

Acacia Communications Europe ApS

Priorparken 680

2605 Brøndby

Business Registration No

32570127

Annual report 2017

The Annual General Meeting adopted the annual report on 30.05.2018

Chairman of the General Meeting

Name: Christian Jørgen Rasmussen

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Entity details

Entity

Acacia Communications Europe ApS
Priorparken 680
2605 Brøndby

Central Business Registration No (CVR): 32570127

Registered in: Brøndby

Financial year: 01.01.2017 - 31.12.2017

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 Board of Directors and the Executive Board have today considered and approved the annual report of Acacia Communications Europe ApS for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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 01.01.2017 - 31.12.2017 as complied with.

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

Brøndby, 30.05.2018

Executive Board

Janene Irene Asgeirsson

John Francis Gavin

Christian Jørgen Rasmussen

The independent auditor's compilation report

To the Management of Acacia Communications Europe ApS

We have compiled the financial statements of Acacia Communications Europe ApS for the financial year 01.01.2017 - 31.12.2017 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, 30.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Peder Rene Pedersen
State Authorised Public Accountant
Identification No (MNE) mne23334

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 2017 was a Profit of 660 t.kr. compared to a loss of 266 t.kr. in 2016.

The management is expecting a profit for 2018.

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 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Gross profit		4.272.730	3.694.736
Staff costs	1	<u>(2.622.183)</u>	<u>(3.247.212)</u>
Operating profit/loss		1.650.547	447.524
Other financial income		0	338.408
Other financial expenses		<u>(819.847)</u>	<u>(1.126.360)</u>
Profit/loss before tax		830.700	(340.428)
Tax on profit/loss for the year	2	<u>(170.978)</u>	<u>74.894</u>
Profit/loss for the year		<u>659.722</u>	<u>(265.534)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>659.722</u>	<u>(265.534)</u>
		<u>659.722</u>	<u>(265.534)</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK</u>
Receivables from group enterprises		13.039.676	10.189.947
Deferred tax		0	74.894
Other receivables		20.125	0
Prepayments		2.134	0
Receivables		<u>13.061.935</u>	<u>10.264.841</u>
Cash		<u>2.250.420</u>	<u>739.370</u>
Current assets		<u>15.312.355</u>	<u>11.004.211</u>
Assets		<u>15.312.355</u>	<u>11.004.211</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK</u>
Contributed capital		125.000	125.000
Retained earnings		<u>1.647.110</u>	<u>987.388</u>
Equity		<u>1.772.110</u>	<u>1.112.388</u>
Payables to group enterprises		12.491.282	7.753.416
Income tax payable		84.715	314.420
Other payables		<u>964.248</u>	<u>1.823.987</u>
Current liabilities other than provisions		<u>13.540.245</u>	<u>9.891.823</u>
Liabilities other than provisions		<u>13.540.245</u>	<u>9.891.823</u>
Equity and liabilities		<u>15.312.355</u>	<u>11.004.211</u>

Group relations

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Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	987.388	1.112.388
Profit/loss for the year	0	659.722	659.722
Equity end of year	125.000	1.647.110	1.772.110

Notes

	2017	2016
	DKK	DKK
1. Staff costs		
Wages and salaries	2.622.183	3.247.212
	2.622.183	3.247.212
Average number of employees	1	1

	2017	2016
	DKK	DKK
2. Tax on profit/loss for the year		
Current tax	110.430	0
Change in deferred tax	74.894	(74.894)
Adjustment concerning previous years	(14.346)	0
	170.978	(74.894)

3. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Acacia Communications Inc, Three Mill and Main Place, Suite 400, Maynard, Massachusetts, 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 other 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 and 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 exchange gains on transactions in foreign currencies etc.

Other financial expenses

Other financial expenses comprise interest expenses and exchange losses on transactions in foreign currencies etc.

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 the tax-based value of assets and liabilities, for which the tax-based value 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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

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