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Mascus A/S
c/o LandbrugsMedierne, Agro Food Park 15, 8200 Aarhus

Company reg. no. 30 73 56 76

Annual report

1 January - 31 December 2016

The annual report have been submitted and approved by the general meeting on the

Tim Robert Scholte
Chairman of the meeting



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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %

Management's report

The board of directors and the managing director have today presented the annual report of Mascus A/S for the financial year 1 January to 31 December 2016.

The annual report has been presented in accordance with the Danish Financial Statements Act,

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.


The annual report is recommended for approval by the general meeting.

Aarhus, 21 February 2017

Managing Director


Henrik Skov Lisberg

Board of directors


Tim Robert Scholte
Chairman


Max Rickard Kroto


Thomas Gylling Loft


Ernst-Jan Vermaak


Henrik Skov Lisberg

Independent auditor's report

To the shareholders of Mascus A/S

Opinion

We have audited the annual accounts of Mascus A/S for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January to 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

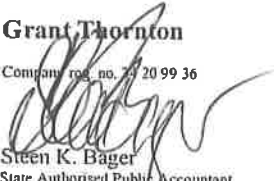
Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 21 February 2017

Grant Thornton

Company reg. no. 20 99 36



Steen K. Bager
State Authorised Public Accountant

Company data

The company	Mascus A/S c/o LandbrugsMedierne Agro Food Park 15 8200 Aarhus
	Phone 70 22 00 77
	Web site mascus.dk
	Company reg. no. 30 73 56 76
	Established: 28 February 2007
	Domicile:
	Financial year: 1 January - 31 December
Board of directors	Tim Robert Scholte, Chairman Max Rickard Krøtø Thomas Gylling Loft Ernst-Jan Vermaak Henrik Skov Lisberg
Managing Director	Henrik Skov Lisberg
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Parent company	Mascus International

Management's review

Principal activities

The company primarily engages in the operation of an online market for used machinery and related industries.

Development in activities and financial matters

The gross profit for the year is DKK 970.000 against DKK 1.089.000 last year. The results from ordinary activities after tax are DKK 734.000 against DKK 818.000 last year. The management consider the results as expected.

Profit and loss account 1 January - 31 December

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Gross profit	969.705	1.089
Depreciation and amortisation of intangible fixed assets	-6.400	-4
Operating profit	963.305	1.085
Other financial income	-214	1
Other financial costs	-18.448	-15
Results before tax	944.643	1.071
1 Tax of the results for the year	-210.487	-253
Results for the year	<u>734.156</u>	<u>818</u>
 Proposed distribution of the results:		
Allocated to results brought forward	734.156	818
Distribution in total	<u>734.156</u>	<u>818</u>

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Balance sheet 31 December

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

Assets		2016	2015
Note		<u>2016</u>	<u>2015</u>
Fixed assets			
Completed development projects		21.333	28
Intangible fixed assets in total		<u>21.333</u>	<u>28</u>
Fixed assets in total		<u>21.333</u>	<u>28</u>
Current assets			
Trade debtors		564.314	1.247
Amounts owed by associated enterprises		0	13
Deferred tax assets		14.278	9
Other debtors		11.333	0
Accrued income and deferred expenses		0	28
Debtors in total		<u>589.925</u>	<u>1.297</u>
Available funds		<u>2.698.777</u>	<u>2.054</u>
Current assets in total		<u>3.288.702</u>	<u>3.351</u>
Assets in total		<u>3.310.035</u>	<u>3.379</u>

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Balance sheet 31 December

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

Equity and liabilities			
Note		<u>2016</u>	<u>2015</u>
Equity			
3	Contributed capital	600.000	600
4	Results brought forward	1.588.364	855
	Equity in total	<u>2.188.364</u>	<u>1.455</u>
Liabilities			
	Debt to group enterprises	86.482	374
	Debt to associated enterprises	213.301	735
	Corporate tax	415.278	228
	Other liabilities	359.685	536
	Accrued expenses and deferred income	46.925	51
	Short-term liabilities in total	<u>1.121.671</u>	<u>1.924</u>
	Liabilities in total	<u>1.121.671</u>	<u>1.924</u>
	Equity and liabilities in total	<u>3.310.035</u>	<u>3.379</u>

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Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

	<u>2016</u>	<u>2015</u>
1. Tax of the results for the year		
Tax of the results for the year, parent company	215.292	256
Adjustment for the year of deferred tax	<u>-4.805</u>	<u>-3</u>
	<u>210.487</u>	<u>253</u>
2. Completed development projects		
Cost 1 January 2016	32.000	0
Additions during the year	<u>0</u>	<u>32</u>
Cost 31 December 2016	<u>32.000</u>	<u>32</u>
Amortisation and writedown 1 January 2016	-4.267	0
Amortisation for the year	<u>-6.400</u>	<u>-4</u>
Amortisation and writedown 31 December 2016	<u>-10.667</u>	<u>-4</u>
Book value 31 December 2016	<u>21.333</u>	<u>28</u>
3. Contributed capital		
Contributed capital 1 January 2016	<u>600.000</u>	<u>600</u>
	<u>600.000</u>	<u>600</u>
The share capital consists of 600 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.		
4. Results brought forward		
Results brought forward 1 January 2016	854.208	37
Profit or loss for the year brought forward	<u>734.156</u>	<u>818</u>
	<u>1.588.364</u>	<u>855</u>

Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

	<u>31/12 2016</u>	<u>31/12 2015</u>
5. Proposed dividend for the financial year		
Dividend 1 January 2016	0	1.000
Distributed dividend	<u>0</u>	<u>-1.000</u>
	<u>0</u>	<u>0</u>

Accounting policies used

The annual report for Mascus A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

Accounting policies used

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Contract work in progress concerning construction contracts is recognised concurrently in the net turnover with the progress of the production. Thus the net turnover corresponds to the sales value of the completed productions of the year (the production method). The net turnover is recognised when the total income and costs of the contract and the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the financial benefits will be received by the company.

When the results of a contract can not be determined reliably, the net turnover is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Production cost includes contract work and license fee between group enterprises and associates parties. Production cost does also include commission.

Other external costs comprise costs for sales, advertisement, administration, loss on debtors. This includes costs for the development of website solutions where future sales can not be measured reliably.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Intangible fixed assets

Development projects

Capitalised development costs are measured at cost with deduction of accrued amortisation or at the recoverable value, if this is lower.

Accounting policies used

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 5 years and does not exceed 20 years.

Profit and loss from the realisation of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Equity - dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Accounting policies used

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.