

cool
blue

YEARBOOK 2020.

525,600 minutes.



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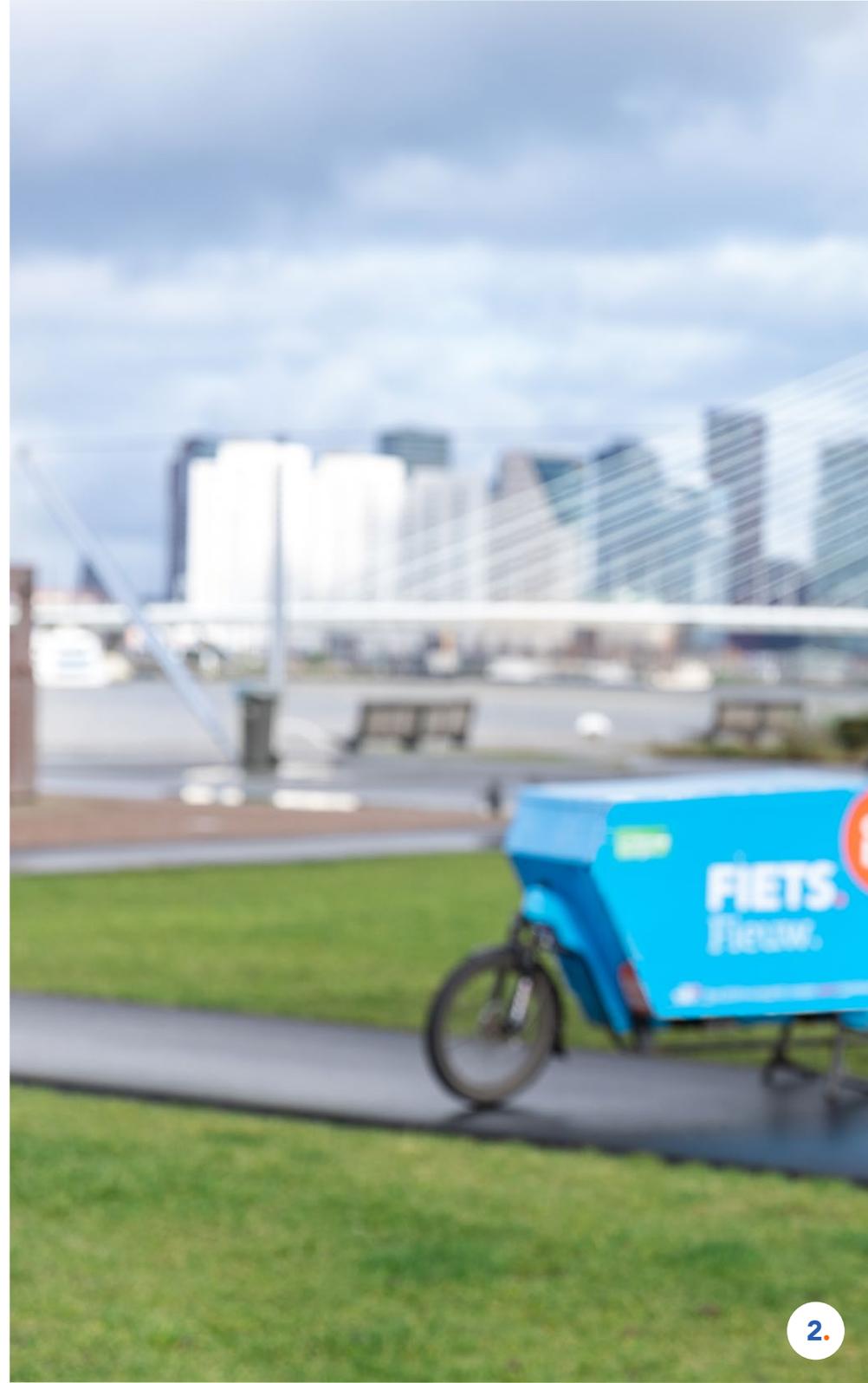
The yearbook of Coolblue Holding B.V. contains the management board report (chapter 1 to 7) and the numbers game (annual report and other information)

01.

HELLO. The hi-lights.

I am proud to present the Coolblue Yearbook 2020, in which we share the developments and results of 2020. A very unusual year, in which we learned more than ever. The year in which we learned what it means to be truly Coolblue.

We became even more flexible and kept going for it throughout the year. We started delivering more orders by bike, began installing charging stations at our customers, and opened new stores: Home Office Stores for business customers and physical stores. We again made an increasing number of customers happy in the Netherlands and in Belgium, and for the first time in Germany as well.





What was most special about this, however, was the fact that we did this together. It is for this reason that I am positively looking forward to 2021. It is going to be a year in which we, together, will open new stores, launch new propositions such as Coolblue Energy, amaze even more customers, and hopefully see each other more often again.

To conclude, I want to thank our customers, who make us a little bit better every day. Our shareholders, for their unwavering support. And all Coolbluers, for their flexibility and everything they do to simply amaze. Thank you.

With a smile,

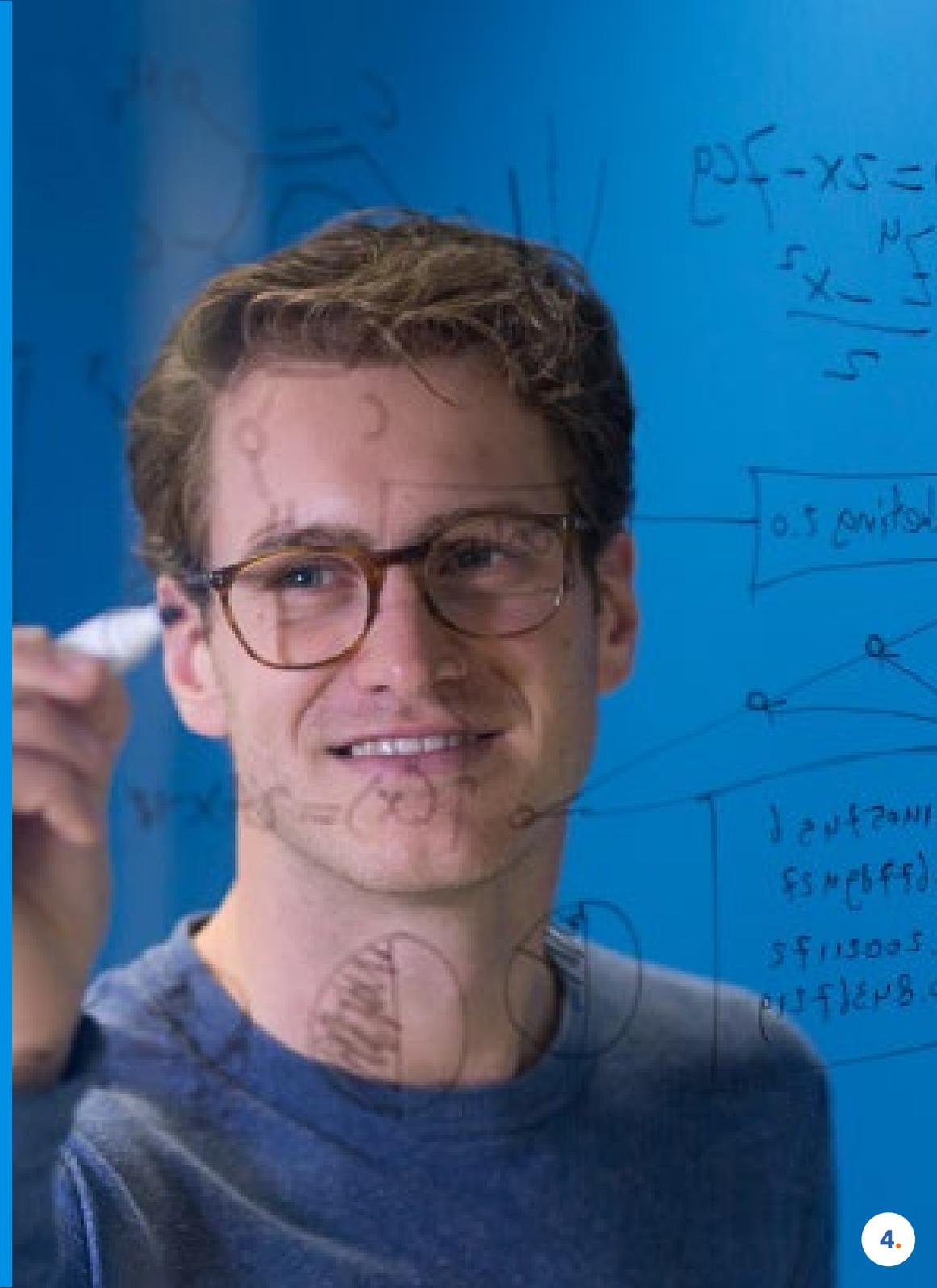
Pieter
CEO

02.

COOLBLUE STATS.

Scantastic.

We love data. If we cannot measure it, we cannot improve it. That is why we have 115 Data Analysts at Coolblue who measure and analyze everything: from the number of app visits to the number of Coolbluers called Nick.



2019.



68
NPS



315
Solar roofs installed



4,623
Coolbluers (40 Tims)



984K
Doorbells rang



63
Nationalities



321K
Bike deliveries



12
Stores



0
Paper shipping bags sent



0
Home Office Stores



48M
EBITDA



0
Home Office Store customers



1.48B
Revenue



11M
App visits



2
Countries



916K
App installs



0
Hit songs

2020.



68
NPS



2,199
Solar roofs installed



6,361
Coolbluers (45 Nicks)



1,750K
Doorbells rang



66
Nationalities



775K
Bike deliveries



15
Stores



585K
Paper shipping bags sent



41
Home office stores



114M
EBITDA



48K
Home Office Store customers



1.99B
Revenue



20M
App visits



3
Countries



1,292K
App installs



1
Hit song

03.

THE COOLBLUE STORY.

Anything for a smile.

Coolblue is more than just an e-commerce company. We build all-in-one solutions for our customers through our supporting infrastructure. We do this in the Netherlands, Belgium, and Germany, both online and in 15 physical stores.





OUR GOALS.

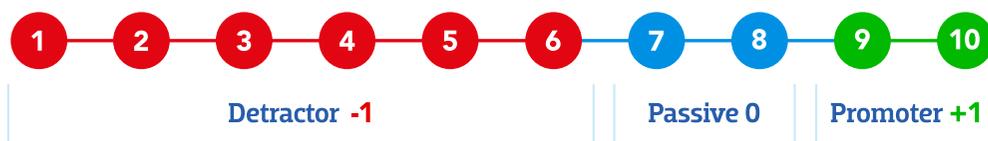
Real keepers.

With everything we do at Coolblue, we keep our 2 goals in mind: setting the bar for customer-centric entrepreneurship and creating value. They are of equal importance and in practice, we see that they reinforce each other.

Value trees: NPS & EBITDA

In order to realize our goals, we measure everything, because only then we can understand and exceed the customer's expectations. Using value trees, we map out the impact of every underlying driver of Net Promoter Score (NPS) and Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA). This approach enables us to optimize every step of our product journeys, either by adding value or by reducing costs. Although optimizing NPS and EBITDA might seem like 2 contradictory goals, they actually reinforce each other in practice. In other words, making customers happy not only leads to customers coming back more often and recommending us to others, but is also often the most cost-effective approach on an operational level.

"How likely are you to recommend our service to a friend?"



$$\text{NPS} = \% \text{ Promoters} - \% \text{ Detractors}$$



THE MOST CUSTOMER-CENTRIC PRODUCT JOURNEY.

Ticket to success.

In order to truly make a difference for our customers and stand out in our market, we offer customer-centric product journeys instead of only competing on picture, price, and button. We develop product journeys from start to finish that make the customer happy. In every step of these product journeys, we want to exceed the customer's expectations and maximize the service we can offer. To achieve this, we have built our own infrastructure in the Netherlands, Belgium, and Germany, which consists of, among others, our own delivery network, installation services, bike network, and stores. Per product type, we select the elements of our infrastructure that support the underlying needs of the customers and implement them in the product journey. The result is the most customer-centric product journey, in which we can add value and reduce costs in every step.

To demonstrate how we do this, an example is given for our customer-centric product journeys for washing machines, televisions, and laptops.



The most customer-centric product journey for washing machines

A customer usually buys a new washing machine because their current appliance broke down. They need it quickly, but cannot transport an 80-kilogram appliance themselves, and have to be home for delivery. To fulfill these needs, we have our 2-man delivery service, CoolblueDelivers. Through our real-time route planning, we even offer the customer the choice of a time slot for delivery and installation, every day of the week, including evenings. During the chosen time slot, real Coolblue delivery drivers place and install the appliance where the customer needs it, even if this is on the 4th floor or in their basement. Our delivery drivers also bring external components for installation from our own BlueBuilt brand, which they can instantly supply if the customer needs them.



Creating circular value

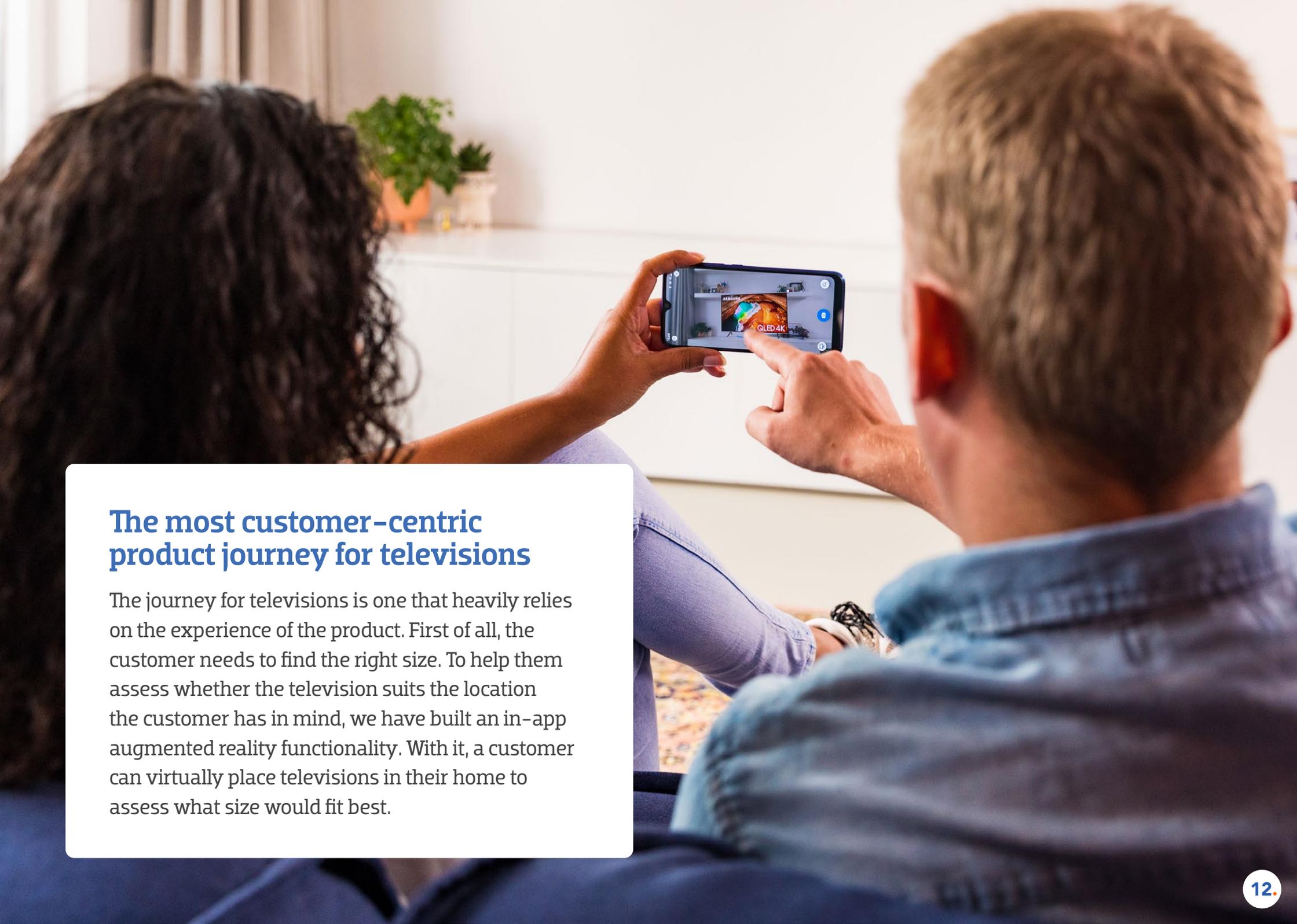
If the customer wants us to, we take their old appliance back with us to process it in an environmentally friendly way. We recycle and refurbish the disposed appliances in order to create circular value.



 **241**
Vans

 **9**
Depots

 **1,198**
Delivery heroes



The most customer-centric product journey for televisions

The journey for televisions is one that heavily relies on the experience of the product. First of all, the customer needs to find the right size. To help them assess whether the television suits the location the customer has in mind, we have built an in-app augmented reality functionality. With it, a customer can virtually place televisions in their home to assess what size would fit best.

Integrating online and offline

On top of the size, the customer also needs to determine what image quality they want. To this end, we offer an elaborate explanation of the corresponding technical acronyms on our website. Still, we understand that the customer might prefer to assess the image quality with their own eyes, which they can do in our stores. Through our website, the customer can schedule an appointment with our television experts, who are trained to help them choose the right size and image quality. These experts also explain which peripheral equipment, such as a soundbar or wall mount, would allow the customer to enjoy their television even more. Once the customer has chosen the best television for them, we deliver and install the television through our 1-man delivery and installation service. Along with any peripheral equipment, of course.



37



40
Television
delivery vans



15
Stores

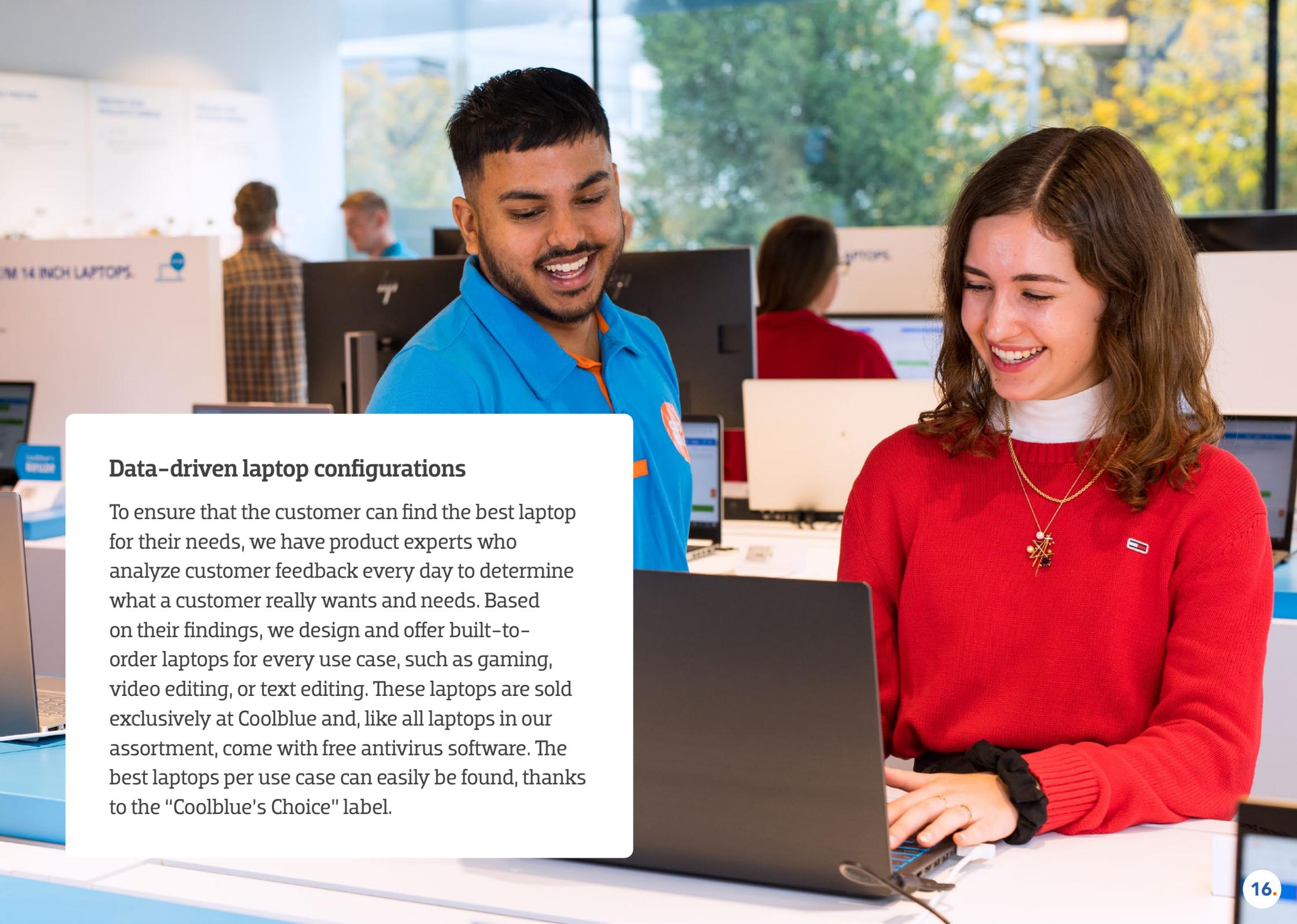


111
Installation experts



The most customer-centric product journey for laptops

A customer usually starts browsing for a new laptop once their current laptop is becoming slower. Understanding what specifications best meet their needs often requires expert knowledge. And even with a thorough understanding of the options and specifications, it still is not always clear which laptop best suits the customer's specific needs.

A man in a blue polo shirt and a woman in a red sweater are smiling and looking at a laptop in a store. The man is pointing at the screen, and the woman is typing on the keyboard. In the background, there are other people and computer monitors.

Data-driven laptop configurations

To ensure that the customer can find the best laptop for their needs, we have product experts who analyze customer feedback every day to determine what a customer really wants and needs. Based on their findings, we design and offer built-to-order laptops for every use case, such as gaming, video editing, or text editing. These laptops are sold exclusively at Coolblue and, like all laptops in our assortment, come with free antivirus software. The best laptops per use case can easily be found, thanks to the "Coolblue's Choice" label.



Bike delivery network

Once the customer has found their laptop, they can choose whether they want to pick it up at our stores, or have it delivered to their home during a specified time slot. In and around major cities, we deliver them with our own bike delivery service, CoolblueBikes. Delivery by bike is of course not only green, but also reduces our cardboard consumption thanks to the paper shipping bags we use for bike orders, and it improves our visibility in these areas.



24
Bike hubs



15
Stores



308
Bike delivery drivers





Scalability of customer-centric entrepreneurship

There is more to organizing customer-centric product journeys than just the physical infrastructure. Behind the scenes, we have 6,000 Coolbluers who make these journeys a little bit better every day. Additionally, we continue to improve and expand the software and technology we have built in house, which allows us to continuously test and optimize every part of the product journey. Through this approach, we are able to successfully scale and expand customer-centric product journeys internationally and branch out into adjacent services, such as business journeys and energy solutions.

Business Journeys

We already offered our products and services to many businesses. However, with working from home and hybrid working becoming the new standard, a new line of business customers needs has arisen. We fulfill these needs through our Home Office Store proposition, which allows business customers to provide their employees with the right equipment for a comfortable home office. In their personalized Coolblue environment, they can determine the amount of shopping credit and the assortment they offer their employees, ranging from sit-stand desks to headsets. Our infrastructure enables us to deliver and install all products where and when desired.



Coolblue Energy

Within our product journeys, we observe that customers want to consume less energy. For example, energy consumption is the most frequently used filter on our white goods pages and we see a large demand for Coolblue solar panels and charging stations. That is why we will launch Coolblue Energy, through which we will help customers reduce their energy consumption. Because that is the only way to be truly green and save on energy costs.

End-to-end solution for energy consumption

With the introduction of Coolblue Energy, we will be better able to provide the customer with an end-to-end solution to reduce their consumption. The customer can use CO₂-compensated gas and electricity that is generated through Dutch solar and wind energy. To help Coolblue Energy customers save energy, we will give them advice and a discount on energy-efficient and energy-saving products. And on Coolblue solar panels and charging stations, of course.



CULTURE.

Company ingredient #1.

These are our core values. They describe who we are, what we represent, what unites us, and how we interact. Our core values define our culture and help us make choices for the future. We use these values for every decision, no matter how small, to see if it would suit us or not.

UNCONVENTIONAL.

One of a kind.

FLEXIBLE.
Dare to change.

SIMPLY AMAZE.
Anything for a smile.

GO FOR IT.
A little bit better every day.

FRIENDS.
Honest, direct, open.



UNCONVENTIONAL. One of a kind.

We are proud of our real, unconventional Coolbluers. That is why they appear on our websites and in our commercials, just the way they are.

Being unconventional means that Coolbluers can and dare to be themselves, regardless of whether they are outgoing or a little more quiet. Although this may sound contradictory, it is precisely this unconventionality that unites us.

We are all doing this for the first time. We might not have all the answers right away, but we will surely try. Because only by doing what no one has done before we can be truly unconventional.

People who are true to themselves are hard to copy. That is why we always ask ourselves with everything we create whether it really suits us. If we were to cover our logo and the remainder cannot be recognized as Coolblue, it needs to be more unconventional.

FRIENDS.

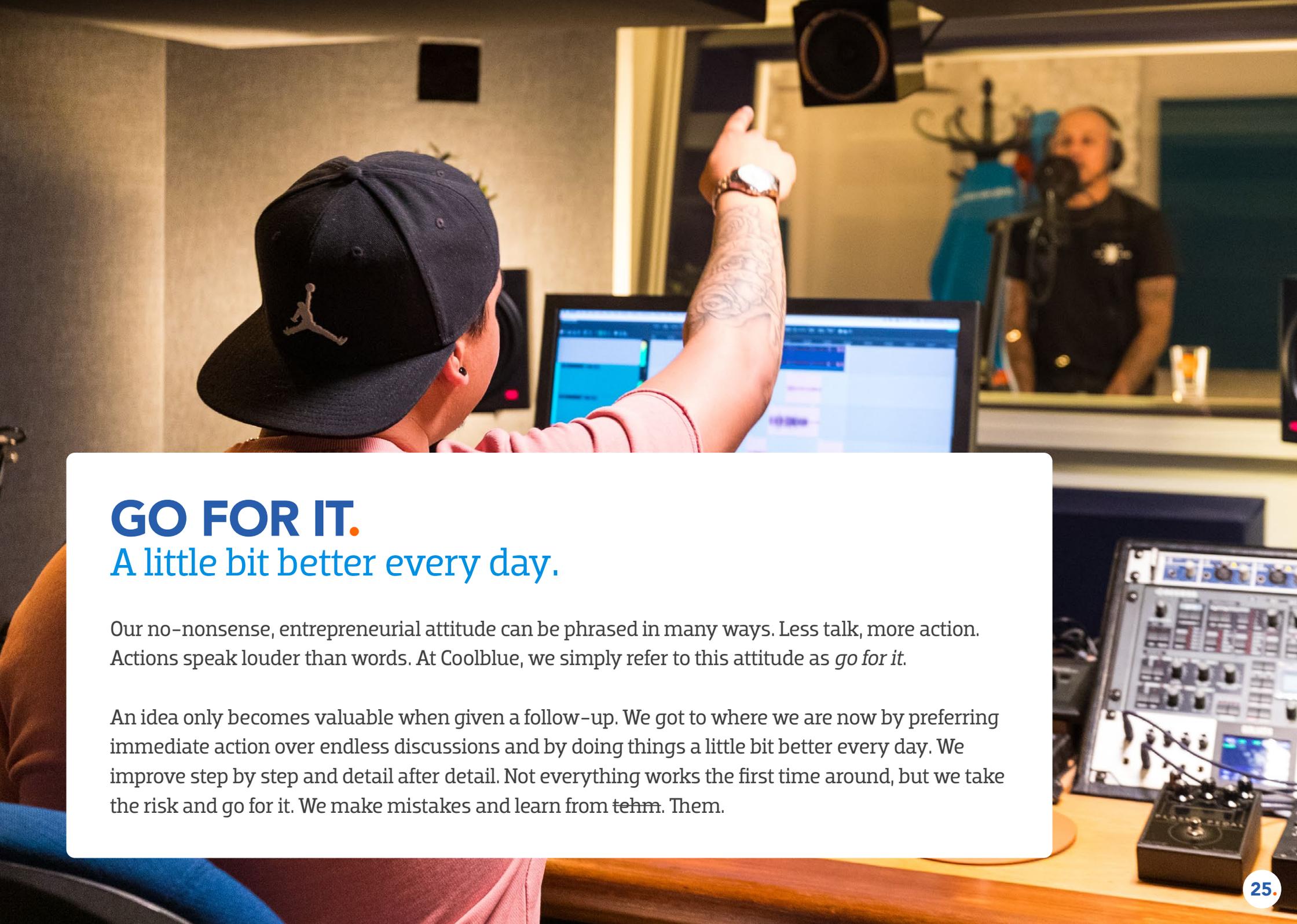
Honest, direct, open.

There are few companies where so many colleagues are friends as well. Friendship is our strength because together, we know more, we can achieve more, and we have more fun.

People take notice. Such as our customers, who happily visit us again and our suppliers, who view us as long-term partners. We are always honest and direct, even if it is difficult at times. We keep our promises and we are open to feedback.

Friendship can only prosper between equals. That is why ties are the least-common item worn at Coolblue, why Coolbluers honestly speak their minds, and why we are always honest, direct, and open to our customers.





GO FOR IT. A little bit better every day.

Our no-nonsense, entrepreneurial attitude can be phrased in many ways. Less talk, more action. Actions speak louder than words. At Coolblue, we simply refer to this attitude as *go for it*.

An idea only becomes valuable when given a follow-up. We got to where we are now by preferring immediate action over endless discussions and by doing things a little bit better every day. We improve step by step and detail after detail. Not everything works the first time around, but we take the risk and go for it. We make mistakes and learn from them. Them.



FLEXIBLE. Dare to change.

We are constantly changing, either because we can or because we have to. Coolblue has had a flexible structure from the start to support our rapid growth. 'This is how we have always done it' is never a valid reason for us.

Our flexibility shows in our Coolbluers who do not mind working with a sudden change of plans or team. It also shows in Coolbluers who continue to learn outside of their own expertise. And lastly, our flexibility is reflected by the systems we build that can handle twice the expected load.

Flexibility is also key in our obsessive focus on customer satisfaction. We gladly go the extra mile for our customers and are convinced that exceptions exist to be made. 'Just because' is also a valid reason to us.

SIMPLY AMAZE.

Anything for a smile.

The words *simply amaze* appear to be contradictory, but describe exactly who we are as Coolblue: both unconventional and down-to-earth.

The term *simply* speaks volumes. We have simply built a straightforward website where customers can quickly and easily place an order. We then simply package that order in a box and simply ship it to our customers. For free, of course.

Amaze means that we need to exceed expectations and that we need to go the extra mile to surprise our customers, to make them smile. A smile might be a common gesture, but it often requires something amazing.

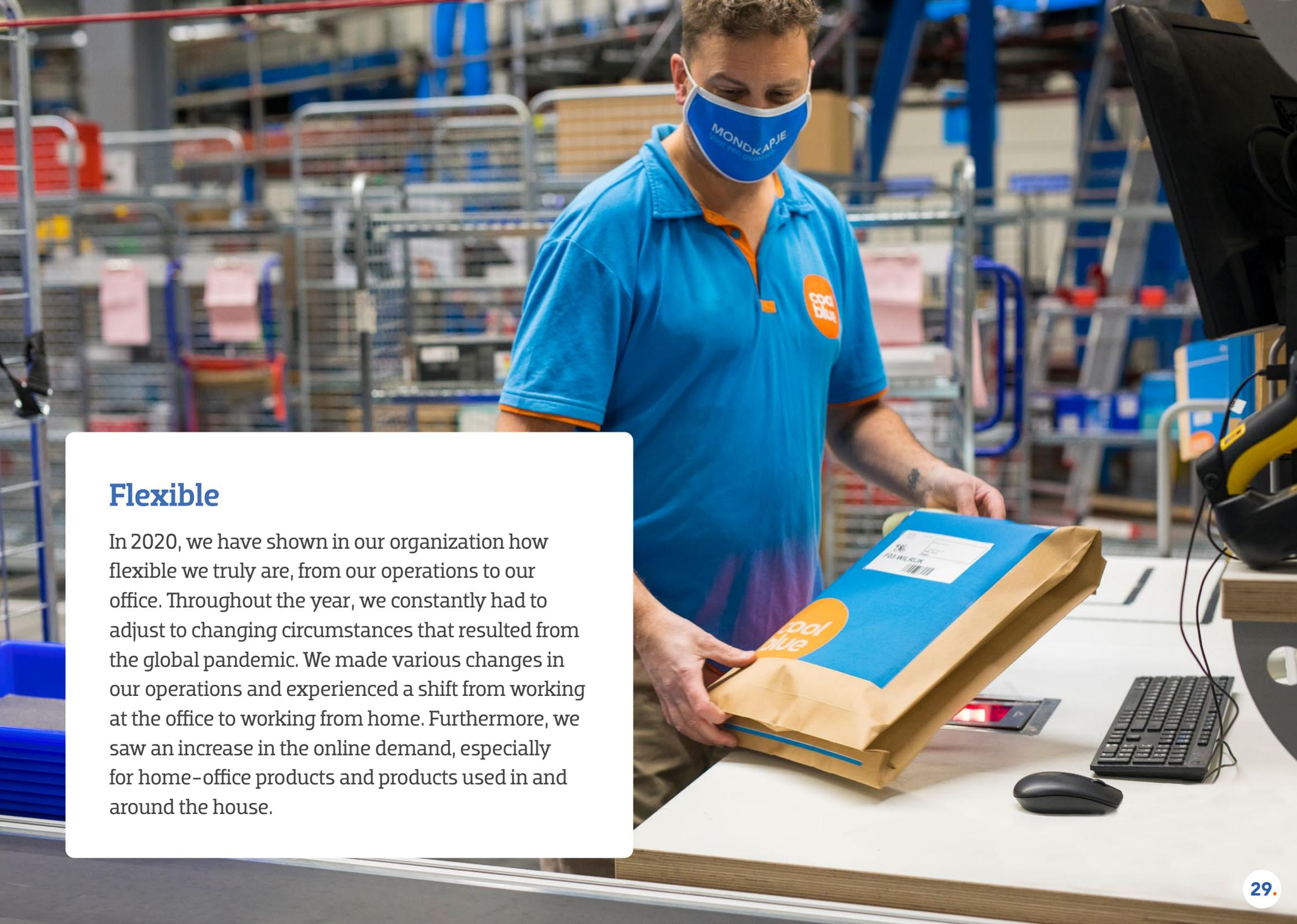


04.

A YEAR IN REVIEW. Hindsight 2020.

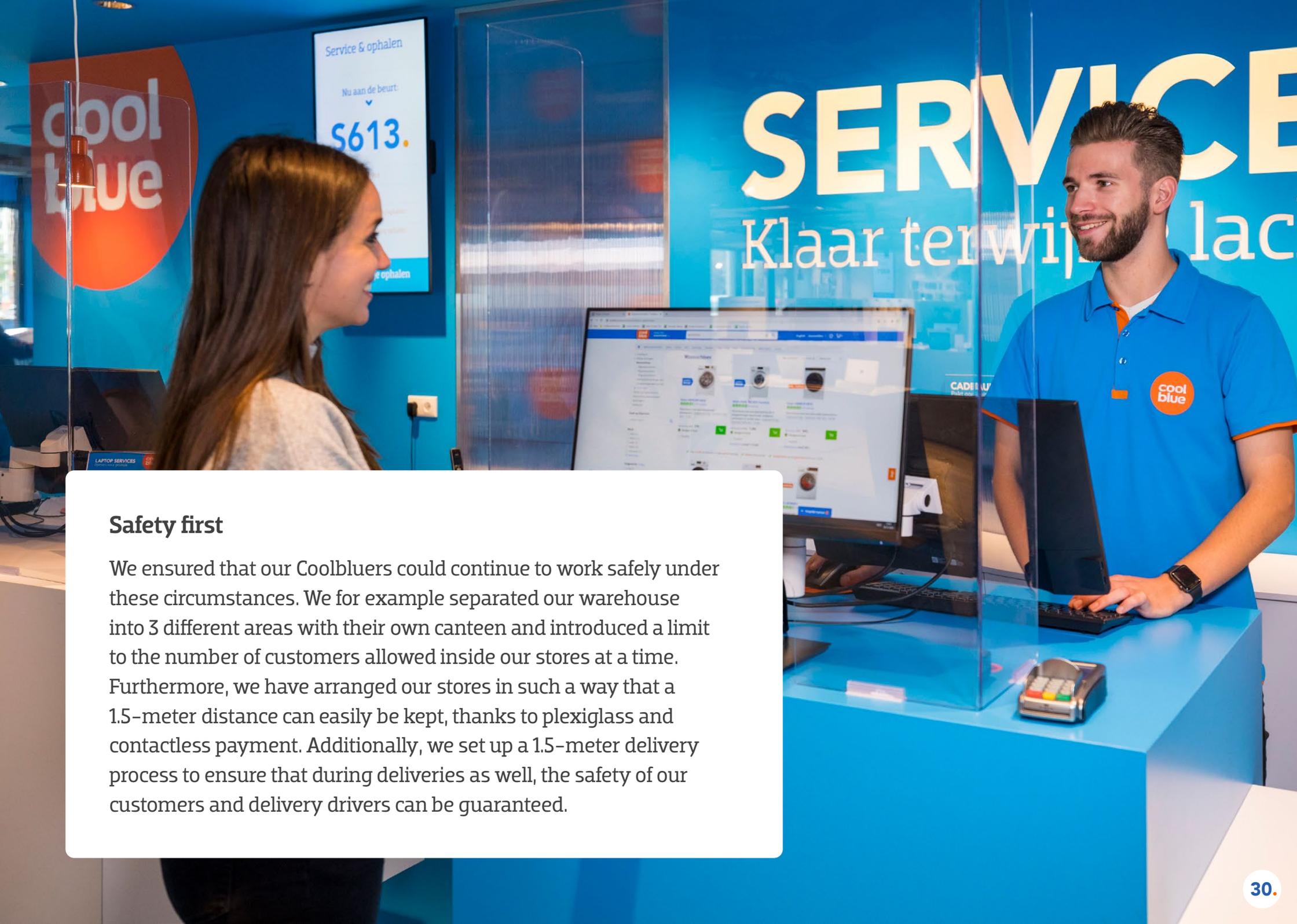
2020 was an unusual and challenging year. It was characterized by uncertainty about supplies and delivery times, and required us to work from home on a large scale and temporarily close and reopen our stores. Nevertheless, we continued to introduce new propositions and expand our infrastructure. And, more than ever, we showed that we are flexible and unconventional. You could say that 2020 taught us what it means to be truly Coolblue.





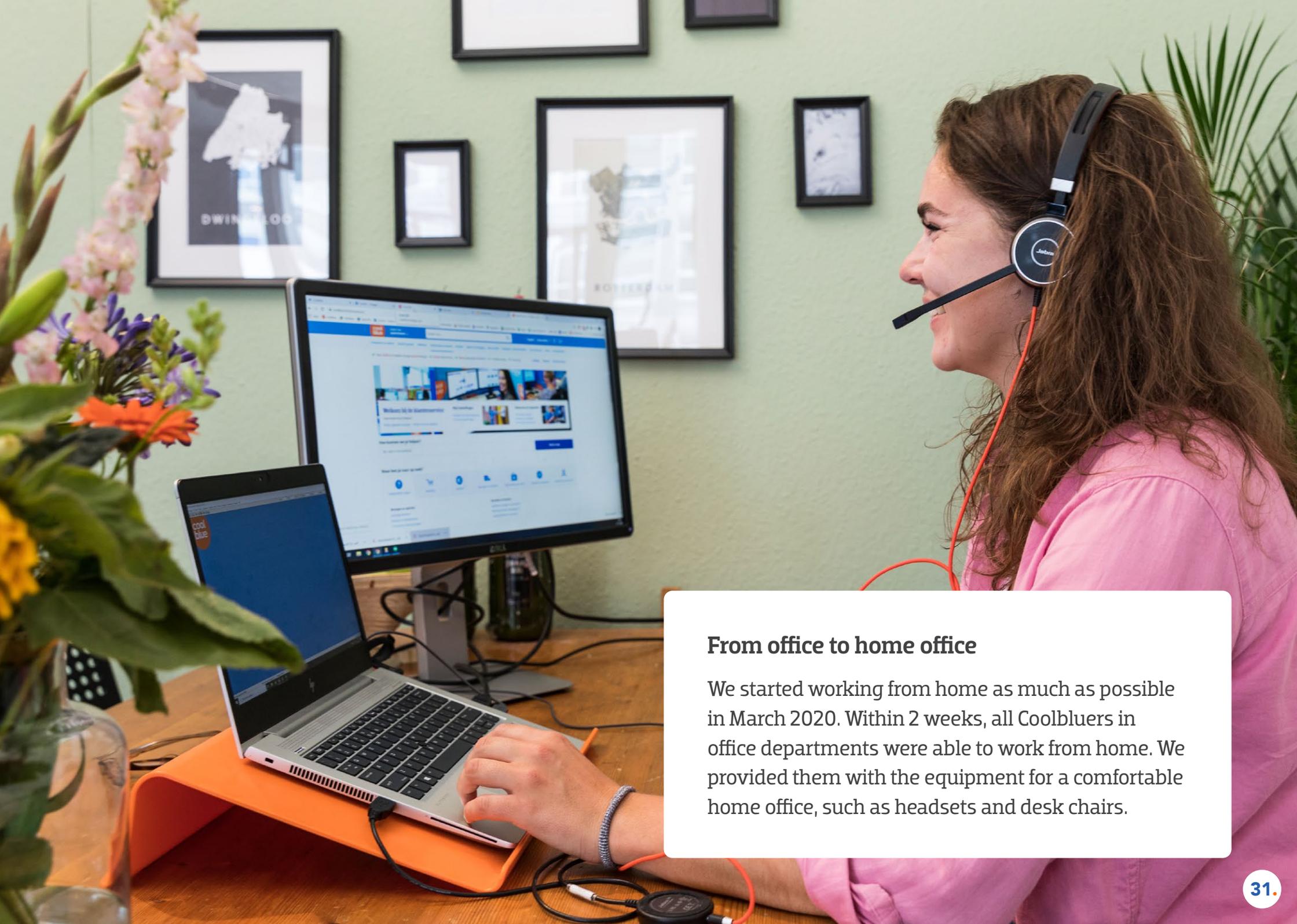
Flexible

In 2020, we have shown in our organization how flexible we truly are, from our operations to our office. Throughout the year, we constantly had to adjust to changing circumstances that resulted from the global pandemic. We made various changes in our operations and experienced a shift from working at the office to working from home. Furthermore, we saw an increase in the online demand, especially for home-office products and products used in and around the house.



Safety first

We ensured that our Coolbluers could continue to work safely under these circumstances. We for example separated our warehouse into 3 different areas with their own canteen and introduced a limit to the number of customers allowed inside our stores at a time. Furthermore, we have arranged our stores in such a way that a 1.5-meter distance can easily be kept, thanks to plexiglass and contactless payment. Additionally, we set up a 1.5-meter delivery process to ensure that during deliveries as well, the safety of our customers and delivery drivers can be guaranteed.



From office to home office

We started working from home as much as possible in March 2020. Within 2 weeks, all Coolbluers in office departments were able to work from home. We provided them with the equipment for a comfortable home office, such as headsets and desk chairs.



Go for it

In spite of everything that happened in 2020, we kept entrepreneuring and made many larger and smaller improvements.

A promotional image for CoolblueBikes. At the top, a blue banner with white text reads "COOLBLUEFIETST. Ik voel een band." Below the banner, three men in blue uniforms and face masks are shown. Two men in the background are giving thumbs up. In the foreground, two men are seated at a table; one is wearing a blue zip-up jacket with a "cool blue" logo, and the other is wearing a blue t-shirt with a "cool blue" logo. The setting is decorated with blue and orange bunting flags. A mural of a beach scene is visible on the right wall.

COOLBLUEFIETST.
Ik voel een band.

Expansion CoolblueBikes

We accelerated the expansion of our own bike delivery service, CoolblueBikes, to 11 new cities. We now deliver orders per bike in 23 large cities in the Netherlands, Belgium, and Germany. As a result of this expansion, we doubled the amount of bike deliveries in 2020 compared to the year before and achieved our 1 millionth bike delivery since the start of our bike deliveries.

New stores and in-store app mode

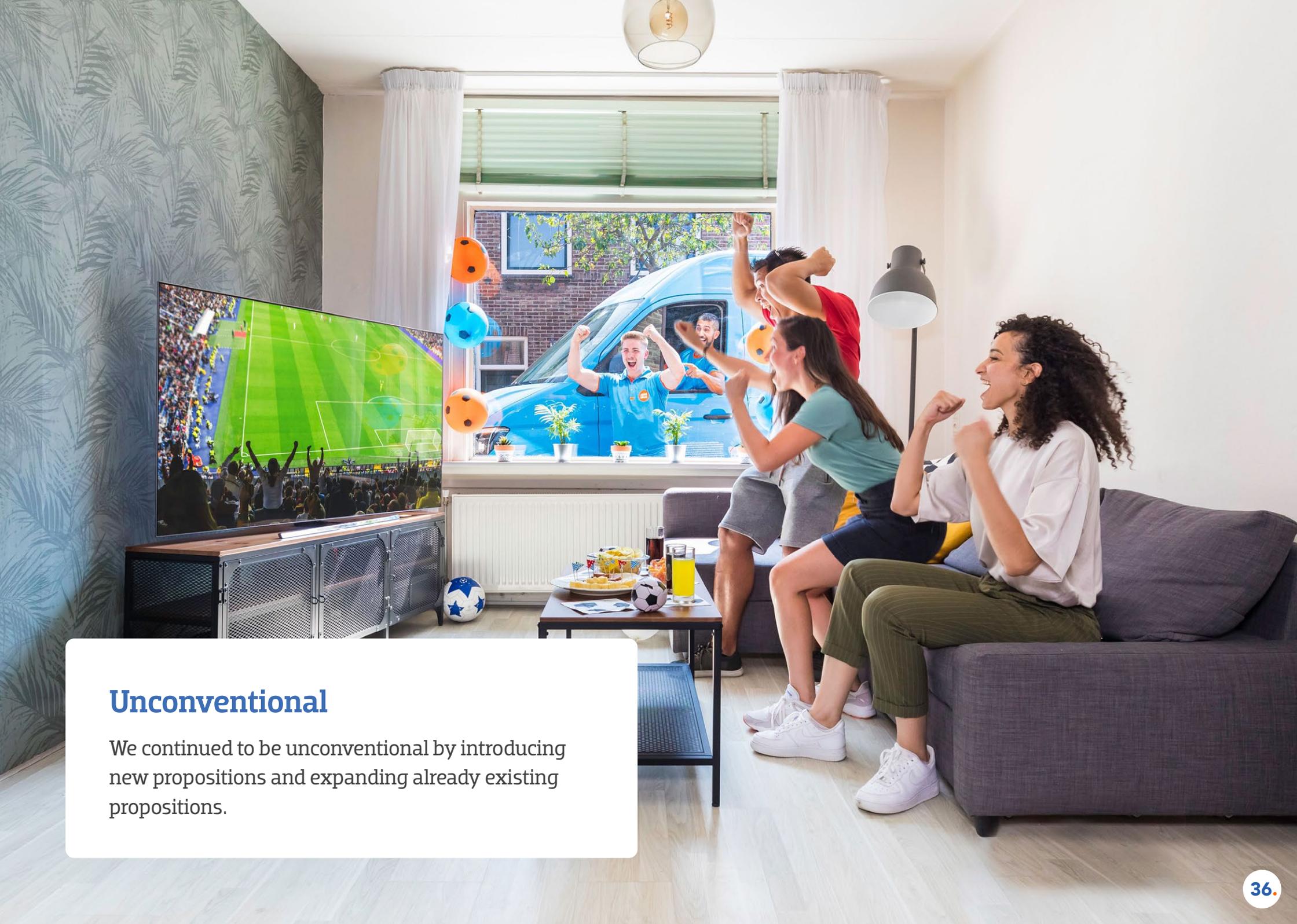
We opened 3 new stores in 2020: one in Leiden, one in Hasselt, and our flagship store in Brussels. We are especially proud of the flagship store, because it is our first store to be fully bilingual, with both French and Dutch as fully supported languages. To enhance the customer experience in our stores, we have created an in-store mode for our Coolblue app. It allows the customer to easily view a product's specifications and read product reviews when they scan the QR code next to it. Furthermore, the customer can of course also view and compare our entire assortment and enjoy all other benefits we offer online.





International expansion

In 2020, we were able to make even more customers happy in French-speaking Belgium. Additionally, we successfully took our first steps in Germany with our own infrastructure. We have established our own delivery network, installation service, and bike network in North Rhine-Westphalia.



Unconventional

We continued to be unconventional by introducing new propositions and expanding already existing propositions.

New propositions

We constantly explore new opportunities. In 2020, we started our Home Office Stores as a new service for our business customers. We also expanded our energy proposition, as we installed over 31,000 solar panels and started selling and installing charging stations. Furthermore, we are in the process of acquiring the energy company Servicehouse to pave the road for Coolblue Energy.





Coolblue hit song

We showed our unconventionality in other ways as well, such as our hit song *Gewoon, doen*. Marlin and Shaqeel, 2 delivery drivers at CoolblueDelivers, produced a tune for an internal Coolblue podcast. This hit the right note with hundreds of Coolbluers who had the song on repeat. We wanted to share this with the rest of the world. We published the song and even created a professional video clip, which received well over 1 million views in 2020.



Friends

Despite missing each other, we also had lots of fun.

Black Friday radio

In the week of Black Friday, we hit the airwaves with our own Coolblue Radio channel through which we celebrated successes together.

Short Update

Coolbluers received an update on developments within Coolblue every week via a Short Update video from Pieter, the CEO.

Podcast

Department-specific developments were discussed in depth during podcasts with subject-matter experts.

Onboarding

We have adjusted our onboarding for office and customer service employees to remotely provide new Coolbluers with a solid onboarding. This 100-day Paint it Blue Journey starts with a digital welcome by the team.

Careers at Coolblue

We launched our new, award-winning recruitment website to find new friends.

But to be honest, it is more fun to actually see each other, which is something we are really looking forward to.



Outlook 2021

For 2021, we have great plans which we look forward to carrying out, of which we will name a few here and share others as the year progresses. Next to this, we are also exploring a public listing in 2021 with our shareholders.

Warehouse of the future

Our vision for our warehouse is a warehouse that is even more efficient and ergonomic, even safer, and doesn't use a shred of packaging material more than is absolutely necessary. Of course, it is also fully powered by solar energy, generated by its solar roof. In 2021, we will continue building this warehouse of the future together.

Expansion of our infrastructure

In 2021, we will continue to expand our infrastructure in the Netherlands, Belgium, and Germany. This expansion will range from opening new stores to opening more bike depots and from expanding our infrastructure for charging stations to Coolblue Energy. Lastly, we will continue to invest in, among others, research and software development to further optimize our product journeys



RESULTS.

Fruits of our labor.

We continuously strive to improve our customer satisfaction and our profitability. The various improvements we implemented in our customer-centric product journeys have contributed to a high NPS and an increase in EBITDA. We look back on our results and the investments made in 2020.

NPS results

Thanks to various improvements to our customer journeys and despite the challenges in 2020 we have been able to again make our customers very happy. We have kept our NPS at a high level: 68.



Income Statement & Balance Sheet Performance

Increased EBITDA

In 2020, our revenue increased by € 505 million to € 1.99 billion (+ 34%), compared to € 1.48 billion in 2019. The measures taken by the Dutch and Belgian governments have contributed to the significant growth of the online market in 2020. Moreover, our stores also performed really well. As a whole, we outperformed the market for consumer electronics, which increased by 16.17% in the Netherlands and by 4.53% in Belgium (GfK 2020).

The gross profit margin increased to 22.4% (2019: 20.6%) thanks to improved purchase conditions, pricing optimisation, the rationalization of our product assortment, and improved service propositions. We focused on offering an improved range of products and services that would suit our customers best. For instance by developing products ourselves when customers are not happy with the current assortment and by setting up reasonable return agreements with our suppliers.

The Selling & Distribution expenses as a percentage of sales decreased to 16.0% (2019: 16.6%), reflecting our efforts in further utilizing and optimizing our infrastructure and marketing strategy. We expanded our operations in the form of new stores and growth of CoolblueDelivers.

Administrative expenses as a percentage of sales decreased to 2.1% (2019: 2.6%), reflecting our economies of scale.

The EBITDA, our measure of profitability, increased from € 48.3 million in 2019 to € 114.1 million in 2020. Our focus on product journeys and infrastructures for every product type has paid off in the form of higher sales. Furthermore, we were able to utilize economies of scale.

In conclusion, our net profit increased from € 15.2 million in 2019 to € 61.1 million in 2020. We are pleased with the developments shown in 2020. We have served many new customers, which we expect to return in 2021.

Working capital development

The main developments in our working capital are explained by increased inventory and increased trade payables. Our inventory increased in 2020 as a result of higher availability to support higher sales, offset by strong focus on inventory management. Improved payment conditions with suppliers and higher sales resulted in increased trade payables. We finance our growth by reinvesting our profits and optimizing our working capital. Our working capital was -/- € 270.7 million at the end of 2020 compared to -/- € 170.8 million at the end of 2019.

Investments

In 2020, we invested € 17.0 million in tangible fixed assets (2019: € 14.5 million). This mainly relates to investments in our infrastructure, such as new stores, our warehouse in Tilburg, and hardware, but it also relates to the growth of Products as a Service. We invested € 11.9 million in intangible fixed assets (2019: € 10.7 million). This relates to a part of the software development costs of our website and back-office systems, such as a new warehouse management system.

Improved statement of financial position

Adding the net result for 2020 to equity resulted in a solvability of 18% (2019: 13%), while the current ratio (excluding receivable from shareholder) remained stable at 0.9 (2019: 0.9). We did not pay out any dividends and strengthened our equity position instead. The receivable from the shareholder is available on demand. Our shareholder Mondhoekie B.V. extended the financing in 2020, which resulted in a credit facility for a 2-year period with an extension option for another year.

5 YEARS OF COOLBLUE.

	2016	2017	2018	2019	2020
NPS	63	66	67	68	68
EBITDA (*)	17.4	21.1	27.1	48.3	114.1

Income statement

Revenue	857.2	1,193.5	1,353.6	1,482.6	1,987.4
Gross Profit % (**)	11.8%	12.4%	13.4%	20.6%	22.4%
Profit after income tax	8.9	9.1	12.1	15.2	61.1

Balance sheet

Working capital excluding receivable from shareholder (***)	(65.5)	(100.0)	(78.0)	(170.8)	(270.7)
Solvability (****)	10%	11%	14%	13%	18%

Other indications

Operational cashflow	31.2	53.3	(3.9)	134.5	205.4
Investments tangible fixed assets	8.7	12.1	5.9	14.5	17.0
Investments intangible fixed assets	7.5	9.1	9.4	10.7	11.9
Coolbluers year end (including temporary staff)	2,676	3,561	3,628	4,623	6,361

(*) EBITDA = Operating profit + Depreciation and Amortization

(**) The presentation of the income statement changed in 2020 from a mix by function and nature, to a presentation by function. Gross profit 2016 till 2018 reflects the previous situation.

(***) Working capital excluding receivable from shareholder = Inventory + Receivables -/- Receivable from shareholder -/- Trade and other payables

(****) Solvability = Equity / Liabilities

05.

COOLBLUE AS AN EMPLOYER.

It's working.

We have 6,631 Coolbluers working with us, such as customer service employees, developers, bike delivery drivers, and solar panel installation experts. We continuously welcome new friends and offer them more than just jobs: we offer them careers and all the training opportunities that come with it.





6,631
Coolbluers.

1,751
Next steps.



1,507
Delivery employees.

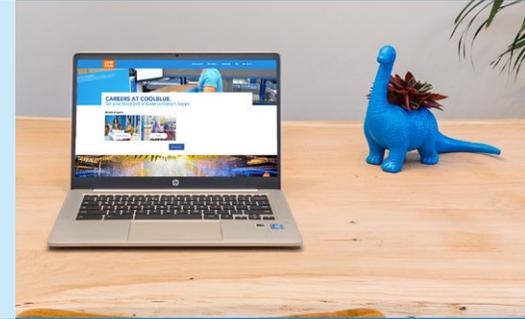


751
Customer service employees.



733
Warehouse employees.

88,378
Applicants.



840
Store employees.



165
Developers.



1,467
Office employees.

66
Nationalities.





COOLBLUE CAREERS.

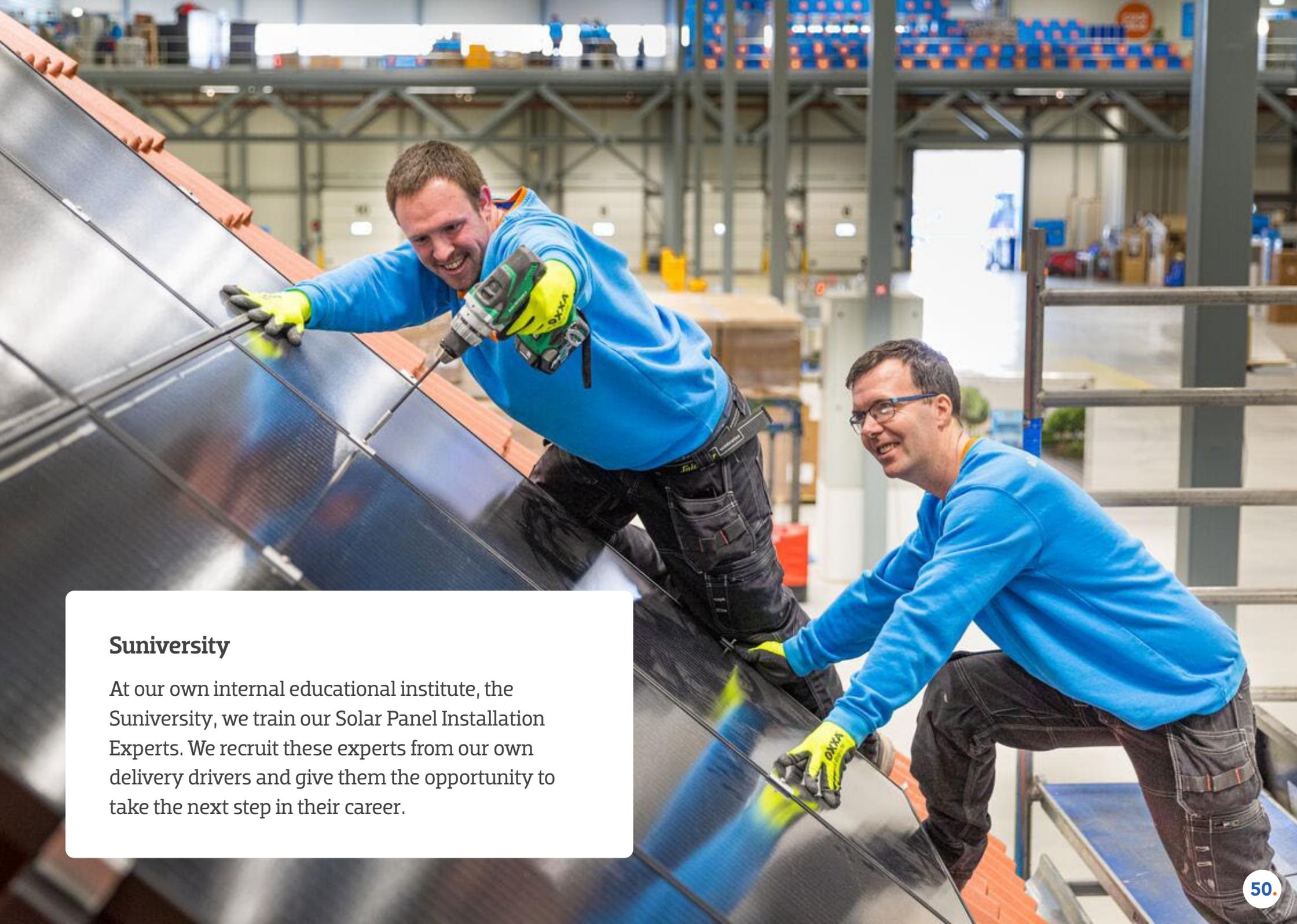
Don't stop me now.

We believe in careers rather than jobs, which is why we strongly emphasize training and growth. We offer our Coolbluers various educational opportunities and (online) training courses to help them shape their own growth plan.



Schuurschool

In September 2020, we opened our own Schuurschool (Warehouse school) in a collaboration project with ROC Tilburg. This is a certified, 2-year training at secondary vocational level that teaches students everything there is to know about logistical processes. The students work in our warehouse from day one of their training. After they have completed their training, they are offered a permanent position at Coolblue and plenty of next-step options. This way, we provide students with an education, valuable work experience, and an official diploma. At the same time, we can welcome employees that have had thorough training.



Suniversity

At our own internal educational institute, the Suniversity, we train our Solar Panel Installation Experts. We recruit these experts from our own delivery drivers and give them the opportunity to take the next step in their career.



Next steps

Shaqeel Zimmerman

Shaqeel, famous for the Coolblue hit song, started as a Delivery Driver in our Apeldoorn depot and grew into the position of Built-in Installer. Now that we have started with white goods repairs at the customer's home, Shaqeel has found an opportunity to develop himself even further. He is currently following an internal training to become White Goods Technician and has already made many customers happy with repaired white goods.

Sanne Vlaardingerbroek

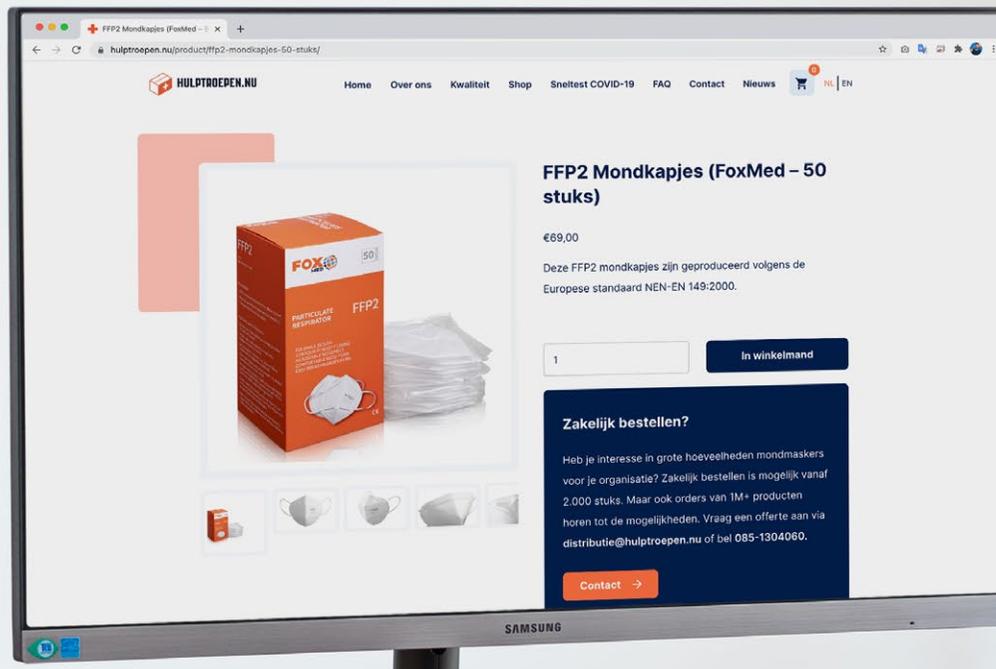
Sanne started as Cross-sell Manager, grew into the role of Product Owner, then into the role of Domain Boss Ordering, and is now Head of Business Journeys. Every day, she uses her talents to rapidly expand Coolblue Business Journeys. Sanne for example launched the Home Office Stores proposition, of which she and her team opened 41 in 2020.





Daan van Lier

Daan started as a Logistics Employee, but soon found out that his true passion is analyzing data. He grew into the position of Lead Analyst and is now Manager Analytics Finance & Operations. Together with his team of analysts, he supports the supply chain based on data analyses.



GO SOCIAL. Best supporting role.

We like to go the extra mile for our friends inside and outside Coolblue. For example by sharing our knowledge and resources, and through Coolbluers that actively put themselves out there.

Sharing our knowledge and infrastructure

In 2020, our marketing experts freed some of our ad space which could be used for charities, such as the Red Cross. This way, the charities were able to reach additional people. No less than 6 million people saw their advertisements. We also donated products from our assortment to charities or initiatives with a social purpose. Together with our investor HAL, for example, we made over 3,000 tablets available for students of primary schools in Rotterdam that could really use them.

Hulptroepen

Because of the global pandemic in 2020, there was a sudden increase in demand for safe face masks. Together with KLM, Randstad, and Flexport, we helped the 'Hulptroepen.nu' initiative at the start of the year to deliver safe face masks to smaller, local care institutions. By joining forces, we were able to create a sustainable and monitored supply chain, consisting of production, quality control, transport, and delivery. With our own expertise and infrastructure, we were able to contribute to the distribution of face masks, without profit motive. We did so through a webshop that was specifically designed for this purpose, our warehouse, and our delivery network. Hulptroepen has delivered over 3 million face masks to more than 4,000 care institutions.

06.

GO GREEN. Eco-logical.

Go green ties in seamlessly with the most customer-centric product journey, because it leads to higher customer satisfaction and prepares us for the future. We structure our operations efficiently, optimize the value of our waste, and encourage customers to choose for energy-efficient products. We distinguish between 3 focus areas: consumption, waste management, and assortment.





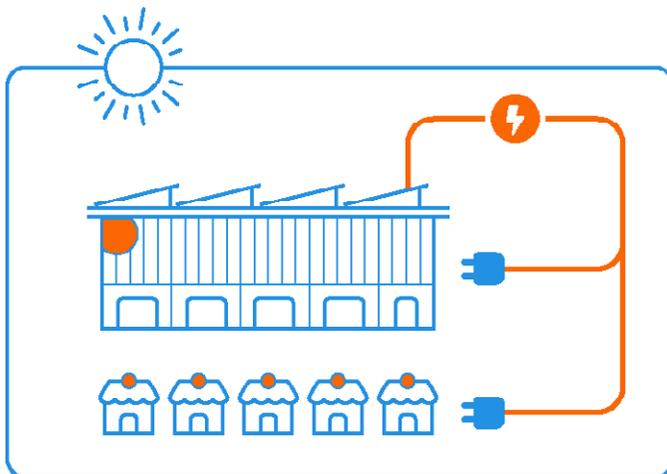
CONSUMPTION.

Less is more.

We aim to minimize the energy, fuel, and packaging material we use, so that we deliver our orders to our customers in the most efficient and sustainable way possible.

Self-generated energy

Our huge warehouse in Tilburg has a solar roof the size of 16 soccer fields. In 2020, we generated enough energy with this roof to provide our entire warehouse and half of our stores with power.



Green delivery network

In and around the major cities in the Netherlands and Belgium, we deliver 90% of all small packages by bike. For every order delivered through our own delivery network, we keep our customers up to date via email and our app about when we will be at their door. We even call them 15 minutes before we arrive, so that we nearly always get the first time right with our deliveries as a result.

Greener packaging

We are constantly searching for new ways to make our packaging even greener. At CoolblueBikes, for example, we introduced the paper shipping bag. This Coolblue bag requires 80% less cardboard and saves space, meaning that we can deliver more orders with a single bike trip. We also save cardboard by not packing products that already come in sturdy packaging, such as vacuums and printers. In 2020, we shipped no less than 25% of our orders this way. Lastly, we have made our smallest and most frequently used Coolblue box greener: it is now made of 100% recycled materials. This pays off: in 2020, we used 10% less packaging material per order than in 2019.

Beehives

We have literally made the roof of our Tilburg warehouse the place to bee, because we installed beehives on it. By doing so, we have given 200,000 bees a new home. The revenue of the honey made by these happy bees will be donated to Stichting Quiet: a charity that fights poverty in Tilburg.



WASTE MANAGEMENT.

Bin there.

We make an effort to produce as little waste as possible. At the same time, we get as much value as possible out of the waste we have, by repairing, refurbishing, and recycling the products our customers discarded. In 2020, we collected, separated, and processed 17,000 tonnes of electronic waste as a result.



Refurbishing

In 2020, we increased the amount of white goods we refurbished. As a result, we save approximately 50,000 kilograms of materials every month. Whenever a customer orders white goods with us, we take their old appliance with us as a service when we deliver the new one. As a result, we are the largest party to take in white goods in the Benelux. To make even better use of the value of the collected white goods, our experienced repairers restore the appliances to good working order. They do so by checking, repairing, and cleaning. The restored appliances are then sold as budget options on our website. We also work with social institutions so that households with a smaller budget can purchase refurbished white goods. In both cases, the appliances are delivered and installed by our own delivery drivers.

iPhone upgrade

In 2020, we started our iPhone trade-in service in all our stores. Our customers can now hand in their current iPhone to get a discount on a new iPhone. We give them personal advice for choosing the right device and accessories, transfer their data from their old phone to the new one, and make sure that they leave the store with a fully installed, working iPhone. Some of the iPhones we collect this way are given a second life by refurbishing them. The rest is processed in an environmentally friendly manner.

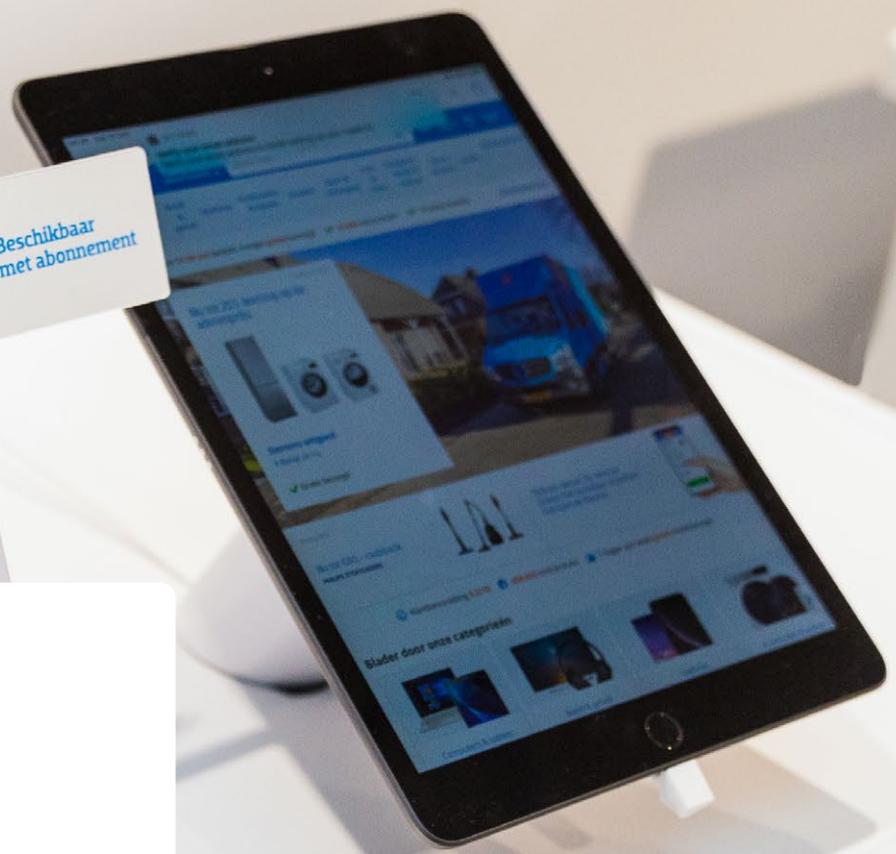
Coolblue's Groene Keuze

Bosch WAW32642NL i-DOS 526 reviews
★★★★★

Vulgewicht: 9 kg
Toerental: 1600 rpm
Energieklasse: A+++ -30%
Geluidsniveau centrifugeren: 74 dB
Koolborstelloze motor: ✓

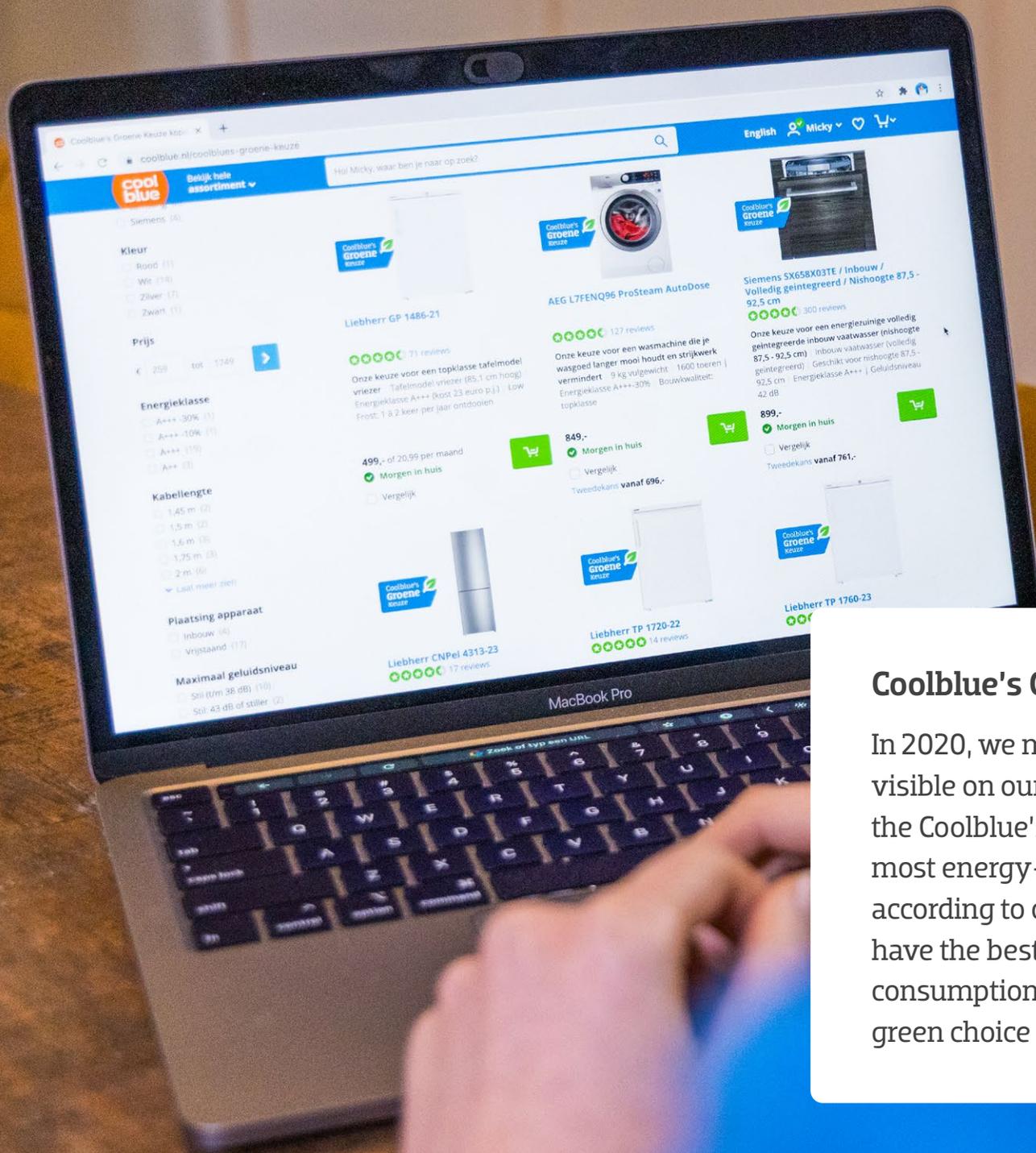
Productomschrijving
i-DOS doseert je wasmiddel en wasverzachter automatisch, waardoor je was langer mooi blijft. De i-DOS machine extra snel of

✓ Beschikbaar met abonnement



ASSORTMENT. Check it out.

We want to offer the most customer-oriented product journey and make it as easy as possible for our customers to make sustainable choices. We do so by continuing to include new green products in our assortment and explaining to customers why these products are a green choice.



Coolblue's Green Choice

In 2020, we made Coolblue's Green Choice more visible on our website and in our app. Products with the Coolblue's Green Choice label are the best and most energy-efficient products for the customer, according to our product experts. These products have the best customer reviews and a low energy consumption, allowing customers to always make a green choice that makes them happy.

07.

RISK MANAGEMENT. Challenge accepted.

Entrepreneurship comes with risks and challenges. That is why we continued to optimize our risk management in 2020.



Risk & opportunity management

An important success factor in reaching our goals is how we consciously deal with risks. Throughout Coolblue, you can find the words honest, direct, open written on the walls. This means we are upfront with each other about our expectations, which helps us avoid surprises and unnecessary risks.

Risk Culture

We strive for a culture that promotes responsible risk management. In such a culture, ownership is key. For this reason, every Coolbluer is responsible for managing their own risks. Of course, they are not alone in this. They are supported by our Risk & Compliance, Security, Fraud, and Legal departments. This approach allows us to learn from our mistakes, so we can do a little bit better every day.

Internal guidelines

We communicate our internal policy and external regulations in an honest, direct, and open manner, using clear language, which we share with all Coolbluers. Examples of these guidelines are:

- Workguide (employee guidebook);
- Friend Code (code of conduct);
- How to blow a whistle (whistleblower policy);
- Being open, honest, and direct (anti-fraud policy);
- Sticking to Coolblue agreements (disciplinary policy).

Training courses

We have developed and implemented various training courses that ensure Coolbluers adhere to our guidelines and become increasingly aware of risks. These courses consist of e-learning modules and workshops, and address topics such as the General Data Protection Regulation (GDPR), labor law, competition law, and integrity.



cool
blue

Logistiek & Retouren

BLAUWE BOEKJE.
Krachtbundel.

cool
blue

Risk profile summary

Identification & assessment of risks

There are several risks that can impact the realization of our strategic goals. Our risk management focuses on 4 categories: strategic, operational, finance & reporting, and compliance risks. In order to create a risk profile, we have conducted various top-down and bottom-up risk assessments. We have prioritized the most relevant risks in the Management Team's yearly Strategic Risk Assessment. The results, as can be seen in the table on the right, are discussed with the Audit Committee and Supervisory Board.

Strategic risks

1. Reputation
2. Competition
3. Health crisis

Operational risks

4. Information security & data privacy
5. Availability systems & critical processes
6. Qualified employees
7. Stock management
8. Supply chain continuity

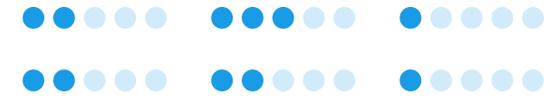
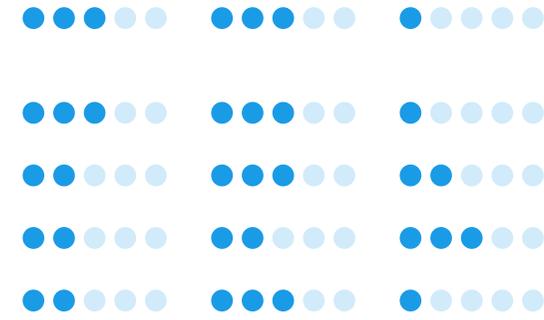
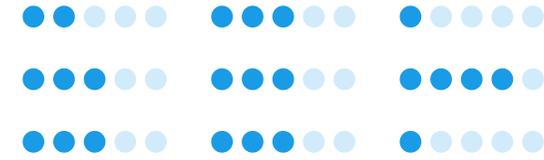
Finance & reporting risk

9. Financing and liquidity

Compliance risks

10. Regulatory compliance
11. Health, safety, environment

Likelihood Impact Risk Appetite



In 2020, our general risk profile has undergone a revision in terms of the scales of the impact criteria. As a result, scores awarded to the risks in the table above may appear to differ from the risk profile reported in 2019, but this is not the case. Instead, we reassessed the impact to match our growth of turnover and EBITDA.

One risk that displayed a noteworthy increase was the Information security & data privacy risk, which can be attributed to Coolblue's growth over the course of 2020. We also saw a decrease in terms of the risks associated with Qualified employees and Stock management.

Generally speaking, the rest of our risk profile remained the same, except for the addition of the new risk, 'health crisis'. In the paragraphs that follow, we will describe for every risk respectively how it has developed over 2020 and what mitigating measures we have taken.



Strategic Risks

1. Reputation

We are a large retailer with our own infrastructure. We offer various services, such as repairs in our physical stores and the installation of solar panels on the customer's roof. Because of our large presence, we have to place a strong emphasis on protecting our brand reputation. Risks that could influence our brand reputation present themselves in various ways, such as the press coverage we face in relation to our business. Moreover, we have to protect ourselves and our customers from parties that unlawfully use our name.

2. Competition

We operate in a highly competitive market. Despite the competition, we have a relatively high risk appetite in this respect: we see it as an opportunity to go the extra mile for our customers. We constantly improve our customer-centric product journeys by investing in the quality of our service and new propositions, which gives us a strong competitive advantage.

3. Health crisis

In 2020, a new risk, the health crisis risk, presented itself. It has affected several other risks, such as supply chain continuity, Financing, and Health, Safety, and Environment. The health crisis has had a significant impact on our stock management, stores, delivery propositions, and operations in our warehouse. The flexibility of our employees shows that we are able to quickly adjust to changed circumstances, both internally and externally.

Operational risks

4. Information security & data privacy

We do everything in our power to secure our data, prevent data leaks, and minimize their impact. For example, we do not save credit card details of our customers. Vulnerabilities in our own or leased software are automatically detected, which allows us to act timely and prevent potential problems. We also constantly make Coolbluers more aware of IT security and privacy risks. We have a cloud-first strategy in which all systems and applications are moved to the cloud if possible. This guarantees the continuity and scalability of our IT landscape. Additionally, we constantly improve our security measures, for example by testing them through penetration testing, vulnerability scanning and red teaming.



5. Availability of systems & critical processes

A significant disruption to the availability of our systems or business processes can cause reputational and financial damage. We have identified our critical operations and risks, have created an escalation and communication plan, and are drawing up increasingly more plans for the various scenarios that can occur during a crisis to maintain and restore critical operations.

Business Continuity Management

Due to the events of 2020, we had to test our Business Continuity Management in practice. Constantly changing circumstances forced us to implement changes in our operations in a very short period of time. We had to adopt more flexible working policies that encourage remote working and virtualization. Within 2 weeks, all Coolbluers in office departments were working from home. We provided them with the right materials for a comfortable home office, such as desk chairs and monitors. We reinvented our warehouse to ensure that everyone there could continue to work safely and at a safe distance from each other. And we introduced pickup points in our stores as a creative solution to meet the customer demand.



6. Attracting and retaining qualified Coolbluers

Qualified and talented people are key to our success. In order to be an attractive employer, we offer long-term career opportunities with various training courses and next-step possibilities, on top of an unconventional company culture. We offer each target group a unique application journey, supported by large online and offline recruitment campaigns and masterclasses. Instead of limiting ourselves to the Dutch, Belgian, and German labor markets, we look for suitable candidates on a global scale.

7. Stock management

Stock management risks come in 2 categories: excess stock and insufficient stock. We minimize these risks by applying algorithms that calculate the expected sales patterns every day and aligning our purchasing activities accordingly. This way, we can make sure that we order the optimal number of products at all times and closely monitor our stock health.



8. Supply chain continuity

We work with multiple suppliers, based on mutually favorable agreements. On top of that, we enhance our supply chain management by using our own delivery services: CoolblueDelivers and CoolblueBikes. Because we do not depend on a single party and have full ownership of these services, we are able to minimize the amount of disruptions to our supply chain.

Finance & reporting risk

9. Finance and liquidity

Our operations are financed by our operating cash flow, a negative working capital, and reinvestment of our profits. We have implemented debtor management, stock management, and treasury procedures so that we are always able to meet our payment obligations.

Compliance risks

10. Regulatory compliance

Our Risk & Compliance and Legal departments closely follow the developments in law and regulation, thereby assuring our compliance. We have a zero-tolerance approach to bribery, corruption, fraud, and any other form of (illegal) misconduct.

We assure our compliance with law and regulation for any internal developments, such as new business propositions. External developments that influence our operations, such as the GDPR or the upcoming ePrivacy Regulation, are also thoroughly implemented. All Coolbluers who work with personal data are required to follow our GDPR training, tailored to their role, during their onboarding. We monitor attendance of the course with our training tool.

11. Safety, health and environment

We do everything in our power to ensure the safety of our customers and employees. Within our Safety, Health, Environment, and Quality department (SHEQ), we are constantly working on improvements regarding these topics. Coolbluers who work in our warehouse take health and safety courses, our solar panel installation experts are required to complete courses on working on rooftops, and our safety coordinators ensure optimum safety under all working conditions.

cool
blue

HUIS.
Staat.



Enhancement of our risk management system

We continuously work on optimizing our risk management operations. Our Risk & Compliance, Fraud, Security, and Legal departments each have grown. Additionally, we have created more awareness of risks in 2020 through various initiatives, including the ones stated below.

Reinforced Internal control environment

Improving our internal control environment is an ever-ongoing point of focus. We have included even more domains and processes in our risk assessment. As a result, we have better insight in the key risks and are able to mitigate them better, thereby strengthening our internal control environment.

Implemented physical security controls

We have a physical security policy in place to keep our customers, employees, and products safe using the latest professional security systems. The main principle of this policy is that we have a security blueprint in place for each of our locations. The blueprint and its procedures will be audited multiple times a year. With the professional security systems in place, we have taken another step in achieving our goal of having no security incidents and reducing fraud to an absolute minimum.

Improved authentication and authorization

To further improve our data security, we have increased the number of applications that use multi-factor authentication and single-sign on via our active directory. We have also improved our access-rights structure, thereby decreasing the number of users with privileged rights in our systems. This has helped us further enforce access on a need-to-know basis.



GEWOON, DOEN.

Elke dag een beetje beter.

Looking ahead

In 2021, we want to further optimize our risk management operations. We will build on our documentation of processes, risks, and incidents, and continue to make this documentation as transparent as possible toward a more transparent documentation of processes, risks, and incidents.

Further expansion of Risk workshops

Our Risk & Compliance, Fraud and Security departments will further facilitate risk workshops for the relevant departments. Our goal is to identify and analyze the risks for our departments and use this information to set appropriate risk limits and controls. We plan to expand the risk workshop to our tech departments to increase the awareness and insight into our technology & cyber risks, for which the threat landscape has increased significantly.

Further formalizing our Compliance Management

We will further document and formalize our Compliance Management. The corresponding risk framework will oversee risks that are mainly related to compliance with competition, financial services, privacy legislation, and health & safety. For compliance risks, relevant processes and controls will be implemented, tested, and continuously monitored. On top of this, we are going to extend our company-wide information security policy. This also

allows us to improve our control framework to verify processes, applications, and services on clearly defined standards.

Preparing for ePrivacy Regulation

In 2021, we will closely follow the developments around the announced ePrivacy Regulation because of its expected impact on direct marketing. As with the GDPR, we will prepare for this new regulation accordingly, so that we will meet the requirements on time.

Increasing IT security awareness

In 2020, we asked a group of ethical hackers to try to get access to the Coolblue network and systems. The lessons learned and awareness that this created within the Tech departments have proven to be very valuable. For this reason, we plan to carry out more tests like this in 2021.

CORPORATE GOVERNANCE.

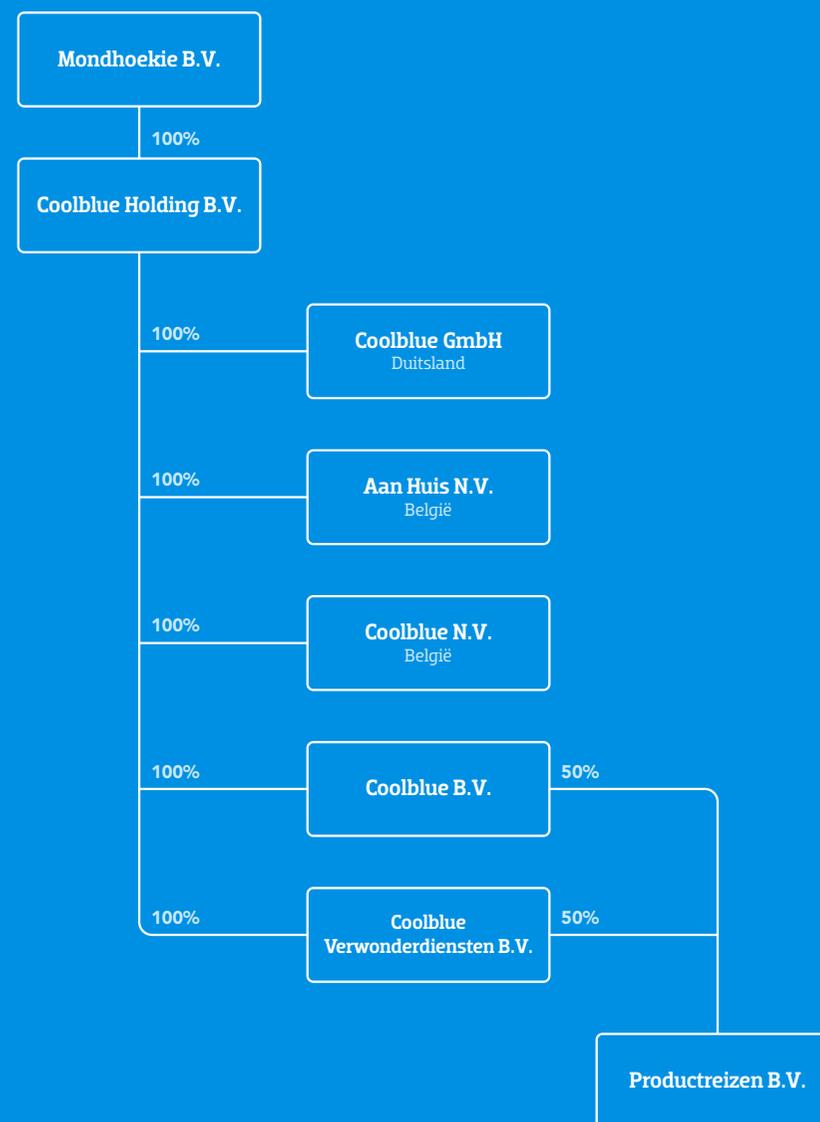
In good company.

Ownership

Pieter Zwart B.V., HAL Investments B.V., and management are the shareholders in Mondhoekie B.V., the ultimate parent of Coolblue. Pieter has a majority share in the parent company. At the start of 2021, Coolbluers who will have been working at Coolblue for more than 12 months on 1 January 2021, will receive Friend Shares. These are depositary receipts for shares.

Structure

Coolblue Holding B.V., a private company with limited liability (besloten vennootschap) under Dutch law, is fully owned by Mondhoekie B.V. For the sake of transparency, we try to keep our corporate structure as simple as possible. The chart on the right shows an overview of the various group companies. In 2020, we added Coolblue GmbH to this structure.





Management Team

Coolblue's Management Team is made up of the Managing Board and the 17 Heads of Department, such as Stores, Delivery & Installation, and Category Teams. The Managing Board consists of CEO Pieter Zwart and CFO Daphne Smit. They are both legally authorized to represent Coolblue.

The Management Team is responsible for the day-to-day operations of their respective domains and for Coolblue's future development. They have the necessary means, along with the responsibility, to make their domain a little bit better every day.

We acknowledge the importance of diversity in a working environment, which is why we strive for an equal composition of men and women as members of the Management Board. However, when it comes to the selection criteria for candidates, competencies are key.



Pieter Zwart



Age: 43

Position: CEO

Working at Coolblue since: 1999

Education: Business Administration at Erasmus University Rotterdam.

Responsibilities at Coolblue: Category Teams, Customer Experience, Stores, Tech, Purchasing, Germany, Business Journeys, Solar Panels, Energy, Marketing and the website

What can you do a little bit better since 2020?

I have been practicing my soccer skills in FIFA, because I want to become Coolblue's FIFA champion.

Daphne Smit



Age: 35

Position: CFO

Working at Coolblue since: 2014

Education: International Business Administration at Erasmus University Rotterdam.

Prior to Coolblue: Trainee, Account manager, and Credit Analyst at Rabobank.

Responsibilities at Coolblue: Finance, Warehousing, Delivery & Installation, Returns & Repairs, Customer Service, Corporate Governance, and Human Resources.

What can you do a little bit better since 2020?

I have been spicing up my cooking by trying out various new recipes. I am particularly proud of my creamy red curry.

Remuneration

The Management Board's salaries are determined by the Supervisory Board. Members of the Management Team receive a fixed salary and are not entitled to bonuses, options, or shares in the company as part of their remuneration. CEO Pieter and CFO Daphne are shareholders in Mondhoekie B.V. Any shares they have acquired, have been acquired on commercial terms.

Corporate Governance Code

Although we are not legally obliged to follow the Dutch Corporate Governance Code, we acknowledge the importance of good governance. We actively monitor relevant developments in the Corporate Governance Code and incorporate the principles that are relevant to us as a private company.

08.

SUPERVISORY BOARD.

Ultimate support group.





Hi all,

Coolblue is a large organization that is known for its unconventionality. To keep up with its rapid expansion and this originality, we as its Supervisory Board (installed on Mondhoekie B.V. level) also have to adopt the flexible mentality Coolblue is known for. This proves an interesting and challenging assignment, especially in a year as unpredictable as 2020. Still, we gladly take on this challenge.

Activities of the Supervisory Board

In 2020, we met 6 times with the Coolblue Management Team. Of these meetings, the last 5 were held online rather than in person as a result of Covid-19 meeting and travel advice. Although this felt unusual at first, we are happy with the way this goes now. Of course, we also had frequent interactions in between. During these meetings, we discussed recurring topics such as customer satisfaction (NPS), strategy, market developments, and financial and operational results.

Additionally, we discussed more specific topics, such as the way to handle the challenges presented by the Covid-19 pandemic, the expansion to Germany, mechanization of the warehouse, the launch of new propositions like the Home Office Stores and Coolblue Energy, and personnel developments. These and other subjects were introduced by a presentation, given by the responsible manager. We greatly appreciate the explanations given by these

managers, because it provided us with a better insight into the dynamics of the business and the people that make Coolblue.

Audit Committee

The Audit Committee supports the Supervisory Board in the supervision of financing, reporting, internal controls, and risk management.

The Audit Committee met 3 times in 2020 with the CFO, Head of Finance, and the external auditor. During these meetings, the following topics were discussed: the financial statements of 2019, the audit planning for 2020, the findings of the interim audit and internal control findings in 2020, reporting structures and standards, risk management, tech security, fraud, and compliance with laws and regulations.

Closing thoughts

The Supervisory Board is happy with the growth and results that Coolblue has shown in 2020. But what made us even happier was seeing such flexibility and continuous effort from every Coolbluer in a time in which this is paramount. This has been part of the reason why Coolblue was able to continue its entrepreneurial journey throughout 2020.

Furthermore, we are impressed by how Coolblue has implemented the lessons it drew from this unusual year and we are confident that these will continue to be valuable takeaways for the future.

We appreciate how Coolblue keeps taking increasing corporate and social responsibility. Especially in a year as demanding as 2020, Coolblue has shown that it places maximum emphasis on providing its employees with a safe place to work, be it at home or at one of the Coolblue locations. Additionally, great care was taken to ensure the safety of customers in our stores and at their homes.

Coolblue demonstrates how it takes its responsibility to society through new propositions and by building on already existing propositions. The expansion of the solar proposition from solar panels to charging stations in 2020 is one example of this. We are enthusiastic about the announced entry to the energy market in 2021.

The expansion to Germany in 2020 took place at an impressive speed. The first order, a washing machine, was delivered in September. Nation-wide parcel delivery throughout Germany was rolled out a mere 3 months later. These steps and their results, such as a very high customer satisfaction, are very promising. A similar new growth opportunity was realized with the Home Office Stores. We look forward to seeing Coolblue's further growth in these new and exciting business opportunities over the course of 2021.

With the new and award-winning recruitment website, Coolblue continues to make an effort in attracting new employees. And through its multiple in-house education institutes, including the *Schuurschool* which was introduced in 2020, Coolblue offers its employees careers rather than just jobs. Along with other initiatives, such as sending small tokens of appreciation to every Coolbluer, we believe that this demonstrates the type of employer Coolblue aims to be. Something we as the Supervisory Board wholeheartedly applaud.

Looking back on what just may be the most eventful year for Coolblue yet, we thank every Coolbluer for their efforts and flexibility. With such dedication to each other and to the organization, 2021 is bound to become a great year.

On behalf of the Supervisory Board,

Jaap van Wiechen
Chairman

Harold Goddijn
Bert Groenewegen
Theo Kiesselbach



Members of the Supervisory Board

The Supervisory Board consists of a group of experienced entrepreneurs and investors. The board is an independent body that supervises the policy and daily order of business at Coolblue. In addition, the board and its individual members serve as a friendly, yet critical sounding board to the Management Team.

Each board member is committed to the interests of Coolblue, the customers, and all other involved parties. The board serves Coolblue and is free from the influence of external parties and independent of secondary interests.

The Supervisory Board currently consists of 4 members, each with their own experience or expertise relating to different aspects and activities of Coolblue. The composition of the Supervisory Board has not seen any changes in 2020. However, to further increase the diversity of the board, Coolblue will add a female member in 2021 and aims to add a sixth (female) member in the near future.

Jaap van Wiechen

Jaap van Wiechen (48) is a member of the Executive Board of HAL Holding N.V. and serves as a member of the Supervisory Board of Boskalis, SBM Offshore, and Atlas Services Group. Jaap acts as chairman of the Supervisory Board and is a member of the Audit Committee.

Theo Kiesselbach

Theo Kiesselbach (55), a German national, is a retail expert. He started his professional career at McKinsey & Co. Afterward, he held executive roles in a number of German retail companies. Until May 2018, he was CEO of Grandvision. In 2019, he moved to Singapore and established an advisory and investment company.

Harold Goddijn

Harold Goddijn (60) is the co-founder and CEO of TomTom. Previously, he co-founded Psion Nederland before becoming Executive Director at Psion Computers Plc.

Bert Groenewegen

Bert Groenewegen (57) is the current CFO of Nederlandse Spoorwegen and member of the Supervisory Board of Teslin Participaties Coöperatief UA. Bert's previous positions include CFO at Exact Holding, CFO/CEO at PCM Uitgevers, and CFO at Ziggo. Bert is chairman of the Audit Committee.

09.

THE NUMBERS GAME.

Score.



Consolidated Financial Statements

Consolidated income statement

For the year ended 31 December 2020

€ '000	Notes	2020	2019
Operations			
Sale of goods	6	1,906,926	1,418,060
Marketing fees		80,451	64,524
Revenue		1,987,377	1,482,584
Cost of sales	7	(1,559,624)	(1,190,005)
Gross profit		427,753	292,579
Selling and distribution expenses	8	(309,812)	(236,410)
Administrative expenses	9	(40,950)	(36,462)
Operating profit		76,991	19,707
Finance income	12	1,944	920
Finance expenses	12	(1,024)	(879)
Profit before tax from operations		77,911	19,748
Income tax expense	13	(16,840)	(4,587)
Profit for the year		61,071	15,161
Attributable to:			
Equity holders of the parent		61,071	15,161
Profit for the year		61,071	15,161

Notes 1 to 28 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2020

€ '000	2020	2019
Profit for the year	61,071	15,161
Other comprehensive income	-	-
Total comprehensive income for the year, net of tax	61,071	15,161
Attributable to:		
Equity holders of the parent	61,071	15,161
	61,071	15,161

Notes 1 to 28 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2020 (before appropriation of result)

€ '000	Notes	2020	2019
		31 December	31 December
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	14	32,002	27,118
Right-of-use assets	15	71,989	69,841
Intangible assets	16	25,181	21,976
Financial fixed assets	17	1,054	1,191
		<u>130,226</u>	<u>120,126</u>
<i>Current assets</i>			
Inventories	18	130,300	86,093
Trade and other receivables	19	189,450	134,149
Cash and cash equivalents	20	230,965	134,609
		<u>550,715</u>	<u>354,851</u>
Total assets		<u>680,941</u>	<u>474,977</u>
Equity and liabilities			
<i>Equity</i>			
Issued capital		20	20
Share premium		1,838	1,838
Legal reserve		21,783	18,960
Other reserves		36,310	23,972
Unappropriated result		61,071	15,161
	21	<u>121,022</u>	<u>59,951</u>
<i>Non-current liabilities</i>			
Provisions	22	198	83
Lease liability	23	62,432	58,234
Deferred tax liabilities	24	4,175	3,030
		<u>66,805</u>	<u>61,347</u>
<i>Current liabilities</i>			
Trade and other payables	25	478,182	339,232
Lease liability	23	14,932	14,448
		<u>493,114</u>	<u>353,680</u>
Total equity and liabilities		<u>680,941</u>	<u>474,977</u>

Notes 1 to 28 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2020

€ '000	Issued capital	Share premium	Legal reserve	Other reserves	Unappropriated result	Total equity
1 January 2020	20	1,838	18,960	23,972	15,161	59,951
Appropriation result of previous year	-	-	-	15,161	(15,161)	-
Transfer to legal reserve	-	-	2,823	(2,823)	-	-
Profit for the period	-	-	-	-	61,071	61,071
31 December 2020	<u>20</u>	<u>1,838</u>	<u>21,783</u>	<u>36,310</u>	<u>61,071</u>	<u>121,022</u>
2020						
€ '000	Issued capital	Share premium	Legal reserve	Other reserves	Unappropriated result	Total equity
1 January 2019	20	1,838	15,750	15,122	12,060	44,790
Appropriation result of previous year	-	-	-	12,060	(12,060)	-
Transfer to legal reserve	-	-	3,210	(3,210)	-	-
Profit for the period	-	-	-	-	15,161	15,161
31 December 2019	<u>20</u>	<u>1,838</u>	<u>18,960</u>	<u>23,972</u>	<u>15,161</u>	<u>59,951</u>

Additional information is disclosed in note 21.

Notes 1 to 28 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2020

€ '000	Notes	2020	2019
Operating activities			
Profit before tax		77,911	19,748
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation and impairment of property, plant and equipment	14	11,683	7,064
Depreciation and impairment of right-of-use assets	15	16,743	14,530
Amortization and impairment of intangible assets	16	8,715	7,022
Loss on disposal in property, plant and equipment	14	452	-
Interest (income)/ expense		(920)	(81)
<i>Working capital adjustments:</i>			
(Increase)/decrease in trade and other receivables and prepayments	19	5,197	11,537
(Increase)/decrease in inventories	18	(44,207)	24,516
Increase/(decrease) in trade and other payables	25	128,493	53,180
		204,067	137,516
Movement provisions and other non-current liabilities	22	116	(741)
Income tax (paid) / received		2,151	(1,416)
Interest paid		(163)	-
Interest received		4	15
Interest paid for lease liabilities	23	(815)	(879)
Net cash flows from operating activities		205,360	134,495
Investment activities			
Investments in property, plant and equipment	14	(15,294)	(13,713)
Investments in software	16	(11,921)	(10,731)
(Increase)/decrease receivable from shareholder	18	(67,168)	8,061
Net cash flows used in investment activities		(94,383)	(16,383)
Financing activities			
Payment of principal portion of lease liabilities	23	(15,602)	(13,381)
Received lease incentives		981	-
Net cash flows from/(used in) financing activities		(14,621)	(13,381)
Net increase in cash and cash equivalents		96,356	104,731
Cash and cash equivalents at 1 January	20	134,609	29,878
Cash and cash equivalents at 31 December	20	230,965	134,609

Notes 1 to 28 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Corporate information

You are reading the consolidated financial statements of Coolblue Holding B.V. (company number 24330083) and its subsidiaries (hereinafter 'the Company', 'the Group', or 'Coolblue') for the year ended 31 December 2020. The financial statements have been authorized by the Board of Directors on 1 March 2021.

Coolblue is a limited liability company established in Rotterdam, the Netherlands, and has its registered office at Weena 664, 3012 CN Rotterdam, the Netherlands. Coolblue's ultimate parent company is Pieter Zwart B.V. The shareholder Mondhoekie B.V., has two statutory directors: CEO Pieter Zwart and CFO Daphne Smit. Each director has one vote. Decisions are taken by majority voting. In the case of a tie, Pieter Zwart (Pieter Zwart B.V.) will make the final decision.

Coolblue is principally engaged in the trading, delivery, and installation of consumer products. Trading occurs through the internet and physical stores.

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (IASB) and adopted by the EU (hereinafter IFRS).

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in Euros and all values are rounded to the nearest thousand (€ 000), except when indicated otherwise.

In 2020 Coolblue presents the income statement by function instead of a mix of by function and nature as used in prior years. Coolblue also reclassified the comparative figures for 2019. The change of presentation has had no impact on the result or the shareholders' equity. For details, please refer to chapter 2.4.

Where applicable, comparatives included in the financial statements have been reclassified compared to their prior year presentation. This has had no impact on the result or the shareholders' equity.

Impact of Covid-19

Since the outbreak of Covid-19 the online market has shown an accelerated growth in both the Netherlands and Belgium, which has had a positive impact on Coolblue's online sales. For a detailed explanation of the financial results, please refer to the Management Board Report.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Coolblue and its subsidiaries as at 31 December 2020. Control is achieved when Coolblue is exposed to or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, Coolblue controls an investee if, and only if, Coolblue has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when Coolblue has less than a majority of the voting or similar rights of an investee, Coolblue considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- Coolblue's voting rights and potential voting rights.

Coolblue reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when Coolblue obtains control of the subsidiary and ceases when Coolblue loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements, starting from the date that Coolblue gains control until the date that Coolblue ceases to control the subsidiary.

Profit, or loss, and each component of other comprehensive income (OCI) are attributed to the equity holders of Coolblue's parent. If necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with Coolblue's accounting policies. All intercompany assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of Coolblue are eliminated in the consolidated financial statements.

If Coolblue Holding B.V. loses control of a subsidiary, it derecognizes the related assets, liabilities, non-controlling interest, and other components of equity while any remaining gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Company information – Information about subsidiaries

The consolidated financial statements of Coolblue Holding B.V. include:

Name	Domicile	Country of incorporation	% equity interest	
			2020	2019
Coolblue B.V.	Rotterdam	Netherlands	100%	100%
Coolblue Verwonderdiensten B.V.	Rotterdam	Netherlands	100%	100%
Productreizen B.V.	Rotterdam	Netherlands	100%	-
Coolblue N.V.	Antwerp	Belgium	100%	100%
Aan Huis N.V.	Antwerp	Belgium	100%	100%
Coolblue GmbH	Düsseldorf	Germany	100%	-

Productreizen B.V. was established on 25 May 2020 and is 100% owned by Coolblue Holding B.V. Coolblue GmbH was established on 26 May 2020 and is 100% owned by Coolblue Holding B.V.

Coolblue Holding B.V. has issued a 403 liability statement for Coolblue B.V., Coolblue Verwonderdiensten B.V., and Productreizen B.V. As a result Coolblue Holding B.V. is jointly and severally liable for the debts arising from legal acts of those companies.

In accordance with Article 2:402 DCC, the company income statement is presented in abbreviated form.

2.3 Summary of significant accounting policies

The significant accounting policies are included in the relevant notes.

Foreign currencies

Coolblue's consolidated financial statements are presented in Euros, which is also the parent company's functional currency. Coolblue determines the functional currency for each separate entity. Items included in the financial statements of each entity are measured using the appropriate functional currency.

Transactions in foreign currencies are initially recorded in the respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Current versus non-current classification

Coolblue presents assets and liabilities in the statement of financial position based on current versus non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period;
- Cash or cash equivalents, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Coolblue classifies all other liabilities as non-current.

Consolidated cash flow statement

The cash flow statement has been prepared in accordance with the indirect method.

Cash and cash equivalents consist of cash at bank and in hand. Cash flows in foreign currencies are translated at average rates. Cash exchange differences are presented separately in the statement of cash flows.

Interest received and paid, dividends received, and profits tax are included under cash flows from operating activities. Dividend paid is stated under net cash flow from financing activities.

The cost of acquired group companies and proceeds of sold group companies are included in the cash flow from investing activities. When a payment in cash has been made, the amount is shown net of cash and cash equivalents held by the concerning group companies.

Transactions for which no cash or cash equivalents are exchanged, including leases if applicable, are not included in the cash flow statement. Lease payments under IFRS 16 are considered to be cash outflows from financing activities, to the extent that they relate to repayment installments. Interest payments under IFRS 16 are considered to be cash flows from operating activities.

2.4 Changes in accounting policies and disclosures

IAS 8 requires an entity to select and apply its accounting policies consistently for similar transactions, events and/or conditions, unless an IFRS specifically requires or permits categorization of items for which different policies may be appropriate. Where an IFRS requires or permits such categorization, an appropriate accounting policy is selected and applied consistently to each category. Therefore, once a choice of one of the alternative treatments has been made, it becomes an accounting policy and must be applied consistently. Changes in accounting policy should only be made if required by a standard or interpretation, or if the change results in the financial statements providing reliable and more relevant information.

Coolblue applies new standards and amendments issued by the International Accounting Standards Board (IASB), when effective and endorsed by the European Union. Coolblue has not opted for early adoption for any of these standards.

The following standards have been applied as of 1 January 2020 or later in 2020. These amendments have no material impact on the financial statements.

- Amendments to References to the Conceptual Framework in IFRS Standards, effective 1 January 2020
- Amendments to IFRS 3 Business Combinations – Definition of a Business, effective 1 January 2020
- Amendments to IFRS 9 Financial, IFRS 7 Financial Instruments: Disclosures and IAS 39 Financial Instruments: Recognition and measurement – Interest Rate Benchmark Reform, effective 1 January 2020
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of material, effective 1 January 2020
- Amendments to IFRS 16 Leases – Covid 19 related rent concessions, effective 1 June 2020

The IASB has issued several new standards and amendments with an effective date of 1 January 2021 or later. The newly issued standards are not expected to have a significant impact on Coolblue. The new and amended standards and interpretations that have been issued, but are not yet effective, up to the date of issuance of Coolblue's financial statements are disclosed below. Coolblue intends to adopt these standards and interpretations, if applicable, when they become effective.

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, effective 1 January 2023¹
- Amendments to IAS 16 Property, plant and equipment – Proceeds before intended use, effective 1 January 2022¹

¹ Not yet endorsed by the EU as per 14 January 2021

- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets – onerous contracts—cost of fulfilling a contract, effective 1 January 2022¹
- Amendments to IFRS 3 Business combinations – References to the conceptual framework, effective 1 January 2022
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9, effective 1 January 2021
- Amendments to IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures, IAS 39 Financial Instruments: Recognition and measurement, IFRS 4 Insurance contracts and IFRS 16 Leases- Interest Rate Benchmark Reform – Phase 2, effective 1 January 2021¹
- IFRS 17 Insurance Contracts, effective 1 January 2021¹
- Annual Improvements Cycle – 2018-2020, effective 1 January 2022¹

Coolblue has not early adopted any standards, interpretations, or amendments that have been issued but are not yet effective.

Presentation of the income statement

Coolblue's Management decided to change the presentation of the income statement from a mix by function and nature, to a presentation by function. Information by category is included in the notes in accordance with IAS 1.104. The company believes that a presentation solely by function provides the users of the financial statements more relevant insights into the results of the company, because:

- Gross profit provides a more accurate representation of Coolblue's profitability based on the operations;
- Selling and distribution, administrative and other expenses provide an insight into the scale of the indirect and supporting elements of Coolblue and can be assessed separately from the core operation;
- IAS 1.103 states that a presentation by function can provide more relevant information to users than the classification of expenses by nature. The fact that several competitors and other retail companies also use the presentation by function indicates that this method is seen as more relevant. Additionally, the comparability with competitors increases because several competitors also use the presentation by function.

An overview of the affected income statement line items in the current situation (presented by function) and previous situation (presented by a mix of function and nature) is provided below. There has been no impact on the profit for the year and earnings per share, therefore no additional assessment was made.

Given the change in presentation, the income statement has been adjusted retrospectively, which is included in the overview below:

Income statement on functional basis		Income statement by mix of function and nature	
€ '000	2019	€ '000	2019
Operations		Operations	
Sale of goods	1,418,060	Sale of goods	1,418,060
Marketing fees	64,524	Marketing fees	64,524
Revenue	1,482,584	Revenue	1,482,584
Cost of sales	(1,190,005)	Cost of sales	(1,274,550)
Gross profit	292,579	Gross profit	208,034
Selling and distribution expenses	(236,410)	Employee benefit expenses	(111,791)
Administrative expenses	(36,462)	Depreciation and amortization	(28,616)
Other operating expenses	-	Other operating expenses	(47,960)
Operating profit	19,707	Operating profit	19,667
Finance income and expense	41	Finance income and expense	81
Profit before tax	19,748	Profit before tax	19,748
Income tax expense	(4,587)	Income tax expense	(4,587)
Profit for the year	15,161	Profit for the year	15,161

Income statement on functional basis		Income statement by mix of function and nature	
€ '000	2020	€ '000	2020
Operations		Operations	
Sale of goods	1,906,926	Sale of goods	1,906,926
Marketing fees	80,451	Marketing fees	80,451
Revenue	1,987,377	Revenue	1,987,377
Cost of sales	(1,559,624)	Cost of sales	(1,659,388)
Gross profit	427,753	Gross profit	327,989
Selling and distribution expenses	(309,812)	Employee benefit expenses	(155,393)
Administrative expenses	(40,950)	Depreciation and amortization	(37,141)
Other operating expenses	-	Other operating expenses	(58,464)
Operating profit	76,991	Operating profit	76,991
Finance income and expense	920	Finance income and expense	920
Profit before tax	77,911	Profit before tax	77,911
Income tax expense	(16,840)	Income tax expense	(16,840)
Profit for the year	61,071	Profit for the year	61,071

¹ Not yet endorsed by the EU as per 14 January 2021

3. Significant accounting judgements, estimates and assumptions

The preparation of Coolblue's financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of the financial position of the Company. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates, judgements, and assumptions

The key assumptions and estimates concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in the relevant notes. Coolblue based its assumptions and estimates on the parameters that were available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to arising market changes or circumstances that are beyond the control of Coolblue. Such changes are reflected in the assumptions when they occur. The specific estimates are described in the relevant notes.

Capitalization of development costs

Coolblue capitalizes development costs when future economic benefits can be determined and when the costs can be reliably determined. The determination of future economic benefits includes estimates based on specific market and customer knowledge and experiences. These development costs are based on the salary and other personnel expenses relating to the developers that worked on a specific development. Coolblue continuously assesses whether the developments (in progress) are technically, commercially, and financially feasible and (will) lead to (future) economic benefits.

4. Capital management

For the purpose of Coolblue's capital management, capital includes issued capital, share premium, and all other equity reserves that are attributable to the equity holders of the parent.

Coolblue's primary objective in terms of managing capital is to maintain a sufficient capital base, to maintain creditor confidence, to sustain future development of the business, and to maintain an optimal capital structure to reduce the cost of capital. Dividends will be paid depending on Coolblue's financial position, thereby taking solvability and expected cash flows into account.

No commitment has been issued to pay out dividends. Exposure to capital risk is limited, as the majority of online sales is paid prior to delivery to the customer. Coolblue's operations are financed by equity and trade creditors.

5. Financial risk management

Risk management related to specific balance sheet accounts is included in the related notes.

Financial instruments

Coolblue Holding B.V. and its subsidiaries have no derivatives or debts. A financial guarantee is given related to external financing of the parent company Mondhoekie B.V. The fair value of this guarantee is minimal as it is considered to be very unlikely that this will lead to an outflow of cash, therefore this results in a very limited risk with respect to financial instruments. Coolblue's finance department manages balances at banks and monitors trade and other payables.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. This relates to the interest rate risk and the currency risk. Coolblue primarily operates in the Netherlands, Belgium, and Germany. As Coolblue's sales and purchase transactions are primarily in Euros, the foreign currency risk is low. Coolblue has limited financial activities resulting in interest income or expenses. Consequently, the interest rate risk for Coolblue is low.

Liquidity risk

Coolblue manages its liquidity risk through several cash forecast methods. For an aging analysis, please refer to note 19. As Coolblue's working capital is negative, the liquidity risk is considered to be low.

6. Revenues

Sale of goods

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods, at an amount that reflects the consideration to which Coolblue expects to be entitled in exchange for those goods. The total consideration (significant payment term) is due upon the delivery of the product. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Rights of return

The contracts for the sale of goods provide customers with a right to return the goods within a specified period. Coolblue uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. Coolblue then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover the goods from the customer.

Marketing fees

Revenue arising from marketing fees and related costs are recognized upon the moment that the performance obligation is satisfied. This is done, provided that a contractual agreement has been entered into with enforceable rights and obligations and a transaction price has been determined that is allocated to the specific performance obligations as stated in the contract.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item
- Receivables and payables are stated including the amount of sales tax

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Installation of solar panel systems

Coolblue sells and installs solar panel systems. Revenue arising from the installation of solar panel systems as well as related costs are recognized upon the moment that the performance obligation is satisfied. This is done, provided that a contractual agreement has been entered into with enforceable rights and obligations and a transaction price has been determined that is allocated to the specific performance obligations as stated in the contract.

Coolblue as a lessor

Coolblue is in the business of leasing white goods to customers, which are classified as operating leases. Rental income arising from this is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. For more information, please refer to note 14.

€ '000	2020	2019
Geographical details (based on country customer)		
Netherlands	1,336,032	1,017,701
Belgium	548,278	369,650
Other	22,616	30,709
Total sales	1,906,926	1,418,060
Nature of sales recognized		
Sale of goods	1,905,134	1,417,545
Subscriptions	1,792	515
Total sales	1,906,926	1,418,060
Non-current assets		
Netherlands	107,254	110,693
Belgium	22,972	9,433
Total non-current assets	130,226	120,126

Coolblue has determined that it has one operating and one reportable segment based on the information reviewed by its Chief Operating Decision Maker in making decisions regarding the allocation of resources and to assess performance.

7. Cost of sales

€ '000	2020	2019
Cost of goods sold	1,558,632	1,189,820
Depreciation	992	185
Total cost of sales	1,559,624	1,190,005

Cost of sales consist of the net purchase price of products sold and miscellaneous costs of goods sold. The depreciation in the cost of sales is related to assets where Coolblue is the lessor. For further details, please refer to note 14.

In 2019 the cost of goods sold includes a refund of VAT on vouchers for an amount of € 500,000.

8. Selling and distribution expenses

€ '000	2020	2019
Employee benefit expenses	135,879	94,950
Direct sales costs	112,074	93,087
Depreciation & Amortization	28,805	22,920
Other selling and distribution	33,054	25,453
Total selling and distribution expenses	309,812	236,410

Selling and distribution expenses relate to our operational departments such as warehouse, stores, external and internal delivery carriers, and commercial departments such as marketing, purchasing, and category management. The direct sales costs relate to shipping expenses, marketing costs and payment costs.

9. Administrative expenses

€ '000	2020	2019
Employee benefit expenses	19,515	16,840
Depreciation & Amortization	7,344	5,511
Other administrative	14,091	14,111
Total administrative expenses	40,950	36,462

Administrative expenses consist of supportive activities to the operational business activities, such as Finance and Human Resources.

The fees listed below relate to the services provided to Coolblue in the financial year and its consolidated group entities by Ernst & Young Accountants LLP, Coolblue's external auditor, as well as by other Dutch and foreign-based EY individual partnerships and legal entities, including their tax services and advisory groups:

€ '000	2020	2019
Audit of the financial statements (Ernst & Young Accountants LLP)	145	108
Audit of the financial statements (Other EY)	30	25
Tax advisory services (Other EY)	20	17
Total	195	150

10. Total employee benefit expense

€ '000	2020	2019
Wages and salaries	122,703	88,827
Social security costs	23,165	15,499
Pension costs	9,526	7,465
Total employee benefit expense	155,394	111,791

During 2020, Coolblue had an average of 3,118 FTE (2019 2,423 FTE) in The Netherlands. In Belgium, Coolblue had an average of 453 FTE (2019: 316 FTE). No employees are currently hired in Germany. A breakdown of FTE per country, per function is given below:

	2020	2019
Selling and distribution	2,790	2,135
Administrative	328	288
Total FTE Netherlands	3,118	2,423
	2020	2019
Selling and distribution	445	309
Administrative	8	7
Total FTE Belgium	453	316

Coolblue's research and IT development concentrates on frontend and backend applications to facilitate the growth of Coolblue. Research and development costs that are not eligible for capitalization have been expensed in the period incurred (2020: € 5.9 million, 2019: € 5.1 million). These costs are included in employee benefit expenses and other employee expenses. An amount of € 9.7 million (2019: € 9.0 million) of employee benefits expenses has been capitalized in intangible fixed assets as development costs.

Pension arrangements

Coolblue B.V. offers two separate pension arrangements to employees in the Netherlands. The company facilitates a multi-employer defined benefit plan for employees in the Netherlands (known as the basisplan), in which various employers contribute to one central pension union. In accordance with IAS 19R, as the pension union managing the plan is not able to provide Coolblue with sufficient information to enable Coolblue to account for the plan as a defined benefit plan, the company accounts for its multi-employer defined benefit plan as if it were a defined contribution plan.

The coverage of the relevant pension fund in late 2020 is 111% (2019: 112%). The total number of Coolblue participants in this central pension union amounts to less than 1% of total participants. The pension premium to be paid in 2020 equals 22.5% of pensionable salary (maximized on € 57,232) less franchise. 5.7% of the pensionable salary is paid by the employees. As stated in the implementation agreements, Coolblue has no obligation to pay any additional contributions other than higher future premiums.

In the extraordinary event that the pension fund is unable to meet its obligations, participants will receive partial payments from the pension fund.

In 2020 an amount of € 12.1 million was paid as contribution to the defined contribution pension plans. The expected amount to be paid in 2021 is € 13.7 million.

The second plan is a top-hat plan, purchased at an insurance company. This plan is classified as a defined contribution plan, limiting the employer's legal obligation to the amount it agrees to contribute during the period of employment. As stated in the implementation agreements, Coolblue has no obligation to pay any additional contributions. Under this defined contribution plan, the obligations in respect of the defined contributions are recognized as an expense in the income statement when they fall due. The contribution is based on a percentage of pensionable salary exceeding the base plan, which is partly paid by employees.

For the employees of Coolblue N.V. and Aan Huis N.V. pensions are administered at RSZ 'Rijksdienst voor Sociale Zekerheid'. These pension fees are recognized as an expense in the income statement when they fall due.

11. Total depreciation, amortization and impairment

€ '000	2020	2019
Depreciation property, plant, and equipment	11,683	7,064
Depreciation right-of-use assets	16,744	14,530
Amortization	8,715	7,022
Total depreciation, amortization and impairment	37,142	28,616

In 2020, accelerated depreciation has been recognized for an amount of € 3,636,000 as a result of an adjustment of the useful lives of the assets.

12. Finance income and expenses

€ '000	2020	2019
Interest expenses lease liability	815	879
Interest expense	209	-
Total finance expense	1,024	879
Interest income	1,944	920
Total finance income	1,944	920

Interest income relates to interest on the receivable from shareholder € 1,917k (2019: € 912k) and interest received on bank accounts.

Interest expenses are related to the unwinding of lease liabilities and interest paid on bank debt.

Interest rate sensitivity

The interest rate risk is low since Coolblue only has long-term liabilities due to lease liabilities and the cash at banks is monitored daily to generate the best possible interest rates.

13. Income tax expense

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where Coolblue operates and generates taxable income. In the Netherlands in 2020, over the first tier of € 200k, 16.5% tax is calculated compared to 19% in 2019. After the first tier there are no changes in tax percentages.

In Belgium the applicable tax rate in 2020 was 25% compared to 29% in 2019.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss.

The major components of income tax expense for the years ended 31 December 2020 and 2019 are:

€ '000	2020	2019
Current income tax:		
Current income tax charge	15,695	4,204
Deferred tax:		
Relating to origination and reversal of temporary differences	1,145	383
Income tax recognized in the result	16,840	4,587

Reconciliation of tax expense and the accounting profit multiplied by Dutch domestic tax rate for 2019 and 2020:

€ '000	2020	2019
Accounting profit before income tax	77,911	19,748
At Dutch statutory income tax rate of 25%	19,478	4,937
Adjustments in respect of current income tax of previous years	(7)	-
Tax rate of 16,5% (2019: 19%) over the first € 200,000	(17)	(12)
Tax rate in Belgium 2020: 25% (2019: 29,58%)	-	93
Adjustment deferred tax liability due to higher/(lower) future tax rates	1,024	171
R&D tax incentives	(3,791)	(744)
<i>Non-deductible expenses for tax purposes</i>		
Other non-deductible expenses	153	142
Income tax recognized in the result	16,840	4,587
Effective income tax rate	21,6%	23,2%

Fiscal unity

Coolblue Holding B.V. is part of a fiscal unity with Mondhoekie B.V., Coolblue B.V., Coolblue Verwonderdiensten B.V., and Productreizen B.V. with regards to the corporate income tax. For indirect tax, Coolblue Holding B.V. is part of a fiscal unity with Mondhoekie B.V., Coolblue B.V., Coolblue Verwonderdiensten B.V., and Productreizen B.V. As a result, Coolblue Holding B.V. is jointly and severally liable for the tax liabilities of the fiscal unity.

14. Property, plant, and equipment

Property, plant, and equipment is stated at cost, net of accumulated depreciation, and accumulated impairment losses, if any. Such costs include the cost of replacing part of the plant and equipment if the recognition criteria are met. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Leasehold improvements 5 to 10 years
- Other equipment 5 years
- Leased out products 3 years

An item of property, plant, or equipment, including leased-out products, is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives, and methods of depreciation of property, plant, and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Borrowing costs directly attributable to the acquisition, construction, or production of an asset, including leased-out assets, that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Initial expenses directly attributable to a lease contract are capitalized and depreciated over the expected duration of the lease. Direct selling expenses are not capitalized.

Coolblue assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, Coolblue estimates the assets recoverable amount. On 31 December 2020, Coolblue noted no indications for impairment.

Specification of property, plant and equipment:

€ '000	Leasehold improve- ments	Other equipment	Leased out assets	Construc- tion in progress	Total
Cost or valuation					
At 1 January 2019	24,672	15,166	-	126	39,964
Additions	5,991	5,618	1,628	1,221	14,458
Disposals	(485)	(19)	(6)	-	(510)
Reclassification	(83)	126	-	(126)	(83)
At 31 December 2019	30,095	20,891	1,622	1,221	53,829
Additions	5,812	6,023	4,040	1,142	17,017
Disposals	(289)	(2,826)	(224)	-	(3,339)
Reclassifications	1,151	70	-	(1,221)	-
At 31 December 2020	36,769	24,158	5,438	1,142	67,507
Depreciation and impairment					
At 1 January 2019	(13,117)	(7,028)	-	-	(20,145)
Disposals	485	12	1	-	498
Depreciation charge for the year	(4,060)	(2,811)	(193)	-	(7,064)
At 31 December 2019	(16,692)	(9,827)	(192)	-	(26,711)
Disposals	94	2,765	30	-	2,889
Depreciation charge for the year	(4,986)	(5,705)	(992)	-	(11,683)
At 31 December 2020	(21,584)	(12,767)	(1,154)	-	(35,505)
Net book value					
At 31 December 2020	15,185	11,391	4,284	1,142	32,002
At 31 December 2019	13,403	11,064	1,430	1,221	27,118

In 2020, accelerated depreciation on property, plant, and equipment has been recognized for an amount of € 2,541,000 as a result of an adjustment of the useful lives of the assets.

Accounting policies - Coolblue as a lessor

Coolblue offers subscriptions to white goods that entitle customers to the use of the product for a minimum duration of one year. Additional services include free delivery, repair and replace service, and a moving service to a new home. After the first year, customers can cancel their subscription with a notice period of one month. These subscriptions are currently classified as operating leases as the risks and rewards incidental to ownership of the product are not substantially transferred to the customer.

Coolblue bears the risk for the repair and replacement of the leased-out products, as determined in the general terms and conditions. To cover this risk, customers are to pay a deposit, which will be settled if the breakdown of a product is due to improper use of the product by the customer.

Leases in which the Group does not substantially transfer all the risks and rewards incidental to ownership of an asset are currently classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Given that these lease contracts have an unconditional duration of 12 months, all expected lease payments to be received are due within 1 year after year end. The unconditional payments due in 2021 amount to € 907,120.

15. Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

€ '000	Property	Vehicles	Other equipment	Total
Carrying amount				
Implementation at 1-1-2019	65,573	6,587	3,085	75,245
Additions	5,628	2,803	695	9,126
Depreciation charge for the year	(9,730)	(3,684)	(1,116)	(14,530)
At 31 December 2019	61,471	5,706	2,664	69,841
Additions	13,576	2,164	1,432	17,172
Reassessment	1,194	527	-	1,720
Depreciation charge for the year	(11,518)	(3,932)	(1,294)	(16,744)
At 31 December 2020	64,723	4,464	2,802	71,989

In 2020, accelerated depreciation of € 705,000 on right-of-use assets has been recognized as a result of an adjustment of the useful lives of the assets.

Coolblue has lease contracts for various items of housing, plant, machinery, vehicles, and other equipment used in its operations. Leases of plant and machinery generally have lease terms between 5 and 18 years, while motor vehicles and other equipment generally have lease terms between 2 and 5 years. Coolblue's obligations under its leases are secured by the lessor's title to the leased assets. Generally, Coolblue is restricted from assigning and subleasing the leased assets and some contracts require Coolblue to maintain certain financial ratios. Coolblue also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. Coolblue applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Rental lease commitments mature in 2039 at latest.

Coolblue as a lessee

IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset).

Lessees are required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Short-term leases and leases of low-value assets

Coolblue applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value (under € 5k). Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Right-of-use assets

Coolblue recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Property 2 to 18 years
- Vehicles 1 to 4 years
- Other equipment 2 to 5 years

Coolblue assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, Coolblue estimates the asset's recoverable amount. On 31 December 2020, Coolblue noted no indications for impairment.

Lease liabilities

At the commencement date of the lease, Coolblue recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, Coolblue uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Coolblue's lease liabilities are included in Interest-bearing loans and borrowings.

16. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized. The related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either definite or indefinite.

Intangible assets with definite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a definite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with definite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset. Both are recognized in the statement of profit or loss when the asset is derecognized.

Software and domain names

Certain direct development costs, associated with website and internal-use software, are capitalized. These include external direct costs of services and payroll costs for employees devoting time to the software projects principally related to website development, ERP development, and decision support systems. Development costs are recognized as an intangible asset when the company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development.

This includes support systems, software coding, designing system interfaces, and installation and testing of the software. These costs are recorded as intangible fixed assets and are generally amortized over a period of 2 to 10 years, beginning when the asset is substantially ready for use. Costs incurred for enhancements that are expected to result in additional features or functionality are capitalized and amortized over the estimated useful life of the enhancements. Costs incurred during the preliminary project stage, as well as maintenance and training costs, are expensed as incurred. A summary of the policies applied to Coolblue's intangible assets is as follows:

	Purchased software	Domain names	Development costs software
Useful lives	Definite (5 years)	Definite (5 years)	Definite (2-10 years)
Amortization method used	Amortized on a straight-line basis over the estimated economic lifetime	Amortized on a straight-line basis over the period of the patent	Amortized on a straight-line basis over the period of expected future benefits from the related project
Internally generated or acquired	Acquired	Acquired	Internally generated

Coolblue assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, Coolblue estimates the asset's recoverable amount. On 31 December 2020, Coolblue noted no indications for impairment.

€ '000	Develop- ment costs software	Purchased software	Domain names	Software develop- ment in progress	Total
Cost or valuation					
At 1 January 2019	24,366	3,346	229	2,891	30,832
Additions - internally developed	8,740	-	-	927	9,667
Additions	-	790	-	237	1,027
Disposals	-	(90)	(229)	-	(319)
Reclassification	247	215	-	(462)	-
At 31 December 2019	33,353	4,261	-	3,593	41,207
Additions - internally developed	9,381	-	-	-	9,381
Additions	-	517	103	1,919	2,539
Disposals	-	(815)	-	-	(815)
Reclassification	1,496	922	-	(2,418)	-
At 31 December 2020	44,230	4,885	103	3,093	52,311
Amortization and impairment					
At 1 January 2019	(10,263)	(1,974)	(229)	-	(12,466)
Amortization	(6,488)	(534)	-	-	(7,022)
Impairment	-	-	-	-	-
Disposal	-	28	229	-	257
At 31 December 2019	(16,751)	(2,480)	-	-	(19,231)
Amortization	(7,653)	(1,059)	(3)	-	(8,715)
Disposals	-	815	-	-	815
At 31 December 2020	(24,404)	(2,724)	(3)	-	(27,131)
Net book value					
At 31 December 2020	19,826	2,161	100	3,093	25,181
At 31 December 2019	16,602	1,781	-	3,593	21,976

In 2020, accelerated amortization of € 390,000 on purchased software has been recognized, as a result of an adjustment of the useful lives of the assets.

17. Financial fixed assets

Financial assets

Coolblue's financial assets include trade receivables, other receivables, and prepayments and loans to employees presented as financial fixed assets and cash and cash equivalents.

Coolblue only has financial assets classified as debt instruments at amortized cost, as it gives rights to cash flows that are solely payments of principal and interests (SPPI) on the principal amount outstanding and the objective is to hold the financial assets in order to collect contractual cash flows. The financial assets are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss, when the rights to receive cash flows from the asset have expired.

Coolblue considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, Coolblue may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by Coolblue. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

€ '000	2020	2019
At 1 January	1,191	-
Loan to employees	176	1,182
Interest	28	9
Repayment	(340)	-
At 31 December	1,054	1,191

The effective interest rate on the loans receivables to employees is 2.4%-3.1% per year. Coolblue did not settle a pre-fixed redemption schedule with the employees. The maximum duration is 6 years. The collateral on these loans are (certificates from) shares.

18. Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The costs of goods for resale are calculated based on first-in-first-out purchase prices. In these prices, rebates on purchases and costs incurred in bringing each product to its present location and condition are included.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

€ '000	2020	2019
Trading stock	132,063	87,519
Provision obsolete stock	(1,763)	(1,426)
Total inventories at the lower of cost and net realizable value	130,300	86,093

In 2020, an amount of € 1,637 million (2019: € 1,257 million) of inventory value was included in the cost of sales. An amount of € 12,1 million (2019: € 14,6 million) of inventories has been written down during 2020.

19. Trade and other receivables

A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Trade receivables (including invoiced rebates and bonuses receivable from suppliers and manufacturers) are non-interest bearing and are generally on terms of 2 to 90 days. For more information about the receivables from shareholders, refer to note 27. Other receivables and prepayments mainly relate to accrued rebates and bonuses receivable from suppliers and manufacturers and generally on terms within 90 days.

€ '000	2020	2019
Trade receivables	28,960	27,574
Receivables from shareholder	112,275	51,777
Taxes and contributions	2,603	14,441
Other receivables and prepayments	42,777	38,540
Return assets arising from rights of return	2,835	1,817
Total trade and other receivables	189,450	134,149

Significant accounting judgements, estimates and assumptions & credit risk

Coolblue has no significant concentrations of credit risk. Credit risk is the risk that a counterparty does not meet its contractual obligations, leading to a financial loss. Coolblue is exposed to credit risk from its operating activities, primarily trade receivables and other receivables. The credit risk with respect to trade receivables is limited. Sales to consumers, except from sales of solar panels, are made after a prepayment via iDeal, major credit cards, PayPal, debit cards, or in cash. Business clients have the opportunity to buy on credit. The solvency of these business clients is based on credit checks. Individual credit limits are defined in accordance with this assessment. Outstanding receivables are regularly monitored. Export sales are covered by credit insurance.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of each class of the financial assets disclosed. Coolblue does not hold collateral as security. Coolblue evaluates the concentration of risk with respect to trade receivables from business clients as low, as these customers relate to different industries and operate in largely independent markets. Receivables that were past due, relate to a number of specific customers for whom there is no recent history of default. A trade receivable is definitely written off if the debtor has been declared bankrupt.

As a result, management believes there is no further credit risk provision required in excess of the normal individual and collective impairment, based on an aging analysis performed as of 31 December 2020.

The aging analysis of trade receivables is, as follows:

€ '000	2020		2019	
	Expected		Expected	
	Gross	Credit Loss	Gross	Credit Loss
Not past due	24,004	-	22,440	-
Past due 0-30 days	3,028	-	2,760	-
Past due 30-60 days	576	-	878	-
Past due more than 60 days	1,352	600	1,670	174
Total	28,960	600	27,748	174

As of 31 December 2020, the Expected Credit Loss of trade receivables amounts to € 600,000 (2019: € 174,000). For the movements in the Expected Credit Loss of receivables, please see the table below:

€ '000	2020	2019
At 1 January	174	633
Charge/(release) for the year	482	(353)
Used	(56)	(106)
At 31 December	600	174

20. Cash and cash equivalents

Cash in the statement of financial position comprises cash at banks and in hand, which are subject to an insignificant risk of changes in value. Cash is at the free disposal of Coolblue and is stated at amortized cost.

€ '000	2020	2019
Cash in hand	288	635
Cash at banks	230,677	133,974
Total cash and cash equivalents	230,965	134,609

Credit risk

The credit risk with respect to financial assets primarily relates to cash at banks. Cash balances are held with counterparties that have a credit risk rating of at least A-, as rated by an acknowledged rating agency. Moreover, to avoid significant concentration of exposure to particular financial institutions, Coolblue ensures that transactions and businesses are properly spread among different counterparties.

21. Issued capital and reserves

The authorized share capital consists of 19,603 ordinary shares of € 1 each (2019: 19,603 of € 1 each). All shares are issued and fully paid. Share capital and premium did not change in 2019 and 2020.

€ '000	Issued capital	Share premium	Legal reserve	Other reserves	Unappropriated result	Total equity
1 January 2020	20	1,838	18,960	23,972	15,161	59,951
Appropriation result of previous year	-	-	-	15,161	(15,161)	-
Transfer to legal reserve	-	-	2,823	(2,823)	-	-
Profit for the period	-	-	-	-	61,071	61,071
31 December 2020	20	1,838	21,783	36,310	61,071	121,022

€ '000	Issued capital	Share premium	Legal reserve	Other reserves	Unappropriated result	Total equity
1 January 2019	20	1,838	15,750	15,122	12,060	44,790
Appropriation result of previous year	-	-	-	12,060	(12,060)	-
Transfer to legal reserve	-	-	3,210	(3,210)	-	-
Profit for the period	-	-	-	-	15,161	15,161
31 December 2019	20	1,838	18,960	23,972	15,161	59,951

In 2019 and 2020 no dividend was paid. The legal reserve relates to capitalized development costs.

Appropriation of net result

The result for the year 2020 of € 61,071,000 is in accordance with the proposed profit appropriation treated as unappropriated profit in Coolblue's equity. The result for the year 2019 of € 15,161,000 is in accordance with the decision of the General Meeting distributed to other reserves.

22. Provisions

€ '000	2020	2019
Jubilee provision	198	83
Total provisions	198	83

Coolblue formalized a jubilee scheme for Coolblue employees. Employees receive a fixed cash amount after 5, 10, and 15 years of employment. This scheme is not funded.

€ '000	2020	2019
Defined Benefit Obligation as at 1 January	83	95
Current service costs	159	25
Interest expense	1	1
Costs recognized in income statement	160	26
(Gain)loss from change in assumptions	(2)	-
Benefits paid by the plan	(43)	(38)
Defined benefit obligation as at 31 December	198	83

The discount rate used is 0.70% (2019: 1.01%). The assumptions regarding mortality experience are based on actuarial advice and latest available published statistics, which was the AG Prognose table 2009–2014. Sensitivity calculations do not have a material impact on the financial statements.

Coolblue expects to pay € 54,000 for jubilee payments in 2021. The weighted average duration of the defined benefit obligation is 7.0 years (2019: 7.0 years). The unfunded plan is exposed to a limited number of risks. Future payments depend on life expectancy and turnover rate.

23. Lease liability

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

€ '000	2020	2019
At 1 January	72,682	76,937
Additions	20,284	9,126
Accretion of interest	815	879
Payments	(16,417)	(14,260)
At 31 December	77,364	72,682
<i>Non-current</i>	62,432	58,234
<i>Current</i>	14,932	14,448

The table below summarises the maturity profile of Coolblue's lease liabilities based on contractual undiscounted payments:

As at 31 December 2019

€ '000	Total	Less than 3	3 to 12	1 to 5 years	> 5 years
		months	months		
Property	67,503	2,519	7,524	46,952	10,508
Vehicles	5,768	970	2,459	2,339	-
Other Equipment	2,705	321	938	1,446	-
Total	75,976	3,810	10,921	50,737	10,508

As at 31 December 2020

€ '000	Total	Less than 3	3 to 12	1 to 5 years	> 5 years
		months	months		
Property	72,751	3,016	8,543	50,067	11,125
Vehicles	4,528	949	1,732	1,847	-
Other Equipment	2,343	231	651	1,462	-
Total	79,623	4,196	10,926	53,376	11,125

The details of the right-of-use assets are disclosed in note 15.

In 2020 an expense of € 1.2 million (2019: € 0.5 million) relating to short-term leases was recognized in the profit & loss. Coolblue has no low-value leases. Coolblue had total cash outflows for leases of € 17.6 million in 2020 (€14.8 million in 2019).

24. Deferred tax liabilities

Movement for the year ended 31 December 2020:

2020 € '000	1 January	Recognized	31 December
		in p&l	
Intangible fixed assets	3,405	1,613	5,018
Leases	(357)	(436)	(793)
Provision for jubilee benefits	(18)	(32)	(50)
Total	3,030	1,145	4,175
Current			953
Non-current			3,222

Movement for the year ended 31 December 2019:

2019 € '000	1 January	Recognized in p&l	31 December
Intangible fixed assets	2,667	738	3,405
Leases	-	(357)	(357)
Provision for jubilee benefits	(20)	2	(18)
Total	2,647	383	3,030
Current			331
Non-current			2,699

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and the carry forward of unused tax credits can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date. Afterward, it is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to balance current tax assets against current tax liabilities when the deferred taxes relate to the same taxable entity and the same taxation authority.

The deferred tax provision relates to the tax regime "depreciation at will" and capitalized development costs. The deferred tax provision related to capitalized development cost is recognized against the effective tax rate as it will be settled to. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

25. Trade and other payables

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Mondhoekie's financial liabilities include trade and other payables.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category applies to the current portion of the interest-bearing loans and borrowings included in the other current payables.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, canceled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

€ '000	2020	2019
Trade payables	373,014	254,391
Taxes and contributions	42,137	44,670
Accrual for holiday leave, holiday pay and net wage	14,025	9,244
Pension premiums	2,452	2,667
Other current payables	40,115	23,633
Refund liabilities arising from rights of return	6,439	4,627
Total trade and other payables	478,182	339,232

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30 to 90-day terms
- Other payables are non-interest bearing and are normally settled on 60-day to 6-month terms

An amount of € 6.1 million (2019: € 5.0 million) is included in the other current payables related to a performance obligation to customers to deliver products ordered and paid in 2020 and delivered in 2021. In addition, there is a contract liability related to giftcards for an amount of € 5.3 million (2019: € 2.1 million).

The fair value of the trade and other payables, excluding taxes and social securities payable, as at 31 December 2020 and 31 December 2019, is equal to the carrying amount. The trade and other payables are payable as follows:

As at 31 December 2020					
€ '000	Total	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
Trade and other payables excluding taxes and social securities	430,455	423,574	6,881	-	-
As at 31 December 2019					
€ '000	Total	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
Trade and other payables excluding taxes and social securities	291,391	286,498	4,893	-	-

26. Commitments and contingencies

Other commitments

The parent company settled a finance arrangement consisting of € 160 million with Rabobank. In return, Coolblue has given a pledge on its tangible fixed assets, trade receivables and cash. Coolblue Holding B.V., Coolblue B.V., Coolblue Verwonderdiensten B.V., and Coolblue N.V. act as guarantor for the external financing at the parent company. Coolblue agreed to a maximum ratio of four for net debt divided by normalized EBITDA. Per 31 December 2020 the net bank debt (Cash and cash equivalents -/- loans and borrowings) of the parent company is € 71 million negative (2019: € 26 million net debt). With an EBITDA of € 114 million, the ratio amounts to -/-0.6, which means that the ratios have been achieved. In the circumstance that Coolblue is unable to comply with the maximum net debt ratio as agreed, the granted finance arrangement is cancelable by Rabobank. Coolblue achieved all criteria of the bank covenants.

Coolblue has credit facilities at ING Bank. The first is for an amount of € 3 million for rental and permit purposes, of which € 2.7 million was used on 31 December 2020. The second facility is a revolving credit facility for an amount of € 9.0 million. On 31 December 2020 Coolblue had not used the revolving credit facility. In return for these credit facilities, Coolblue has given a pledge on its funds entrusted to ING bank including deposits and savings. Aan Huis N.V., Coolblue B.V., Coolblue Verwonderdiensten B.V., Coolblue N.V., and Mondhoekie B.V. act as guarantor for these credit facilities.

Coolblue entered into commitments for purchasing goods from suppliers amounting to € 9.9 million (2019: € 8.1 million).

At 31 December 2020, Coolblue had commitments of € 7.9 million (2019: € 1.2 million) relating to investments in tangible fixed assets.

Coolblue is subject to a limited number of claims and investigations. Although the outcome of these disputes and investigations cannot be predicted with any certainty, it is expected that these will not have any significant impact on Coolblue's financial position. No provisions were made as these were not deemed necessary.

27. Related party disclosures

Related parties

Note 2.2 provides information about Coolblue's group structure, including details of the subsidiaries and the holding company. In 2019 and 2020, Coolblue entered into transactions with its subsidiaries in the course of its business. These transactions related to trading and services are eliminated in the consolidated financial statements.

The following table provides the total amount of transactions that have been entered into with the shareholder for the relevant financial year. The transactions are related to interest for an amount of € 1.9 million and cash balancing and financing transactions for an amount of € 38.4 million. Since Coolblue has no shares in affiliated companies, there are no transactions with other unconsolidated related parties.

€ '000	Transactions during the year		Outstanding balance per year end	
	2020	2019	2020	2019
Related parties				
Mondhoekie B.V.	40,288	9,282	112,275	51,777
	40,288	9,282	112,275	51,777

Compensation of board of directors

Key management personnel are those persons who have authority and responsibility for planning, directing, and controlling the activities of Coolblue directly or indirectly. This includes any directors, whether executive or otherwise, of the entity. Coolblue considers the statutory directors to be key management personnel as defined in IAS 24 - Related parties.

Compensation of board of directors

€ '000	2020	2019
Short term employee benefits	470	494
Post employment benefits	10	12
Other benefits	5	8
	485	514

28. Events after the reporting period

No subsequent events which have an important influence on the financial situation and/or the profitability of Coolblue have occurred following the end of the financial year.

After balance sheet date, Coolblue signed a share purchase agreement for the acquisition of 100% of the shares in ServiceHouse B.V. The acquisition is likely to be completed in the first half year of 2021. With this acquisition, Coolblue is able to provide (work towards) an integrated solution with respect to energy, solar and charging stations. The additional required information according to IFRS 3 is impracticable.

After balance sheet date, Coolblue introduced a new employee participation plan for all employees with an employment duration of one year or longer. The total costs of the 352,785 depositary receipts in shares amounts to € 2.6 million, consisting of fair value and related taxes.

Company Financial Statements

Company income statement

For the year ended 31 December 2020

€ '000	Notes	2020	2019
Continuing operations			
Result on subsidiaries	30	61,083	15,165
Other operating income and expenses after tax		(12)	(4)
Profit for the year after tax		61,071	15,161

Note 29 to 34 are an integral part of these company financial statements.

Company statement of financial position

As at 31 December 2020 (before appropriation of result)

€ '000	Notes	2020	2019
		31 December	31 December
Assets			
<i>Non-current assets</i>			
Financial fixed assets	30	121,465	60,382
<i>Current assets</i>			
Trade and other receivables	31	74	9,185
Receivable from related parties		4	5
Cash and short-term deposits		78	9,192
Total assets		121,543	69,574
Equity and liabilities			
<i>Equity</i>			
Issued capital		20	20
Share premium		1,838	1,838
Legal reserve		21,783	18,960
Other reserves		36,310	23,972
Unappropriated result		61,071	15,161
	32	121,022	59,951
<i>Current liabilities</i>			
Payable to related parties	33	521	9,623
Total equity and liabilities		121,543	69,574

Note 29 to 34 are an integral part of these company financial statements.

Notes to the company financial statements

29. Significant accounting policies

Basis of preparation

The company financial statements have been prepared in accordance with Title 9 of Book 2 of the Dutch Civil Code.

Based on Article 2:362-8 of the Dutch Civil Code, the valuation principles applied are based on International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), applied in preparation of the consolidated financial statements of Coolblue. Companies are allowed to apply IFRS valuation principles in their financial statements, prepared under Title 9 of Book 2 of the Dutch Civil Code.

Subsidiaries, associates, and joint ventures are accounted for at net assets value, determined on the base of IFRS, as applied in the Consolidated Financial Statements. Please refer to the Notes to the Consolidated Financial Statements, paragraph 2.2.

In accordance with Article 2:402 of Part 9, of the Dutch Civil Code, Coolblue profit and loss account is presented in abbreviated form.

30. Financial fixed assets

€ '000

	2020	2019
<i>Movement subsidiaries</i>		
Subsidiaries as at 1 January	60,382	45,217
Result for the year	61,083	15,165
Subsidiaries as at 31 December	121,465	60,382

31. Receivable from related parties

The receivables from related parties concern current receivables without scheduled repayment obligation. The interest rate amounts to Euribor plus 1.2%.

32. Equity

€ '000	Issued capital	Share premium	Legal reserve	Other reserves	Unappropriated result	Total equity
1 January 2020	20	1,838	18,960	23,972	15,161	59,951
Appropriation result of previous year	-	-	-	15,161	(15,161)	-
Transfer to legal reserve	-	-	2,823	(2,823)	-	-
Profit for the period	-	-	-	-	61,071	61,017
31 December 2020	20	1,838	21,783	36,310	61,071	121,022

€ '000	Issued capital	Share premium	Legal reserve	Other reserves	Unappropriated result	Total equity
1 January 2019	20	1,838	15,750	15,122	12,060	44,790
Appropriation result of previous year	-	-	-	12,060	(12,060)	-
Transfer to legal reserve	-	-	3,210	(3,210)	-	-
Profit for the period	-	-	-	-	15,161	15,161
31 December 2019	20	1,838	18,960	23,972	15,161	59,951

According to Article 18 the general meeting shall determine the allocation of accrued profits.

33. Payable to related parties

The payables to related parties concern current liabilities without scheduled repayment obligation. The interest rate amounts to Euribor plus 1.2%.

34. Board remuneration

Compensation of statutory directors

€ '000	2020	2019
Total compensation	485	514

Board of Directors

Rotterdam, the Netherlands

1 March 2021

Pieter Zwart
CEO

Daphne Smit
CFO

Other information

Appropriation of net result according to the Articles of Association

Article 18

1. The general meeting shall determine the allocation of accrued profits.
2. Distributions may be made only insofar as Coolblue's equity exceeds the amount of the paid-in and called-up part of the issued capital, increased by the reserves which must be kept by virtue of the law. Dividends shall be paid after adoption of the annual accounts from which it appears that payment of dividends is permissible.

Independent auditor's report

To: the shareholders and supervisory board of Coolblue Holding B.V.

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of Coolblue Holding B.V., based in Rotterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Coolblue Holding B.V. as at 31 December 2020, and of its result and its cash flows for 2020 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 accompanying company financial statements give a true and fair view of the financial position of Coolblue Holding B.V. as at 31 December 2020, and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2020
- The following statements for 2020: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

The company financial statements comprise:

- The company statement of financial position as at 31 December 2020
- The company income statement for 2020
- 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 Coolblue Holding B.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.

Report on 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 board report
- Statement supervisory board
- 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 other information, including 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.

Description of responsibilities for the financial statements

Responsibilities of management and the supervisory board 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.

The supervisory board is responsible for overseeing the company's financial reporting process.

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 judgment and have maintained professional skepticism 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
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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

Rotterdam, 1 March 2021

Ernst & Young Accountants LLP

Signed by I.H.G. Hengefeld