

PRESS RELEASE

Icecat's (NPEX: ICECAT) revenues expanded by 19% during 2018.

Data-sheet production soared by 140% thanks to AI.

Amsterdam, The Netherlands, April 30, 2019: During 2018, the annual revenues of global product content publisher and syndicator Icecat (NPEX: ICECAT) increased by 19% to 8.4 million euro compared to one year earlier. Roughly, one third of the growth can be attributed to the acquisition of Syndy B.V. – specialized in Product Information Management and Syndication (PIMS) for Fast Moving Consumer Goods (FMCG) - during 2018. The other two thirds of growth were organic. The net profit increased significantly by 29% to 882K euro compared to 2017, and the EBITDA increased to 1.1 million euro, despite integration costs and the investments in Syndy. The financial strategy of Icecat is focused on continued fast-growth and operational excellence to optimize but not yet maximize profitability, in order to finance further acquisitions in the consolidating PIMS market. As a percentage, the net result was stable at 10% of revenues.

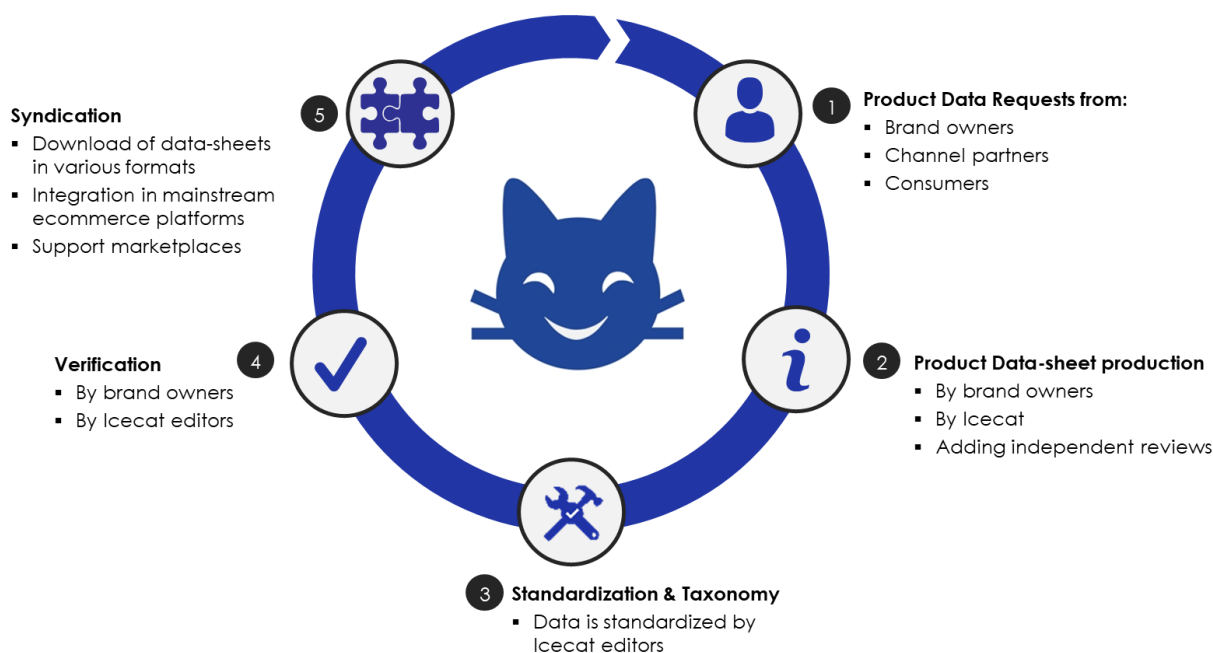
There was an increase in number of staff, compared to one year earlier, from 30 to 41 (including remote staff internationally: 149). There were no significant changes in IT hardware investments during 2018.

During 2018, Icecat was able to expand both its international and local business in The Netherlands. The share of international business is stable at 64%. Icecat expanded its product data activities in the Fashion, Toys, Health & Beauty, Do It Yourself and FMCG verticals. Further, Icecat continued to win PIMS deals, in which it successfully deployed its PIMS cloud solutions.

The growth of PIMS cloud provider Iceshop stagnated in 2018, as the business line is transforming from projects-based to subscription-based business. Iceshop, which has a revenue share of 9%, continues to have a positive profit contribution. Syndy, with a revenue share of 8%, is scheduled to become EBT positive during 2019, based on continued growth and realized synergies, and made significant progress on these dimensions during 2018, after take-over.

Participation Hatch has become cash-flow positive, and was expanding considerably.

During 2018, the take-over talks of reviews aggregator Testseek started, which was finalized in February 2019, and has no impact on the 2018 figures. See <https://iceclog.com/icecat-acquires-swedish-reviews-aggregator-testseek/>.



Business Flow Icecat Product Information Management and Syndication

The fast-growth of Icecat resulted in a FD Gazellen 2018 award, see:

<https://iceclog.com/icecat-awarded-financieel-dagblads-gazellen-2018-award-for-fast-growth/>

Non-financial KPIs

The key processes in Icecat’s PIMS workflow are monitored through non-financial KPIs (Key Performance Indicators). The most significant KPI change, due to applying AI (artificial intelligence) and ETL (extract, transform & load) techniques, is the sharp increase of the annual product data-sheet production by 140% to 1.7 million new product data-sheets during 2018. Further, the number of product data-sheet downloads expanded by 7% to 6.7 billion downloads (NOTE: compared to previous years, this metric have been cleansed for downloads by internal systems). Further, the number of supported manufacturer brands increased by 9% to 23 thousand, the number of supported product categories grew by 10%, and the estimated number of connected channel partners (or ecommerce users) expanded by 7% to 80 thousand, distributed over 199 countries or territories. The number of connected technical platforms is expanding rapidly by 13%. The relatively new, JSON and Live (javascripted) user base expanded even faster by 28%. 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.

| | 2018 | 2017 | Y-o-Y |
|-------------------------------|---------------|---------------|--------------|
| Product Data-Sheet Downloads | 6,678,116,171 | 6,241,986,441 | 7% |
| Product Data-Sheet Production | 1,713,373 | 715,989 | 140% |
| Brands supported | 23,317 | 21,418 | 9% |
| Categories supported | 5,121 | 4,636 | 10% |

| | | | |
|-------------------------------|--------|--------|-----|
| Channel partners | 80,199 | 74,908 | 7% |
| Tech Platforms Supported | 5,562 | 4,914 | 13% |
| - of which LIVE or JSON users | 1,568 | 1,226 | 28% |
| Countries or Territories | 199 | | |

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

Based on its download statistics, Icecat annually publishes a Global Brand Top 1000, which gives insights in trends, is covered by specialized press, and generates brand interest. See <https://iceclog.com/icecat-brand-top-1000-of-2018-hp-strongest-e-channel-brand-nike-and-bosch-do-well-in-their-categories/>

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 Syndy in March 2018, has strengthened Icecat's position in its home market, and internationally within the FMCG vertical. Icecat collaborates with GS1 – the global chain of societies responsible for publishing barcodes – in rolling out a fashion database in The Netherlands, smart search in Poland, a PIMS solution in Singapore, and taxonomy consulting regarding the Do It Yourself and FMCG verticals. So, instead of a potential competitor, GS1 has become a strategic partner for jointly expanding to new verticals.

The further opening up of major ecommerce marketplaces, such as the ones of Amazon, Alibaba, Google Shopping, and Walmart, 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.

In the US market, one can also witness consolidation. For example, Gladson did a string of five acquisitions during 2018 in the areas of FMCG product data and PIMS software, and renamed itself and its activities to Syndigo. To defend its Benelux trademark, Syndy started begin 2019 a request to cancel the overlapping Syndigo trademark in the EU-IPO trademark database, and has registered also as a European trademark. Syndy considers further legal action, at least at EU-IPO. The cost for EU-IPO trademark cases are not material.

Innovation

The tech innovation of Icecat, and its daughter companies Iceshop and Syndy, have been focused during 2018 on improving its PIMS cloud services for manufacturer and merchant clients, and

deploying Artificial Intelligence in relation to increasing the editorial productivity. The editorial capacity has more than doubled thanks to AI (artificial intelligence) techniques and a new ETL (extract, transform & load) service in support of editor productivity. Noteworthy, are the deployment of elastic search, the introduction of a micro service architecture, release of a new DAM (digital asset management) media gallery, better support of 3D images, applying AMP (accelerated mobile pages), and the introduction of product and brand stories in the form of html5 mini-sites as a new digital asset type, which are subsequently syndicated to retailer sites together with other digital assets and the good old product data-sheets.

The number of interfaces, supported by Icecat or third parties, has increased. Noteworthy, are the certification as content partner by Google Shopping, and Amazon, the collaboration with Oracle retail cloud and full support of Magento 2 (An Adobe Company) and Prestashop. For a current overview of integrations see: <https://iceclog.com/icecat-add-ons-for-popular-solutions-and-implementation-partners/>

Icecat continued its pilots for the application of its ICURY (ICY) token and distributed ledger technology (DLT), a more generic term than blockchain, in its ecosystem. There are currently, 93 participants (wallet addresses) included in the pilot, whereby wallets are integrated in Icecat user accounts, and tokens can be uploaded to Icecat. Icecat tested two DLT fabrics, and chose one for continued piloting.

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 5% innovation box (Dutch: “innovatiebox”).

Sustainability

Icecat’s small fleet of 13 lease cars consists of 11 plug-in hybrid electrical vehicles (PHEVs), 1 diesel, and one Full Electrical Vehicle (FEV). Under the current FEV-only policy for new lease contracts, two more FEVs are being ordered, replacing the diesel and one PHEV car.

The rooftop of the Dutch Nieuwegein office of Icecat has been covered with solar panels, which lowers the monthly energy bill with more than 100% as 5618kw is produced over a period of 12 months, while the office and car charge use was in total 4853kw. This resulted in a small net credit from the energy company.

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/>

Regarding discrimination at the workplace, there has been one reported incident about a non-native and now former trainee making derogative comments about women. At the end of 2018, Icecat's teams included 20 different nationalities. This diversity is necessary for commercially developing all e-commerce markets. Icecat benefits from a culture where being different is appreciated.

Icecat's outsourced operational and technical activities provide decent work to around 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.

Emre Tan has acquired through his holding E-nvest 265,000 shares from Snijders Invest B.V., resulting in a total of 365,000 shares (a 3.5% shareholding). He sold his 500 depository receipts (DR) as part of the above-mentioned transaction. Further, he has the option to purchase 30,000 DRs at the introduction price of 10 euro/DR. His gross salary modestly increased to 110,488 euro during 2018.

The shareholding of CEO Martijn Hoogeveen, through iMerge B.V., increased with 1.3%, from 8,177,800 to 8,315,603 shares (a 79.6% shareholding) after the exit transaction with Snijders Invest B.V. Further, iMerge had a holding of 309,750 DRs at the start of 2018, of which net 53,036 DRs were delivered to third parties in behalf of Icecat N.V. (mainly payment of part of the take-over sum for Syndy in DRs) and 500 DRs were directly sold on NPEX. At December 31, 2018 the balance was thus reduced to 256,214 DRs. (Note: the execution of a put option by some former Syndy shareholders leads to a partial reversal of the above-mentioned transfer of DRs during 2019). The management fee of Netvalue, the holding of CEO Martijn Hoogeveen, has been modestly increased to 149,086 euro during 2018 as the principal focus of a main shareholder should be to continue to create shareholder value.

The following nominal changes took place in the board.

Vazha Abramishvili, already working for Icecat since 2010 in several positions as region manager CEE & CIS and manager business & product development, has been appointed as COO per January 1, 2019. He did an MBA at the Hague University of Applied Sciences and received a master degree in Economics at the Tblisi State University. The appointment reflects the increased scope of his responsibilities, which include driving synergies between group activities such as Syndy and Iceshop.

Upon the acquisition of Syndy, Pieter van Herpen joined the board as Chief Innovation Office (CIO) in addition to being CEO of Syndy. His group contribution is mainly focused on assisting with mergers and acquisitions.

During 2019, Sergii Shvets steps down as CTO, to mitigate a conflict of interest with a solution provider that he co-owns, but will stay closely involved in the development of the architecture of the Icecat ecosystem so that continuity is guaranteed. Vazha Abramishvili will continue to take care of operational tech management, in conjunction with the tech management of the daughter companies.

Icecat has still a one-tier board, for efficiency reasons, whereby the independent managing director of the trust office (Stichting Administratie Kantoor Icecat) represents the 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, 2018: of the six members, three (50%) are non-native, one (17%) is female. The appointment policy is purely meritocratic: it's just factual and measurable results that matter. A higher female participation would be appreciated.

External Auditor

The external auditor has changed per January 2018 to Calculations B.V. (part of HLB Den Hartog Accountants and Consultants B.V.), as its register accountant, Anthonie van Zwienen, moved to this company from Hak+Baak Auditors. This ensured continuity in the auditing process.

Business Risks

Regarding business risks, 2018 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 2018 were very favorable, but are likely to deteriorate during 2019, due to global political tensions, Italy and Turkey facing a recession, Germany's economy cooling off, the EU and global economy experiencing a slowdown, and increased uncertainties related to Brexit and US-centered trade conflicts.

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.

Because of the introduction of Mifid2, NPEX was relicensed as an MTF (multilateral trade facility) by Authority Financial Markets. Subsequently, the trade resumed as of April 2018. Icecat expects to see improvements in the trade system of NPEX like a real-time order book, leading to a more efficient matching of buy and sell orders for its DRs.

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 2018 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. The geopolitical situation in Ukraine, where Icecat contracts editors and developers, stabilized and took the form of a frozen conflict. Till now, the impact for Icecat was limited to relocating one smaller developer office from an eastern province in Ukraine, bordering the contested regions. In case that this conflict flares up again, this might lead to increased unrest, which typically results in a higher emigration pressure.

The tax ruling for the 5% innovation box ended in 2017, and Icecat has asked for a new ruling. It might be that 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

The Icecat share price ended in 2018 at €10.46, 4.6% above the IPO introduction price of Icecat DRs through the Dutch exchange NPEX in February 2017, and +7.3% compared to the share price one year earlier.

During 2018, the highest price was €10.49, and the lowest was €7.00.

During 2018, the liquidity of Icecat on NPEX improved sharply year-on-year: by 100% in terms of traded DR volume, and by 88% in terms of traded euro amounts.

The free float increased during 2018 to 6.6% (from 4.2%) as the remaining Icecat shares of Snijders Invest B.V. were all converted to DRs. Snijders Invest has a partial lockup as he can not sell DRs below the last market price.

The income per ordinary share over 2018 was 0.08 euro, compared to 0.07 during 2017.

By negotiating partial lockups with former Syndy shareholders and Snijders Invest B.V., i.e., not allowing to sell DRs below the last market price, Icecat has intended to mitigate the risk of over-supply on price forming. The liquidity on NPEX needs to continue to increase, to be able to fully absorb the DR supply of such shareholders.

About Icecat NV

Icecat, listed on the NPEX stock exchange since 2017, is a profitable and fast-growing online publisher and syndicator of product information and product reviews for the global ecommerce market. Icecat operates worldwide for tens of thousands of platforms such as Amazon, Ebay, Rakuten, Wehkamp, BOL and some 450 brands, including Philips, Akzo, TomTom, HP, DELL, Lego, L'Oréal and Akzo Nobel.

Icecat currently includes the subsidiaries Iceshop B.V., Syndy B.V., Icecat LLC (Icecat Ukraine) and Icecat Content Sourcing OÜ (Icecat Estonia) and the participation Hatch B.V. Icecat Ukraine and Icecat Estonia are responsible for the hiring of editor and software developer capacity and the issuance of the ICURY crypto coin. Iceshop and Syndy are specialists in e-commerce integrations and Product Information Management (PIM) solutions in the IT and supermarket sector respectively.

More information:

Icecat: martijn.hoogenveen@icecat.com M: +31 6-54256476

Full 2018 report: <https://iceclog.com/wp-content/uploads/2019/04/Annual-Report-2018-Icecat-NV-2.pdf>

Financial calendar for 2019: <https://iceclog.com/financial-calendar-icecat-n-v/>