



**Acacia Communications Europe
ApS**

Priorparken 611
2605 Brøndby
CVR No. 32570127

Annual report 2020

The Annual General Meeting adopted the
annual report on 27.05.2021

Evan Barry Sloves

Chairman of the General Meeting

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Entity details

Entity

Acacia Communications Europe ApS
Priorparken 611
2605 Brøndby

CVR No.: 32570127

Registered office: Brøndby

Financial year: 01.01.2020 - 31.12.2020

Executive Board

Evan Barry Sloves
Graham Rae Allan

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Dokken 8
6701 Esbjerg

Statement by Management

The Executive Board have today considered and approved the annual report of Acacia Communications Europe ApS for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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 01.01.2020 - 31.12.2020 as complied with.

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

California, 27.05.2021

Executive Board

Evan Barry Sloves

Graham Rae Allan

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 01.01.2020 - 31.12.2020 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, 27.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Peder Rene Pedersen

State Authorised Public Accountant
Identification No (MNE) mne23334

Bo Klitten Kjærgaard

State Authorised Public Accountant
Identification No (MNE) mne34507

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 2020 was a Profit of 111 t.kr. compared to a profit of 164 t.kr. in 2019.

The management is expecting a profit for 2021.

An outbreak of SARS-CoV-2, and the coronavirus disease, COVID-19, was identified in China in late 2019 and has globally spread throughout other areas such as Asia, Europe, the Middle East and North America. The Centers for Disease Control and Prevention has recognized this outbreak as a pandemic which has resulted in authorities imposing, and businesses and individuals implementing, numerous unprecedented measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter-in-place/stay-at-home and social distancing orders and shutdowns. These measures have impacted and may further impact the company's workforce and operations, the operations of the company's customers, and those of the company's and its customers respective vendors, suppliers and partners. While the pandemic and these measures did not have a significant impact on the company's financial results for the financial year ended 31 December 2020, the extent to which the COVID-19 pandemic could impact the company's going forward results of operations will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus and the actions to contain its impact and the duration of the pandemic and related responsive measures. The company is in the process of monitoring and assessing the effect of the COVID-19 pandemic.

Foreign branches

Acacia Communications Europe ApS have a representative office in Thailand to provide inspection and quality control support to its contract manufacturers. The Thailand entity is set up as a legal branch of Acacia Communications Europe ApS.

Events after the balance sheet date

On 1 March 2021 Cisco (NASDAQ: SCSO) announced the completion of the acquisition of Acacia Communications, Inc., the ultimate holding company of Acacia Communications Europe ApS.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		10,228,399	6,780,209
Staff costs	2	(9,383,277)	(6,288,681)
Operating profit/loss		845,122	491,528
Other financial income		30	637
Other financial expenses		(702,057)	(280,414)
Profit/loss before tax		143,095	211,751
Tax on profit/loss for the year	3	(32,162)	(48,150)
Profit/loss for the year		110,933	163,601
Proposed distribution of profit and loss			
Retained earnings		110,933	163,601
Proposed distribution of profit and loss		110,933	163,601

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Receivables from group enterprises		21,832,548	22,240,479
Other receivables		976,698	9,873
Income tax receivable		27,838	23,850
Prepayments		105,058	66,952
Receivables		22,942,142	22,341,154
Cash		666,413	2,302,382
Current assets		23,608,555	24,643,536
Assets		23,608,555	24,643,536

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		125,000	125,000
Retained earnings		21,281,191	2,115,847
Equity		21,406,191	2,240,847
Other payables		599,571	0
Non-current liabilities other than provisions	4	599,571	0
Trade payables		43,817	0
Payables to group enterprises		42,173	20,209,829
Other payables		1,516,803	2,192,860
Current liabilities other than provisions		1,602,793	22,402,689
Liabilities other than provisions		2,202,364	22,402,689
Equity and liabilities		23,608,555	24,643,536
Events after the balance sheet date	1		
Group relations	5		

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125,000	2,115,847	2,240,847
Group contributions etc	0	19,054,411	19,054,411
Profit/loss for the year	0	110,933	110,933
Equity end of year	125,000	21,281,191	21,406,191

Notes

1 Events after the balance sheet date

On 1 March 2021 Cisco (NASDAQ: SCSO) announced the completion of the acquisition of Acacia Communications, Inc., the ultimate holding company of Acacia Communications Europe ApS.

2 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	9,381,180	6,286,775
Other social security costs	2,097	1,906
	9,383,277	6,288,681
Average number of full-time employees	8	6

3 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	32,162	48,150
	32,162	48,150

4 Non-current liabilities other than provisions

	Due after more than 12 months	Outstanding after 5 years
	2020	2020
	DKK	DKK
Other payables	599,571	599,571
	599,571	599,571

5 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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the previous month end exchange rate. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue less other external expenses.

Revenue

Revenue represents the amount of fee payable to the Company in respect of services provided during the year to other group companies. Revenue from service agreements is recognized linearly for the period of the service contract after vesting principle. 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 travel 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 interest income and 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.

Tax payable or receivable

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.

Prepayments

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

Cash

Cash comprises bank deposits.

Other financial liabilities

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