

Globase International ApS

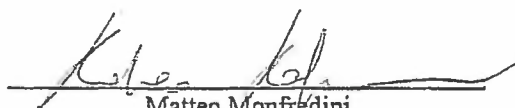
CVR-no. 28 32 32 71

Emdrupvej 28 A, 3
2100 København Ø

Annual Report 2016

(Financial year 1 January 2016 - 31 December 2016)

The Annual Report is presented and
adopted at the Annual General Meeting of
shareholders on the 11 April 2017



Matteo Monfredini
Chairman of the meeting

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Management's Statement

The Supervisory Board and the Executive Board have today considered and approved the Annual Report of 1 January 2016 - 31 December 2016 for Globase International ApS.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.


In our opinion the Financial Statements give a true and fair view of the Company's assets and liabilities, financial position and results of operations for the financial year ended 31 December 2016.

In our opinion the Management's Review gives a true and fair statement regarding the content in the Management's Review.

We recommend the Annual Report approved at the Annual General Meeting.

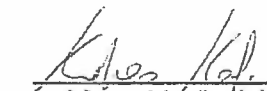
Copenhagen, 11 April 2017

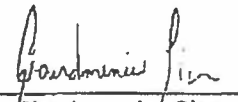
Executive Board:


Rasmus Klausen Kurek

Board of Directors:


Nazzareno Gorni


Matteo Manfredini


Giandomenico Sica

Independent Auditor's Reports

To the Shareholders of Globase International ApS

Report on financial statements

Opinion

We have audited the Financial Statements of Globase International ApS for the financial year 1 January 2016 - 31 December 2016, which comprise the income statement, balance sheet, notes and accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the operations for the financial year 1 January 2016 - 31 December 2016, in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Reports (-continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements 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 the Company to cease to continue as a going concern.

Independent Auditor's Reports (-continued)

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not identify any material misstatement of Management's Review.

Copenhagen, den 11 April 2017

BDO

statsautoriseret revisionsaktieselskab

CVR. no.: 20 22 26 70


Brian Olsen Halling

State Authorized Public Accountant

Company details

Company details	Globase International ApS Emdrupvej 28 A, 3 2100 København Ø
	Phone: +45 70 20 43 06
	Website: www.globase.dk
	CVR no.: 28 32 32 71
	Founded: 1 January 2005
	Registered office: Copenhagen
	Financial year: 1 January - 31 December
Executive Board	Rasmus Klausen Kurek
Supervisory Board	Nazzareno Gorni Matteo Monfredini Giandomenico Sica
Auditor	BDO statsautoriseret revisionsaktieselskab Havneholmen 29 1561 København V

Management's Review

Primary activities of the Company

The main activity of the Company is to sell, develop and operate its self-developed permission marketing software - Globase. In connection with the sale of the software a range of complementary products is often sold, including consultancy, customizations, implementation etc.

Uncertainties relating to going concern

The management is expecting a loss in 2017, break even in 2018 and expected profits from 2019 going forward. Management have received confirmation that the group will invest money to avoid to fall under the half of the share capital both by transforming group loan into equity and by providing further equity directly from the ultimate parent company. Unfortunately management is expecting more losses during 2017 due to the completion of the switch from the old digital marketing platform to the MailUp platform. This process is taking more time than forecasted because of unexpected technical and staff problems. The efforts and investments during 2017 will allow the company to reach positive results in two years' time.

Development in activities and financial affairs

The company's income statement for the year 2016 shows a loss of DKK -923.963, and balance sheet at 31 December 2016 shows a equity of DKK 187.306

The company's financial performance is considered dissatisfying.

Significant events occurred after the end of the financial year

No events materially affecting the financial position of the company have occurred after the end of the financial year.

Income statement 1 January - 31 December

DKK	Notes	2016	2015
Gross profit		6.988.123	8.915.685
Staff costs	1	-7.879.096	-9.710.994
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-11.214	-6.938
Other operating expenses		0	0
Operating profit		-902.187	-802.247
Income from other investments and receivables that are fixed assets		0	0
Financial income		0	1.737
Financial expenses	2	-21.776	-22.560
Profit before tax		-923.963	-823.070
Tax expense	3	0	160.000
Profit for the year		-923.963	-663.070
Proposed distribution of results			
Retained earnings		-923.963	-663.070
Proposed dividend recognised in equity		0	0
Total distribution		-923.963	-663.070

Balance sheet at 31 December

Assets

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
Fixtures, fittings, tools and equipment		30.871	4.529
Property, plant and equipment		30.871	4.529
Fixed assets		30.871	4.529
Trade receivables		2.312.332	1.544.066
Other receivables		356.924	353.594
Deferred tax assets		160.000	160.000
Deferred income assets		469.427	9.000
Receivables		3.298.683	2.066.660
Cash and cash equivalents		1.336.633	931.383
Current assets		4.635.316	2.998.043
Assets		4.666.187	3.002.572

Balance sheet at 31 December

Equity and liabilities

	Notes	2016	2015
Share capital		125.000	125.000
Retained earnings		62.306	986.269
Proposed dividend recognised in equity		0	0
Equity	4	187.306	1.111.269
Long-term payables to group enterprises	5	1.514.333	0
Long-term liabilities other than provisions		1.514.333	0
Trade payables		495.518	309.278
Payables to group enterprises	5	18.540	0
Other payables		1.847.819	1.582.025
Deferred income		602.671	0
Short-term liabilities other than provisions		2.964.548	1.891.303
Liabilities other than provisions		4.478.881	1.891.303
Equity and liabilities		4.666.187	3.002.572
Uncertainties relating to going concern	6		
Contingent liabilities	7		
Consolidated accounts	8		

Notes

	<u>2016</u>	<u>2015</u>
1 Staff costs		
Wages and salaries	7.394.841	9.051.890
Post-employment benefit expense	399.676	502.117
Social security contributions	84.579	156.987
	<u>7.879.096</u>	<u>9.710.994</u>
Average number of full time employees	<u>13</u>	<u>16</u>
2 Financial expenses		
Finance expenses arising from group enterprises	14.333	0
Other financial expenses	7.443	0
	<u>21.776</u>	<u>0</u>
3 Tax expense		
Tax expense on ordinary activities	0	0
Adjustment of deferred tax	0	-160.000
	<u>0</u>	<u>-160.000</u>

Tax payables also includes tax payables to group companies.

Notes

	2016	2015
4 Equity		
Share capital at 1 January	125.000	125.000
Share capital at 31 December	125.000	125.000
Retained earnings at 1 January	986.269	-3.558.814
Grant from parent company	0	5.208.153
Proposed distribution of results this year	-923.963	-663.070
Retained earnings at 31 December	62.306	986.269
Proposed dividend recognised in equity at 1 January	0	0
Dividend paid	0	0
Proposed distribution of results	0	0
Proposed dividend recognised in equity at 31 December	0	0
Equity 31 December	187.306	1.111.269

5 Long-term liabilities other than provisions

	Total debt 31 December 2016	Repayment next year	Long-term part	Unpaid debt after 5 years
Loan from group companies	1.532.873	18.540	1.514.333	
	1.532.873	18.540	1.514.333	0

6 Uncertainties relating to going concern

The management is expecting a loss in 2017, break even in 2018 and expected profits from 2019 going forward. Management have received confirmation that the group will invest money to avoid to fall under the half of the share capital both by transforming group loan into equity and by providing further equity directly from the ultimate parent company. Unfortunately management is expecting more losses during 2017 due to the completion of the switch from the old digital marketing platform to the MailUp platform. This process is taking more time than forecasted because of unexpected technical and staff problems. The efforts and investments during 2017 will allow the company to reach positive results in two years' time.

On this basis, the management is preparing the Financial Statements on the basis of going concern.

Notes

7 Contingent liabilities

The company is a management company/subsidiary in joint taxation with MailUp Nordics A/S. The companies in the joint taxation are jointly liable on corporation taxes and taxes on dividends, interest and royalties.

8 Consolidated accounts

The consolidated financial statements, which comprise the smallest and largest group, can be obtained from:

MailUp S.p.A.
via Comizi Agrari 10
26100 Cremona
Italy

<http://www.mailup.com/investors/documents/>

Accounting policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with election from reporting class C.

Changes in accounting policies

The accounting policies have been changed as follows:

- Gain and losses regarding the disposals of tangible assets are recognized under other operating income and expenses, previously this was recognised under depreciations.

The comparative figures are changed due to the change in accounting policies.

The change in accounting policies does not lead to any change on net income, total assets or equity for current year and the comparative figures. The change in accounting policies only has effect the presentation of the Financial Statements.

Besides this the accounting policies are consistent with those of last year.

General

Reporting currency

The Annual Report is presented in Danish kroner (DKK).

Accounting policies

Currency retranslation

Transactions denominated in foreign currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Exchange differences arising between the transaction date and the exchange rate at the date of actual payment are recognized in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the balance sheet date. The difference between the exchange rates ruling at the balance sheet date and at the date when the receivable or payable arose is recognized in the income statement under financial income or financial expenses.

Non-current assets acquired in foreign currency are measured to the exchange rate ruling at the date of the transaction.

Consolidated financial statements

In accordance with the exemption in the section 112 of the Danish Financial Statements Act no consolidated financial statements have been prepared.

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statement Act, the items "Revenue" to and including "Other external expenses" are consolidated into one item designated "Gross profit".

Revenue

Revenue includes invoiced sales of goods and rendering of services, recognition is done, when

- delivery and transfer of risk to the buyer has taken place before year end
- a committing sales agreement exists
- sales price is determined, and
- payment is received, or there are reasonable security that it will be received

Revenue is recognized excluding value added tax and after deduction of provisions rebates and trade discounts relating to the sale.

Accounting policies

Cost of sales

Cost of sales include costs incurred to achieve revenue for the year. Cost of sales include freight and forwarding costs.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, bad debt, premises, operating lease agreements etc.

Staff costs

Staff costs comprise costs such as wages and salaries, pension costs and other social security benefits ect. to the company's employees.

Other operating income and expenses

Other operating income and expenses includes items of a secondary nature relative to the enterprise's core business.

Financial items

Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest receivable and payable, realised and unrealised capital gains on securities and currency translation adjustments.

Tax expense

Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the year and on equity to the extent that it relates there to.

Accounting policies

Balance sheet

Property, plant and equipment

Property, plant, fixtures, fittings, tools and equipment are measured at historic cost less accumulated depreciation and impairment losses.

Historic cost comprise the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Assets are depreciated on a straight-line basis over the expected useful economic lives of the assets:

	<u>Useful life</u>	<u>Expected scrap value</u>
Fixtures, fittings, tools and equipment	3-7 years	0%

Asset acquisitions below the taxable limit is fully written off in the year of acquisition.

Gains and losses on disposals are determined as the difference between selling price less sales cost and carrying amount at time of disposal and are recognized in the income statement. Gain or loss is recognized under other operating income or expenses.

Impairment of property, plant and equipment

The carrying amount of property, plant and equipment is every year reviewed in order to determine if there are indications of impairment exceeding the amount expressed by depreciations and amortisations. If this is the case an impairment test is carried out in order to determine if the recoverable amount is lower than the carrying amount. The assets are written down to this lower value.

Recoverable amount for the asset is determined as the highest value of net sales price and the capital value. If it is not possible to determine the recoverable amount for the individual asset, assets are assessed together with the smallest group of assets where it is possible to determine a reliable evaluation of the recoverable amount.

Assets where it is not possible to determine an individual capital value because the asset does not generate future cash flows is assessed together with the group of assets which they can be attributed to.

Receivables

Receivables are measured at amortized cost which corresponds in all material respects to nominal value. The value is reduced with provisions for expected bad debts.

Deferred income

Deferred income, recognized under liabilities, comprise income concerning subsequent financial years.

Accounting policies

Other short-term investments

When it is likely that the total cost will exceed the total income on a specific task, the expected loss will be recognized in the income statement.

Cash and bank balances

Cash comprises cash balances and bank balances.

Dividends

Dividends expected to be paid in respect of the year are stated as a separate line item under

Current tax and current deferred tax

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Current tax liabilities and current tax assets are recognized in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all timing differences between the tax and accounting value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred income tax is measured using tax rules and tax rates that apply by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Liabilities

Other liabilities are measured at amortized cost, corresponding to the nominal value.