

A large orange circle is positioned in the top right corner of the page, partially overlapping the blue background. The text 'cool blue' is written in white, lowercase, sans-serif font inside this circle.

cool
blue

YEARBOOK 2016.
Inside information.



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The yearbook of Coolblue Holding B.V. contains the management board report (pages 5 to 94) and the numbers game (financial statements, other information, and 5 years of Coolblue).



PIETER.
Beginbaas.

Hello.

I'm proud to present you with Coolblue's first yearbook ever: Yearbook 2016.

Chances are that our annual report might be a bit different from what you're used to, but in a good way. Something we like to call unconventional. It isn't just about results like profit and our level of customer satisfaction. It also tells you how we achieved these results, together.

The Yearbook shows you what being friends is all about at Coolblue. And what we've built, fixed, or improved in 2016. Like CoolblueBezorgt, our very own delivery service. And our new partner HAL Investments, whom we were glad to welcome aboard.

Last but not least, we'll give you a sneak peek at what's planned for 2017.

I hope this book succeeds to amaze you too. Because if we manage to make you crack a smile, that's 1 goal down.

With a smile,

Pieter

Founder

COOLBLUE AT A GLANCE. Leveling up the company.

Coolblue loves data. Because if we can't measure it, we can't improve it. That's why 47 Business Intelligence Specialists analyze every piece of data we collect. From the total number of Jeroens that work at Coolblue to the number of people that visit our website.

2015.



63

NPS (end of year)

555M

Total revenue



1,614

Coolbluwers (22 Jeroens)

377M

Revenue NL



127

IT Developers

178M

Revenue BE



24

Nationalities

8,3M

Adjusted EBITDA



57

Meeting rooms

3,1M

Net Profit



7

Stores

118M

Visits

2016.



67

NPS (end of year)

857M

Total revenue



2,676

Coolbluwers (29 Jeroens)

615M

Revenue NL



177

IT Developers

242M

Revenue BE



29

Nationalities

19,3M

Adjusted EBITDA



96

Meeting rooms

8,9M

Net Profit



8

Stores

149M

Visits

THE COOLBLUE STORY. Fact not fiction.

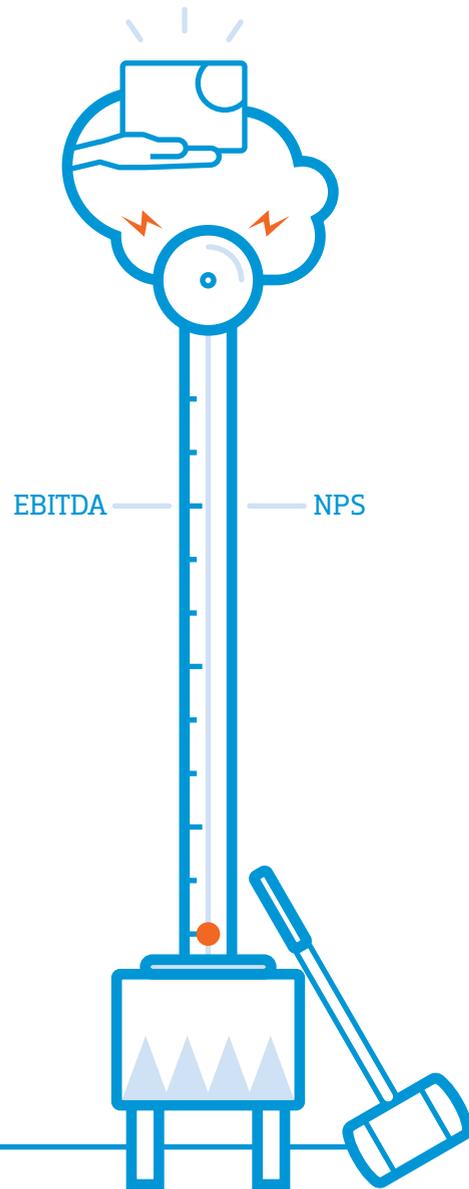
Coolblue. What once started out as a student company is now, 17 years later, one of the fastest-growing retailers in the Benelux region. We provide expert advice and have an obsessive focus on customer satisfaction. Together with nearly 2,700 Coolbluers we work our butts off to amaze all of our customers. Since 1999, we've done this by concentrating on 2 goals: making customers happy and earning money.

Goals

Since we first wrote them down in 1999, these 2 goals haven't changed. Our success is driven by the equality between them: one doesn't dominate the other. This causes friction. Every day, in every meeting, and in every project.

This might seem contradictory in the short run, but our goals elevate each other in the long run. Satisfied customers keep coming back, and they bring new ones with them.

We don't just know this, we also measure it. We love data. Only by measuring everything you can become a little bit better every day. Like measuring our customers' willingness to recommend us to others. We do this via Net Promoter Score (NPS). Our financial results are expressed in Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).



STRATEGY.

All part of the plan.

Every product type has its own unique customer journey in which the needs of the customer take center stage. Which makes sense, because the search for a new washing machine or smartphone are two different adventures. This allows us to optimize the NPS and EBITDA for each separate customer journey.

Advisory content

Good advice is relevant for every purchase, but the definition of good advice differs per product type. A picture of the inside of a washing machine isn't that interesting, while one of a fridge might be the deciding factor. We feel that our elaborate product content makes up an important part of our distinctiveness.

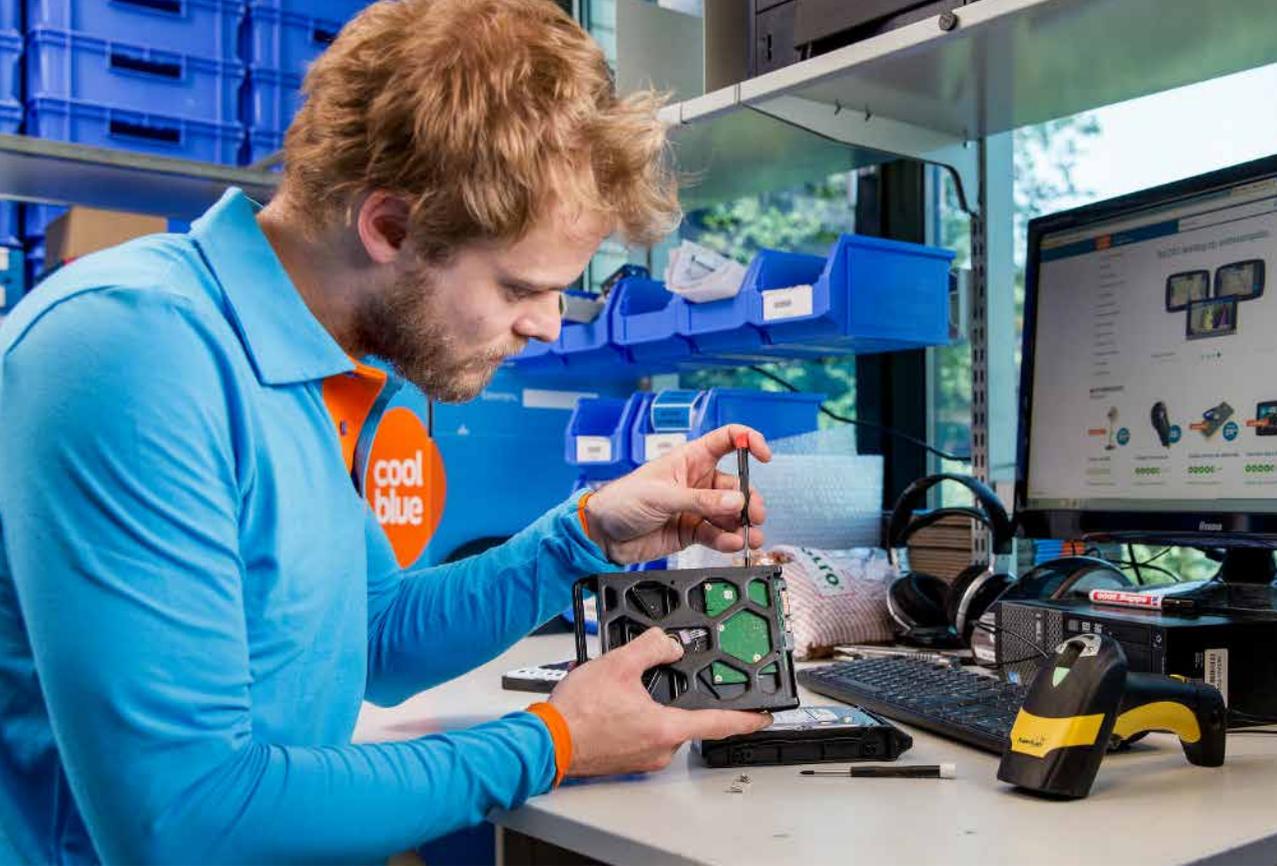
And that's only the beginning. Not all customers are the same, which is why we employ *Coolblue's Keuze* to actively offer advice based on various user situations. Based on our knowledge of the customers' needs we also order Built to Order (BTO) products at our suppliers. Many of our laptops, for example, are custom-made according to the preferences of our customers. As such, these products are only available at Coolblue.



Physical stores

Stores inspire confidence. Whenever we open up a store, we notice that online sales increase in the surrounding area. We call this *the brick-through-the-window-effect*: in case you aren't satisfied with us, you know where to throw your brick. These stores are beneficial to both the visibility of Coolblue and our suppliers, who can rent a shop-in-shop in them.

Physical stores also enable our customers to receive face-to-face advice from someone who's an expert at his craft. Not to mention the opportunity to smell, touch, and taste our products. This isn't of immediate importance for an HDMI cable, but when you're buying a TV you'd like to see the actual size and image quality. And our service doesn't stop there. Customers can always ask us for user advice or repairs.



After-sales support

We don't only offer after-sales support in our physical stores, but online as well. Via advisory pages and additional tips and tricks after purchase, for example. Because customers that are satisfied about their purchase, and are using their products correctly, show a higher level of customer satisfaction. Our support also helps to reduce the amount of customer contact and product returns.

Now and again, customers might still not be satisfied with their purchase—but that's only normal. When this happens, the product can be returned free of charge. No questions asked.



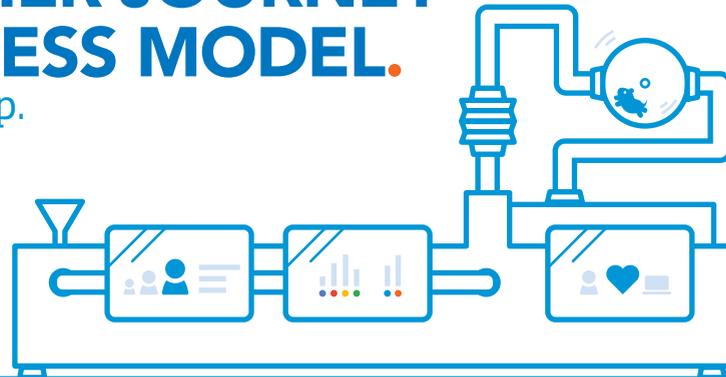
The importance of delivery options

For some of our product types, delivery is an essential part of the customer journey. You simply can't bring home a washing machine on your bicycle. But if you really want to impress the customer, you'll have to do more than just deliver the product. To go the extra mile, we believe you have to take control of the entire customer journey yourself.

That's why we keep our own stock. If we don't, we can't make good on our 'ordered today, delivered tomorrow' promise. Likewise, we take care of major appliance deliveries via our own delivery service: *CoolblueBezorgt*. Only then you're able to provide service beyond the front door, which includes guaranteed 1 hour delivery time slots, washer installations, reversing fridge doors, and the removal of old appliances.

CUSTOMER JOURNEY & BUSINESS MODEL.

Let's go on a trip.

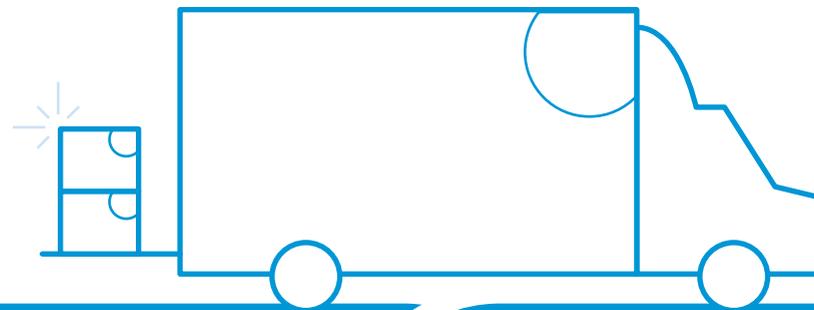


The best choice for you

- Filter & Search possibilities >
- Advisory content & product data >
- Assortment & Accessories >

Offline meets online

- Mobile strategy >
- Optimal landing pages online >
- 8 stores/showrooms >



Anything for a smile

- < Happy Customer <
- < Free returns through stores and carriers <
- < Post sales content

How we deliver

- < CoolblueBezorgt for appliance deliveries <
- < Free next day delivery or same day delivery <
- < External carriers for regular deliveries

Payments & Ordering



Inventory holding warehouses in Tilburg & Capelle



4 around-the-corner-depots for appliances

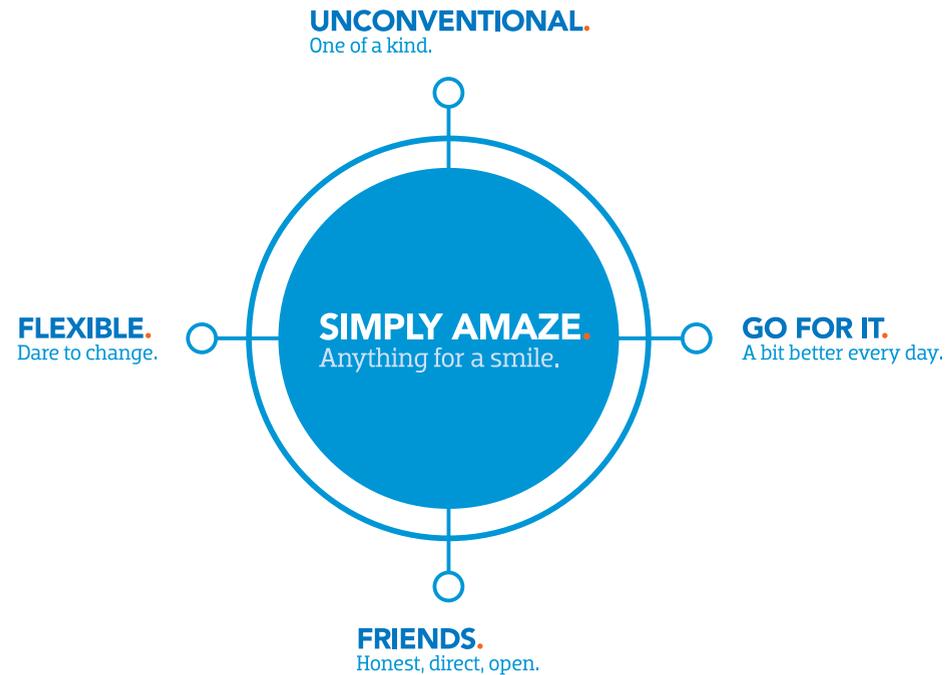


From order to product

MANIFESTO.

Family values.

It's important that every colleague understands the company culture and represents what we're all about. Our secret? 4 simple values: Unconventional, Friends, Flexible, and Go for it.



These key values help describe who we are. And who we'd like to become. Through everything we do, we get a little closer to that image. This can be something big, like a new functionality that'll blow your mind. Or something small, like the perfect e-mail. We don't just want customers to be happy; we want them to be over the moon.

Simply amaze

Simply amaze is a phrase that seems to contradict itself. But that's exactly what makes it Coolblue. We're both unconventional and down-to-earth.

To amaze means to exceed expectations. To do things differently, to go the extra mile. By providing personal and expert advice. Or by sending a friendly postcard. As long as it makes our customers crack a smile.

Amazement should come simply. Receiving your order in a timely fashion should be a given, right? That's why we amaze through simple, yet meaningful gestures. By answering questions through WhatsApp, for example. But most importantly, we amaze others while staying true to ourselves.

Unconventional

Coolbluers are unconventional, which shows in the little things. Like unannounced Nerf gun battles at the office or a spontaneous ski trip, organized by your colleagues. It's this unconventionality that unites us.

Often, we're either completely in favor of something or against it. This isn't black-and-white thinking, this indicates passion. There's always a valid argument. Because we do know what we're talking about. And when we don't, we put in the work and become experts.



Friends

There are few companies where so many people are both colleagues and friends. This is our strength. Not just because 2 heads are better than 1, but because you always want what's best for your friends. Plus, it's simply more fun.

This philosophy gets noticed. With customers, whom we also treat as friends. And with suppliers, who regard us as long-time partners. We're always honest and direct, in good times and bad. We're open to feedback, and we never go back on a promise.

Flexible

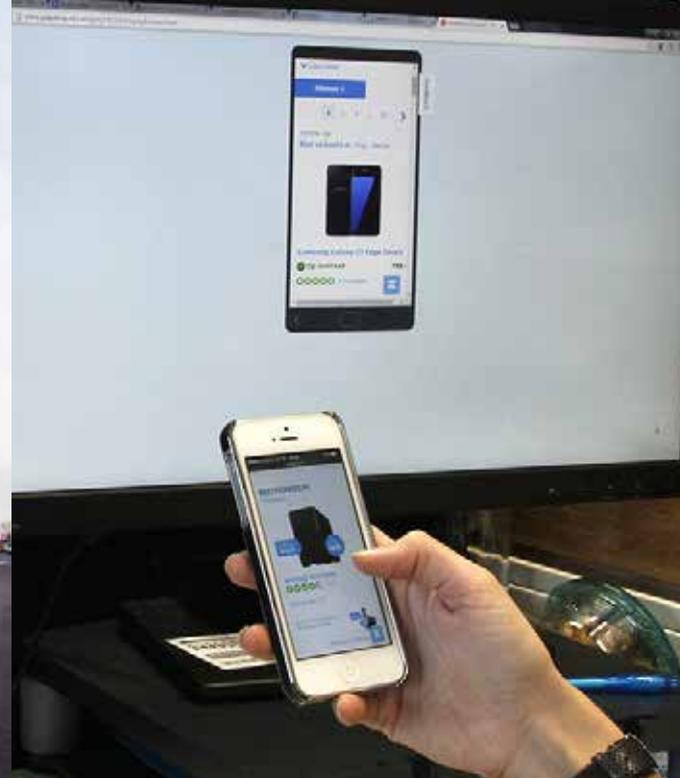
Coolblue is continuously changing. Sometimes because we can, and sometimes because we have to. We are one of the fastest-growing companies in the Benelux region in one of the most dynamic markets, and this demands a lot from our employees, business partners, systems, and logistics.

Go for it

Don't overthink it, just do it. Actions speak louder than words. We've got plenty of sayings for it. But over here, this no-nonsense entrepreneurial attitude translates into: go for it. An idea is worthless if you don't act on it. There's no point in waiting until you've perfected it. Because in our field, you'll only fall behind. Coolblue has made it this far by becoming a little bit better every day. Step by step, detail after detail. Go for it.

A YEAR IN REVIEW. Cutting a long story short.

From the smallest award to the biggest new feature that we introduced, we're proud of everything we achieved in 2016. For those who're only interested in results, we've included lots of interesting statistics. Like EBITDA, investments, and balance sheets.



January

New Year's resolutions

Pieter kicked off the new year by publicly announcing Coolblue's New Year's resolutions:

- Opening a new physical store;
- and hiring a 1,000 new colleagues.

February

CoolblueBezorgt

On February 2nd, we officially launched our own delivery service for major household appliances: *CoolblueBezorgt*. We started directly selling *Second Chance* products via our webshops and launched *Coolblue's Keuze* in the same month.

March

HAL Investments

On the last day of March, we officially announced the arrival of Coolblue's 4th shareholder: HAL Investments. A major step in the development of Coolblue. As we continue to grow, our friends at HAL will be there to advise and support us.

Mobile week

We organized a *Mobile Week* to gather feedback on our mobile website. For the course of a week, everyone at the office was only able to use the mobile version.

April

Coolblue Mini Warehouse

What do you do when you're expanding so rapidly that your warehouses just aren't big enough? Easy: you add 8,000 mini-warehouses using the homes of your customers. And, let's be honest, most people's houses are already a Mini Warehouse as it is. April Fools! More than 3,100 people signed up. Including our Founder, Pieter.



May

CoolblueBezorgt depot

In order to better service our customers in the provinces of Utrecht, Flevoland, and Gelderland, we opened up our first *CoolblueBezorgt* depot. We built the first one in Utrecht. Afterward, we opened up 3 additional depots in the Netherlands.

June

In-house Day

On June 9, we organized our first In-house Day to attract new commercial talent. We invited 50 (almost) Graduates and showed them what Coolblue is all about.

Best social awards

During the Best Social Media Awards, we took home the award for best follow-up, best video, and best webcare. We brought our biggest fan (literally) to go onstage and accept the rewards.

July

Pokémon video

Just like the rest of the world, we were busy playing Pokémon Go at the office. We even decided to make a little video about it. In the end, the video was viewed more than 2.9 million times. At the same time, we sold about 6 times as many power banks. Gotta catch 'em all.

August

Brainstorm

We asked our customers to help design new meeting rooms via a live-streamed brainstorm on Facebook. If there's one thing we learned, it's that our customers definitely don't lack imagination. They came up with themes like the Bouncy Castle, Cheese Chamber, and Escape Room.



September

Status update

As we were readying ourselves for the busiest time of the year, it was time for CEO Pieter's annual status update. We gathered at congress hall De Doelen, where Pieter told us all about Coolblue's goals for 2017.



October

Jingle all the way

The holiday season is a really busy period for us. But all work and no play makes Coolblue a dull boy. So why not celebrate Christmas in October? We hosted Christmas breakfasts and brunches at every Coolblue office, store, and warehouse. Complete with a festive dress code and (non-alcoholic) Glühwein.

Zaventem

We felt that only 2 stores for the entire province of Flanders was a bit on the low side, so we opened up a third store in Zaventem.

Tilburg warehouse

Everything's bigger in Tilburg. Or at least our warehouse is. We expanded our warehouse from 22,000 m² to 55,000 m², and there's still plenty of room for growth.



November

Christmas stress test

Christmas is the most wonderful time of the year. It's also the busiest. To make sure that we could handle all of the orders during the December peak, we planned a Christmas stress test at the warehouse. We gathered up an hour's worth of orders and processed them as fast as we could, just to see how long it would take us.

Supervisory Board

In November, we officially installed a Supervisory Board consisting of experienced entrepreneurs and executives. Together, they help us run Coolblue to the best of our abilities.



December

'Tis the season to be jolly

It was a good thing that we conducted a Christmas stress test because both the Sint and Santa provided us with plenty of orders. During our busiest day, we managed to process 1 package per second. Moreover, we reached a record revenue of over € 100 million per month.

Light it up

There was plenty of reason to be jolly and we wanted to share our happiness with everyone in Rotterdam. So we lit up Rotterdam Central Station with a 15 meters tall Christmas tree.

PERFORMANCE.

One step at a time.

2016 was an amazing year for Coolblue: we achieved record NPS, revenue, and profitability. This success can be attributed to a bunch of different things, all of which are explained below.

Increased brand awareness

To improve our brand awareness, we invested in online marketing, broadcast advertising, out-of-home media, and more. Accordingly, our marketing spend increased to € 38.5 million (2015: € 26.6 million). In return, these investments have made it easier for customers to find us and improved our conversion rate. Although we're happy with these results, there's still room for improvement.

Extended delivery options

Our delivery options have been greatly improved. We extended our evening delivery times to all working days and lowered the price of our same-day delivery service, *VandaagNog®*, from € 17.95 to € 9.95. Plus, we started our own 2-man delivery service for major appliances: *CoolblueBezorgt*. And with an NPS of 74, we can safely say that our customers are really happy about this. Currently, we have 4 depots, 87 trucks, and 250 delivery employees. Plus, we expect to increase our number of deliveries and available time-slots in the near future. And we wouldn't be Coolblue if we weren't considering applying this same strategy to other major product groups as well.

Improved advisory content

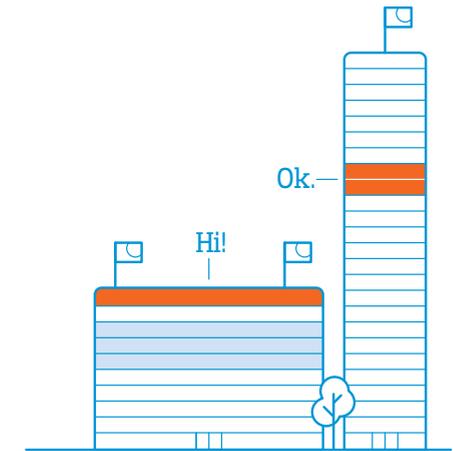
We're constantly improving our advisory content to help the customer to make the right choice. A good example of this is the *Coolblue's Keuze* label, via which we actively recommend products that have a high NPS and a low return rate. And for those who are simply looking for expert advice,

we've created lots of helpful advice pages.

Expansion of our headquarters

Our office space has been expanded with 3 additional floors, including 485 new workstations and 29 extra meeting rooms.

Because Customer Service is our most important department, we gave them the best seats in the house. They now reside in the Millennium Tower, with a spectacular view of the city.



Expansion of our warehouse

To facilitate our growth in major appliances, we've expanded our Tilburg warehouse from 22,000 m² to 55,000 m². And we're going to add an additional 33,000 m² by Q4 2017.

New store in Belgium

A new store has been opened in Zaventem. Whenever we open a new location we observe an uplift in online sales. More importantly, physical stores allow our customers to touch and feel our products, helping them to make a well-informed decision. Via our stores, we're better able to provide personal advice and aftercare for those customers who prefer face-to-face contact. Because of this, we expect to open additional stores in the future.

Continuous software improvements

The majority of our 29 software development teams are constantly applying small improvements to our website and business processes, like upgraded customer accounts and automatic return requests. But these teams are also working on major projects such as an automated pricing

system, a custom inventory tracker, and a financial transaction manager. Together, these tools improve our efficiency and enhance the customer journey. In total, we capitalized € 6.9 million of internally developed software in intangible assets (2015: € 4.7 million).

New shareholders

Coolblue's shareholders have sold 20% of their shares to HAL Investments. We believe that HAL's long-term investment strategy and ability to develop innovative strategic, financial, and operational solutions will allow us to keep growing the company.

Improved NPS

By the end of 2016, our most important benchmark for customer satisfaction, NPS, had increased to 67 (2015: NPS 63). And we think we can go even higher in 2017.

Improved EBITDA

Our EBITDA and Adjusted EBITDA increased to € 17.4 million (2015: € 8.2 million) and € 19.3 million (2015: € 8.3 million), respectively. The Adjusted EBITDA excludes an exceptional item in the form of a financial reward for all our employees, to celebrate our newfound friendship with HAL Investments.

Improved net profit

Our revenue increased to € 857.2 million (2015: € 554.7 million). Also, we achieved a gross profit margin of 11.4% (2015: 10.9%) by improving our purchasing conditions, assortment, and pricing. We did see a 62.7% increase in our total salary costs, although it's only 55.1% if we exclude *CoolblueBezorgt*.

In the end, we increased our net profit from € 3.1 million to € 8.9 million. Rapid growth is inherently inefficient but, thanks to economies of scale, we expect that our profitability will substantially increase in the long-term.

Improved working capital

We effectively finance our growth by maintaining a negative working capital, which was minus € 54.8 million at the end of 2016 (2015: minus € 44.6 million). This means that we're able to sell most of our products before settling the vendor payments.

Improved statement of financial position

In total, we invested € 8.7 million in tangible assets – everything you can physically touch – (2015: € 5.0 million) and € 7.5 million in intangible fixed assets – like software – (2015: € 5.3 million). Due to increased inventory levels, trade payables, and investments, we generated a higher balance sheet total. Consequently, our solvability balanced out at 9.8% (2015: 9.1%) with a current ratio of 1.0 (2015: 1.0). We did not pay out any dividends, but strengthened our equity position.





COOLBLUEBEZORGT.

Toot toot.

In order to become best in class when it comes to major appliances, we decided to start our own delivery service. Why? Because we're convinced that delivery is one of the most important parts of the customer journey.

Practice makes perfect

Before we go all-in, we like to start out small and test the waters first. That's why we rented a delivery truck and drove it to Tilburg. There, we picked up a washing machine and delivered it directly to the customer. Just like a real delivery. And it worked: the customer was happy and so were we.

After a few months of testing, our Coolblue delivery trucks officially hit the road in February 2016. True to our nature, we took care of everything ourselves. By the end of the year, we managed to make 80,000 deliveries. More importantly, we were able to increase our NPS for appliance delivery from 50 to 74—an increase of 48%.

Service that goes above and beyond

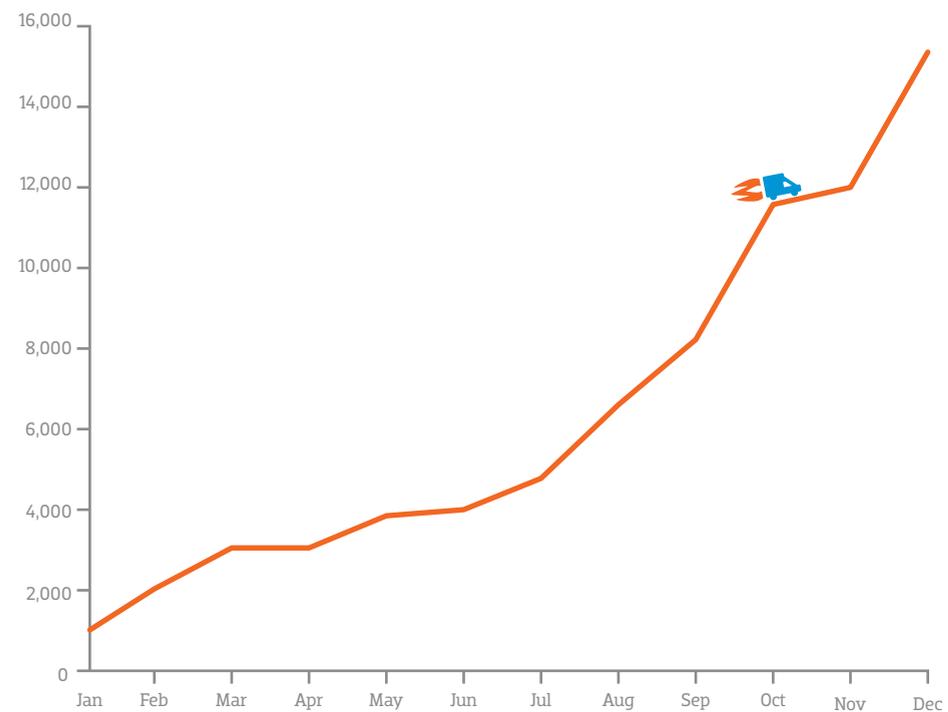
All our delivery colleagues are true Coolbluers. People you can trust. People that'll carry your washing machine upstairs and install it for you, and get rid of the old washer while they're at it. On top of that, we offer a we-always-show-up guarantee. Even if we have to ring the doorbell 6 times and shout through your mailbox. Because that's what friends are for.

It's all about size

By December 2016 we had 250 Coolbluers driving 87 Coolblue delivery trucks, bringing smiles to more than 3,000 customers per week. Moreover, we opened up extra depots in Utrecht, Rotterdam, Amsterdam, and Groningen.

Throughout 2017, we want to increase our NPS to 80 and amaze even more customers. Via evening deliveries, for example. And we plan to do the same in Belgium.

Customer stops per month





COOLBLUE TECH.

Geek speak.

In order to run an exemplary company in the area of customer centricity, while also making a profit, we need some amazing software. The kind of software that runs our website, that helps us make smart decisions, and that makes it easier for customers to find the right product. And for the most part, we build this software ourselves. That's why we currently employ 177 developers, spread across 29 development teams.

Tech development at Coolblue

All our development teams work with Scrum. This means that every 2 weeks, they deliver a small piece of software and present it in a demo. This Agile way of working recognizes that, during product development, the end user can change his mind about what he wants and needs. By maximizing our ability to deliver quickly, we can respond to changes in the market and the evolving requirements of the end user.

Domain strategy

We reorganized all the departments that relate to the customer journey into a Domain-based structure. Each Domain manages a different part of the journey and is responsible for Research & Development and Coolblue's objectives (NPS and EBITDA). On top of that, we added Knowledge Centers to improve the quality, consistency, and tooling across all Domains.



A labor of love

Through our Agile way of working, we implemented lots of small improvements. It also led to the birth of 3 innovative software applications. We named them Vanessa DuPrix, Vanessa Purchandez, and Vanessa Moneyppenny. Together, these programs are responsible for pricing optimization, restocking and reordering, and improving the efficiency of our financial operations.

- **Vanessa DuPrix:** With the help of DuPrix, we can automatically update the prices in real-time for all our products. This allows us to provide our customers with the best available prices for all our products during any time of day.
- **Vanessa Purchandez:** Purchandez keeps track of prices, available quantities, status updates, deliveries, invoices, and canceled order lines. Thanks to her, we can easily place orders to our vendors and ensure the availability of our products.
- **Vanessa Moneyppenny:** Thanks to Moneyppenny, we can provide our customers with the best available discounts and promotions. She keeps track of special agreements with suppliers, rebates, sale bonuses, and more.



THE ONLINE MARKET.

All the right moves.

Changing consumer behavior

In today's market, there's a general shift from offline to online shopping. In 2016, Dutch consumers spent € 20.16 billion online; 23% more than they did in 2015.¹ And over the next 5 years, we expect the Belgian market to grow to similar levels. At the same time, multiple offline competitors are leaving the market. Not only does this contribute to online shopping penetration rate, it also makes Coolblue increasingly relevant to suppliers as an omnichannel retailer.

Mobile shopping

At the same time, there's a shift taking place from desktop to mobile-based shopping. The share of mobile traffic to our website has almost doubled in only 2 years. As a result, 35% of all website visits at Coolblue now involve a mobile device. In 2016, we invested in the optimization of our mobile website. For example, we developed an experimental app in order to improve our knowledge of app development. In the future, we plan to use this expertise to amaze our customers with new features and innovations.

¹"Online bestedingen passeren de grens van € 20 miljard in 2016." Nederlandse Thuiswinkel Organisatie, 3 March 2017, <https://www.thuiswinkel.org/nieuws/3348/online-bestedingen-passeren-de-grens-van-20-miljard-in-2016>

LOOKING AHEAD.

Forward thinking.

2017 is going to be a great year. It's true. We aim to further increase our NPS and (Adjusted) EBITDA, while generating more than € 1 billion in revenue.

Things to come

Coolblue is well positioned in the market. This allows us to optimally profit from a consumer behavior that's shifting from offline to online. By improving our content and marketing strategy, we expect to realize additional traffic to our website.

Our single domain strategy is also going to help us to increase the number of visitors. 17 years ago, having multiple domain names worked wonders for our online findability. But by now, the Coolblue brand has generated plenty of awareness. This makes the shift to a single domain the next logical step. At the same time, this strategy will make it much easier for our customers to navigate the website.

We're going to add lots of minor improvements to our customer journey, as well as major ones. And our roadmap definitely includes a 33,000 m² expansion of our warehouse in Tilburg in order to facilitate further growth. We're also opening up a new store in The Hague. Not only is this store going to be really big, it's also going to be really fun.

To better focus on the customer journey, we sometimes also have to stop doing certain things. Due to new Dutch telecom regulations, we no longer feel that we can provide the added value that customers have come to expect of us. As such, you'll no longer be able to purchase mobile subscriptions. But don't worry, we'll still sell smartphones.

The above-named developments are going to contribute to a higher customer satisfaction rate and EBITDA, and will be reflected in the balance



sheet. We expect to further improve our working capital thanks to efficient stock management and improved payment terms. In order to strengthen our equity position, we don't expect to pay out any dividends.

To make all of these plans come true, we're going to need about 1,500 extra Coolbluers. Interested? You can find our job openings at [WerkenbijCoolblue.nl](https://werkenbijcoolblue.nl), [WerkenbijCoolblue.be](https://werkenbijcoolblue.be) en [CareersatCoolblue.com](https://careersatcoolblue.com).

**INTRODUCTION
OF THE BOARD.**
Chain of command.



Pieter Zwart

Pieter Zwart (39) is Coolblue's Chief Executive Officer (CEO) and 1 of the original founders. Together with Bart and Paul, he founded the company while studying Business Administration at Erasmus University Rotterdam. Other than running Coolblue, he's responsible for our Customer Service, Brand, and Coolblue Tech departments.

A little bit better every day

With each passing day, I try to live in the moment a little bit more.

Go for it

Back in the day, I wanted to become a singer and Dutch teacher.

Maarten Keller

Maarten Keller (41) holds the position of Chief Operations Officer (COO). After having studied Economics at Erasmus University Rotterdam, he's held the positions of co-founder and non-executive director at Interhealth B.V., Managing Partner at ESJ Corporate Finance, and consultant at Deloitte. As COO, Maarten oversees the Purchasing, Media Consultancy, Warehousing, Delivery, and Returns & Repairs departments.

Simply amaze

I'm going to try my hardest to make sure that Coolblue hangs on to its unconventional company culture.

Customer satisfaction

Whenever I'm shopping for something, I pay attention to both the product (or service) and the purchasing experience.





Jasper Hoogeweegen

Jasper Hoogeweegen (40) spends his nine-to-five as Coolblue's Chief Commercial Officer (CCO). After having studied Business at Maastricht University, he obtained an Executive Master of Finance and Control at Erasmus University. Jasper's previous positions include Case Team Leader at Bain & Company and Retail Project Manager at Royal Dutch Shell. At Coolblue, he is responsible for Category management, Assortment & Cross Sell, Pricing, Landing pages, Online marketing, E-mail marketing, Stores, and B2B.

Simply amaze

Before I left for South Korea for an internship in 2001, I bought my first MP3 player at Coolblue. Back when they were still named MP3man.

Go for it

When I was young, I wanted to become a professional tennis player.

Daphne Smit

Daphne Smit (31) is Coolblue's Chief Financial Officer (CFO). Before joining Coolblue, she obtained a Bachelor's and a Master's degree in International Business Administration at Erasmus University Rotterdam. In between, Daphne spent a semester abroad at Helsinki University. Her previous positions include Trainee, Account manager, and Credit Analyst at Rabobank Rotterdam and Rabobank International. As CFO, Daphne handles Finance, Actionable Insights, Procurement, Legal, Human Resources, and Facility Management.

Go for it

Instead of becoming a professional tennis player like Jasper, I wanted to become a tennis instructor.

Customer satisfaction

Personally, I want to be made to feel welcome as a customer. At the same time, I feel it's important to experience a smooth customer journey.



CORPORATE SOCIAL RESPONSIBILITY.

User friendly.

Ever since the start of Coolblue in 1999, we've been committed to a sustainable business model. We embrace our corporate social responsibility and aim to leave a positive imprint on society and the environment.

OUR APPROACH.

Fifty shades of green.

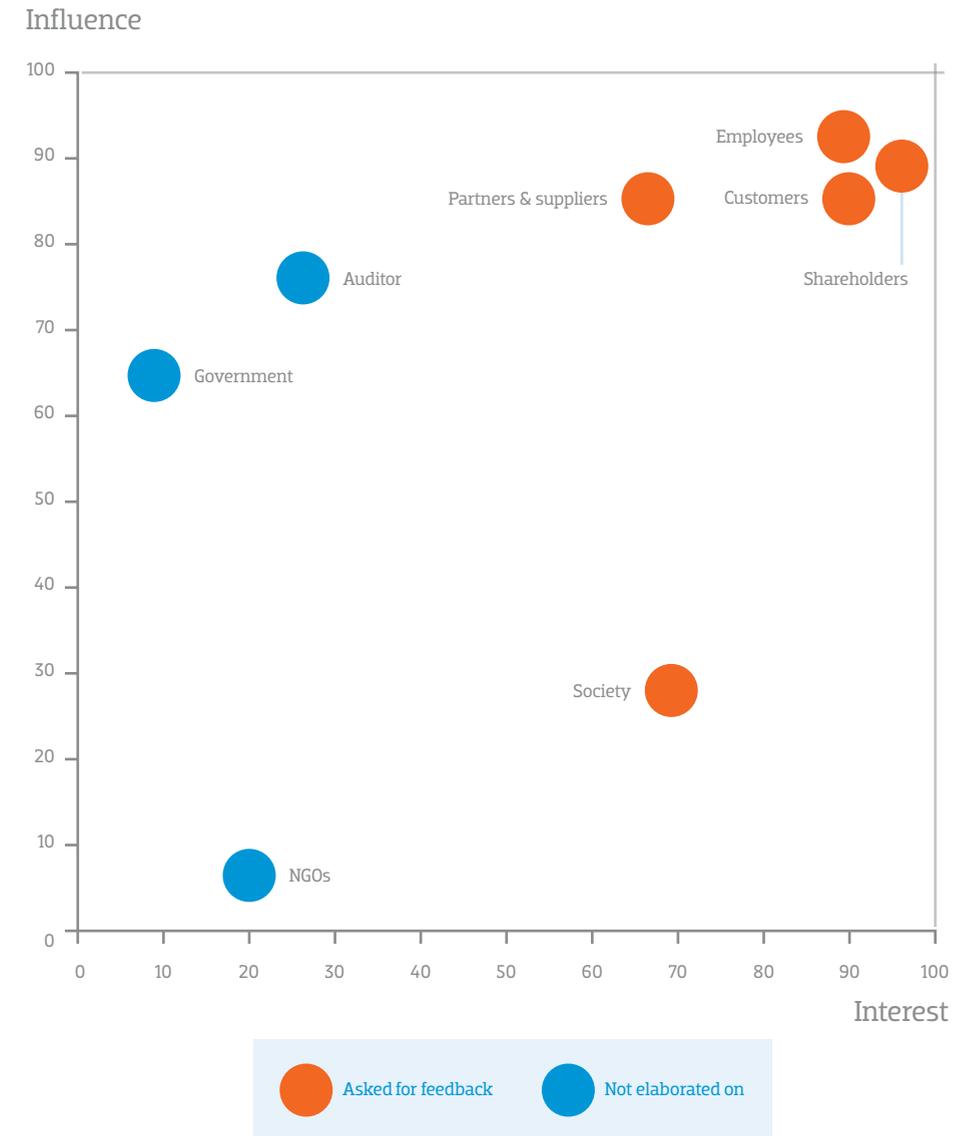
We believe that sustainability is a journey that has no clear beginning or end. It's an ongoing effort. To help organize our travels, we've created a roadmap that's narrowed down into 3 focus areas:

We address sustainability by narrowing it down into 3 focus areas:

- **Go green:** we're always looking for improvements when it comes to the ecological footprint of our operations.
- **Education and society:** we want to be an exemplary company in everything we do, including knowledge sharing. That's why we try to impart our knowledge of technology and entrepreneurship on as many people as we can.
- **People:** at Coolblue, we're both colleagues and friends. Our company culture is something we're really proud of. So we make sure to take good care of our people.

Before arriving at these focus areas, we first determined which stakeholders we wanted to ask for feedback based on their influence and interest in Coolblue. Participants included customers, colleagues, suppliers, and investors. We sat down with them, sent out questionnaires, and organized discussion groups. Afterward, we summarized their feedback in an overview of most cared about topics. Additionally, the materiality matrix shows you *how important* our stakeholders and our Management Team found various themes.

Important stakeholders



What do stakeholders expect from Coolblue?



Customers expect us:

- To provide a smooth customer journey.
- To give friendly and valuable advice.
- To advocate conscious and informed consumption.
- To share information on our carbon footprint.



Suppliers expect us:

- To balance bargaining power with long-term supplier relationship development.
- To promote sustainable consumption.
- To continuously develop our sales platform.
- To share our knowledge.



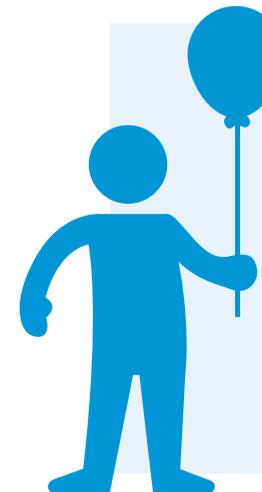
Shareholders expect us:

- To have stable, capable, and adaptive management.
- To be transparent.
- To maintain adequate risk management.
- To be financially stable.



Employees expect us:

- To support personal development.
- To promote diversity and equal chances.
- To hire the best talent.
- To develop a culture built around friendship.
- To maintain a safe working environment.



Society expects us:

- To share knowledge on entrepreneurship and technical matters.
- To be locally visible and involved through outreach projects.
- To reduce our waste.
- To allow employees to contribute to society.

Importance confetti





By combining these analyses, we're left with a complete overview of what our stakeholders expect and what they find most important. This helps us shape our view on social responsibility. The complete overview looks as follows:

Focus areas	Topic	Most important to...
Go Green	CO2 and sustainable energy	Suppliers, consumers
	Waste, e-waste and recycling	Suppliers, consumers
	Optimization of packaging	Consumers
	Efficient logistics	Consumers
	Eco-efficiency of offices, stores and warehouses	Coolbluers
Education & society	Tech education	Consumers, investors
	Technological development	Consumers, investors
	Sustainable consumption	Consumers, suppliers
	Involvement in (local) community	Consumers
	Support to nonprofit organizations	Consumers
	Spreading best practices and knowledge	Consumers, Coolbluers
	Customer engagement	Consumers
People	Equal opportunities	Coolbluers
	Diversity and inclusion	Coolbluers
	Relationship between employees and management	Coolbluers, investors
	Safety at work	Coolbluers, investors
	Promoting healthy living	Coolbluers, investors

Now that you're familiar with our view on social responsibility, let's deep dive into each of the 3 focus areas of sustainability at Coolblue.

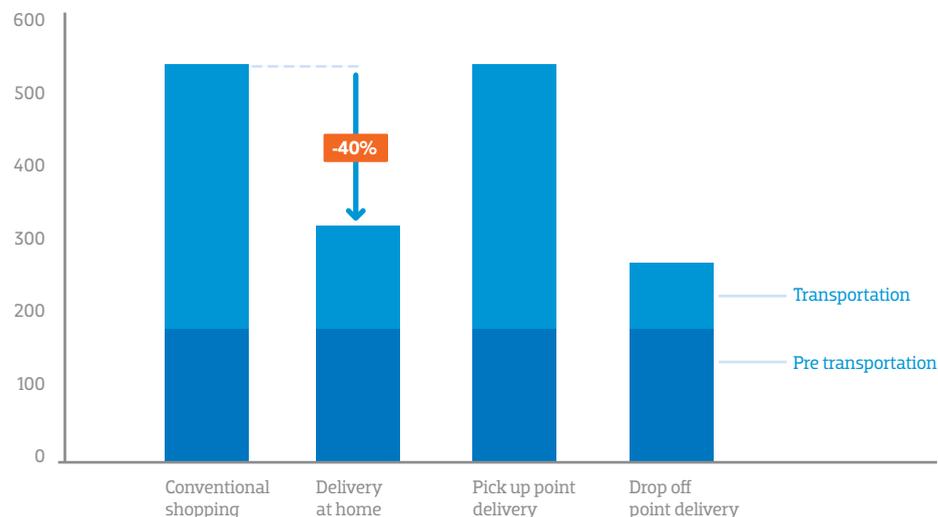
GO GREEN.

A little bit greener every day.

Since the very start of Coolblue, we've always incorporated green in our decision-making processes. The decision-making process with regard to various sustainability factors is entrusted to the relevant departments within Coolblue.

We believe that e-commerce is inherently more sustainable than traditional retail. Instead of opening up hundreds of outlets, we maintain a limited number of physical stores (8 in 2016) and mainly operate from our headquarters, 2 warehouses, and 4 logistic hubs. This saves a lot of energy and reduces the emissions produced by customers who visit stores by car. Just imagine if all our orders had to be individually picked up. According to EY research, CO2 emissions per package are roughly 40% lower when a package is delivered to a customer's home compared to when it's picked up at the store.²

CO2 emission per package



Handling waste

In 2016, we made great improvements when it comes to handling waste. We did this by partnering up with Milgro, a company that specializes in waste and raw material management. Milgro has helped us to improve our waste management, taught us about recycling, and made sure we're able to efficiently compress our waste. And with good result: on average, our warehouses and logistic hubs recycled 73% of the waste in 2016. Our long-term goal is to reach 93% for our warehouses and 85% for our hubs.

Packaging material

We believe packaging materials should be sustainable. That's why we use boxes that are FSC certified, just like we always have. Other packaging materials, such as our plastic filler, are made from biodegradable materials.

Efficient energy use

Handling waste is only one part of the equation, we also think it's normal to reduce our energy use as much as possible. That's why we almost exclusively use LED lights with daylight and movement sensors. Throughout 2016, we optimized our climate control systems and organized an awareness campaign at our headquarters in order to promote turning off computers and monitors outside of working hours. Finally, our expanded warehouse in Tilburg received a BREEAM certification with a "Very Good" rating.



Transportation

Our headquarters are located right next to Rotterdam Central Station. As a result, most of our colleagues commute by train or bike, which we encourage. Less than 3% of our employees receive a lease car. Moreover, we utilize eco drive systems that maximize the fuel efficiency of our CoolblueBezorgt vans.

Second Chance

Returning products is a big impairment on the environment, so we try to keep our return rate as low as possible. We try to make sure that customers immediately buy the perfect product by providing excellent advisory content and expert advice. When customers do return a product, we can't sell it as new anymore. Instead of throwing these products away, we give them a Second Chance. After making sure the product is working as intended, we sell it at a discount. In 2016, we expanded our Second Chance offerings and made great improvements. This resulted in 100,824 products being saved from destruction.

Future responsibility

We'll continue to optimize our waste management and energy efficiency in 2017. On top of that, we're constantly making small improvements to the customer journey and our advisory content, which ultimately lead to higher customer satisfaction and lower returns. Our CO2 footprint results for 2016 should arrive soon, and we're aiming for a lower footprint per package shipped in 2017.



EDUCATION & SOCIETY.

Quality time.

We love interacting with others and being involved in the (local) community. It enables us to share our knowledge of technology and entrepreneurship, something we're particularly fond of.

Guest lectures

Coolblue has gathered a lot of knowledge and we feel it's our responsibility to share it with everyone else. That's why we organize presentations, classroom lectures, and in-house events. Our CEO Pieter frequently delivers guest lectures at the Erasmus University Rotterdam and other universities.

Behind the Scenes

Another prime example of knowledge sharing is our recurring Behind the Scenes event, which gives people a peek behind the curtains of Coolblue Tech. During these events, our developers share their work, insights, and best practices on topics such as Elasticsearch and PHP. In 2016, we hosted Behind the Scenes 9 times and discussed technology-related topics with over 1,250 people.

Rondje van de Zaak

We organize guided tours of the office on a weekly basis. This tour has become so popular that there's a 6-month waiting list. During this visit, one of our colleagues presents the way we do things at Coolblue, from our IT Development to our Marketing and Commercial departments. Naturally, there's plenty of time for questions. By telling visitors about the way we cooperate at Coolblue, we hope to inspire them in their own professional life. In 2016, we've shown 900 people around, who came from companies like KPN, ABN AMRO or the Municipality of Rotterdam.

Workshop for the elderly

Our store in Eindhoven is frequently visited by the elderly, but visiting the store can be pretty challenging when you're not as mobile as you used to be. Coolbluer Dennis figured there should be an easier way to do this. So, he took an entire team to the local nursing home to amaze our elderly customers. While being spoiled with coffee and cookies, our Coolbluers explained everything there is to know about tablets, DECT phones, and exhaust hoods. With a round of bingo in between, of course.

Future responsibility

For the upcoming years, we're exploring new ways to share our knowledge. We'll continue to deliver class-room lectures, host tours, and organize Behind the Scenes. We're currently working on developing an eCommerce Masterclass for talented students, which will take place somewhere in the summer of 2017.



PEOPLE. Part of Coolblue.

At Coolblue, we're not just colleagues, we're also friends. Because friends only want the best for each other. And together, we can achieve more than alone. This is something we're really proud of, so we make sure to take good care of our people. We'd like to give you a view as to what it's like working at Coolblue. From onboarding, personal developments, and careers, to international Coolbluers and the working environment we create.

Onboarding

Coolblue isn't just a workplace, it's also a place to learn and develop yourself on a professional and personal level. That's why new colleagues are first sent on a field trip to our office, warehouse, and one of our stores. Afterward, we put their knowledge and creativity to the test via a series of challenging activities. And once the day is done, they can all consider themselves true Coolbluers.

Once they've settled in, Coolbluers can choose to enroll in the Coolblue University. By the end of 2016, we introduced 39 different training courses. Each one dedicated to a different topic, such as *Time Management*, *Conducting Job Interviews*, and *Cooldata (Business Intelligence)*. Starting from 2017, we plan to add new training courses on a monthly basis.

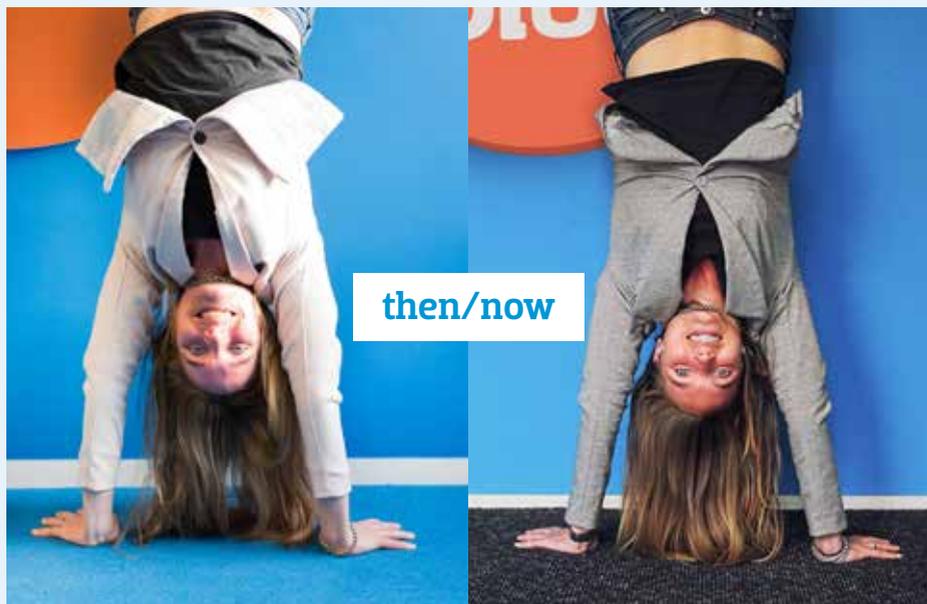
For those who simply can't get enough, we also introduced an online version of the Coolblue University. Via our Learning Management System, we offer e-learnings on product knowledge.

Next Steps

Stuck in a career rut? Unlikely at Coolblue. We're continuously changing, and so are our jobs. This means there's always plenty of room for advancement. Other than focussing on personal growth, we've also set up dedicated Next Step Q&A sessions to assist Coolbluers in their career advancement. During these sessions, we help our colleagues find the perfect career move and the best way to get there. To give you an example, Coolbluers Annemarijn (Manager Customer Service) and Erik (Domain Boss Product Support) will tell you all about their next steps.

Annemarijn van der Vlist, Manager Customer Service

Started out as Customer Service Employee



Age: 22

Job: Customer Service Employee

Gadget: iPod Nano

Age: 30

Job: Manager Customer Service

Gadget: Nintendo NES mini



How did you begin your career at Coolblue?

Some 8 years ago, I was looking for a part-time job. Back then, I was 22 and still in college. I hadn't even heard of Coolblue before. Nor did anyone else, actually. But after the job interview, I immediately fell in love.

When did you feel it was time for the next step?

After my education, I was given the opportunity to work at Product Returns as a Senior employee. I wasn't sure whether this was the right fit for me, so I interned for 2 months first. As it turned out, I really liked the logistic aspects of Coolblue. So I stayed.

Until you became Manager Customer Service.

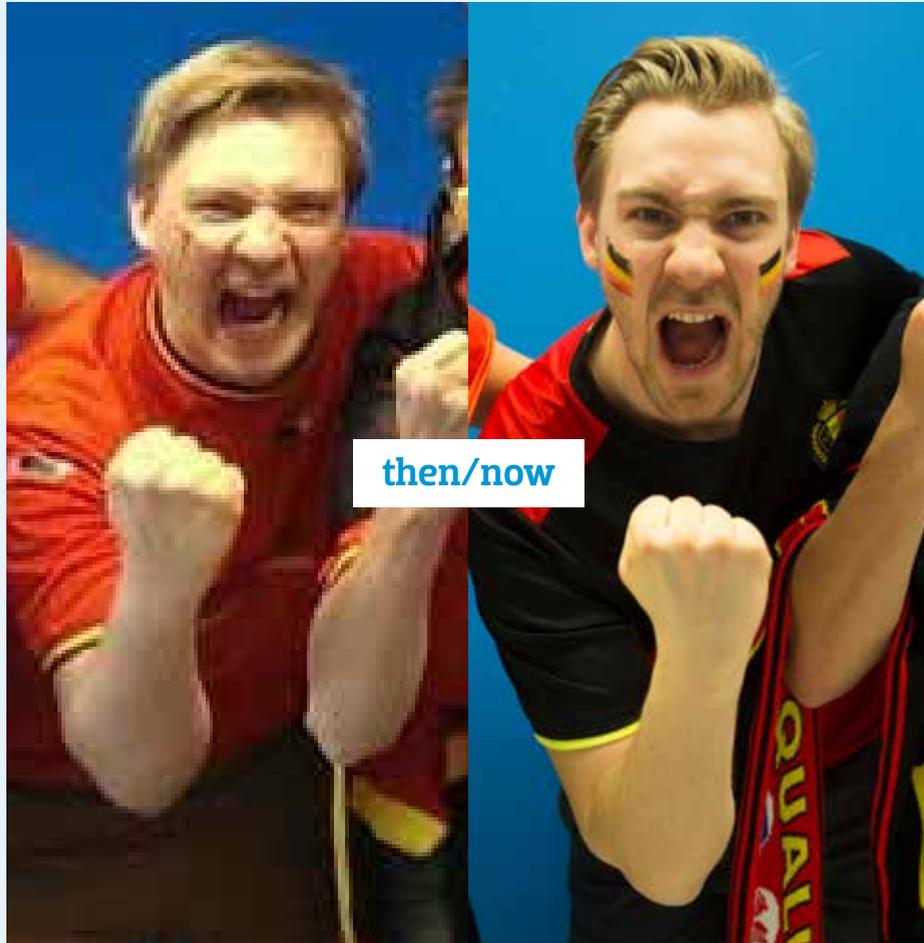
Haha, you're right. But I've also held different positions within Product Returns. It took a year before I became Returns Manager. I was only 24 back then and it was all pretty exciting to me, but I told myself to at least try. It turned out to be a blast and I stuck around for 5 years. Coolblue quickly evolved and so did my job, I started out with 12 colleagues and soon there were 80. That's when I was asked to become Manager Customer Service.

Why do you think you were asked?

Because I simply went for it, I think. I wasn't afraid of making mistakes. But also because of my managers. If you want to take that next step, it's important you communicate your ambitions to your manager. So you can work towards that goal, together. As a manager, I feel that one of my challenges is to help my colleagues advance within Coolblue.

Erik Polakiewicz, Domain Boss Product Support

Started out as Product Manager



Age: 25

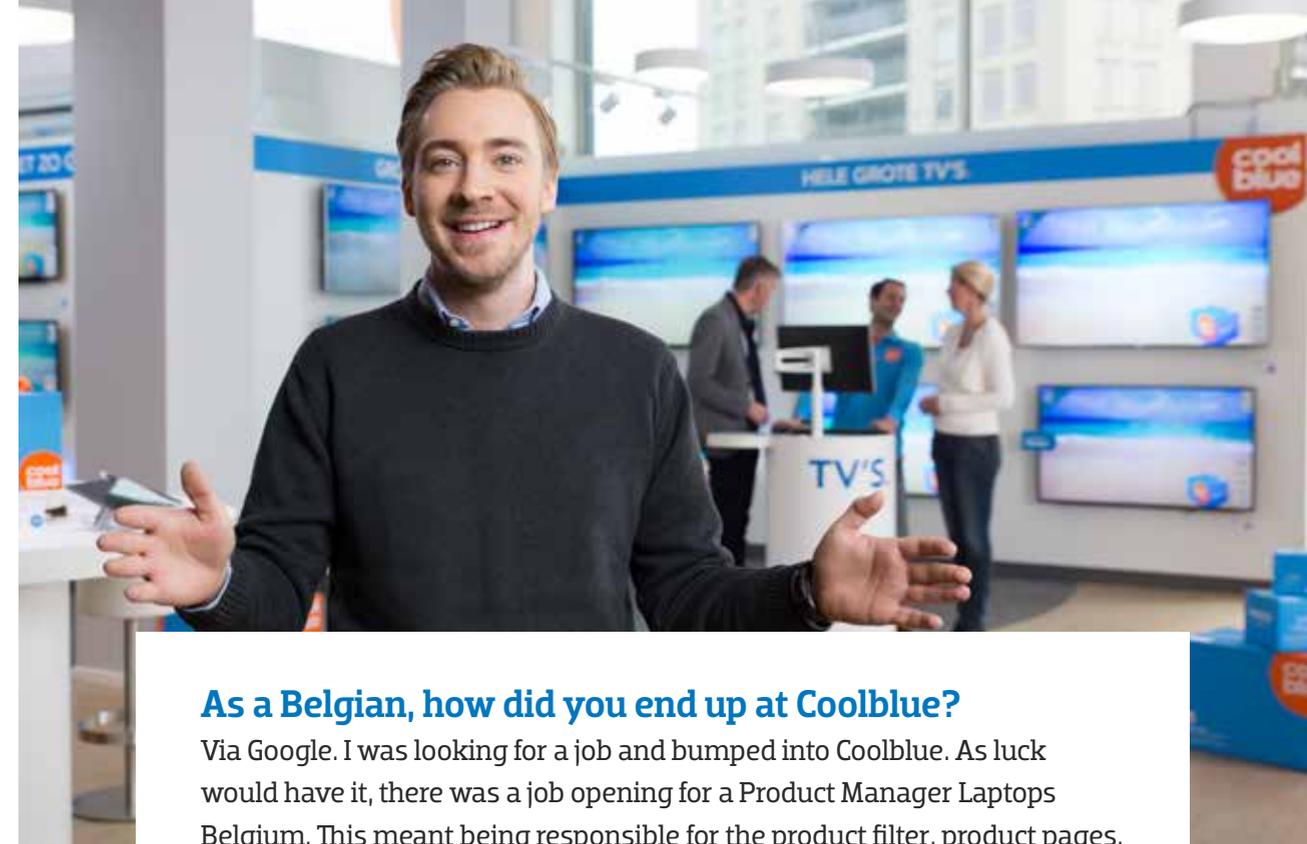
Job: Product Manager

Gadget: Cambridge Audio
Azur 650R

Age: 28

Job: Domain Boss Product Support

Gadget: Fitbit



As a Belgian, how did you end up at Coolblue?

Via Google. I was looking for a job and bumped into Coolblue. As luck would have it, there was a job opening for a Product Manager Laptops Belgium. This meant being responsible for the product filter, product pages, supplier contacts, and leaderboards. And soon afterward, I specialized into Conversion Management.

How did you become a Domain Boss Product Support?

I was asked to apply for the opening. I think it's because I was always very driven about customer centricity as a Conversion Specialist. Plus, I was always looking to improve myself. I actively asked for feedback and created personal development plans. I think this is pretty important if you want to take the next step.

Do you have any other tips?

I sure do: never give up! I tried applying for an internal job opening before, but I didn't make the cut. That was a bit of a bummer. But because Coolblue's constantly growing, there's always a new opportunity waiting around the corner. Don't let yourself be discouraged. Plus, there are plenty of opportunities to grow within your current job by taking on additional responsibilities.

International Coolbluers

Coolblue is proud to be part of Rotterdam, but you don't have to be from Rotterdam to work here. We're always looking for talent; no matter where you're from. That's how we found Mirah, Mattia, and Donatas, who came all the way from India, Italy, and Lithuania. But what is it like to move here?

Why Coolblue?

There are plenty of reasons to work at Coolblue: a great atmosphere, amazing parties, and lots of room to grow. But sometimes, the reason's a bit more simple. Take Donatas, for example, who remembers discovering Coolblue's office via Street View. "Once I finished the tour, I just had to work there."

Roadtrip

Once you've decided to take the plunge, we'll help you and your family move to the Netherlands. We'll arrange the entire trip, from your home country right up to your new doorstep. And if you ever plan to move, you can always count on Coolbluers to help you out. Mirah found a new place in Rotterdam and wanted to hire a moving company. "But my colleagues thought it was too expensive. Instead, they helped me move all my stuff by car."

Talk the talk

Our relocation package is just part of the help we provide. To help our international employees assimilate, we offer free Dutch training courses. Once you've mastered difficult words like *tegenstrijdig* and *schone schijn*, you'll perfectly blend in. Afterward, you're free to enroll in any of the training courses we offer at our Coolblue University. "Courses like Situational Leadership and Cooldata helped me a lot at the office," Donatas explains.

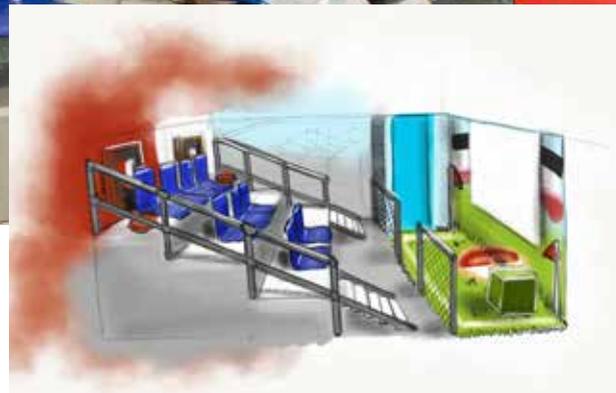


Walk the walk

Rotterdam is the Netherlands' second-largest metropolis, and one of the most dynamic and multicultural cities in the country. As an expat, you'll feel right at home. According to Mirah, Mattia, and Donatas, the same goes for Coolblue: "the people are very welcoming." There are plenty of expats at Coolblue who are glad to show you around. Even CEO Pieter pitches in with his "recurring events that keep you up to date about all the latest developments, like Q&A Friday and Behind the Scenes," Mattia explains.

Adventure time

But becoming a Coolbluer isn't only about learning to speak Dutch or mastering the basics of *gezelligheid*. "It's about going on an adventure. Because at Coolblue, we aren't afraid to try out new things," Mirah tells.



Working environment

Coolblue is a flat organization, and we care a great deal about transparency. But how do you keep over 2,600 Coolbluers, spread across 18 locations, in the know? This is where Q&A Friday comes in: a monthly recurring event during which all sorts of questions can be asked. Why don't we sell ice cream in the cafeteria? When are we opening up new stores? How do shooting stars work? How much profit did we make last month? Our CEO, Pieter, is happy to discuss them all.

We like to do things a bit differently, and the same goes for our meeting rooms. We want everyone to feel right at home at Coolblue, including our guests. Asking a supplier to roll up his trousers and get his feet wet in our (fake) swimming pool serves as a pretty good icebreaker.



Not only do these rooms make for a relaxed atmosphere, they also represent different aspects of Coolblue. Each room tells you a story. Some of them relate to our history, like Café de Dijk: a replica of the place where Coolblue was founded. Others simply relate to things we enjoy, like the Pokémon room. Together, they describe who we are and where we came from.

Healthy living

We stimulate Coolbluers to live a healthy life. Our cafeteria offers organic and freshly prepared food and make sure there's plenty of free fruit available. And every Wednesday, we hand out healthy snacks. Other than healthy diet options, we stimulate our employees to cycle to work and we provide a Coolblue Bike Plan that gives you a tax discount.

HR STATS.

Go figure.



44,710

Applicants



1,322

New Coolbluers



264

Hired via referral



THE RULEBOOK. Better safe than sorry.

As Coolblue continues to grow, we're faced with new challenges and opportunities. This means that we're professionalizing in the areas of Risk Management and Corporate Governance, but it also includes setting up a Supervisory Board.



RISK & OPPORTUNITY MANAGEMENT.

Proceed at your own risk.

We're open, honest, and direct. We tell each other when we don't approve and we stimulate an entrepreneurial attitude amongst our employees, but have set clear risk boundaries to prevent or solve unwanted behavior. The Management Board takes an exemplary role in carrying out our risk culture.

Furthermore, we retain a dedicated Risk Management team who help us map and optimize risks. And we introduced countless improvements in 2016, including:

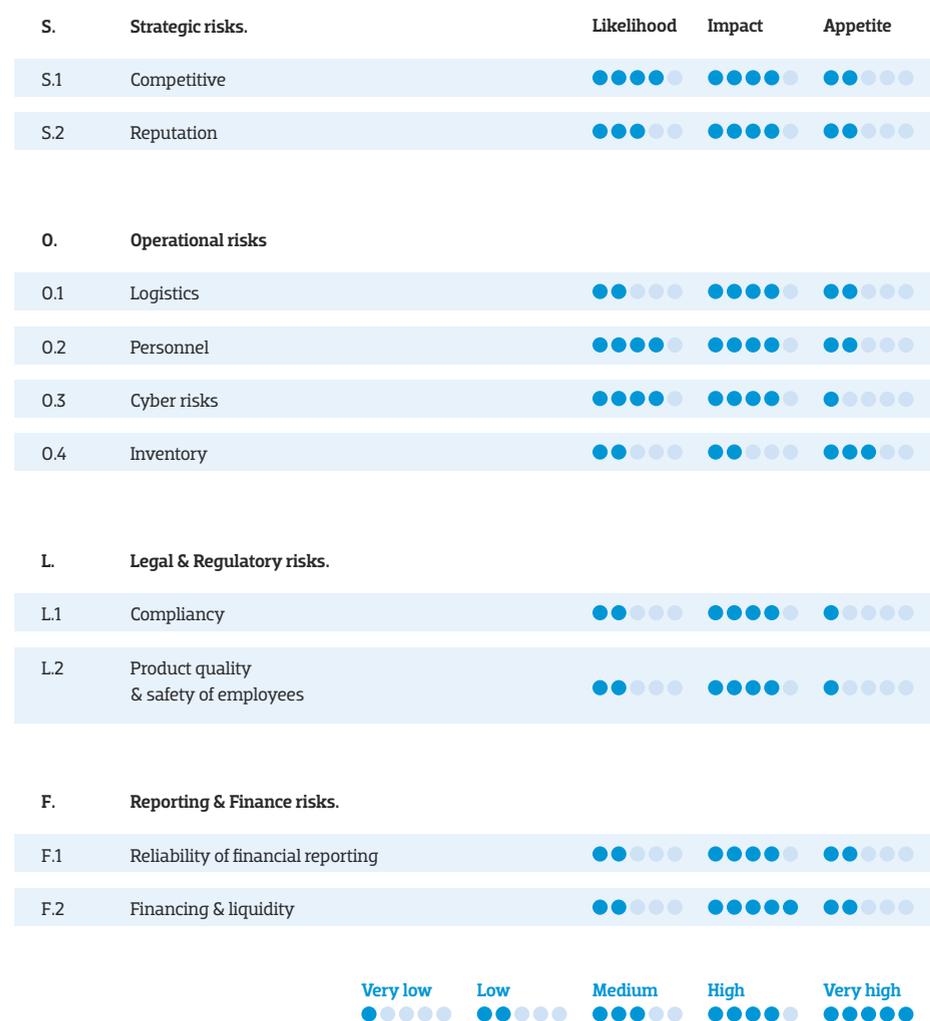
- The following guidelines:
 - *Friend Code* (code of conduct)
 - *How to deal with sticky situations* (whistleblower policy)
 - *What happens when I cheat* (fraud policy)
 - *What happens If I don't stick to the Coolblue agreements* (penalty policy)
- Enhancing our IT security, so we can better protect ourselves against cyber attacks.
- Enhancing our retail and warehouse security.

As we're rapidly growing, it's important that our control environment grows along accordingly. Thanks to the improved professionalism of our risk management department we're able to aptly manage our exponential growth.

Risk inventarisation

Risk appetite refers to our willingness to accept risks and uncertainties, which we identify and rank according to likelihood and impact. The Management Team assessed all risks and determined our risk appetite, taking into account impact and likelihood. Using this assessment, we can efficiently decide how to react. If a risk occurs, we have sufficient buffers in place to protect ourselves from negative effects.

Our risk inventory looks as follows:



Our risk inventory has been broken down into its respective components below. None of these risks had a material impact in 2016.

Strategic risks

Competitive: New competitors are continuously starting in the Benelux market. However, Coolblue holds a significant market share thanks to its attractive delivery propositions, customer service, and loyal customers. Additionally, we actively seek out new business opportunities in order to solidify our position.

Reputation: Our obsessive focus on customer satisfaction sets us apart from our competition. But with great reputation comes great responsibility. Scandals or mistreatment of the Coolblue brand can affect our reputation as a reliable retailer. That's why our legal department prevents inappropriate use of the Coolblue brand.

Operational risks

Logistics: Logistic risks relate to errors that can occur in our supply chain and keep us from delivering packages, hurting our customer satisfaction in the process. To prevent this from happening, we've set up multiple backup plans. For example, we planned a Christmas stress test to make sure we could process all of the orders during the holiday season.

Personnel: To prevent shortages in personnel, like qualified IT developers, we constantly analyze the labor market and adjust our conditions accordingly. And with great success. Every year, Coolblue attracts a lot of talent. With a total of 44,710 job applications, 2016 was no different.



Cyber Risks: As an online retailer, Coolblue is exposed to risks related to customer data protection, website continuity and protection, and ERP system continuity. Practical examples of this include the prevention of IT server downtime, fraud, and identity theft. We monitor these risks on a daily basis and have sufficient controls in place to safeguard them. This is done through continuous development and updates of systems and state of the art security systems. We have established processes in relation to business continuity for infrastructure, including back up services and minimum service levels with service providers.

Inventory: Coolblue holds significant levels of inventory at its own risk to guarantee next day delivery. This means that if products don't sell as expected, we have to write-off on inventory. To keep this from happening, we developed forecasting procedures that help us to manage stock according to sale patterns.

Legal & Regulatory risks

Compliance: In 2016, we experienced an increased amount of supervision on our activities. Moreover, in anticipation of the new EU legislation on data privacy that'll be implemented in May 2018, we've hired a Data Protection Officer to educate Coolblue.

Product quality & safety of employees: Products in our warehouses may contain chemicals or flammable components that can potentially cause (health) risks to our customers and employees. To keep everyone safe, we've set up a dedicated Quality, Environment, Safety, and Health (QESH) department.

Reporting & Finance risks

Reliability of financial reporting: At a big company like Coolblue, we always have to keep in mind that there's a risk of not being in control from a financial perspective. Reports of fraud and theft of company assets are 2 common examples of this. This can be prevented by correctly administering our operational and financial flows and accurately stating our financial reports.

Financing and liquidity: We have a strong operational cash flow and negative working capital that finance our business. Moreover, by maintaining sufficient cash reserves and free credit lines at the parent company we ensure that we're in a position to meet our payment obligations.

Monitoring risks over time

We can track the developments of risks over time using Key Performance Indicators (KPIs). This can relate to the number of credit card chargebacks as a KPI for payment fraud, aging reports for inventory, cash monitoring for financing risk, downtime reports for IT security, or a non-deliverable report for logistics. With the help of these KPIs, we send out regular updates to the relevant departments so they can respond accordingly.



Outlook 2017

Risk Management loves it when a plan comes together, so we work according to a long-term risk roadmap. First of all, we're going to expand the Risk Management team. Once that's done we plan to create a framework to simplify internal risk control. Afterward, we're going to analyze our business continuity and the effectiveness of our internal controls.



CORPORATE GOVERNANCE.

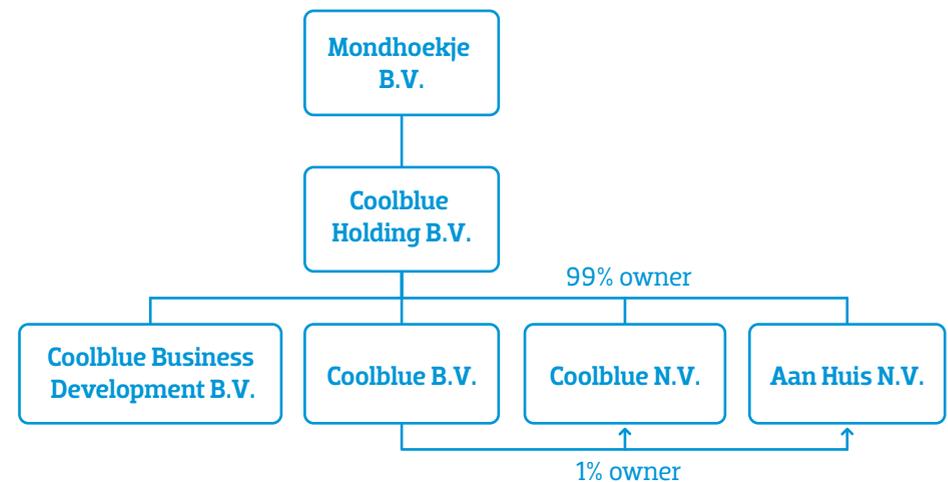
Taking care of business.

We recognize the importance of good governance and strive to implement it to the best of our abilities. That's why we've taken several steps towards the advancement of good governance at Coolblue, such as founding a Works Council, appointing a Supervisory Board, and drafting guidelines like the Friend Code.

Governance structure

Coolblue Holding B.V. is a Besloten Vennootschap under Dutch law, it is fully owned by Mondhoekje B.V. In 2016, Mondhoekje's shareholders sold a minority stake of 20% to HAL Investments B.V. The majority of the shares in Mondhoekje B.V. are still owned by the 3 founders of Coolblue.

To maintain transparency, we try to keep our corporate structure as simple as possible. You can check out the chart below for an overview of the various group companies.



Aan Huis N.V. was established late November 2016, a specific organization through which the activities of CoolblueBezorgt in Belgium are conducted.

No activities take place in Coolblue Business Development B.V.

Board of Directors

The Board of Directors consists of CEO Pieter Zwart and COO Maarten Keller. Together with CFO Daphne and CCO Jasper they make up the Management Team of Coolblue, which runs the company and shapes its overall strategy. Each member of the Management Team is fully authorized to represent Coolblue.

Remuneration

The salaries of the Management Team are decided by the Supervisory Board. Members of the Management Team receive a fixed salary and aren't entitled to bonuses, options, or shares in the company as part of their remuneration.

CEO Pieter is one of the shareholders in Mondhoekje B.V. Meanwhile, the COO, CFO, and CCO all hold depository receipts of shares in the capital of Coolblue. These depository receipts have all been acquired on commercial terms.

Supervisory Board

As of November 2016, a Supervisory Board has been established to provide Coolblue with advice and oversee its activities. From 2017 onward, the Supervisory Board will provide a yearly report on their activities. For more information, please refer to our dedicated chapter.

The members of the Supervisory Board receive a compensation for their activities. This remuneration is set at € 20,000 per member per year, and for the chairman this is set at € 25,000.

Coolblue Works Council

We've also installed a Works Council to promote the interests of the employees within Coolblue. The council consists of 11 members, chosen from each of the 7 election groups. They meet with the Management Team 4 times per year and are involved in relevant decision-making processes.

Corporate Governance Code

Although Coolblue isn't 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 deemed relevant for us as a private company.



INTRODUCTION OF THE SUPERVISORY BOARD.

Friends with benefits.

As of November 1, 2016, we've installed a Supervisory Board. The board consists of experienced entrepreneurs and executives, who we believe can help us run the company to the best of our abilities. The board currently consists of 3 members:

- Jaap van Wiechen
- Harold Goddijn
- Theo Kiesselbach

Additionally, Bert Groenewegen will join the Supervisory Board starting in May, 2017.

Jaap van Wiechen has been appointed Chairman of the Supervisory Board and will take a seat in the Audit Committee in 2017, together with Bert Groenewegen.

The Supervisory Board is charged with keeping an eye on the Management Board. This includes evaluating the overall organizational structure, financial and internal management, and the control systems of the company. Last but not least, they're also there to offer their advice, whenever needed.



Jaap van Wiechen (Chairman of the Supervisory Board)

Jaap van Wiechen (45) is a member of the Executive Board of HAL Holding N.V. After having completed his studies at the University of Groningen (econometrics) he started working for HAL in 1997. Currently, Jaap serves as a member of the Supervisory Board of Boskalis, Orthopedie Investments Europe, and Atlas Services Group.

Harold Goddijn (Member of the Supervisory Board)

Harold Goddijn (56) is the co-founder and CEO of TomTom. He studied Economics at the University of Amsterdam. Previously he co-founded Psion Nederland, before becoming Executive Director at Psion Computers Plc.

Theo Kiesselbach (Member of the Supervisory Board)

Theo Kiesselbach (51), a German national, is the CEO of GrandVision. After obtaining a graduate degree in Economics and Engineering and a PhD in International Marketing, Theo started his professional career at McKinsey & Co. Afterward, he held executive roles in a number of German retail companies before joining GrandVision.

Bert Groenewegen (Member of the Supervisory Board)

Bert Groenewegen (53) is the current CFO of Nederlandse Spoorwegen, a member of the Supervisory Board of Todlin N.V., and a member of the Supervisory Board of Intertrust until May 2017. He studied Business Economics at Tilburg. Bert's previous positions include, but are not limited to, CFO at Exact Holding, CFO/CEO at PCM Uitgevers, and CFO at Ziggo.

THE NUMBERS GAME.

Count me in.

Go you! You've almost made it to the end. Or you just wanted to skip straight to the good part, which is also fine. In any case, now that you've read (or not) all about the Coolblue story and our favorite moments of 2016, we've got 1 final chapter for you to read: the consolidated financial statements. In this chapter, you can study all of Coolblue's assets, liabilities, equity, income, expenses, cash flows, and more. So grab your favorite calculator and enjoy this mathematical ride.

Consolidated Financial Statements

Consolidated income statement.

For the year ended December 31, 2016.

€ '000	Notes	2016	2015
Continuing operations			
Sale of goods	6	826,418	536,685
Marketing fees		30,780	18,005
Revenue		857,198	554,690
Cost of sales	7	(759,771)	(494,247)
Gross profit		97,427	60,443
Employee benefits expenses	8	(51,066)	(31,391)
Depreciation, amortization and impairment	9	(6,499)	(4,213)
Other operating expenses	10	(28,972)	(20,850)
Operating profit		10,890	3,989
Finance expense	11	(6)	(2)
Finance income	11	184	307
Profit before tax from continuing operations		11,068	4,294
Income tax expense	12	(2,194)	(1,170)
Profit for the year		8,874	3,124
Attributable to:			
Equity holders of the parent		8,874	3,124
Profit for the year		8,874	3,124

Consolidated statement of comprehensive income.

For the year ended December 31, 2016.

€ '000	2016	2015
Profit for the year	8,874	3,124
Other comprehensive income	-	-
Total comprehensive income for the year, net of tax	8,874	3,124
Attributable to:		
Equity holders of the parent	8,874	3,124
	8,874	3,124

Consolidated statement of financial position.

As at 31 December, 2016.

€ '000	Notes	2016 31 december	2015 31 december
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	13	13,973	8,667
Intangible assets	14	9,439	5,118
Financial fixed assets	15	1,489	1,050
		<u>24,901</u>	<u>14,835</u>
<i>Current assets</i>			
Inventories	16	94,993	62,908
Trade and other receivables	17	64,774	38,492
Cash and cash equivalents	18	56,131	46,501
		<u>215,898</u>	<u>147,901</u>
Total assets		<u>240,799</u>	<u>162,736</u>
Equity and liabilities			
<i>Equity</i>			
Issued capital		20	20
Share premium		1,838	1,838
Legal Reserve		8,524	4,164
Other reserves		4,406	5,642
Unappropriated result		8,874	3,124
		<u>23,662</u>	<u>14,788</u>
19		23,662	14,788
<i>Non-current liabilities</i>			
Provisions	20	1,672	1,133
Other non-current liabilities	21	940	766
		<u>2,612</u>	<u>1,899</u>
<i>Current liabilities</i>			
Trade and other payables	22	214,525	146,049
Total equity and liabilities		<u>240,799</u>	<u>162,736</u>

Consolidated statement of changes in equity.

For the year ended December 31, 2016.

€ '000	Issued capital	Share premium	Legal reserve	Retained Earnings	Unappropriated result	Total equity
1 January 2016	20	1,838	4,164	5,642	3,124	14,788
Retained earnings	-	-	-	3,124	(3,124)	-
Transfer to other reserves	-	-	4,360	(4,360)	-	-
Profit for the period	-	-	-	-	8,874	8,874
31 december 2016	20	1,838	8,524	4,406	8,874	23,662

€ '000	Issued capital	Share premium	Legal reserve	Retained Earnings	Unappropriated result	Total equity
1 January 2015	20	1,838	-	3,253	6,553	11,664
Retained earnings	-	-	-	6,553	(6,553)	-
Transfer to other reserves	-	-	4,164	(4,164)	-	-
Profit for the period	-	-	-	-	3,124	3,124
31 december 2015	20	1,838	4,164	5,642	3,124	14,788

Consolidated statement of cash flows.

For the year ended December 31, 2016.

€ '000	Notes	2016	2015
Operations activities			
Operating profit		10,890	3,989
Adjustments to reconcile operating profit to net cash flows:			
Depreciation and impairment of property, plant and equipment	13	3,352	3,167
Amortization and impairment of intangible assets	14	3,147	1,046
Working capital adjustments:			
Increase in trade and other receivables and prepayments	17	(25,641)	(15,317)
Increase in inventories	16	(32,085)	(29,128)
Increase trade and other payables	22	66,408	69,549
		26,071	33,306
Movement provisions and other non-current liabilities	21	265	118
Interest paid		(6)	(2)
Interest received		85	111
Income tax (paid) / received		(789)	662
Net cash flows from operating activities		25,626	34,195
Investing activities			
Investment/disposals in property, plant and equipment	13	(8,089)	(5,014)
Investments and disposals in software	14	(7,468)	(5,297)
Other movements in financial fixed assets	15	(439)	(1,050)
Net cash flows used in investing activities		(15,996)	(11,361)
Financing activities			
Dividend paid	19	-	-
Net cash flows from/(used in) financing activities		-	-
Net increase in cash and cash equivalents		9,630	22,834
Cash and cash equivalents at 1 January	18	46,501	23,667
Cash and cash equivalents at 31 December	18	56,131	46,501

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 'Coolblue', 'the Company' or 'the Group') for the year ended 31 December 2016. The financial statements have been authorized by the Board of Directors on March 23, 2017.

Coolblue is a limited liability company established in Rotterdam, the Netherlands, and has its registered office at Weena 664, 3012 CN Rotterdam, the Netherlands. Its parent company is Mondhoekje B.V. (the shareholder), established in Rotterdam, the Netherlands, and has its registered office at Weena 664, 3012 CN Rotterdam, the Netherlands. The shareholder has two statutory directors: CEO Pieter Zwart and COO Maarten Keller. 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 of consumer products. Trading occurs mainly through the internet.

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 (hereafter IFRS).

The consolidated financial statements have been prepared on a historical cost basis. The financial statements are presented in euro, which is Coolblue's functional currency.

2.2 Basis of consolidation

The consolidated financial statements comprises the financial statements of Coolblue and its subsidiaries as at 31 December 2016. Control is achieved when Coolblue is exposed, 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

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 re-assesses 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 over 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 the parent of Coolblue. If necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Coolblue's accounting policies. All intra-company assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Company information – Information about subsidiaries

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

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

Name	Domicile	Country of incorporation	% equity interest	
			2016	2015
Coolblue B.V.	Rotterdam	Netherlands	100%	100%
Coolblue Business Development B.V.	Rotterdam	Netherlands	100%	100%
Coolblue N.V.	Antwerp	Belgium	100%	100%
Aan Huis N.V.	Antwerp	Belgium	100%	-

Coolblue Business Development was established in 2015 and is a dormant company in 2016. Aan Huis N.V. is established in 2016.

Coolblue Holding B.V. has issued a 403 liability statement for Coolblue B.V. and Coolblue Business Development B.V.

In accordance with Article 402 of Part 9, Book 2 of the Dutch Civil Code, the Coolblue 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 euro, 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.

Current versus non-current classification

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

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

Coolblue classifies all other liabilities as non-current.

Changes in accounting policies and disclosures

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 January 1, 2016.

These amendments do not have an impact on the financial statements.

- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and amortization.
- Amendments to IAS 16 and IAS 41: Bearer Plants
- Amendments to IAS 19: Defined Benefit Plans: Employee Contributions
- Amendments to IAS 27: Equity Method in Separate Financial Statements
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities – Applying the Consolidation Exception
- Amendments to IFRS 11 Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- The Annual Improvements 2010–2012 and 2012–2014 cover amendments to several standards.
- Amendments IAS1: Presentation of financial statements – disclosure initiative, effective 1 January 2016

The IASB has issued several new standards and amendments with an effective date of January 1, 2017 or later. Those with an expected impact on Coolblue upon application are discussed below. Other standards issued are not expected to have a significant impact.

IFRS 9 Financial Instruments

IFRS 9 'Financial Instruments,' as issued in July 2014, will replace IAS 39 'Financial Instruments: Recognition and Measurement' and all previous versions of IFRS 9. This standard introduces new requirements for classification and measurement, impairment, and hedge accounting of financial instruments. IFRS 9 is effective as of January 1, 2018 and must be applied retrospectively. However, the hedge accounting requirements are generally applied prospectively. Apart from some aspects of hedge accounting, restatement of comparative information is not mandatory and is only permitted if information is available without the use of hindsight. As the standard has not yet been endorsed, it is uncertain when it needs to be applied by Coolblue. IFRS 9 is not expected to have a material impact on the classification and measurement of Coolblue's financial assets and liabilities. Coolblue is currently reviewing the extent of the impact of this new standard.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' was issued in May 2014. IFRS 15 is effective as of January 1, 2018. IFRS 15 introduces new guidance on the recognition and measurement requirements of revenues. The standard applies to revenue from contracts with customers and also provides a model for the sale of some non-financial assets that are not an output of a company's ordinary business activities. IFRS 15 provides more detailed requirements than the current standards. Coolblue is currently reviewing the extent of the impact of this new standard in anticipation of endorsement, but does not expect a material impact on timing of revenue recognition.

IFRS 16 leases

IFRS 16 'Leases' was issued in January 2016. The standard has an effective date of January 1, 2019. Endorsement has not been scheduled yet. IFRS 16 will replace IAS 17 and introduces on-balance sheet accounting for (almost) all leases. Therefore, assets in use under an operating lease contract, reported as off-balance sheet obligation under IAS 17, will be recognized on the balance sheet. Paid lease fees will no longer be part of operating expenses, but will become part of depreciation and interest expenses. The standard will have an impact on Coolblue's Consolidated Statement due to the recognition of the leased assets and corresponding financial liabilities. Also, an impact is expected on Coolblue's Consolidated Statement of Profit or Loss. EBITDA and Operating profit are expected to increase, but the impact on Profit before tax is not expected to be material. Coolblue is currently reviewing the extent of the impact of this new standard. Details on lease commitments can be found in note 23.

Changes to Standards following Amendments by the IASB and the Annual Improvement Cycles as issued per date of these financial statements are not expected to have a material impact on Coolblue's financial statements.

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 estimated 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 finance leases if applicable, are not included in the cash flow statement. Lease payments under finance leases are considered to be cash outflows from financing activities, to the extent that they relate to repayment installments and as cash outflows from operating activities to the extent that they relate to interest payments.

3. Significant accounting judgments, estimates and assumptions

The preparation of Coolblue's financial statements requires management to make judgments, 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 and assumptions

The key assumptions and estimations concerning the future, 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 market changes or circumstances arising 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.

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, so as to maintain creditor confidence and to sustain future development of the business and to maintain an optimal capital structure to reduce the cost of capital. Dividend will be paid depending on the financial position of the Group taking into account solvability and expected cash flows. There is not been issued any commitment to pay out dividend. Exposure to capital risk is limited as the majority of online sales are paid for prior to the customer delivery. The operations of the Group 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.

Foreign currency risk

Coolblue primarily operates in the Netherlands and Belgium. As Coolblue's sales and purchase transactions are primarily in euro, the foreign currency risk is low.

Financial instruments

Coolblue Holding B.V. and their subsidiaries have no derivatives, no interest-bearing borrowings, and no financial guarantee contracts. This results in a very limited risk with respect to financial instruments. Coolblue's corporate finance department manages balances at banks and monitors trade and other payables.

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

6. Revenue

Revenue recognition

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon delivery of the goods. Revenue from the sale of goods is measured at fair value of the consideration received, or receivable, net of returns and allowances, trade discounts, and volume rebates. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration associated with the possible return of goods. The expected returns are estimated based on historical data. The revenue for these estimated returns is not recognized.

Revenue, arising from marketing fees, and related costs are recognized, provided that all of the following criteria are met: the service is provided, the amount can be measured reliably, and it's probable that the economic benefits will flow from buyer to the seller. Revenue should be recognized in the period that these fees relate to and the related costs are recognized.

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.

Segment reporting

The company is centrally organized to maximize operational efficiencies and synergies through its head office in Rotterdam. The board of directors, being the Chief Operating Decision Maker, reviews the financial performance of the Group and decides whether or not to allocate resources on a total group level. Therefore, management concluded there is only one operating segment, as defined in IFRS 8.

€ '000	2016	2015
<i>Sales of goods to external customers</i>		
Netherlands	584,083	359,130
Belgium	242,335	177,555
Total sale of goods	826,418	536,685
<i>Non-current assets</i>		
Netherlands	24,000	14,384
Belgium	901	451
Total non-current assets	24,901	14,835

7. Cost of sales

€ '000	2016	2015
Cost of good sold	692,897	447,310
Direct sales costs	66,874	46,937
Total costs of sales	759,771	494,247

The direct sales costs include the packaging costs, transportation costs, payment costs, direct marketing costs, and special taxes.

8. Employee benefits expenses

€ '000	2016	2015
Wages and salaries	41,710	25,088
Social security costs	5,928	4,297
Pension costs	3,428	2,006
Total employee benefits expense	51,066	31,391

During 2016, employees in the Netherland worked a combined average of 1,258 FTE (2015: 806 FTE) for Coolblue. Outside of the Netherlands, employees worked a combined average of 96 FTE (2015: 82 FTE).

The Group's research and IT development concentrates on front-end / back-end applications applications to facilitate the growth of Coolblue. Research and development costs that aren't eligible for capitalization have been expensed in the period incurred (2016: € 2.5 million, 2015: € 1.3 million). These costs are included in employee benefit expenses and other employee expenses. An amount of € 6.3 million (2015: € 4.2 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 the Group with sufficient information to enable the Group 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 2016 is 107.0% (2015: 106.1%). The total number Coolblue participants in this central pension union amounts to less than 1%. The pension premium to be paid in 2017 equals 21.6% of pensionable salary (maximized on € 53,701) 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, the participants will receive partial payments from the pension fund.

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. 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 for by employees. Pensions for the employees of Coolblue N.V. are administered at the Rijksdienst voor Sociale Zekerheid (RSZ). These pension fees are recognized as an expense in the income statement when they fall due.

9. Depreciation, amortization and impairment

€ '000	2016	2015
Depreciation	3,352	3,167
Amortization	2,381	1,046
Impairment intangible fixed assets	766	-
Total depreciation, amortization and impairment	6,499	4,213

10. Other operating expenses

€ '000	2016	2015
Housing expenses	6,239	4,287
Other employee expenses	10,529	8,820
Advertising and marketing expenses	5,675	3,656
Other general expenses	6,529	4,087
Total other operating expenses	28,972	20,850

The fees listed below relate to the services provided to Coolblue 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	2016	2015
Audit of the financial statements	89	65
Other assurance engagements	1	15
Tax advisory services	74	22
Other services	-	4
Total	164	106

11. Finance income and expenses

€ '000	2016	2015
Exchange rate differences	6	2
Total finance expense	6	2
Interest income	184	307
Total finance income	184	307

Interest income mainly relates to interest on the receivable from shareholder and interest received on bank accounts.

Interest rate sensitivity

The interest rate risk is low since Coolblue does not have long term liabilities, and the cash at banks is monitored daily to generate the best possible interest rates.

12. 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 2016, the applicable tax rates have not changed compared to 2015.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns, with respect to situations in which the applicable tax regulations are subject to interpretation, and establishes provisions where appropriate.

The major components of income tax expense for the years ended 31 December 2016 and 2015 are:

€ '000	2016	2015
Current income tax:		
Current income tax charge	1,769	295
Adjustments in respect of current income tax of previous year	(25)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	450	875
Income tax recognized in the result	2,194	1,170

Reconciliation of tax expense and the accounting profit multiplied by Dutch domestic tax rate for 2016 and 2015:

€ '000	2016	2015
Accounting profit before income tax	11,068	4,294
At Dutch statutory income tax rate of 25% (2015: 25%)	2,767	1,074
Adjustments in respect of current income tax of previous years	(25)	-
Innovation box	(112)	(75)
Deferred tax rate of 18% for capitalized development costs	(597)	-
Tax rate of 20% over the first € 200,000	(10)	(10)
Tax rate in Belgium 33,99%	106	119
Non-deductible expenses for tax purposes:		
Other non-deductible expenses	65	62
Income tax recognized in the result	2,194	1,170
Effective income tax rate	19.8%	27.3%

Tax unity

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

13. 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. Property, plant, and equipment transferred from customers is initially measured at fair value at the date on which control is obtained.

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

- Leasehold improvements 5 years
- Other equipment 5 years
- IT hardware 5 years

An item of property, plant, or equipment 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 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.

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 December 31, 2016, Coolblue noted no indication for impairment.

€ '000	Leasehold improvements	Other equipment	Construction in progress	Total
Costs or valuation				
At 1 January 2015	7,900	6,489	200	14,589
Additions	3,031	1,748	235	5,014
Disposals	(186)	(18)	-	(204)
Reclassification	200	-	(200)	-
At 31 December 2015	10,945	8,219	235	19,399
Additions	5,360	2,872	441	8,673
Disposals	(909)	(2,862)	-	(3,771)
Reclassification	161	74	(235)	-
At 31 December 2016	15,557	8,303	441	24,301
Depreciation and impairment				
At 1 January 2015	(3,482)	(4,287)	-	(7,769)
Disposals	186	18	-	204
Depreciation charge for the year	(2,018)	(1,149)	-	(3,167)
At 31 December 2015	(5,314)	(5,418)	-	(10,732)
Disposals	909	2,847	-	3,756
Depreciation charge for the year	(2,036)	(1,316)	-	(3,352)
At 31 December 2016	(6,441)	(3,887)	-	(10,328)
Net book value				
At 31 December 2016	9,116	4,416	441	13,973
At 31 December 2015	5,631	2,801	235	8,667

The investments in 2016 mainly relate to the opening of a new store in Zaventem (Belgium), the expansion of our warehouse in Tilburg, and the expansion of our headquarters in Rotterdam.

14. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. 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 finite or indefinite.

Intangible assets with finite 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 finite 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 finite 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. 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 two to ten 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	Finite (5 years)	Finite (5 years)	Finite (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 December 31, 2016, Coolblue noted no indication for impairment.

Significant accounting judgments, estimates, and assumptions

Coolblue capitalized development costs when future economic benefits were able to be determined.

The determination of future economic benefits includes estimates based on specific market and customer knowledge and experiences.

€ '000	Development costs software	Purchased software	Domain names	Construction in progress	Total
Cost or valuation					
At 1 January 2015	-	1,719	229	-	1,948
Additions - internally developed	4,680	-	-	-	4,680
Additions	-	617	-	-	617
At 31 December 2015	4,680	2,336	229	-	7,245
Additions - internally developed	5,432	-	-	1,423	6,855
Additions	-	458	-	173	631
Disposals	(1,179)	(348)	-	-	(1,527)
At 31 December 2016	8,933	2,446	229	1,596	13,204
Amortization and impairment					
At 1 Januari 2015	-	(856)	(225)	-	(1,081)
Amortization	(516)	(528)	(2)	-	(1,046)
At 31 December 2015	(516)	(1,384)	(227)	-	(2,127)
Amortization	(1,729)	(650)	(2)	-	(2,381)
Impairment	(766)	-	-	-	(766)
Disposals	1,179	330	-	-	1,509
At 31 december 2016	(1,832)	(1,740)	(229)	-	(3,765)
Net book value					
At 31 December 2016	7,101	742	-	1,596	9,439
At 31 December 2015	4,164	952	2	-	5,118

During 2016 an IT project has been cancelled which resulted in an impairment of € 766,000.

15. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method, less impairment. 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 amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs for loans and in the cost of sales, or other operating expenses, for receivables. This category generally applies to trade and other receivables and non-current financial assets.

€ '000	2016	2015
Restricted cash	1,489	1,050
Total financial fixed assets	1,489	1,050

The restricted cash relates to amounts blocked for issuance of bank guarantees for rental purposes.

16. 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	2016	2015
Trading stock	95,698	63,191
Provision obsolete stock	(705)	(283)
Total inventories at the lower of cost and net realisable value	94,993	62,908

As of 31 December, 2016, inventory with an amount of € 1.6 million (2015: € 1.1 million) is valued at lower realizable value. In 2016, an amount of € 707.6 million (2015: € 456.1 million) of inventory value is included in the cost of sales and an amount of € 0.9 million (2015: 0.7 million) of inventories has been written down.

17. Trade and other receivables

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. For more information about the receivables from shareholder, refer to note 24. Other receivables and prepayments mainly relate to rebates and bonuses receivable from suppliers and manufacturers and generally on terms within 90 days.

€ '000	2016	2015
Trade receivables	24,163	13,532
Receivables from shareholder	10,779	5,243
Other receivables and prepayments	29,832	19,717
Total trade and other receivables	64,774	38,492

Significant accounting judgments, 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. The credit risk with respect to trade receivables is limited. Sales to consumers 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 extensive 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 on an individual basis for major business clients at each reporting date. 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, but not impaired, relate to a number of specific customers for whom there is no recent history of default.

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, 2016.

As of 31 December, 2016, trade receivables of an initial value of € 132,000 (2015: € 299,000) were impaired and fully provided for. Please see the table below for the movements in the provision for impairment of receivables.

The ageing analysis of trade receivables is, as follows:

€ '000	2016		2015	
	Gross	Impairment	Gross	Impairment
Not past due	20,251	-	11,223	-
Past due 0-30 days	2,187	-	1,639	-
Past due 30-60 days	935	-	365	-
Past due more than 60 days	922	132	604	299
Total	24,295	132	13,831	299

€ '000	2016	2015
At 1 January	(299)	(100)
Charge for the year	(74)	(314)
Used	241	115
At 31 December	(132)	(299)

18. Cash and cash equivalents

Cash in the statement of financial position comprises cash at banks and on 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	2016	2015
Cash at hand	325	336
Cash at banks	57,295	47,215
Restricted cash	(1,489)	(1,050)
Total cash and cash equivalents	56,131	46,501

Total cash, excluding the amount of restricted cash, is at free disposal of Coolblue.

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, we ensure that transactions and businesses are properly spread among different counterparties. The parent company settled a credit facility with the Rabobank. In return, the Group has given a pledge on its tangible fixed assets and trade receivables.

19. Issued capital and reserves

The authorized share capital consists of 19,603 ordinary shares of € 1 each (2015: 19,603 of € 1 each). All shares are issued and fully paid. Share capital and premium did not change in 2016 and 2015.

€ '000	Legal reserve	Retained earnings	Unappropriated result	Total
As at 1 Januari 2016	4,164	5,642	3,124	12,930
Appropriation prior year result	-	3,124	(3,124)	-
Transfer to legal reserve	4,360	(4,360)	-	-
Appropriation year result	-	-	8,874	8,874
At 31 December 2016	8,524	4,406	8,874	21,804

In 2016 and 2015 no dividend has been paid. The legal reserve relates to capitalized development costs.

20. Provisions

€ '000	2016	2015
Jubilee provisions	91	-
Deferred tax	1,581	1,133
Total cash and cash equivalents	1,672	1,133

Jubilee provision

Per the end of 2016, Coolblue formalized a jubilee scheme for Coolblue employees. Employees receive a fixed cash amount after 5 and 10 years of employment. This scheme is not funded. The obligation per December 31, 2016, has been recognized through profit and loss.

€ '000	2016	2015
Defined Benefit Obligation as at Januari 1	-	-
Current service costs	91	-
Interest expense	-	-
Costs recognized in income statement	91	-
(Gain)loss from change in assumptions	-	-
Benefits paid by the plan	-	-
Defined benefit obligation as at December 31	91	-

The discount rate used is 1.4%. 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 € 29,914 for jubilee payments in 2017. The weighted average duration of the defined benefit obligation is 5.9 years. The unfunded plan is exposed to limited number of risks. Future payments depend on life expectancy and turnover rate.

Deferred tax

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 liabilities are recognized for the taxable temporary differences.

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's reduced to the extent that it's 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 provision for deferred tax relates to the tax regime "depreciation at will" and capitalized development costs. The deferred tax provision related to capitalized development cost is formed at the tax rate which it will be settled. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Movement for the year ended 31 December, 2016:

2016	1 January	Recognized	31 december
€ '000	in p&l		
Tangible fixed assets	130	(61)	69
Intangible fixed assets	1,003	532	1,535
Provision for jubilee benefits	-	(23)	(23)
Total fixed assets	1,133	448	1,581
Current			486
Non-current			1,095

Movement for the year ended 31 December, 2015:

2015	1 January	Recognized	31 december
€ '000	in p&l		
Tangible fixed assets	240	(110)	130
Intangible fixed assets	18	985	1,003
Total fixed assets	258	875	1,133
Current			343
Non-current			790

21. Other non-current liabilities

€ '000	2016	2015
Equalization rental costs	940	766
Other non-current liabilities	940	766

As of financial year 2016, the long term part of equalization rental costs is classified as non-current liability. The comparable figures have been adjusted for comparison purposes.

22. Trade and other payables

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, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are initially recognized at fair value. In the case of loans and borrowings or payables, they are recognized at the net of directly attributable transaction costs. Coolblue's financial liabilities include trade and other 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 one 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 one. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

€ '000	2016	2015
Trade payables	173,921	123,504
Taxes and contributions	9,789	8,540
Accrual for holiday leave, holiday pay and net wage	3,981	3,090
Other current payables	26,834	10,915
Total trade and other payables	214,525	146,049

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms
- Other payables are non-interest bearing and are normally settled on 60 day- to six months terms.

Liquidity risk

The fair value of the trade and other payables, excluding taxes and social security's payable, as at 31 December, 2016, and 31 December, 2015, is equal to the carrying amount. Coolblue manages their liquidity risk by several cash forecast methods. An overview of the aging is given below.

As at 31 december 2016

€ '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	204,434	201,160	3,274	-	-

As at 31 december 2015

€ '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	138,274	135,127	3,147	-	-

23. Commitments and contingencies

Leases

Coolblue determines whether an arrangement is (or contains) a lease based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of one or more specific assets, and the arrangement conveys a right to use the assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease is classified as a finance lease when it transfers substantially all the risks and rewards incidental to ownership of an asset to the Group. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Coolblue has no financial leases.

Operating lease commitments

The Group has entered into operating leases on office and store rental, with lease terms ranging from three to five years. The Group has the option, under some of its leases, to lease the assets for additional terms of three to five years. The operating lease commitments on office and store rental include several renewal options. The operating lease commitments does not include purchase options.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are, as follows:

Operating lease commitments	2016	2015
€ '000		
Within one year	8,097	5,562
After one year but no more than five years	24,257	16,289
More than five years	1,635	1,797
Total operating lease commitments	33,989	23,648

Rental lease commitments mature in 2022 latest. During 2016, € 5.0 million was recognized as expense in the income statement in respect of office and warehouse rental and car lease (2015: € 3.6 million).

Other commitments

The parent company settled a credit facility with the Rabobank. In return, the Group has given a pledge on its tangible fixed assets and trade receivables. The group issued bank guarantees at ING Bank for an amount of € 1,489,000 for rental and permit purposes. Coolblue has a credit facility at ING Bank Belgium for issuing guarantees for an amount of € 139,000.

24. Related party disclosures

Unconsolidated related parties

Note 2.2 provides information about Coolblue's group structure, including details of the subsidiaries and the holding company. During 2016 and 2015, Coolblue entered into transactions with its subsidiaries in the course of its business. These transactions related to trading and services are eliminated in the financial statements.

The parent company of Coolblue Holding B.V. is an unconsolidated related party. The following table provides the total amount of transactions that have been entered into with this parent company for the relevant financial year. These transactions consist of payments made by Coolblue Holding B.V. on behalf of the shareholder, cash balancing, and interest on current account. Since Coolblue has no shares in affiliated companies, there are no transactions with other unconsolidated related parties.

Related parties	Transactions during the year		Outstanding balance per year end	
	2016	2015	2016	2015
€ '000				
Shareholder	26,065	5,209	10,779	5,236
Pieter Zwart B.V.	-	(58)	-	-
Paul de Jong B.V.	-	(39)	-	-
Bart Kuijpers B.V.	-	(39)	-	-

Compensation of board of directors

Key management personnel are those persons having 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. The definition of key management has been more clearly defined as a result of developments in 2016. Coolblue considers the statutory directors to be key management personnel as defined in IAS 24 'Related parties. Supervisory Board did not receive a remuneration in 2016.

Compensation of board of directors

€ '000	2016	2015
Short employee benefits	369	655
Post employment benefits	10	38
Other benefits	7	96
	386	789

25. 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.

26. Appropriation of net result

The result for the year 2016 of € 8,874,000 is in accordance with the proposed profit appropriation treated as unappropriated profit in Coolblue's equity.

Company Financial Statements

Company income statement

For the year ended December 31, 2016.

€ '000	Notes	2016	2015
Continuing operations			
Result on subsidiaries	28	8,935	3,206
Other operating income and expenses after tax		(61)	(82)
Profit for the year after tax		8,874	3,124

Company statement of financial position.

(Before appropriation of result)

€ '000	Notes	2016 31 December	2015 31 December
Assets			
<i>Non-current assets</i>			
Financial fixed assets	28	24,308	15,175
<i>Current assets</i>			
Trade and othe receivables		27	27
Receivable from related parties		11,780	2,390
Cash and short-term deposits		12,519	12,366
		24,326	14,783
Total assets		48,634	29,958
Equity and liabilities			
<i>Equity</i>			
Issued capital		20	20
Share premium		1,838	1,838
Legal reserve		8,524	4,164
Other reserves		4,406	5,642
Unappropriated result		8,874	3,124
	29	23,662	14,788
<i>Current liabilities</i>			
Payable to related parties		24,972	15,170
Total equity and liabilities		48,634	29,958

Notes to the company financial statements

27. 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 362–8 of Book 2 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, starting at page 12.

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

28. Financial fixed assets

€ '000	2016	2015
<i>Movement subsidiaries</i>		
Subsidiaries as at 1 January	15,175	11,903
Capital contribution	198	-
Result for the year	8,935	3,272
Subsidiaries as at 31 December	24,308	15,175

29. Equity

For details on equity, a reference is made to note 19 of the consolidated financial statements.

30. Board remuneration

Compensation of statutory directors	2016	2015
€ '000		
Total compensation	386	175

Board of Directors

Rotterdam, the Netherlands

March 23, 2017

Pieter Zwart	Maarten Keller	Mondhoekje B.V.	Mondhoekje B.V.
CEO	COO	Pieter Zwart	Maarten Keller

Other information

Independent auditor's report

To: the shareholders of Coolblue Holding B.V.

Report on the audit of the financial statements 2016 included in the annual report

Our opinion

We have audited the financial statements 2016 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 2016, and of its result and its cash flows for 2016 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 2016 and of its result for 2016 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 2016
- The following statements for 2016: 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 2016
- The company income statement for 2016
- The notes comprising a summary of the 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 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's report
- Other information pursuant to 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 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 Board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment 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 have detected all material errors and fraud.

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 e.g.,:

- 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 management 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, 23 March 2017

Ernst & Young Accountants LLP

Signed by I.H.G. Hengefeld

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.

5 years of Coolblue

€ '000, '000

Income statement	2012	2013	2014	2015	2016
Revenue	169,102	251,270	360,858	554,690	857,198
Gross margin %	14.0%	14.1%	13.4%	10.9%	11.4%
EBITDA	6,497	8,878	10,781	8,202	17,388
Adjusted EBITDA	6,497	8,878	10,781	8,274	19,266
Profit/Loss after income tax	4,175	5,557	6,553	3,124	8,874
Balance sheet					
Working capital	(9,906)	(16,490)	(20,350)	(44,649)	(54,758)
Primary working capital	(6,053)	(9,247)	(9,874)	(22,104)	(14,514)
Solvability	26%	22%	13%	9%	10%
Other indicators					
Operational cashflow	6,514	14,087	12,795	34,195	25,625
Investments tangible fixed assets	3,010	4,328	2,130	5,014	8,673
Investments intangible fixed assets	87	423	794	5,297	7,486
Visits (website only)	54,768	74,915	90,171	117,957	148,958
FTE average	283	456	749	888	1,354
Headcount year end (including temporary staff)	434	645	1,032	1,614	2,676
NPS average	58	62	62	63	63

Coolblue Yearbook 2016

Coolblue's very first Yearbook. We'll give you a peek behind the curtain and show you all of the results we've achieved in the past year. More importantly, we'll show you how we achieved these results. Together. Step by step, a little bit better every day. The same goes for 2017: we'll give you a sneak peek at our plans for the upcoming year. 2016 was a fantastic year and, together, we're going to make sure that 2017's going to be even better.

Recycling tips

All done? Here's a few recycling tips:



Spy gadget



Hamster tent



Key ring

