA.

	June 30, 2018	Annual Change
PDS Downloads Q2	2.3 Billion	70%
Brands	23,497	47%
Categories	4,835	16%
Channel partners	77,673	9%
Platforms Supported	4,559	8%
Platforms of which Live	706	67%
Described products (PDSs)	5.0 million	33%

See also the development in the online popularity of brands in the ecommerce channel:

<https://iceclog.com/e-channel-expanded-by-70-in-q2-2018-nike-and-adidas-outrunning-other-brands-online/>

Food and Fashion

In the first six months of 2018, important steps are taking in the home market to diversify into the food and fashion verticals:

Makro Nederland, a leading wholesale retailer and a joint-client of Syndy and Icecat, is inviting its suppliers to enter their product data through the supplier portal of Syndy. See <https://iceclog.com/product-content-exchange-platform-syndy-partners-up-with-makro/>

Another high-interest development is the agreement with GS1 Netherlands, known for setting the barcode standard, to develop a Fashion-database in co-operation with partners like Bijenkorf, Wehkamp, Tommy Hilfiger and Calvin Klein. See <https://iceclog.com/gs1-and-icecat-develop-a-fashion-database-with-wehkamp-bijenkorf-tommy-hilfiger-and-clavin-klein/>

ICURY crypto pilot

The ICURY, the crypto coin of Icecat with symbol ICY, is successfully created and a pilot in Icecat's user community is successfully launched based on Ethereum. <https://iceclog.com/icury-in-the-press/>

Icecat positions the ICURY, of which 5 billion are minted, primarily as a loyalty token. Icecat users can currently receive 1000 tokens for free upon registration. 55 Icecat users participate already in the pilot in which they connect their Ethereum/ICURY wallet to their user account. The next objective is to expand the pilot further to 100 Icecat users and allow payment with ICURY for certain value add Icecat services.

An ICO, initial coin offering, is not pursued anymore given the negative reputation associated to this phenomenon, and the fact that Icecat is sufficiently funded already and doesn't need to raise cash to progress its ICURY road map.

As part of the pilot, the technology used is continuously evaluated, such as the scalability issues of Ethereum.

See <https://icury.com>

Icecat PIM improvements: Google Shopping integration

The Icecat PIM (product information management) environment is continuously upgraded. A standard interface for Google Shopping is created; Intel, Supermicro and Vtech are global brands making use of this integration. Other version improvements are related to cleansing download stats, and an improved look & feel of Icecat Live in co-operation with HP. See <https://iceclog.com/more-accurate-statistical-reports-and-other-important-updates/>

Board member conditions

In this period, board member conditions and shareholdings have not changed.

However, the position of iMerge BV, a holding of CEO Martijn Hoogeveen, regarding depository receipts (DRs) has changed during this period to 256,464 DRs:

- 53,736 DRs were delivered to former Syndy B.V. shareholders in behalf of Icecat to fulfill Icecat's obligations under the take-over agreement Syndy.
- 700 DRs were acquired based on a guarantee of February 2017, given by iMerge to NPEX, regarding paying up their DRs by a couple of small investors during the IPO.
- 250 DRs were directly sold on NPEX

Participations

No changes in the valuation of the participation in Hatch (see gethatch.com) are applied in this reporting period. Hatch is developing well and according to plan in the global niche of Where-To-Buy, with brand clients such as Philips, Intel and Bose.

Martijn Hoogeveen
CEO

Amsterdam, July 31, 2018

2.1 Balance sheet as at June 30, 2018

The figures 2018 are including Iceshop B.V. and Syndy B.V.

	<u>30-6-2018</u>		<u>30-6-2017</u>	
	€	€	€	€
ASSETS				
<u>Fixed assets</u>				
Tangible fixed assets				
ICT hardware and other equipment		285.725		299.945
Financial fixed assets				
Participations in group companies	207.659		102.115	
Participations in associated companies	5.368.107		3.931.200	
Other amounts receivable	494.717		344.927	
		6.070.483		4.378.242
<u>Current assets</u>				
Receivables		1.830.036		1.986.659
Cash		3.386.378		3.482.348
Total assets		<u>11.572.622</u>		<u>10.147.193</u>

This report has not been audited by the external auditor

	<u>30-6-2018</u>		<u>30-6-2017</u>	
	€	€	€	€
LIABILITIES				
Shareholders' equity				
Issues share capital	205.656		140.060	
General reserve	<u>8.341.959</u>		<u>6.101.630</u>	
		8.547.615		6.241.690
Current liabilities				
Accounts payable	115.649		239.658	
Taxes and social security premiums	-51.534		239.944	
Other current liabilities	<u>2.960.891</u>		<u>3.425.902</u>	
		3.025.007		3.905.503
Total liabilities		<u>11.572.622</u>		<u>10.147.193</u>

2.2 Statement of income and expenses and other comprehensive income for the first half year 2018

	<u>30-6-2018</u>		<u>30-6-2017</u>	
	€	€	€	€
Net turnover	4.202.355		3.379.187	
Cost of sales	<u>561.434</u>		<u>492.532</u>	
Gross profit		3.640.922		2.886.655
Personnel expenses	1.472.326		1.042.550	
Depreciation of tangible fixed assets	65.666		59.470	
Other operating expenses	<u>1.652.574</u>		<u>1.315.554</u>	
Total operating expenses		<u>3.190.566</u>		<u>2.417.574</u>
Operating result		450.356		469.081
Interest and similar expenses	<u>-5.622</u>		<u>-16.982</u>	
Financial income and expense		-5.622		-16.982
Result from operational activities before taxation		<u>444.733</u>		<u>452.099</u>

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