

**Acacia Communications  
Europe ApS**  
Priorparken 680  
2605 Brøndby  
Central Business Registration No  
32570127

**Annual report 2016**

The Annual General Meeting adopted the annual report on 30.06.2017

**Chairman of the General Meeting**

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Name: Christian Jørgen Rasmussen

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## Entity details

### Entity

Acacia Communications Europe ApS  
Priorparken 680  
2605 Brøndby

Central Business Registration No: 32570127

Registered in: Brøndby

Financial year: 01.01.2016 - 31.12.2016

### Executive Board

Janene Irene Asgeirsson

John Francis Gavin

Christian Jørgen Rasmussen

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

Postbox 200

6701 Esbjerg

## Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Acacia Communications Europe ApS for the financial year 01.01.2016 - 31.12.2016.

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 Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We consider the preconditions for not auditing the financial statements for the financial year 01.01.2016 - 31.12.2016 as complied with.

We recommend the annual report for adoption at the Annual General Meeting.

Brøndby, 30.06.2017

### Executive Board

Janene Irene Asgeirsson

John Francis Gavin

Christian Jørgen Rasmussen

## The independent auditor's compilation report

### To Management of Acacia Communications Europe ApS

We have compiled the financial statements of Acacia Communications Europe ApS for the financial year 01.01.2016 - 31.12.2016 based on the Entity's bookkeeping records and other information Management has provided.

These financial statements comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies.

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct for professional accountants, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile the financial statements are Management's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the disclosures Management provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion about whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Esbjerg, 30.06.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No: 33963556

Peder Rene Pedersen  
State Authorised Public Accountant

## Management commentary

### Primary activities

The activities consist of development of equipment for data transmission and related business.

### Development in activities and finances

The result for the financial year 2016 was a loss of 266 t.kr. compared to a profit of 1.480 t.kr. in 2015.

The management is expecting a profit for 2017.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
<b>Gross profit</b>		<b>3.694.736</b>	<b>4.015.505</b>
Staff costs	1	<u>(3.247.212)</u>	<u>(2.245.681)</u>
<b>Operating profit/loss</b>		<b>447.524</b>	<b>1.769.824</b>
Other financial income		338.408	35.463
Other financial expenses		<u>(1.126.360)</u>	<u>(1.050)</u>
<b>Profit/loss before tax</b>		<b>(340.428)</b>	<b>1.804.237</b>
Tax on profit/loss for the year	2	<u>74.894</u>	<u>(323.856)</u>
<b>Profit/loss for the year</b>		<b>(265.534)</b>	<b>1.480.381</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>(265.534)</u>	<u>1.480.381</u>
		<b>(265.534)</b>	<b>1.480.381</b>

**Balance sheet at 31.12.2016**

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Trade receivables		0	994.339
Deferred tax		74.894	0
Other receivables		<u>10.189.947</u>	<u>1.586.069</u>
<b>Receivables</b>		<b><u>10.264.841</u></b>	<b><u>2.580.408</u></b>
<b>Cash</b>		<b><u>739.370</u></b>	<b><u>831.341</u></b>
<b>Current assets</b>		<b><u>11.004.211</u></b>	<b><u>3.411.749</u></b>
<b>Assets</b>		<b><u>11.004.211</u></b>	<b><u>3.411.749</u></b>



## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		125.000	125.000
Retained earnings		987.388	1.252.921
<b>Equity</b>		<b><u>1.112.388</u></b>	<b><u>1.377.921</u></b>
Income tax payable		314.420	306.106
Other payables		9.577.403	1.727.722
<b>Current liabilities other than provisions</b>		<b><u>9.891.823</u></b>	<b><u>2.033.828</u></b>
<b>Liabilities other than provisions</b>		<b><u>9.891.823</u></b>	<b><u>2.033.828</u></b>
<b>Equity and liabilities</b>		<b><u>11.004.211</u></b>	<b><u>3.411.749</u></b>

Group relations

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## Statement of changes in equity for 2016

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	125.000	1.252.922	1.377.922
Profit/loss for the year	0	(265.534)	(265.534)
<b>Equity end of year</b>	<b>125.000</b>	<b>987.388</b>	<b>1.112.388</b>

## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	3.247.212	2.240.585
Other social security costs	0	5.096
	<b>3.247.212</b>	<b>2.245.681</b>
Average number of employees	<b>1</b>	

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Tax on profit/loss for the year</b>		
Tax on current year taxable income	0	323.000
Change in deferred tax for the year	(74.894)	0
Adjustment concerning previous years	0	856
	<b>(74.894)</b>	<b>323.856</b>

### 3. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Acacia Communications, Inc., USA.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

#### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for office supplies, marketing costs, etc.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

#### Other financial income

Other financial income comprises payables and transactions in foreign currencies

#### Other financial expenses

Other financial expenses comprise payables and transactions in foreign currencies.

#### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

### Balance sheet

#### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

#### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

## Accounting policies

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Other financial liabilities**

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

### **Income tax receivable or payable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax