Piaster Revisorerne
vi giver bedre råd

SiPhotonIC ApS

CVR-no. 39 93 46 39

Bredebovej 25 1. tv.
2800 Kongens Lyngby

Annual Report 2018/19

(Financial year 5 October 2018 - 31 December 2019)

Penneo dokumentnøgle: GGUC6-8PIS5-PDKU6-8YYL3-MFHHK-EL8L0

The Annual Report is presented and adopted at the Annual General Meeting of shareholders on the 21 February 2020

Yunhong Ding
Chairman of the meeting

Table of Contents

	Page
Statements and reports	
Management's Statement	3
Practitioner's Compilation Report	4
Management's Review	
Company details	5
Management's Review	6
Financial Statements	
Income Statement	7
Balance Sheet	8
Statement of changes in equity	9
Notes	10
Accounting policies	11

Penneo dokumentnøgle: GGUC6-8PIS5-PDKU6-8YYL3-MFHHK-EL8L0

Management's Statement

The Executive Board have today considered and approved the Annual Report of 5 October 2018 - 31 December 2019 for SiPhotonIC ApS.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

The Annual Report, which is unaudited, has been prepared in accordance with legal requirements. Executive Board declares that the conditions for waiving the audit are met.

In my opinion the Financial Statements give a true and fair view of the Company's assets and liabilities, financial position and results of operations for the financial year ended 31 December 2019.

In my opinion the Management's Review gives a true and fair statement regarding the content in the Management's Review.

We recommend the Annual Report approved at the Annual General Meeting.

Lyngby-Taarbæk, 21 February 2020

Executive Board:

Yunhong Ding

It was unanimously decided at the General Meeting to deselect audit of the company´s Annual Report for the forthcoming year.

Penneo dokumentnøgle: GGUC6-8PIS5-PDKU6-8YYL3-MFHHK-EL8L0

Practitioner's Compilation Report

To the Management of SiPhotonIC ApS

We have compiled the accompanying financial statements of SiPhotonIC ApS for the financial year 5 October 2018 - 31 December 2019 based on information you have provided.

The financial statements comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, notes and accounting policies.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirments under the Danish Act on Approved Auditors and Audit Firms and FSR - danske revisorer's Code of Ethics, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

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

Allerød, 21 February 2020
Piaster Revisorerne,
Statsautoriseret Revisionsaktieselskab
CVR. no.: 25 16 00 37

Steen Dahl Andersen
State Authorized Public Accountant
mne29455

Penneo dokumentnøgle: GGUC6-8PIS5-PDKU6-8YYL3-MFHHK-EL8L0

Company details

Company details	SiPhotonIC ApS Bredebovej 25 1. tv. 2800 Kongens Lyngby	
	CVR no.:	39 93 46 39
	Founded:	5 October 2018
	Registered office:	Lyngby-Taarbæk
	Financial year:	1 January - 31 December
Executive Board	Yunhong Ding	

Penneo dokumentnøgle: GGUC6-8PIS5-PDKU6-8YYL3-MFHHK-EL8L0

Management’s Review

Primary activities of the Company
The company's primary activites is to design and fabricate advanced silicium photonic integrated circuits and other related activities.

Development in activities and financial affairs
The company's financial performance is considered as expected.

Penneo dokumentnøgle: GGUC6-8PIS5-PDKU6-8YYL3-MFHHK-EL8L0

Income Statement 5 October - 31 December

DKK	Notes	2018/19 *15 months*
Gross profit		**530.172**
Staff costs	1	-189.299
Operating profit		**340.873**
Financial expenses	2	-5
Profit before tax		**340.868**
Tax expense	3	-74.976
Profit for the year		**265.892**
Proposed distribution of results		
Retained earnings		115.892
Proposed dividend recognised in equity		150.000
Total distribution		**265.892**

Penneo dokumentnøgle: GGUC6-8PIS5-PDKU6-8YYL3-MFHHK-EL8L0

Balance Sheet at 31 December

Assets

	Notes	2019
Trade receivables		48.623
Receivables from group enterprises		4.920
Other receivables		4.387
Receivables		**57.930**
Cash and cash equivalents		**864.329**
Current assets		**922.259**
Assets		**922.259**

Equity and liabilities

	2019
Share capital	62.500
Retained earnings	353.392
Proposed dividend recognised in equity	150.000
Equity	**565.892**
Trade payables	109.341
Prepayments received from customers	152.719
Tax payables	74.976
Other payables	19.331
Short-term liabilities other than provisions	**356.367**
Liabilities other than provisions	**356.367**
Equity and liabilities	**922.259**

Contingent liabilities

Penneo dokumentnøgle: GGUC6-8PIS5-PDKU6-8YYL3-MFHHK-EL8L0

Statement of changes in equity 5. October 2018 - 31. December 2019

	2019
Share capital	
Beginning balance	50.000
Increase of capital	12.500
End balance	62.500
Retained earnings	
Beginning balance	0
Profit (loss)	115.892
Transferred from share premium	237.500
End balance	353.392
Proposed dividend recognized in equity	
Beginning balance	0
Profit (loss)	150.000
End balance	150.000
Equity	**565.892**

Penneo dokumentnøgle: GGUC6-8PIS5-PDKU6-8YYL3-MFHHK-EL8L0

Notes

		2018/19 *15 months*
1	**Staff costs**	
	Wages and salaries	186.992
	Social security contributions	2.307
		189.299
	Average number of full time employees	1
2	**Financial expenses**	
	Other financial expenses	5
		5
3	**Tax expense**	
	Tax expense on ordinary activities	74.976
	Adjustment of deferred tax	0
		74.976

4 Contingent liabilities

Contingent liabilities
The company is a subsidiary in joint taxation with SiPhotonIC Holding ApS. The companies in the joint taxation are jointly liable on corporation taxes and taxes on dividends, interest and royalties.

Penneo dokumentnøgle: GGUC6-8PIS5-PDKU6-8YYL3-MFHHK-EL8L0

Accounting policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with election from reporting class C.

General

Reporting currency
The Annual Report is presented in Danish kroner (DKK).

In general regarding accounting and measuring
Income is recognized in the income statement when they are earned. Furthermore are all costs, depreciations and write downs recognized in the income statement when incurred.

Assets are recognized in the balance sheet when it is probable that future economical benefits will accrue to the company and the assets value can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economical benefits will be deducted from the company and the value can be measured reliably.

On inital recognition assets and liabilities are measured to cost price. Thereafter assets and liabilities are measured as described for each entry.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Currency retranslation
Transactions denominated in foreign currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Exchange differences arising between the transaction date and the exchange rate at the date of actual payment are recognized in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the balance sheet date. The difference between the exchange rates ruling at the balance sheet date and at the date when the receivable or payable arose is recognized in the income statement under financial income or financial expenses.

Non-current assets aquired in foreign currency are measured to the exchange rate ruling at the date of the transaction.

Penneo dokumentnøgle: GGUC6-8PIS5-PDKU6-8YYL3-MFHHK-EL8L0

Accounting policies

Income statement

Gross profit
With reference to section 32 of the Danish Financial Statement Act, the items “Revenue” to and including “Other external expenses” are consolidated into one item designated “Gross profit”.

Revenue
Revenue includes invoiced sales of goods and rendering of services, recognition is done, when

- delivery and transfer of risk to the buyer has taken place before year end
- a commiting sales agreement exists
- sales price is determined, and
- payment is received, or there are reasonable security that it will be received

Revenue is recognized excluding value added tax and after deduction of provisions rebates and trade discounts relating to the sale.

Cost of sales
Cost of sales include costs incurred to achieve revenue for the year. Cost of sales include freight and forwarding costs.

Other external expenses
Other external expenses include expenses related to distribution, administration etc.

Staff costs
Staff costs comprise costs such as wages and salaries, pension costs and other social security benefits ect. to the company's employees.

Financial items
Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest receivable and payable.

Tax expense
Tax on income for the year, consisting of the year’s current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the year and on equity to the extent that it relates there to.

Penneo dokumentnøgle: GGUC6-8PIS5-PDKU6-8YYL3-MFHHK-EL8L0

Accounting policies

Balance sheet

Receivables
Receivables are measured at amortized cost which corresponds in all material respects to nominal value. The value is reduced with provisions for expected bad debts.

Cash and bank balances
Cash comprises cash balances and bank balances.

Dividends
Dividends expected to be paid in respect of the year are stated as a separate line item under equity.

Current tax and current deferred tax
Current tax liabilities and current tax assets are recognized in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all timing differences between the tax and accounting value of assets and liabilities.

Defered tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measuered at net realisable value.

Deferred income tax is measured using tax rules and tax rates that apply by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Liabilities
Other liabilities are measured at amortized cost, corresponding to the nominal value.

Penneo dokumentnøgle: GGUC6-8PIS5-PDKU6-8YYL3-MFHHK-EL8L0

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Yunhong Ding
Direktør
På vegne af: SiPhotonIC ApS
Serienummer: PID:9208-2002-2-091637874744
IP: 195.249.xxx.xxx
2020-02-23 21:04:24Z
NEM ID

Yunhong Ding
Dirigent
På vegne af: SiPhotonIC ApS
Serienummer: PID:9208-2002-2-091637874744
IP: 195.249.xxx.xxx
2020-02-23 21:04:24Z
NEM ID

Steen Dahl Andersen
Revisor
På vegne af: Piaster Revisorerne, Statsautoriseret revisionsaktieselskab
Serienummer: CVR:25160037-RID:67629748
IP: 87.48.xxx.xxx
2020-02-23 21:08:04Z
NEM ID

Penneo dokumentnøgle: GGUC6-8PIS5-PDKU6-8YYL3-MFHHK-EL8L0

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstemplet med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt
Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service <penneo@penneo.com>**. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: **https://penneo.com/validate**