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GIGACONTENT 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	Gigacontent A/S Hørskættten 3 2630 Taastrup Telephone: 77 30 30 00 Telefax: 77 30 31 01 CVR no.: 28 33 37 30 Established: 25 January 2005 Registered Office: Taastrup Financial Year: 1 January - 31 December
Board of Directors	Claus Føns Dindler, Chairman Christian Læsø Jensen Christian Holm Christensen
Board of Executives	Christian Holm Christensen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Jyske Bank A/S Mageløs 8 5100 Odense C 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 Gigacontent 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

Christian Holm Christensen

Board of Directors

Claus Føns Dindler
Chairman

Christian Læsø Jensen

Christian Holm Christensen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Gigacontent A/S

Opinion

We have audited the Financial Statements of Gigacontent 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

Gigacontent has been owned by GlobalConnect A/S with a share of 100% since 1 January 2013.

GlobalConnect A/S is an independent fibre infrastructure based service provider that offers efficient and secure data networking, data centre solutions and cloud services. GlobalConnect A/S covers all of Denmark, Northern Germany and parts of Sweden with more than 15,000 km of high-speed optical fibre network and 13,000 m² data centres.

The main activity of GigaContent A/S is the sale of media services, rendering it possible for broadcasters and media houses to transmit fast and efficiently from national and international events in SD or HD quality. Furthermore, GigaContent A/S has created a large business area addressing major enterprises, financial institutions and organisations, etc. that seek easy access to air slots with national and international media.

Development in activities and financial position

As for 2016, GigaContent A/S' performance and financial position have developed with a focus on an increased customer base and a continued expansion of access points, based on customer demand for easy access to air slots with national and international media.

During 2016, there has been increased focus on the development of international transmissions. London remains an important exchange point for GigaContent A/S' airtime slots and GigaContent A/S has experienced increased traffic during 2016.

Throughout 2016, GigaContent A/S has acquired new customers resulting in an expected future revenue increase. Broadcasting traffic in the GigaContent A/S network has also been increasing during 2016 and management expects this tendency to last throughout 2017.

In 2016, GigaContent A/S' booking system was upgraded and refined in order to provide customers with more functionality and better reporting facilities. Hence, the booking tool remains a state of the art software tool that makes GigaContent A/S stand out compared to other known broadcasting networks in Europe.

2016 showed a net revenue of DKK ('000) 16.203 (2015: DKK ('000) 17.899) and losses before tax of DKK ('000) -2.163 (2015: DKK ('000) -3.255). The loss was expected as GigaContent A/S is undergoing substantial equipment maintenance in order to secure that the quality supplied to customers will be a key driver of future growth.

The result for 2016 meets the company's expectations and is considered satisfactory by both Board and Management

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

Management expects that further development of GigaContent A/S' main activities will continue along the same positive lines in 2017 and that GigaContent A/S will show improved performance.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2016 DKK	2015 DKK
NET REVENUE		16.204.784	17.898.688
Production costs.....		-9.285.773	-11.886.714
Other external costs.....		-853.233	-1.121.899
GROSS PROFIT/LOSS		6.065.778	4.890.075
Staff costs.....	1	-2.279.132	-2.046.535
Depreciation, amortisation and write-down.....		-5.318.216	-5.417.296
OPERATING LOSS		-1.531.570	-2.573.756
Other financial income.....		631	11.362
Other financial costs.....	2	-632.062	-692.143
LOSS BEFORE TAX		-2.163.001	-3.254.537
Tax.....	3	473.921	630.488
LOSS FOR THE YEAR		-1.689.080	-2.624.049
PROPOSED DISTRIBUTION OF LOSS			
Retained earnings.....		-1.689.080	-2.624.049
TOTAL		-1.689.080	-2.624.049

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2016 DKK	2015 DKK
Prepayments regarding rights to use and licenses.....		1.524.705	1.726.369
Intangible fixed assets.....	4	1.524.705	1.726.369
Other fixtures and equipment.....		15.229.975	18.224.596
Fibre/ducts.....		12.546.106	14.261.218
Tangible fixed assets.....	5	27.776.081	32.485.814
FIXED ASSETS.....		29.300.786	34.212.183
Finished goods and goods for resale.....		1.954.276	1.243.695
Inventories.....		1.954.276	1.243.695
Trade receivables.....		4.179.576	5.126.403
Amounts due from Group companies.....		10.938	0
Deferred tax assets.....		2.724.646	2.250.725
Prepayments & accrued income.....		1.948.262	2.200.581
Receivables.....		8.863.422	9.577.709
Cash and cash equivalents.....		42.150	850.955
CURRENT ASSETS.....		10.859.848	11.672.359
ASSETS.....		40.160.634	45.884.542

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2016 DKK	2015 DKK
Share capital.....		1.500.000	1.500.000
Retained earnings.....		15.093.970	16.783.050
EQUITY.....	6	16.593.970	18.283.050
Debt to financial institutions.....		3.607.680	5.752.621
Prepayments received.....		75.000	0
Trade payables.....		648.489	344.035
Amounts due to Group companies.....		17.950.115	20.396.088
Other liabilities.....		1.144.757	1.052.498
Accruals and deferred income.....		140.623	56.250
Current liabilities.....		23.566.664	27.601.492
LIABILITIES.....		23.566.664	27.601.492
EQUITY AND LIABILITIES.....		40.160.634	45.884.542
 Contingencies etc.	 7		
Related parties	8		

NOTES

	2016 DKK	2015 DKK	Note
Staff costs			1
Average number of employees 3 (2015: 2)			
Wages and salaries.....	2.020.009	1.833.859	
Pensions.....	187.241	167.118	
Other social security costs.....	17.179	5.489	
Other staff costs.....	54.703	40.069	
	2.279.132	2.046.535	
Other financial costs			2
Interest expense to Group companies.....	544.375	515.961	
Other interest expenses.....	87.687	176.182	
	632.062	692.143	
Tax			3
Adjustment of deferred tax.....	-473.921	-630.488	
	-473.921	-630.488	
Intangible fixed assets			4
		Prepayments regarding rights to use and licenses	
Cost at 1 January 2016.....		26.368.327	
Adjustment.....		-23.923.571	
Additions.....		24.209	
Cost at 31 December 2016.....		2.468.965	
Amortisation at 1 January 2016.....		12.107.109	
Adjustment.....		-11.388.722	
Amortisation.....		225.873	
Amortisation at 31 December 2016.....		944.260	
Carrying amount at 31 December 2016.....		1.524.705	

NOTES

Tangible fixed assets **Note**
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	Other fixtures and equipment	Fibre/ducts
Cost at 1 January 2016.....	34.244.903	0
Adjustment.....	0	25.725.000
Additions.....	604.551	0
Cost at 31 December 2016.....	34.849.454	25.725.000
Depreciation and write-down at 1 January 2016.....	16.020.307	0
Adjustment.....	0	11.463.782
Depreciation.....	3.599.172	1.715.112
Depreciation and write-down at 31 December 2016.....	19.619.479	13.178.894
Carrying amount at 31 December 2016.....	15.229.975	12.546.106
Finance lease assets.....		12.546.106

Equity **6**

	Share capital	Retained earnings	Total
Equity at 1 January 2016.....	1.500.000	16.783.050	18.283.050
Proposed distribution of loss.....		-1.689.080	-1.689.080
Equity at 31 December 2016.....	1.500.000	15.093.970	16.593.970

Contingencies etc. **7**

The company is liable for an amount equal to its equity at 30 June 2013 (approx. DKK ('000) 24.882) for bond loans, DKK ('000) 500.000, 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 of 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.

NOTES**Note****Related parties****8**

GigaContent 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 Gigacontent 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 classification of fibre/ducts with a contract period over 15 years was mistakenly included under intangible fixed assets previous years. Fibre/ducts with a contract period over 15 years shall be classified as tangible assets. Therefore Fibre/ducts with a contract period over 15 years have been transferred to tangible assets and comparative figures have been restated. Cost at 1 January 2016 DKK 25.725.000 and depreciation and write-down at 1 January 2016 DKK 11.463.782. This has no impact on the financial result for the year.

The classification of fibre/ducts with a contract period under 15 years was mistakenly included under prepayments and accrued income previous years. Fibre/ducts with a contract period under 15 years shall be classified as intangible assets. Therefore Fibre/ducts with a contract period under 15 years have been transferred to intangible assets and comparative figures have been restated. Cost at 1 January 2016 DKK 1.801429 and depreciation and write-down at 1 January 2016 DKK 75.060. This has no impact on the financial result for the year.

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

INCOME STATEMENT

Net revenue

Net revenue from sale of services 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 distribution, sales, advertising, administration, premises, bad debts, operating lease expenses, etc.

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.

ACCOUNTING POLICIES

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. The amortisation period is between 5-15 years, which is equal to the term of the agreement.

Tangible fixed assets

Other fixtures and equipment and fibre/ducts 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. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

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

	Useful life	Residual value
Other fixtures and equipment.....	10 years	0 %
Fibre/ducts.....	15 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.

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.

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.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, it is written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and direct production cost.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

ACCOUNTING POLICIES

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.

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.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.