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GIGACONTENT A/S
HØRSKÆTTEN 3, 2630 TAASTRUP
ANNUAL REPORT
2015

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 10 March 2016**

Trine Bøgelund

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COMPANY DETAILS

Company	Gigacontent A/S Hørskættens 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 Allan Reimann Pernille Ravn 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 2015.

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 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015.

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

We recommend that the Annual Report be approved at the Annual General meetings.

Taastrup, 2 March 2016

Board of Executives

Christian Holm Christensen

Board of Directors

Claus Føns Dindler
Chairman

Allan Reimann

Pernille Ravn

Christian Holm Christensen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Gigacontent A/S

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Gigacontent A/S for the financial year 1 January to 31 December 2015, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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 free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We have conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit Legislation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

INDEPENDENT AUDITOR'S REPORT

STATEMENT ON THE MANAGEMENT'S REVIEW

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Copenhagen, 2 March 2016

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 a leading supplier of Carrier Class tele and data communication services, owning 13,000 km fibre net covering all Denmark, part of Sweden and Northern Germany. Furthermore, GlobalConnect owns 13,000 m² data centres and offers to a great extent hosted solutions.

The main activity of GigaContent A/S is 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 large enterprises, financial institutions, organisations etc., asking for easy access to air slots with national and international broadcasters.

Development in activities and financial position

As for 2015, GigaContent's result and economic position has developed, focusing on increased customer base and continued build-out of access points, based on the customers' request for easy access to air slots with national and international media.

The year of 2015 was marked by further development of connections in London, where from GigaContent has experienced an increased number of transmission minutes and improved competitiveness compared to international competitors. Furthermore, GigaContent A/S has undertaken general investments in access points in the daily business.

Throughout 2015, GigaContent has acquired new customers resulting in expected future increased revenue, estimated as satisfactory by management. In 2015, via GigaContent's fibre network, GigaContent A/S has handled IHF - World Championship for TV2 Denmark and TV2 Norway. Furthermore, transmission in connection with Her Majesty Queen Margrethe II' 75 years' birthday was handled. - The number of transmission minutes has increased in 2015 and we expect this tendency to last throughout 2016.

Being a crucial functionality in the sense of efficient customer handling, we have during 2015 refined and automated GigaContent's booking system further. For instance, we have developed geo-coding for App-base software giving customers possibility - irrespective of place - to effectively locate the nearest GigaContent access point.

The result for the year shows net revenue of DKK ('000) 17,899 (2014: DKK ('000) 18,162) whereas the result after tax shows a loss of DKK ('000) 2,624 (2014: DKK ('000) 2,273). The loss resulted, as mentioned, from major investments in connection with the expansion of access points and the establishment of a permanent presence in London.

Significant events after the end of the financial year

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

Future expectations

Management expects that the further development of GigaContent's main activities will continue in 2016 along the same positive lines and that 2016 will show a considerably improved result.

ACCOUNTING POLICIES

The annual report of Gigacontent A/S for 2015 is presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

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

General information about recognition and measurement

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and writedown, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will flow from the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of intangible and tangible fixed assets is reviewed annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

INCOME STATEMENT

Net revenue

The 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 costs

Other external costs include costs relating to distribution, sale, advertising, administration, premises, loss on bad debts, operating 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.

ACCOUNTING POLICIES

Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, 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.

The company is subject to joint taxation with wholly owned Danish group companies. The current corporation tax is distributed among the companies subject to joint taxation in proportion to their taxable income, and with full distribution with refund regarding taxable losses. The companies subject to joint taxation are included in the tax-on-account scheme.

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.

Tangible fixed assets

Other fixtures and equipment 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 as follows:

	Useful life	Residual value
Other fixtures and equipment.....	10 years	0 %

Profit or loss on disposal of tangible fixed assets is stated at 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.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided 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 the cost of raw materials, consumables, direct payroll costs and direct production costs.

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.

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.

Dividend

The expected payment of dividend for the year is recognised as a separate item under equity.

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.

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.

ACCOUNTING POLICIES

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.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2015 DKK	2014 DKK
NET REVENUE		17.898.688	18.161.565
Cost of sales.....		-11.961.774	-12.385.642
Other external expenses.....		-1.121.900	-1.155.042
GROSS PROFIT		4.815.014	4.620.881
Staff costs.....	1	-2.046.535	-1.641.331
Depreciation, amortisation and impairment.....		-5.342.236	-4.959.949
OPERATING LOSS		-2.573.757	-1.980.399
Other financial income.....		11.363	3.204
Other financial expenses.....	2	-692.143	-774.828
LOSS BEFORE TAX		-3.254.537	-2.752.023
Tax.....	3	630.488	478.909
LOSS FOR THE YEAR		-2.624.049	-2.273.114
DISTRIBUTION OF PROFIT			
Retained loss.....		-2.624.049	-2.273.114
TOTAL		-2.624.049	-2.273.114

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2015 DKK	2014 DKK
Intangible fixed assets acquired.....		14.261.218	15.976.330
Intangible fixed assets	4	14.261.218	15.976.330
Tangible assets under construction.....		0	683.093
Other fixtures and equipment.....		18.224.596	20.764.267
Tangible fixed assets	5	18.224.596	21.447.360
FIXED ASSETS		32.485.814	37.423.690
Inventory		1.243.695	910.892
Trade receivables.....		5.126.403	4.574.191
Deferred tax assets.....		2.250.725	1.620.237
Other receivables.....		0	14.125
Prepayments and accrued income.....		3.926.950	1.617.189
Accounts receivable		11.304.078	7.825.742
Cash and cash equivalents		850.955	1.382.737
CURRENT ASSETS		13.398.728	10.119.371
ASSETS		45.884.542	47.543.061

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2015 DKK	2014 DKK
Share capital.....		1.500.000	1.500.000
Retained profit.....		16.783.050	19.407.099
EQUITY.....	6	18.283.050	20.907.099
Bank debt.....		5.752.621	6.842.509
Trade payables.....		344.035	1.168.787
Payables to group enterprises.....		20.396.088	18.520.692
Other liabilities.....		1.052.498	103.974
Accruals and deferred income.....		56.250	0
Current liabilities.....		27.601.492	26.635.962
LIABILITIES.....		27.601.492	26.635.962
EQUITY AND LIABILITIES.....		45.884.542	47.543.061
 Contingencies etc.	 7		
Related parties	8		
Ownership	9		

NOTES

	2015 DKK	2014 DKK	Note
Staff costs			1
Wages and salaries.....	1.833.859	1.430.748	
Pensions.....	167.118	150.581	
Social security costs.....	5.489	4.320	
Other staff costs.....	40.069	55.682	
	2.046.535	1.641.331	
Other financial expenses			2
Group enterprises.....	515.961	646.876	
Other interest expenses.....	176.182	127.952	
	692.143	774.828	
Tax			3
Adjustment of deferred tax.....	-630.488	-478.909	
	-630.488	-478.909	
Intangible fixed assets			4
		Intangible fixed assets acquired	
Cost at 1 January 2015.....		26.368.327	
Cost at 31 December 2015.....		26.368.327	
Amortisation at 1 January 2015.....		10.391.997	
Amortisation.....		1.715.112	
Amortisation at 31 December 2015.....		12.107.109	
Carrying amount at 31 December 2015.....		14.261.218	
Tangible fixed assets			5
		Tangible assets under Other fixtures and equipment	
Cost at 1 January 2015.....	683.093	33.288.386	
Additions.....	0	1.724.920	
Disposals.....	-683.093	-768.403	
Cost at 31 December 2015.....	0	34.244.903	
Depreciation and write-down at 1 January 2015.....	0	12.524.119	
Depreciations of assets sold.....	0	-89.216	
Depreciation.....	0	3.585.404	
Depreciation and write-down at 31 December 2015.....	0	16.020.307	
Carrying amount at 31 December 2015.....	0	18.224.596	

NOTES

Note

Equity

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	Share capital	Retained profit	Total
Equity at 1 January 2015.....	1.500.000	19.407.099	20.907.099
Proposed distribution of profit.....		-2.624.049	-2.624.049
Equity at 31 December 2015.....	1.500.000	16.783.050	18.283.050

The share capital has not been changed in the past 5 years.

Contingencies etc.

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The company is liable to 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 tax group for tax on the group income subject to joint taxation and for certain possible withholding taxes such as dividend tax.

Tax payable on the group income subject to joint taxation is stated in the annual report of ZS Holding ApS, which serves as management company for the joint taxation arrangement.

Related parties

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GigaContent A/S' related parties include:

Controlling interests

GlobalConnect A/S, Hørskættten 3, 2630 Taastrup, is the principal shareholder.

Other related parties with whom the company has had transactions

The company's related parties with significant influence comprise subsidiaries and associates and the Board of Directors, Management and other managers as well as those persons' related family members. Related parties include also companies in which before-mentioned persons have significant interests.

Transactions with related parties

The company has not had any significant transactions, which have not been agreed-upon on market terms.

NOTES**Note****Ownership****9**

The following shareholder is recorded in the company's register of shareholders as sole proprietor of the share capital:

GlobalConnect A/S
Hørskættten 3
2630 Taastrup

The company is included in the consolidated financial statements of GlobalConnect A/S, Hørskættten 3, 2630 Taastrup, which is the parent company of the small group in which the company is a subsidiary.

The company is also included in the consolidated financial statements of ZS Holding ApS, Høveltevej 65, 3460 Birkerød, which is the company's ultimate parent.

The consolidated financial statements may be obtained on request to the parent companies.