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

INDEPENDENT AUDITORS REPORT

A. Report on the audit of the financial statements 2017 included in the annual report

Our opinion

We have audited the financial statements 2017 of Icecat N.V., based in Amsterdam, the Netherlands. In our opinion the accompanying financial statements give a true and fair view of the financial position of Icecat N.V. as at December 31, 2017, and of its result and its cash flows for 2017 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 December 31, 2017;
2. the following statements for 2017: the consolidated and company income statement, changes in equity and cash flows;
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 Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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. Descriptions 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;
- 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.

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.

Sliedrecht, April 30, 2018.

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Accountants met een PLUS B.V.
A. van Zwiene RA

Initial for authentication purposes:

30/04/2018

To the shareholders and the board of directors of
Icecat N.V.

Attn. Mr. M.J. Hoogeveen

De Liesbosch 12D

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ANNUAL ACCOUNTS 2017

Report

On financial statements 2017

Icecat N.V.
AMSTERDAM

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Icecat N.V.
Amsterdam

1. MANAGEMENT BOARD REPORT

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1.1 Management Board report

Introduction by the Board

In February 2017, Icecat was successfully listed at NPEX. The proceeds were partially used for the acquisition of Iceshop B.V, a profitable e-commerce integrator. This helped to accelerate the revenues growth rate to 17% year-on-year, compared to an annual revenues growth of 10% during the previous year. As the companies already closely worked together before the acquisition, integration costs were neglectable. Net profit and EBITDA were more or less stable as the strategic focus had been on investing in faster growth. There were no significant changes in number of staff and (ICT) investments during 2017, compared to one year earlier.

During 2017, Icecat was able to expand its international and local business in The Netherlands. Icecat expanded its activities in the Toys, Health & Beauty, Do It Yourself and Fast Moving Consumer Goods verticals, as intended. Further, Icecat won a number of high-profile Product Information Management (PIM) deals, in which it successfully deployed its PIM cloud solution. In the DIY market, Icecat closed a global deal with Akzo Nobel. In the toys vertical, LEGO signed up.

Non-financial KPIs

Regarding its non-financial KPIs (Key Performance Indicators), the number of product data-sheet downloads expanded by 55% to 13.1 billion downloads, the number of supported manufacturer brands increased by 42% to 21 thousand, the number of supported product categories grew by 21%, and the estimated number of connected channel partners (ecommerce users) expanded by 16%. The number of technical platforms is stable, due to the concentration of users on popular ecommerce systems, like Magento Commerce, PrestaShop, VirtueMart, Ebay and Amazon (see <https://iceclog.com/category/statistics/>).

	2017	2016	Y-o-Y
Data-sheet Downloads	13,085,104,783	8,467,439,338	55%
Manufacturer Brands	21,418	15,097	42%
Product Categories	4,636	3,819	21%
Channel partners	74,908	64,736	16%

Changes in competition

In its core-sector 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 field of providing product data. In July 2017, Icecat has started negotiations to buy Syndy, active in the FMCG data market, which resulted in a take-over of Syndy in March 2018 as already made public. The results of Syndy are expected to be consolidated in the 2018 annual report of Icecat.

Sustainability

Icecat's fleet of lease cars consist of hybrid electrical vehicles. The lease policy has been updated in 2017 to only lease Full Electrical Vehicles.

The rooftop of the Nieuwegein office of Icecat has been covered with solar panels, which lowers the monthly energy bill with 65%, and generates sufficient power to charge the car batteries of our electrical vehicles (i.e., 512 kwh/M).

More impact on Icecat's core-business is that the product data-sheets of Icecat include the mandatory EU Energy Labels, and other sustainability indications such as Energy Star when relevant for the product category. Further, Icecat's product data is upgraded to be used in European projects to make sustainability footprint calculations and generate buying advices for consumers in EU countries.

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Innovation

The ICT innovation of Icecat has been focused during 2017 on improving its PIM Cloud (Product Information Management) services for manufacturer and merchant clients like L'Oréal and HP, and deploying Artificial Intelligence in relation to increase the editorial production. In some months, the editorial capacity is doubled thanks to AI techniques.

Iccat has been investigating and preparing the application of blockchain and crypto tokens in its ecosystem. The first concrete results are expected during 2018.

Board and Remuneration

Managing director Emre Tan Altinok has acquired 100,000 shares directly from Snijders Invest B.V. Further, he has been awarded with the option to purchase 30,000 depository receipts (DR) at the introduction price of 10 euro/DR. His gross salary has increased over 2017 to 100,000 euro.

The monthly management fee of Netvalue, the holding of CEO Martijn Hoogeveen, has been modestly increased to 141,987 euro during 2017 as the principal focus of a main shareholder should be to create shareholder value.

Risks

Regarding business risks, 2017 brought no notable changes, except that there's an ongoing consolidation in the e-commerce market, and an ongoing cannibalization of the physical retail market. The general economic conditions during 2017 were very favorable, but might deteriorate in 2018 or later due to global political tensions.

The inclusion of multiple PIM 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 PIM market, and every high-end client has complex and changing requirements, which can be difficult to meet. In the PIM market it's important to develop a strong and competitive brand.

Because of the introduction of Mifid2, NPEX had to be relicensed as a MTF (multilateral trade facility) by AFM. In the last months of November, this led to a situation in which NPEX had to stop trade in Icecat depository receipts through its platform. Happily, the trade has resumed during April 2018. Icecat will closely monitor the liquidity, and looks forward to see improvements in the trade system of NPEX.

Amsterdam, April 30, 2018

M.J. Hoogeveen

Icecat N.V.
Amsterdam

2. CONSOLIDATED ACCOUNTS

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2.1 Consolidated balance sheet as of December 31, 2017

(After proposal appropriation of result)

		<u>31-12-2017</u>		<u>31-12-2016</u>	
		€	€	€	€
ASSETS					
<u>Fixed assets</u>					
Tangible fixed assets					
ICT hardware and other equipment	1		324,994		324,804
Financial fixed assets					
Participations in group companies (equity value)	2 3	3,167,261		102,115	
Participations in affiliated companies	4	3,931,200		3,931,200	
Other amounts receivable	5	<u>14,927</u>		<u>14,927</u>	
			7,113,388		4,048,242
<u>Current assets</u>					
Receivables					
Trade debtors	6	1,828,733		1,632,304	
Receivables from associated companies	7	17,335		-	
Other receivables and accrued assets	8	<u>493,792</u>		<u>365,304</u>	
			2,339,860		1,997,608
Cash	9		4,434,299		2,033,426
Total assets			<u>14,212,541</u>		<u>8,404,080</u>

	<u>31-12-2017</u>		<u>31-12-2016</u>	
	€	€	€	€
LIABILITIES				
Group equity	10	10,713,142		5,591,880
Short-term liabilities				
Trade creditors	11	126,785		57,961
Liabilities to group companies	12	3,993		-
Taxes and social security premiums	13	299,132		387,147
Other liabilities and accrued expenses	14	<u>3,069,489</u>		<u>2,367,092</u>
		3,499,399		2,812,200
		<hr/>		<hr/>
Total liabilities		<u>14,212,541</u>		<u>8,404,080</u>

2.2 Consolidated statement of income for the year 2017

		2017		2016	
		€	€	€	€
Net Turnover	15	7,005,666		5,972,079	
Cost of sales		<u>-1,077,413</u>		<u>-787,938</u>	
Gross margin			5,928,253		5,184,141
Expenses work contracted out and other external expenses	16	155,688		-	
Personnel expenses	17	2,042,897		1,700,434	
Depreciation of intangible and tangible fixed assets		121,766		112,263	
Other operating expenses	18	<u>2,888,901</u>		<u>2,602,988</u>	
Total operating expenses			<u>5,209,252</u>		<u>4,415,685</u>
Operating result			719,001		768,456
Revenues of receivables from fixed assets and securities		8,464		444	
Interest and similar expenses		<u>-26,348</u>		<u>-18,219</u>	
Financial income and expense			<u>-17,884</u>		<u>-17,775</u>
Consolidated result from operational activities before taxation			701,117		750,681
Taxation	19		<u>-121,628</u>		<u>-136,651</u>
Share in result from participations			579,489		614,030
Net consolidated result after taxation			<u>684,931</u>		<u>708,541</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 2017

The figures below are stated x € 1.000

Cash flow from operating activities

Operating result		719		768
<i>Adjustments for</i>				
Depreciation of intangible and tangible fixed assets	122		112	
Result from participations not through participations	-		95	
		122		207
<i>Changes in working capital</i>				
Trade debtors	-196		-337	
Receivables from associated companies	-17		-	
Other accounts receivable	-128		209	
Accounts payable (excluding banks)	679		492	
		338		364
Cash flow from operating activities		1,179		1.339
Interest received	8		-	
Interest paid	-26		-18	
Taxation	-122		-137	
		-140		-155
Cash flow from operating activities		1,039		1.184
Cash flow from operating activities				
Investments in tangible assets	-114		-99	
Investments in financial fixed assets	-2,960		-103	
Disposal of tangible fixed assets	-		-23	
Cash flow from operating activities		-3,074		-225
Cash flow from financing activities				
Receipts from issuance of share capital	4		-	
Share premium in financial year	4,432		-	
Dividend paid	-		-210	
Movement banks	-		-1	
Cash flow from financing activities		4,436		-211
Movements cash		2,401		748

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Amsterdam

	<u>2017</u>	<u>2016</u>
	€	€
Turnover movement cash and cash equivalents		
Balance as at beginning of financial year	2,033	1,285
Movements during financials year	<u>2,401</u>	<u>748</u>
Balance at financial year end	<u><u>4,434</u></u>	<u><u>2,033</u></u>

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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 2017 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. and Icecat Nederland B.V., both companies with legal seat in Nieuwegein (incorporated in 2017). The financial statements 2016 of Iceshop B.V. has not been adjusted in the comparative figures of Icecat N.V. In 2017 the shares of Iceshop B.V. were acquired by Icecat N.V. on the basis of an exchange of shares transaction. The shares of Iceshop B.V. have been acquired with effect from January 1, 2017.

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,

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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 (IFRSs) as adopted by the European Union (EU).

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

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 2017 is EUR 143K (2016: 142K).

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.

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.

Icecat N.V.
Amsterdam

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, 2017	
Purchase value	657,678
Accumulated depreciation	<u>-332,875</u>
Book value as of January 1, 2017	<u>324,803</u>
Movements	
Investments	121,957
Depreciation	-121,766
Disposal purchase value	-145,439
Disposal accumulated depreciation	<u>145,439</u>
Balance movements	<u>191</u>
Balance as of December 31, 2017	
Purchase value	634,941
Accumulated depreciation	<u>-309,947</u>
Book value as of December 31, 2017	<u>324,994</u>
Depreciation percentages	<u>20</u>

2 Financial fixed assets

	Participations in companies (equity value)	Other group participations (net asset value)	Other amounts receivable	Total
	€	€	€	€
Balance as of January 1, 2017				
Principal value	<u>102,115</u>	<u>3,931,200</u>	<u>14,927</u>	<u>4,048,242</u>
Balance as of January 1, 2017	<u>102,115</u>	<u>3,931,200</u>	<u>14,927</u>	<u>4,048,242</u>
Movements				
Goodwill	2,959,704	-	-	2,959,704
Result	<u>105,442</u>	-	-	<u>105,442</u>
Balance movements	<u>3,065,146</u>	-	-	<u>3,065,146</u>
Balance as of December 31, 2017				
Principal value	<u>3,167,261</u>	<u>3,931,200</u>	<u>14,927</u>	<u>7,113,388</u>
Balance as of December 31, 2017	<u>3,167,261</u>	<u>3,931,200</u>	<u>14,927</u>	<u>7,113,388</u>

3 Participations in group companies (equity value)

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Icecat Ukraine LLC	5,104	5,104
Iceshop B.V.	2,959,704	-
Icecat Content Sourcing OÜ	<u>202,453</u>	<u>97,011</u>
	<u>3,167,261</u>	<u>102,115</u>

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	<u>2017</u>	<u>2016</u>
	€	€
Icecat Ukraine LLC		
Book value as of January 1	5,104	5,104
Balance movements	-	-
Book value as of December 31	<u>5,104</u>	<u>5,104</u>

	<u>2017</u>	<u>2016</u>
	€	€
Iceshop B.V.		
Book value as of January 1	-	-
Investments in participation (goodwill)	<u>2,959,704</u>	-
Book value as of December 31	<u>2,959,704</u>	-

	<u>2017</u>	<u>2016</u>
	€	€
Icecat Content Sourcing OÜ		
Book value as of January 1	97,011	2,500
Investments in participation	-	94,511
Profit/(Loss) of participation	<u>105,442</u>	-
Book value as of December 31	<u>202,453</u>	<u>97,011</u>

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
4 Participations in affiliated companies		
Hatch B.V. (42.72%)	<u>3,931,200</u>	<u>3,931,200</u>

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	<u>2017</u>	<u>2016</u>
	€	€
Hatch B.V.		
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>-</u>	<u>-</u>
Balance as of December 31		
Purchase value	3,931,200	3,931,200
Book value as of December 31	<u>3,931,200</u>	<u>3,931,200</u>
	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
5 Other amounts receivable		
Rent deposit	<u>14,927</u>	<u>14,927</u>
<u>Current assets</u>		
	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
6 Trade debtors		
Trade debtors	1,971,597	1,774,409
Provision for doubtful debts	<u>-142,865</u>	<u>-142,105</u>
	<u>1,828,732</u>	<u>1,632,304</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, 2017.</p>		
7 Receivables from associated companies		
STAK Icecat (NPEX)	7,000	-
Hatch B.V.	<u>10,335</u>	<u>-</u>
	<u>17,335</u>	<u>-</u>

	<u>2017</u>	<u>2016</u>
	€	€
8 Other receivables and accrued income		
Loans receivable	319,875	-
Other receivables	<u>173,917</u>	<u>365,304</u>
	<u>493,792</u>	<u>365,304</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% 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	8,464	-
Net wages	18,350	3,725
Prepayments and other receivables	147,103	75,229
Cost of pre-invoiced sales	-	<u>286,350</u>
	<u>173,917</u>	<u>365,304</u>

9 Cash

Of the cash and cash equivalents as of December 31, 2017 and December 31, 2016, 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

684,931 708,541

Weighted average number of common shares for the purpose of earnings per share

10,406,663 10,000,000

Earnings per share attributable to common shareholders

0.07 0.07

Shareholder's information

The shareholders of Icecat N.V. are:

Name:	Number of shares:
Snijders Invest B.V.	700,000
iMerge B.V.	8,177,800
O. Velychko	511,100
S. Shvets	511,100
Stichting Administratiekantoor (STAK) Icecat	443,633
E-nvest B.V.	100,000

Short-term liabilities

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
11 Trade creditors		
Trade creditors	<u>126,785</u>	<u>57,961</u>
12 Liabilities to group companies		
iMerge B.V.	<u>3,993</u>	-
	<u>3,993</u>	-
13 Taxes and social security premiums		
Value added tax	134,763	75,332
Wage tax	51,340	40,568
Corporation tax	<u>113,029</u>	<u>271,247</u>
	<u>299,132</u>	<u>387,147</u>
14 Other liabilities and accrued expenses		
Instalment invoiced in advance	2,455,917	1,911,560
Other payables	279,783	168,428
Tantiemes	183,257	164,514
Holiday allowance	63,361	57,485
Outstanding Holidays	60,870	47,799
Audit and consultancy costs	26,300	15,000
Other accruals	-	2,306
	<u>3,069,488</u>	<u>2,367,092</u>

Off-balance-sheet rights, obligations and arrangements

Disclosure of operating leases

The entity has entered into several lease contracts relating to leasing of company cars. The annual obligations amounts to € 150,000.

Obligations regarding to lease contracts within 1 year amounts to € 151,250

Obligations regarding to lease contracts between 1 year and 5 year amounts to € 152,750

There are no obligations regarding to lease contracts with a term of more than 5 years.

The average maturity of operating leases is 4 years. The remaining average maturity of operating leases is 2 years.

Buy back obligations

The company has the conditional obligation to buy back shares from investors till an (maximum) amount of € 325,200.

Subsequent events

There have been no significant subsequent events.

Proposal appropriation of result

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

The appropriation of profit for the year 2017 in the amount of € 684,931 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 2017 for the company.

2.6 Notes to the consolidated statement of income

	<u>2017</u>	<u>2016</u>
	€	€
<u>15 Net Turnover</u>		
Turnover Netherlands	2,554,118	1,675,242
Turnover International	<u>4,451,548</u>	<u>4,296,837</u>
	<u>7,005,666</u>	<u>5,972,079</u>
	<u>2017</u>	<u>2016</u>
	€	€
<u>16 Expenses work contracted out and other external expenses</u>		
Cost of work contracted out	<u>155,688</u>	-
	<u>2017</u>	<u>2016</u>
	€	€
<u>17 Personnel expenses</u>		
Wages and salaries	1,797,189	1,486,133
Social security premiums and other social liabilities / insurance	<u>245,708</u>	<u>214,301</u>
	<u>2,042,897</u>	<u>1,700,434</u>
	<u>2017</u>	<u>2016</u>
	€	€
Remuneration of directors		
Remuneration of directors and former executive board	<u>227,000</u>	<u>212,000</u>

Average number of employees

2017

	Active within the Netherlands	Active outside the Netherlands	Total
Average number of employees 2017	30,00	-	30,00

	Active within the Netherlands	Active outside the Netherlands	Total
Average number of employees 2016	30,00	-	30,00

	<u>2017</u>	<u>2016</u>
	€	€

Social security premiums and other social liabilities / insurance

Social security charges	235,267	204,206
Other social liabilities / insurance	10,441	10,095
	<u>245,708</u>	<u>214,301</u>

Related party transactions for the year 2017

	<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>
	€	€	€	€
Parent :	-	-	-	-
iMerge B.V.	-	-	-	3,993
Subsidiaries:	-	-	-	-
Icecat Ukraine LLC	-	-	-	-
Icecat Content Sourcing OÜ	-	1,010,577	-	-
Iceshop B.V.	144,466	116,995	5,598	-
Icecat International B.V.	-	-	-	1
Icecat Nederland B.V.	-	-	-	1
Associated companies:				
Hatch B.V.	93,947	23,240	10,335	-
Total	<u>238,413</u>	<u>1,127,572</u>	<u>15,933</u>	<u>3,995</u>

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

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18 Other operating expenses

Other staff expenses	249,563	226,579
Housing expenses	144,616	111,725
Selling expenses	353,171	345,307
Car expenses	187,492	142,619
Office expenses	180,800	197,373
Other expenses	1,631,271	1,442,526
Management fee	141,987	136,860
	<u>2,888,900</u>	<u>2,602,989</u>

19 Taxation

Income tax expense from current financial year	<u>-121,628</u>	<u>-136,651</u>
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3. NON-CONSOLIDATED ACCOUNTS

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3.1 Non-consolidated balance sheet as of December 31, 2017

(After proposal appropriation of result)

	31-12-2017		31-12-2016	
	€	€	€	€
ASSETS				
<u>Fixed assets</u>				
Tangible fixed assets	20			
ICT hardware and other equipment		318,517		324,804
Financial fixed assets	21	7,324,685		4,048,242
<u>Current assets</u>				
Receivables				
Trade debtors	22	1,704,364	1,632,304	
Receivables from associated companies	23	22,933	-	
Other receivables and accrued assets	24	<u>437,962</u>	<u>365,304</u>	
		2,165,259		1,997,608
Cash		4,215,636		2,033,426
Total assets		<u>14,024,097</u>		<u>8,404,080</u>

	31-12-2017		31-12-2016	
	€	€	€	€
LIABILITIES				
Shareholders' equity				
25				
Issued share capital	26	104,436		100,000
Share premium reserve	27	4,431,894		-
General reserve	28	<u>6,176,811</u>		<u>5,491,880</u>
		10,713,141		5,591,880
Short-term liabilities				
Trade creditors	29	124,461		57,961
Liabilities to group companies	30	2		-
Taxes and social security premiums	31	244,101		387,147
Other liabilities and accrued expenses	32	<u>2,942,392</u>		<u>2,367,092</u>
		3,310,956		2,812,200
Total liabilities				
		<u>14,024,097</u>		<u>8,404,080</u>

3.2 Non-consolidated statement of income for the year 2017

		2017		2016	
		€	€	€	€
Net Turnover	33	6,440,442		5,972,079	
Cost of sales		<u>-1,157,158</u>		<u>-787,938</u>	
Gross margin			5,283,284		5,184,141
Personnel expenses	34	1,750,004		1,700,434	
Depreciation of intangible and tangible fixed assets		120,109		112,263	
Other operating expenses	35	<u>2,786,517</u>		<u>2,602,988</u>	
Total operating expenses			<u>4,656,630</u>		<u>4,415,685</u>
Operating result			626,654		768,456
Revenues of receivables from fixed assets and securities		8,464		444	
Interest and similar expenses		<u>-23,516</u>		<u>-18,219</u>	
Financial income and expense			<u>-15,052</u>		<u>-17,775</u>
Result from operational activities before taxation			611,602		750,681
Taxation	36		<u>-103,112</u>		<u>-136,651</u>
			508,490		614,030
Share in result from participations	37		<u>176,441</u>		<u>94,511</u>
Net result after taxes			<u>684,931</u>		<u>708,541</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 2017

The figures below are stated x € 1.000

Cash flow from operating activities

Operating result		627		768
<i>Adjustments for</i>				
Depreciation of intangible and tangible fixed assets	120		112	
Result from participations not through participations	-		95	
		120		207
<i>Changes in working capital</i>				
Trade debtors	-72		-337	
Receivables from associated companies	-23		-	
Other accounts receivable	-73		209	
Accounts receivable (excluding banks)	501		492	
		333		364
Cash flow from operating activities		1,080		1,339
Interest received	8		-	
Interest paid	-24		-18	
Taxation	-103		-137	
		-119		-155
Cash flow from operating activities		961		1,184
Cash flow from operating activities				
Investments in tangible assets	-114		-99	
Investments in financial fixed assets	-3,100		-103	
Disposal of tangible fixed assets	-		-23	
Cash flow from operating activities		-3,214		-225
Cash flow from financing activities				
Receipts from issuance of share capital	4		-	
Share premium in financial year	4,432		-	
Dividend paid	-		-210	
Movement banks	-		-1	
Cash flow from financing activities		4,436		-211
Movements cash		2,183		748

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	<u>2017</u>	<u>2016</u>
	€	€
Turnover movement cash and cash equivalents		
Balance as at beginning of financial year	2,033	1,285
Movements during financials year	<u>2,183</u>	<u>748</u>
Balance at financial year end	<u><u>4,216</u></u>	<u><u>2,033</u></u>

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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 (IFRSs) as adopted by the European Union (EU).

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

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 2017 is EUR 143K (2016: 142K).

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.

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5/5/2018

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.

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, 2017	
Purchase value	657,678
Accumulated depreciation	<u>-332,875</u>
Book value as of January 1, 2017	<u>324,803</u>
Movements	
Investments	113,822
Depreciation	-120,109
Disposal purchase value	-145,439
Disposal accumulated depreciation	<u>145,439</u>
Balance movements	<u>-6,287</u>
Balance as of December 31, 2017	
Purchase value	626,061
Accumulated depreciation	<u>-307,544</u>
Book value as of December 31, 2017	<u>318,517</u>

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
<u>21 Financial fixed assets</u>		
Participations in group companies (Equity Value)	3,378,558	102,115
Participations in affiliated companies	3,931,200	3,931,200
Other amounts receivable	14,927	14,927
	<u>7,324,685</u>	<u>4,048,242</u>

Financial fixed assets

	Participations in group companies (equity value)	Other group participations (net asset value)	Other amounts receivable	Total
	€	€	€	€
Balance as of January 1, 2017				
Principal value	<u>102,115</u>	<u>3,931,200</u>	<u>14,927</u>	<u>4,048,242</u>
Balance as of January 1, 2017	<u>102,115</u>	<u>3,931,200</u>	<u>14,927</u>	<u>4,048,242</u>
Movements				
Investments	3,100,002	-	-	3,100,002
Result	176,441	-	-	176,441
Balance movements	<u>3,276,443</u>	<u>-</u>	<u>-</u>	<u>3,276,443</u>
Balance as of December 31, 2017				
Principal value	<u>3,378,558</u>	<u>3,931,200</u>	<u>14,927</u>	<u>7,324,685</u>
Balance as of December 31, 2017	<u>3,378,558</u>	<u>3,931,200</u>	<u>14,927</u>	<u>7,324,685</u>

Icecat N.V.
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	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Participations in group companies (Equity Value)		
Iceshop B.V.	3,170,999	-
Icecat Ukraine LLC	5,104	5,104
Icecat International B.V.	1	-
Icecat Nederland B.V.	1	-
Icecat Content Sourcing OÜ	202,453	97,011
	<u>3,378,558</u>	<u>102,115</u>
	<u>2017</u>	<u>2016</u>
	€	€
Icecat Ukraine LLC		
Book value as of January 1	5,104	5,104
Balance movements	-	-
Book value as of December 31	<u>5,104</u>	<u>5,104</u>
	<u>2017</u>	<u>2016</u>
	€	€
Iceshop B.V.		
Book value as of January 1	-	-
Investments in participation	3,100,000	-
Profit/(Loss) of participation	70,999	-
Book value as of December 31	<u>3,170,999</u>	<u>-</u>

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	<u>2017</u>	<u>2016</u>
	€	€
Icecat Content Sourcing OÜ		
Book value as of January 1	97,011	2,500
Investments in participation	-	94,511
Profit/(Loss) of participation	<u>105,442</u>	<u>-</u>
Book value as of December 31	<u>202,453</u>	<u>97,011</u>
	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Participations in affiliated companies		
Hatch B.V.	<u>3,931,200</u>	<u>3,931,200</u>
	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Other amounts receivable		
Rent deposit	<u>14,927</u>	<u>14,927</u>
	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
<u>Current assets</u>		
	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
22 Trade debtors		
Trade debtors	1,806,729	1,774,409
Provision for doubtful debts	<u>-102,365</u>	<u>-142,105</u>
	<u>1,704,364</u>	<u>1,632,304</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, 2017.

	<u>2017</u>	<u>2016</u>
	€	€
Provision for doubtful debtor		
Balance as of January 1	142,105	103,342
Written-off amounts during the year	-214,967	-111,413
Allocation to the result	<u>175,227</u>	<u>150,176</u>
Balance as of December 31	<u><u>102,365</u></u>	<u><u>142,105</u></u>

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
23 Receivables from associated companies		
STAK Icecat (NPEX)	7,000	-
Iceshop B.V.	5,598	-
Hatch B.V.	<u>10,335</u>	-
	<u><u>22,933</u></u>	-

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
24 Other receivables and accrued income		
Loans receivable	319,875	-
Other receivables	<u>118,087</u>	<u>365,304</u>
	<u><u>437,962</u></u>	<u><u>365,304</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% per annum. Provided security for the repayment of the loan: option for lender to offer shares to other shareholders at fair market value.

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Other receivables		
Interest of loans receivable	8,464	-
Net wages	18,350	3,725
Prepayments and other receivables	91,273	75,229
Cost of pre-invoiced sales	-	286,350
	<u>118,087</u>	<u>365,304</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, 2017	100,000	-	5,491,880	5,591,880
Result for the year	-	-	684,931	684,931
Addition in financial year	-	4,431,894	-	4,431,894
Share issue	4,436	-	-	4,436
Balance as of December 31, 2017	<u>104,436</u>	<u>4,431,894</u>	<u>6,176,811</u>	<u>10,713,141</u>

26 Issued share capital

	Shares A
	€
Balance as of January 1, 2017	100,000
Share issue	<u>4,436</u>
Balance as of December 31, 2017	<u>104,436</u>

	<u>2017</u>	<u>2016</u>
	€	€
27 Share premium reserve		
Balance as of January 1	-	-
Share premium in financial year	4,431,894	-
Balance as of December 31	<u>4,431,894</u>	<u>-</u>
	<u>2017</u>	<u>2016</u>
	€	€
28 General reserve		
Balance as of January 1	5,491,880	4,993,339
Appropriation of result	684,931	708,541
Dividend	-	-210,000
Balance as of December 31	<u>6,176,811</u>	<u>5,491,880</u>
<u>Short-term liabilities</u>		
	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
29 Trade creditors		
Trade creditors	<u>124,461</u>	<u>57,961</u>
	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
30 Liabilities to group companies		
Icecat International B.V.	1	-
Icecat Nederland B.V.	1	-
	<u>2</u>	<u>-</u>
	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
31 Taxes and social security premiums		
Value added tax	106,020	75,332
Wage tax	46,073	40,568
Corporation tax	92,008	271,247
	<u>244,101</u>	<u>387,147</u>

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
32 Other liabilities and accrued expenses		
Instalment invoiced in advance	2,365,939	1,911,560
Other payables	279,156	168,428
Tantiemes	164,451	164,514
Holiday allowance	57,246	57,485
Outstanding Holidays	56,100	47,799
Audit and consultancy costs	19,500	15,000
Other accruals	-	2,306
	<u>2,942,392</u>	<u>2,367,092</u>

Off-balance-sheet rights, obligations and arrangements

Disclosure of operating leases

The entity has entered into several lease contracts relating to leasing of company cars. The annual obligations amounts to € 150,000.

Obligations regarding to lease contracts within 1 year amounts to € 151,250

Obligations regarding to lease contracts between 1 year and 5 year amounts to € 152,750

There are no obligations regarding to lease contracts with a term of more than 5 years.

The average maturity of operating leases is 4 years. The remaining average maturity of operating leases is 2 years.

Buy back obligations

The company has the conditional obligation to buy back shares from investors till an (maximum) amount of € 325,200.

Subsequent events

There have been no significant subsequent events.

Proposal appropriation of result

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

The appropriation of profit for the year 2017 in the amount of € 684,931 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 2017 for the company.

3.6 Notes to the non-consolidated statement of income

	<u>2017</u>	<u>2016</u>
	€	€
<u>33 Net Turnover</u>		
Turnover Netherlands	1,988,894	1,675,241
Turnover International	<u>4,451,548</u>	<u>4,296,838</u>
	<u>6,440,442</u>	<u>5,972,079</u>

	<u>2017</u>	<u>2016</u>
	€	€
<u>34 Personnel expenses</u>		
Wages and salaries	1,530,145	1,486,133
Social security premiums and other social liabilities / insurance	<u>219,859</u>	<u>214,301</u>
	<u>1,750,004</u>	<u>1,700,434</u>

Remuneration of directors

Remuneration of directors and former executive board	<u>227,000</u>	<u>212,000</u>
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Average number of employees

2017

	<u>Number</u>
Average number of employees	26,00
2016	

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

	<u>2017</u>	<u>2016</u>
	€	€

Social security premiums and other social liabilities / insurance

Social security charges	209,418	204,206
Other social liabilities / insurance	<u>10,441</u>	<u>10,095</u>
	<u>219,859</u>	<u>214,301</u>

	<u>2017</u>	<u>2016</u>
	€	€
<u>35 Other operating expenses</u>		
Other staff expenses	221,000	226,579
Housing expenses	123,635	111,725
Selling expenses	354,877	345,307
Car expenses	158,626	142,619
Office expenses	161,103	197,373
Other expenses	1,625,289	1,442,526
Management fee	141,987	136,860
	<u>2,786,517</u>	<u>2,602,989</u>

	<u>2017</u>	<u>2016</u>
	€	€
<u>37 Share in result from participations</u>		
Result Iceshop B.V.	70,999	-
Result Icecat Content Sourcing OÜ	105,442	94,511
	<u>176,441</u>	<u>94,511</u>

Amsterdam, April 30, 2018

M.J. Hoogeveen
Director

E.T. Altinok
Director

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