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SUPERTEL A/S
HØRSKÆTTEN 3, 2630 TAASTRUP
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2016

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 28 February 2017**

Chairman of the meeting

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COMPANY DETAILS

Company	SuperTel A/S Hørskættens 3 2630 Taastrup Telephone: 77 30 31 26 Telefax: 27 19 56 01 Website: www.supertel.dk CVR no.: 27 19 56 01 Established: 6 June 2003 Registered Office: Taastrup Financial Year: 1 January - 31 December
Board of Directors	Claus Føns Dindler, Chairman Peter Zibrandtsen Christian Holm Christensen Christian Læsø Jensen
Board of Executives	Hugo Arvid Nielsen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Nordea Bank Danmark A/S Strandgade 3 1401 Copenhagen K Sydbank A/S Peberlyk 4, Postboks 1038 6200 Aabenraa

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of SuperTel A/S for the year 1 January - 31 December 2016.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

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

Taastrup, 27 February 2017

Board of Executives

Hugo Arvid Nielsen

Board of Directors

Claus Føns Dindler
Chairman

Peter Zibrandtsen

Christian Holm Christensen

Christian Læsø Jensen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of SuperTel A/S

Opinion

We have audited the Financial Statements of SuperTel A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, notes and a summary of significant 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 assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company operations for the financial year 1 January - 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 Responsibility 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.

Auditor's Responsibility for 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.

INDEPENDENT AUDITOR'S REPORT

- 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.
- 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.

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 Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 27 February 2017

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Torben Bjerre-Poulsen
State Authorised Public Accountant

MANAGEMENT'S REVIEW

Main activities

SuperTel A/S' main activities consist of IP telephony services and hosted solutions.

SuperTel A/S is a telephony wholesale provider for customers such as Dandial Networks, Facilicom and a number of other service operators. In addition, SuperTel A/S deals in bilateral buying and selling of wholesale traffic for international voice operators, as well as SIP trunk solutions for the corporate market and dial-in numbers from international destinations. SuperTel is a wholly owned subsidiary of GlobalConnect A/S and as such, it is a part of the consolidated Group report.

Development in activities and financial position

SuperTel's 2016 revenue amounted to DKK ('000) 25.576 (2015: DKK ('000) 25.535), and the profit before tax to DKK ('000) 2.364 (2015: DKK ('000) 5.046). The Management finds the result to be in accordance with expectations. The decrease in profitability compared to the 2015 result is primarily due to investments in resources required to secure further growth and profitability increase in the coming years.

Significant events after the end of the financial year

No events of material importance to the company's financial position have occurred following the end of the financial year.

Future expectations

The continued growth of SuperTel A/S' business customer portfolio is driven by the sale of SIP trunks. The SIP trunk market is experiencing sustained growth and the demand for one-stop shopping from multinational customers, requesting one provider for all corporate locations, is a dominant factor. This is in line with the situation in 2015.

A wholesale project migrating 60,000 residential customers into SuperTel A/S' network will be executed in January 2017. This will have a positive top and bottom line impact on the company's 2017 performance compared to 2016.

In order to secure increased growth in 2017, SuperTel A/S has also dedicated further resources to partner channel sales.

SuperTel A/S anticipates a positive financial result in 2017.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2016 DKK	2015 DKK
NET REVENUE		25.575.837	25.534.547
Production costs.....		-13.608.017	-12.576.162
Other external costs.....		-2.933.934	-2.666.713
GROSS PROFIT		9.033.886	10.291.672
Staff costs.....	1	-5.816.625	-4.052.546
Depreciation, amortisation and write-down.....		-810.315	-734.449
OPERATING PROFIT		2.406.946	5.504.677
Other financial income.....		6.113	83.567
Other financial costs.....		-48.613	-541.678
PROFIT BEFORE TAX		2.364.446	5.046.566
Tax.....	2	836.497	1.076.823
PROFIT FOR THE YEAR		3.200.943	6.123.389
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		3.200.943	6.123.389
TOTAL		3.200.943	6.123.389

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2016 DKK	2015 DKK
Prepayments regarding rights to use and licenses.....		588.649	0
Intangible fixed assets.....	3	588.649	0
Other fixtures and equipment.....		436.548	424.113
Leasehold improvements.....		25.827	39.908
Tangible fixed assets.....	4	462.375	464.021
Deposits.....		130.460	93.249
Fixed asset investments.....	5	130.460	93.249
FIXED ASSETS.....		1.181.484	557.270
Trade receivables.....		4.564.337	6.347.097
Amounts due from Group companies.....		1.948.850	3.487.239
Deferred tax assets.....		5.067.956	4.231.459
Other receivables.....		0	37.212
Prepayments & accrued income.....		563.346	793.831
Receivables.....		12.144.489	14.896.838
Cash and cash equivalents.....		5.084.632	3.375.812
CURRENT ASSETS.....		17.229.121	18.272.650
ASSETS.....		18.410.605	18.829.920

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2016 DKK	2015 DKK
Share capital.....		6.250.000	6.250.000
Retained earnings.....		7.433.682	4.232.739
EQUITY.....	6	13.683.682	10.482.739
Prepayments received.....		258.489	0
Trade payables.....		2.766.348	2.204.841
Amounts due to Group companies.....		0	4.314.818
Other liabilities.....		1.702.086	1.827.522
Current liabilities.....		4.726.923	8.347.181
LIABILITIES.....		4.726.923	8.347.181
EQUITY AND LIABILITIES.....		18.410.605	18.829.920
 Contingencies etc.	 7		
Related parties	8		

NOTES

	2016 DKK	2015 DKK	Note
Staff costs			1
Average number of employees 8 (2015: 7)			
Wages and salaries.....	5.152.586	3.608.644	
Pensions.....	565.470	422.093	
Other social security costs.....	55.427	14.220	
Other staff costs.....	43.142	7.589	
	5.816.625	4.052.546	
Tax			2
Adjustment of deferred tax.....	-836.497	-1.076.823	
	-836.497	-1.076.823	
<p>The company showed a profit again in the financial year 2016, and additional loss carryforwards were therefore capitalised during the year with due regard to the coming, expected operating results. The total effect of the capitalisation of loss carryforwards is DKK ('000) 1,363 in the form of a tax income in the year.</p>			
Intangible fixed assets			3
		Prepayments regarding rights to use and licenses	
Cost at 1 January 2016.....		13.627.714	
Additions.....		828.233	
Cost at 31 December 2016.....		14.455.947	
Amortisation at 1 January 2016.....		13.627.714	
Amortisation for the year.....		239.584	
Amortisation at 31 December 2016.....		13.867.298	
Carrying amount at 31 December 2016.....		588.649	
Tangible fixed assets			4
		Other fixtures and equipment	Leasehold improvements
Cost at 1 January 2016.....	14.333.585	151.000	
Additions.....	561.026	0	
Cost at 31 December 2016.....	14.894.611	151.000	
Depreciation and write-down at 1 January 2016.....	13.909.472	111.092	
Depreciation for the year.....	548.591	14.081	
Depreciation and write-down at 31 December 2016.....	14.458.063	125.173	
Carrying amount at 31 December 2016.....	436.548	25.827	

NOTES

				Note
Fixed asset investments				5
			Deposits	
Cost at 1 January 2016.....			93.249	
Additions.....			37.211	
Cost at 31 December 2016.....			130.460	
Carrying amount at 31 December 2016.....			130.460	
Equity				6
	Share capital	Retained earnings	Total	
Equity at 1 January 2016.....	6.250.000	4.232.739	10.482.739	
Proposed distribution of profit.....		3.200.943	3.200.943	
Equity at 31 December 2016.....	6.250.000	7.433.682	13.683.682	
Contingencies etc.				7
The company is liable to an amount equal to the equity at 30 June 2013 (approx. DKK 0) for bond loans raised by its parent company.				
Joint liabilities				
The company is jointly and severally liable together with the parent company and the other Group companies in the joint taxable Group for tax on the Group's joint taxable income and for certain possible withholding taxes such as dividend tax.				
Tax payable on the group's joint taxable income is stated in the annual report of ZS Holding ApS which serves as management company for the joint taxation.				
Related parties				8
SuperTel A/S' related parties include:				
The Controlling interest				
GlobalConnect A/S, Hørskættten 3, 2630 Taastrup, is the principal shareholder.				
Other related parties having performed transactions with the company				
The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.				
Transactions with related parties				
The company did not carry out any substantial transactions that were not concluded on market conditions.				

ACCOUNTING POLICIES

The annual report of SuperTel A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B with the adoption of rules from reporting class C.

The annual report is prepared consistently with the accounting principles used last year.

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, distributions, advertising, administration, buildings, loss on bad debts, operational lease expenses and similar expenses.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance leases, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation or the recoverable amount. Patents are amortised over the residual patent term and licences are amortised over the term of the agreement, however, no more than 8 years.

ACCOUNTING POLICIES

Tangible fixed assets

Other fixtures and equipment and leasehold improvements are measured at cost less accumulated depreciation and write-down.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life	Residual value
Other fixtures and equipment.....	3-10 years	0 %
Leasehold improvements.....	10 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, it is written down to the lower value.s

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

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 tax on account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Liabilities are measured at amortised cost equal to nominal value.