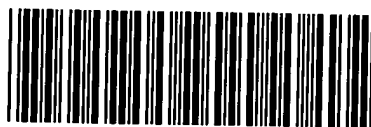


Registered number: 03330283

CIENA LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 OCTOBER 2023

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CIENA LIMITED

COMPANY INFORMATION

Directors	Erik Jordan Lichter (appointed 27 August 2024) Jiong Liu (appointed 27 August 2024) J E Moylan Jr (resigned 27 August 2024) D M Rothenstein (resigned 27 August 2024)
Company secretary	Erik Jordan Lichter
Registered number	03330283
Registered office	11th Floor The Bard 20 Curtain Road London EC2A 3NG
Independent auditors /	BKL Audit LLP Chartered Accountants & Statutory Auditors 35 Ballards Lane London N3 1XW
Bankers	J.P. Morgan Bank Luxembourg S.A. European Bank & Business Center 6 route de Trèves L-2633 Senningerberg Luxembourg R.C.S Luxembourg B10.958
Solicitors	Lewis Silkin LLP 5 Chancery Lane Clifford's Inn London EC4A 1BL

CIENA LIMITED

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CIENA LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 28 OCTOBER 2023

Introduction

The directors present the strategic report for the year ended 28 October 2023.

Business review

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and level of complexity of our business and is written in the context of the risks and uncertainties we faced.

The company continues to offer pre and post-sales support services to the parent company. Fees are earned by providing installation, maintenance and technical support services in the UK, Europe, the Middle East and Africa to the fellow subsidiaries. The company also acts as a limited-risk distributor that buys products from Ciena's global distribution company and sells those products to third parties and related parties.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, operating profit and profit before taxation.

Our greatest strengths are our people and technology; we are committed to having the best of both.

Ciena has maintained its continued investment in a highly trained workforce, cutting edge technology and a long-term investment approach, providing clients with consistently superior network solutions and a high level of client service.

Operating profit has increased by €56.60m (792%) (2022: €3.29m (85%)). Turnover has increased by €45.55m (30%) (2022: €14.65m 11%) from €153.15 in 2022 to €198.70m in 2023.

The cash reserves at the balance sheet date were €64.79m, an increase of €59.63m from €5.16m of the previous year. The directors are pleased to report a profit before taxation of €63.15m.

For our business, the challenges of adapting to Brexit remains and will likely be the case for the future as additional new legislations and cooperative technologies are introduced by the UK and EU. We are an agile business, well positioned to adapt and implement changes required within our business to efficiently operates free from the EU.

Development and performance of the business

	52 weeks ended 28 October 2023	52 weeks ended 29 October 2022	52 weeks ended 30 October 2021 (as restated)	52 weeks ended 31 October 2020 (as restated)	52 weeks ended 2 November 2019
Turnover - €	198,704,800	153,151,922	138,502,329	126,160,867	132,896,354
Turnover growth/(fall) - %	30	11	10	(5)	16
Gross profit margin - %	3	5	3	3	4
Profit before tax - €	63,151,183	7,146,068	3,860,072	3,340,379	4,311,832

Position of the business

At the end of the period, the net assets totalled €908,027,378 (2022: €853,743,265).

CIENA LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 28 OCTOBER 2023**

Principal risks and uncertainties

We consider our principal risks and uncertainties to be threefold, namely:

- Our future ability to deliver good service and effective networking solutions which are consistent with our clients' objectives and risk tolerances; and
- Our continued innovation and investment in our infrastructure which will enable us to grow and diversify our business by providing specialist high quality efficient networking solutions; and
- Our adherence to all regulatory controls and best practices in order to operate and grow a successful global business.

Price risk, credit risk, liquidity risk and cash flow risk

The business's activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

The business's principal financial instruments comprise bank balances and trade creditors. The main purpose of these instruments is to finance the business's operations.

The company continues to maintain healthy cash balances and does not have exposure to significant liquidity risks. All of the business's cash balances are held in a way to achieve a competitive rate of interest.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The business now has trade debtors which give rise to credit risk, this risk is well managed and controlled by the organisation.

CIENA LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 28 OCTOBER 2023**

Directors' statement of compliance with duty to promote the success of the Company**Engagement with suppliers, customers and other**

Active stakeholder engagement spanning customers, suppliers, community and employees will enable Ciena to drive toward its goal of being the supplier, employer and neighbor of choice as a result of our Corporate Social Responsibility Program.

- Ciena shall operate its business in an ethical and socially responsible way, within the law and taking responsibility for the impacts of its decisions and activities on the environment, its employees, customers, suppliers, stakeholders, and the communities in which it operates.
- Ciena is committed to the CSR principles laid out in the EICC Code of Conduct and the UN Global Compact.
- Ciena shall monitor and report on its ongoing CSR performance against clearly defined objectives.

Streamlined Energy and Carbon Reporting

In the financial year, the following amounts of energy and corresponding CO₂ emissions within Scope 1 & Scope 2:

	kWh	MTCO₂e
Scope 1		
Fugitive emissions from refrigerants	-	65.96
Scope 2		
Electricity	3,305,077	657.04

Measures taken to improve energy efficiency:

Addressing climate change is a priority for us. Mitigating climate risks and reducing our Greenhouse Gas (GHG) emissions are integrated into our long-term strategic planning and operations management.

We are on target to meet our goal to be carbon neutral across our global operations by the end of FY2023.

We focus on two main areas to decarbonize our operations and reduce our impact:

- Efficiencies in our operations: This includes transitioning to renewable energy, reducing overall energy use and waste within our operations, and driving sustainability in our supply chain.
- Innovation in our products: This includes designing each successive generation of our products to enable more capacity and performance with less power and space required, and fewer materials, as well as reducing waste caused through packaging and the end-of-life treatment of our products.

Furthermore, Ciena is currently undergoing the validation process the Science Based Target initiative (SBTi), working to solidify our Scope 1, 2 and 3 science-based targets. Ciena is intent on aligning our business practices to our climate ambitions, with the guidance of the goals of the Paris Climate Accord.

To deliver on our carbon neutrality commitment and future Science Based Targets, we established a cross-functional Environmental Steering Committee (ESC) in 2020 to provide leadership and oversight for initiatives that support our ongoing commitment to reduce the environmental impact of our operations. Among other things, the ESC will assist the Executive Leadership Team in:

- Implementing action-based sustainability programming across our real estate portfolio, supply chain and operations, global products and services, procurement, marketing, events, and communications.
- Creating internal emission reduction goals to support the efforts to achieve our Science Based Target by 2030.
- Developing, implementing, and monitoring policies intended to promote our environmental goal and targets.
- Undergoing extensive digital transformation to measure emissions data changes resulting from sustainability programming.

We have also recently introduced a new Sustainability Leadership Committee, comprising members of our

CIENA LIMITED

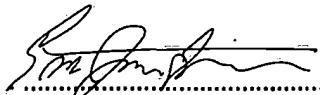
**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 28 OCTOBER 2023**

Executive Leadership Team, who will be reporting the Board of Directors on all things sustainability related and will be the decision makers when implementing new initiatives.

Energy continues to be a significant part of our GHG profile, particularly driven by our laboratory areas, where we test our products and provide customer training and support facilities. As we grow our operations, energy management is essential to driving down our emissions footprint. We are taking actions to reduce our direct and indirect emissions, including exploration of the following:

- Transitioning to renewable energy sourcing, and continuing to build out our on-site solar.
- Purchasing Renewable Energy Certificates, where we are unable to bring renewables on board directly.
- Implementing energy-efficiency measures like LED and motion-sensor lighting, retro-commissioning studies, and upgrading HVAC systems.
- Minimizing the environmental impact of our buildings through alignment with LEED standards
- Reviewing our real-estate portfolio, following the pandemic-working arrangements to determine whether all physical assets are still required to support our business and customers.
- Establishing global waste and water management programming

This report was approved by the board on October 25, 2024 and signed on its behalf.


.....
Erik Jordan Lichter
Director


.....
Jiong Liu
Director

CIENA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 OCTOBER 2023

The directors present their report and the financial statements for the year ended 28 October 2023.

Principal activity

The principal activity of the company during the year was pre and post sales support for the parent company's optical fibre multiplexing products.

The company also acts as a limited-risk distributor that buys products from Ciena's global distribution company and sells those products to third parties and related parties.

Results and dividends

The profit for the year, after taxation, amounted to €53,203,137 (2022 - €6,292,890).

No dividend was paid during the current or previous year.

Directors

The directors who served during the year were:

J E Moylan Jr (resigned 27 August 2024)
D M Rothenstein (resigned 27 August 2024)

Future developments

Going forward Ciena Limited will act as a limited-risk distributor that buys products from Ciena's global distribution company and sells those products to third parties and related parties. Ciena Limited also operates as Ciena's marketing, sales support, and customer support entity in UK. It markets Ciena products and provides post-sales support to customers in its local territory.

Engagement with employees

During the year, the policy of providing employees with information about the company has continued through internal media methods in which employees have been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the company's profit sharing schemes and are encouraged to invest in the company through participation in the share purchase scheme.

Disabled employees

The company gives full and fair consideration to applications for employment from disabled persons where the requirement of the job may be adequately covered by a handicapped or disabled person.

With regards to existing employees who became disabled, the company has continued to examine ways of providing continuing employment under normal terms and conditions and to provide training, career development and promotion where appropriate.

Branches outside the United Kingdom

During the year the company had branches in the following countries - Belgium, France, Germany, Italy, Switzerland, Poland, United Arab Emirates, Netherlands and Denmark.

CIENA LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 OCTOBER 2023**

Disclosure of information to auditors

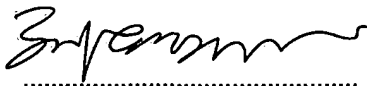
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

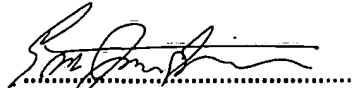
The auditors, BKL Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
Jiong Liu
Director

Date: October 25, 2024



.....
Erik Jordan Lichter
Director

Date: October 25, 2024

CIENA LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 28 OCTOBER 2023**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

CIENA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIENA LIMITED

Opinion

We have audited the financial statements of CIENA LIMITED (the 'Company') for the year ended 28 October 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 October 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

CIENA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIENA LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

CIENA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIENA LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risks of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Sauderson

Ian Sauderson FCA (Senior Statutory Auditor)

for and on behalf of
BKL Audit LLP

Chartered Accountants
Statutory Auditors

35 Ballards Lane
London
N3 1XW

Date:

28/10/2024

CIENA LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 OCTOBER 2023**

	Note	2023 €	2022 €
Turnover	4	198,704,800	153,151,922
Cost of sales		(193,085,882)	(146,174,673)
Gross profit		<u>5,618,918</u>	<u>6,977,249</u>
Income from fixed assets investments		57,471,903	-
Interest receivable and similar income	9	771,352	331,064
Interest payable and similar expenses	10	(710,990)	(162,245)
Profit before tax		<u>63,151,183</u>	<u>7,146,068</u>
Tax on profit	11	(9,948,046)	(853,178)
Profit for the financial year		<u>53,203,137</u>	<u>6,292,890</u>
Other comprehensive income for the year			
Actuarial gains on defined benefit pension scheme		110,004	682,553
Other comprehensive income for the year		<u>110,004</u>	<u>682,553</u>
Total comprehensive income for the year		<u>53,313,141</u>	<u>6,975,443</u>

The notes on pages 15 to 34 form part of these financial statements.

CIENA LIMITED
REGISTERED NUMBER: 03330283

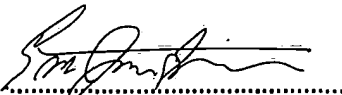
STATEMENT OF FINANCIAL POSITION
AS AT 28 OCTOBER 2023

			28 October 2023 €	29 October 2022 €
	Note			
Fixed assets				
Tangible assets	12		7,288,189	3,656,139
Investments	13		852,738,394	851,764,516
			<u>860,026,583</u>	<u>855,420,655</u>
Current assets				
Stocks	14	13,551,761	20,261	
Debtors: amounts falling due within one year	15	28,270,861	25,551,182	
Cash at bank and in hand	16	64,792,815	5,160,332	
		<u>106,615,437</u>	<u>30,731,775</u>	
Creditors: amounts falling due within one year	17	(54,845,598)	(28,822,452)	
Net current assets			<u>51,769,839</u>	<u>1,909,323</u>
Total assets less current liabilities			<u>911,796,422</u>	<u>857,329,978</u>
Creditors: amounts falling due after more than one year	18		(1,938,988)	(2,514,544)
Provisions for liabilities				
Deferred taxation	19	(728,067)	-	
			<u>(728,067)</u>	<u>-</u>
Pension liability	24		(1,101,989)	(1,072,169)
Net assets			<u><u>908,027,378</u></u>	<u><u>853,743,265</u></u>
Capital and reserves				
Called up share capital	20		1,618	1,617
Share premium account	21		833,351,751	832,380,780
Other reserves	21		(23,263)	(23,263)
Profit and loss account	21		74,697,272	21,384,131
			<u><u>908,027,378</u></u>	<u><u>853,743,265</u></u>

CIENA LIMITED
REGISTERED NUMBER: 03330283

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 28 OCTOBER 2023

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Erik Jordan Lichter
Director

Date: October 25, 2024



Jiong Liu
Director

Date: October 25, 2024

The notes on pages 15 to 34 form part of these financial statements.

CIENA LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 OCTOBER 2023**

	Called up share capital €	Share premium account €	Other reserves €	Profit and loss account €	Total equity €
At 30 October 2021 (as restated)	1,611	739,466,563	(23,263)	14,408,688	753,853,599
Comprehensive income for the period					
Profit for the period (as restated)	-	-	-	6,292,890	6,292,890
Actuarial gains on pension scheme	-	-	-	682,553	682,553
Total comprehensive income for the period	-	-	-	6,975,443	6,975,443
Contributions by and distributions to owners					
Shares issued during the period	6	92,914,217	-	-	92,914,223
At 29 October 2022	1,617	832,380,780	(23,263)	21,384,131	853,743,265
Comprehensive income for the year					
Profit for the year	-	-	-	53,203,137	53,203,137
Actuarial gains on pension scheme	-	-	-	110,004	110,004
Total comprehensive income for the year	-	-	-	53,313,141	53,313,141
Contributions by and distributions to owners					
Shares issued during the year	1	970,971	-	-	970,972
At 28 October 2023	1,618	833,351,751	(23,263)	74,697,272	908,027,378

The notes on pages 15 to 34 form part of these financial statements.

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

1. General information

Ciena Limited is a private company limited by shares, and is registered, domiciled and incorporated in England and Wales. The registered office is 11th Floor, The Bard, 20 Curtain Rd, London EC2A 3NG.

The company's principal activities and nature of its operation are disclosed in the Strategic and Directors' Report.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Basic Financial Instruments;
- the requirements of Section 12 Other Financial Instruments Issues;
- the requirements of Section 26 Share-based Payment;
- the requirements of Section 33 Related Party Disclosures.

This information is included in the consolidated financial statements of Ciena Corporation as at 28 October 2023 and these financial statements may be obtained from company secretary at 7035 Ridge Road, Hanover, MD 21076, USA.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking not established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

2.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.6 Turnover

Turnover is recognised net of VAT and represents a fixed mark up on costs incurred by the company which are recognised on an accrual basis.

The company provides pre and post sales support for the parent's optical fibre multiplexing products. This entails providing administrative and support services on a Europe wide and Middle East basis. All expenses except financing are classified as cost of sales and are accounted for an accrual basis.

The company also acts as a limited-risk distributor that buys products from Ciena's global distribution company and sells those products to third parties. Turnover is allocated among performance obligations based on standalone selling price ("SSP"). SSP reflects the price at which we would expect to sell that product or service on a stand-alone basis at contract inception and that we would expect to be entitled to receive for the promised products or services. SSP is estimated for each distinct performance obligation, and judgment may be required in its determination. The best evidence of SSP is the observable price of a product or service when we sell the products separately in similar circumstances and to similar customers. In instances where SSP is not directly observable, we determine SSP using information that may include market conditions and other observable inputs.

We apply judgment in determining the transaction price, as we may be required to estimate variable consideration when determining the amount of revenue to recognize. Variable consideration can include various rebate, cooperative marketing, and other incentive programs that we offer to our distributors, partners and customers. When determining the amount of revenue to recognize, we estimate the expected usage of these programs, applying the expected value or most likely estimate and updates the estimate at each reporting period as actual utilization data becomes available. We also consider any customer right of return and any actual or potential payment of liquidated damages, contractual or similar penalties, or other claims for performance failures or delays in determining the transaction price, where applicable.

When transfer of control is judged to be over time for installation and professional service arrangements, we apply the input method to determine the amount of revenue to be recognized in a given period. Utilizing the input method, we recognize revenue based on the ratio of actual costs incurred to date to the total estimated costs expected to be incurred. Revenue for software subscription and maintenance is recognized ratably over the period during which the services are performed.

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

2. Accounting policies (continued)**2.7 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 Pensions**Employee benefits**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Retirement benefits

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The fair value of plan assets is measured in accordance with the FRS102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

The defined benefit pension plan is unfunded.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

2. Accounting policies (continued)

2.11 Share-based payments

The ultimate parent company has issued share options and restricted stock units to certain employees of this company. These are measured at fair value and recognised as an expense in profit and loss with a corresponding increase in equity. The fair value of the restricted stock units was estimated at the date of the grant using an external stock market at that date. The fair value of the share options was estimated at the date of the grant using the Black-Scholes method. The fair value will be charged as an expense in profit and loss over the vesting period. The charge is adjusted each year to reflect the expected and actual level of vesting.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax is not recognised on the share-based payment charge due to the uncertainty of future exercise and the volatility of the share price.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- Straight line basis over the lease term
Plant and machinery	- 20% - 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

2. Accounting policies (continued)**2.14 Valuation of investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

2. Accounting policies (continued)

2.17 Financial liabilities

Basic financial assets

Basic financial assets, which include amounts owed by group undertaking, accrued income and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost, being transaction price less amounts settled and less any impairment losses.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade creditors, amounts due to group undertakings, other creditors and accruals, are initially recognised at transaction price and subsequently measured at amortised cost being transaction price less amounts settled.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

2. Accounting policies (continued)**2.18 Financial instruments**

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

2.20 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is reviewed where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The actuarial calculation of the unfunded defined benefit pension scheme requires assumptions to be made in respect of the mortality rates of members, the discount rate and the rate of inflation that should be used.

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

4. Turnover

The split of the turnover is attributable to the principal activity of the business which generated in the United Kingdom, Euporean countries and North America as shown in below analysis.

Analysis of turnover by country of destination:

	2023 €	2022 €
United Kingdom	105,261,659	1,696,987
Euporean countries	6,923,571	-
North America	86,519,570	151,454,935
	<u>198,704,800</u>	<u>153,151,922</u>

5. Operating profit

The operating profit is stated after charging:

	2023 €	2022 €
Exchange differences	<u>690,153</u>	<u>(532,156)</u>

6. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors and their associates:

	2023 €	2022 €
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	<u>52,795</u>	<u>37,355</u>

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

7. Employees

Staff costs were as follows:

	2023 €	2022 €
Wages and salaries	82,968,353	74,579,884
Social security costs	13,951,124	14,000,864
Cost of defined benefit scheme	96,187	55,636
Cost of defined contribution scheme	3,755,589	3,492,760
	<u>100,771,253</u>	<u>92,129,144</u>

Redundancy payments made or committed for the year amount to €2,372,723 (2022: €1,030,17).

Share-based payments made to employees for the year amount to €7,253,820 (2022: €5,614,944)

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Selling, support and administrative staff	<u>778</u>	<u>620</u>

8. Income from investments

	2023 €	2022 €
Dividends received from subsidiary companies	57,471,903	-
	<u>57,471,903</u>	<u>-</u>

9. Interest receivable

	2023 €	2022 €
Group interest receivable	771,352	331,064
	<u>771,352</u>	<u>331,064</u>

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

10. Interest payable and similar expenses

	2023 €	2022 €
Other loan interest payable	826	1,044
Loans from group undertakings	71,271	137,763
Other interest payable	638,893	23,438
	<u>710,990</u>	<u>162,245</u>

11. Taxation

	2023 €	2022 €
Corporation tax		
Current tax on profits for the year	1,423,455	13,299
Adjustments in respect of previous periods	4,205,957	(14,511)
	<u>5,629,412</u>	<u>(1,212)</u>
Foreign tax		
Foreign tax on income for the year	3,391,520	447,896
	<u>3,391,520</u>	<u>447,896</u>
Total current tax	<u>9,020,932</u>	<u>446,684</u>
Deferred tax		
Origination and reversal of timing differences	927,114	406,494
Total deferred tax	<u>927,114</u>	<u>406,494</u>
Taxation on profit on ordinary activities	<u>9,948,046</u>	<u>853,178</u>

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

11. Taxation (continued)**Factors affecting tax charge for the year/period**

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 22.52% (2022 - 19.00%). The differences are explained below:

	2023 €	2022 €
Profit on ordinary activities before tax	63,151,183	7,146,068
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.52% (2022 - 19.00%)	14,220,260	1,357,753
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	308,541
Capital allowances for year/period in excess of depreciation	(36,971)	(176,473)
Higher rate taxes on overseas earnings	517,925	(309,998)
Adjustments to tax charge in respect of prior periods	2,513,824	(16,767)
Additional tax	2,951,481	-
Changes in provisions leading to an increase (decrease) in the tax charge	92,051	98,562
Dividends from foreign companies	(10,105,170)	-
Double taxation relief	(810,127)	-
Tax deduction arising from exercise of employee options	(1,210,968)	(1,223,525)
Expenses not deductible for tax purpose - share based payment charge	1,802,413	815,653
Foreign exchange difference	13,328	(568)
Total tax charge for the year/period	9,948,046	853,178

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

12. Tangible fixed assets

	Short-term leasehold property €	Plant and machinery €	Total €
Cost or valuation			
At 30 October 2022	3,092,051	12,723,393	15,815,444
Additions	3,684,614	2,125,280	5,809,894
Disposals	(1,870,962)	(1,829,013)	(3,699,975)
At 28 October 2023	4,905,703	13,019,660	17,925,363
Depreciation			
At 30 October 2022	2,680,197	9,479,108	12,159,305
Charge for the year on owned assets	236,206	807,024	1,043,230
Disposals	(1,870,962)	(694,399)	(2,565,361)
At 28 October 2023	1,045,441	9,591,733	10,637,174
Net book value			
At 28 October 2023	3,860,262	3,427,927	7,288,189
At 29 October 2022	411,854	3,244,285	3,656,139

13. Fixed asset investments

	Investments in subsidiary companies €
Cost or valuation	
At 30 October 2022	851,764,516
Additions	973,878
At 28 October 2023	852,738,394

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

13. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Ciena Spain S.L.	Calle Pinar (Ed Regus Pinar), 5, 28006 Madrid, Spain	Ordinary	100%
Ciena Global Products Company, Ltd.	43 Worship Street, London, United Kingdom, EC2A 2DX	Ordinary	100%
Ciena Israel Ltd.	94A Igal Alon St. Tel Aviv 6789155, Israel	Ordinary	100%
Ciena Comm Guatemala SA	Diagonal 6, 10-65 Zona 10 Centro Gerencial Las Margaritas Torre 1 Nivel 16, Guatemala	Ordinary	100%
Ciena Australia Pty. Ltd	3/1 Innovation Rd, Macquarie Park NSW 2113, Australia	Ordinary	100%
Ciena (Asia) Limited	Unit D, 16/F 169 Electric Road North Point Hong Kong China	Ordinary	100%
Ciena Comm (Malaysia) Sdn.Bhg.	Level 21, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia	Ordinary	100%
Ciena Comm Japan Co., Ltd.	PACIFIC CENTURY PLACE MARUNOUCHI, 26F, 1 Chome-11-1 Marunouchi, Chiyoda City, Tokyo 100-0005, Japan	Ordinary	100%
Ciena US Holding I, LLC	251 Little Falls Dr. Wilmington, DE 19808 United States	Ordinary	100%
Ciena US Holding III, LLC	251 Little Falls Dr. Wilmington, DE 19808 United States	Ordinary	100%
Ciena Canada, ULC	1800-510 West Georgia Street, Vancouver BC V6B 0M3 Canada	Ordinary	100%
Ciena Communications Brasil Ltd.	Av. Chucui Zaidan, 1240 - Chácara Santo Antônio (Zona Sul), São Paulo - SP, 04711-130, Brazil	Ordinary	100%
Yun Jie Business Information Consulting (Shanghai) Co., Ltd	Unit 815, 8/F (actual 7/F), No. 66 Huayuan Shiqiao Road, China (Shanghai)	Ordinary	100%

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

13. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Ciena Norway AS	Kristian Augusts gate 13, 0164 OSLO, Norway	Ordinary	100%

14. Stocks

	28 October 2023 €	29 October 2022 €
Finished goods and goods for resale	13,551,761	20,261
	<u>13,551,761</u>	<u>20,261</u>

15. Debtors

	28 October 2023 €	29 October 2022 €
Trade debtors	14,169,355	992,037
Amounts owed by group companies	153,711	18,119,071
Other debtors	715,905	3,844,281
Prepayments and accrued income	13,231,890	2,396,746
Deferred taxation	-	199,047
	<u>28,270,861</u>	<u>25,551,182</u>

16. Cash and cash equivalents

	28 October 2023 €	29 October 2022 €
Cash at bank and in hand	64,792,815	5,160,332
	<u>64,792,815</u>	<u>5,160,332</u>

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

17. Creditors: Amounts falling due within one year

	28 October 2023 €	29 October 2022 €
Trade creditors	4,473,736	7,688,768
Amounts owed to group undertakings	14,305,830	555,847
Corporation tax	4,332,207	-
Other taxation and social security	12,334,718	4,398,569
Other creditors	925,144	844,639
Accruals and deferred income	18,473,963	15,334,629
	<u>54,845,598</u>	<u>28,822,452</u>

18. Creditors: Amounts falling due after more than one year

	28 October 2023 €	29 October 2022 €
Other creditors	1,922,717	2,514,544
Accruals and deferred income > 1 yr	16,271	-
	<u>1,938,988</u>	<u>2,514,544</u>

19. Deferred taxation

	2023 €	2022 €
At beginning of year	199,047	605,541
Charged to the profit or loss	(927,114)	(406,494)
At end of year	<u>(728,067)</u>	<u>199,047</u>

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

19. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	28 October 2023 €	29 October 2022 €
Decelerated capital allowances	(870,057)	77,825
Other timing difference	141,990	121,222
	<u>(728,067)</u>	<u>199,047</u>

20. Share capital

	28 October 2023 €	29 October 2022 €
Allotted, called up and fully paid		
1,013 (2022 - 1,012) Ordinary shares of £1.00 each	<u>1,618</u>	<u>1,617</u>

Ordinary share rights

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

The following shares were issued during the year and prior year in exchange for the transfer of investments in various subsidiaries previously owned by other group companies:

On 31 December 2022 the company issued 1 Ordinary share of £1 for a total consideration of £859,756.

21. Reserves**Share premium account**

Share premium account represents the excess of the issue price over the nominal value on shares issued.

Other reserves

Historical foreign exchange reserve.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

22. Share-based payments

During the year ended 28 October 2023, the company had share-based payment arrangements, which are described below.

Restricted Stock Units

A restricted stock unit is a stock award that entitles the holder to receive shares of Ciena Corporation common stock as the unit vests. Ciena's outstanding restricted stock unit awards are subject to service-based vesting conditions and/or performance-based vesting conditions. Awards subject to service-based conditions typically vest in increments over a four-year period. Awards with performance-based vesting conditions require the achievement of certain company-based, financial or other performance criteria or targets as a condition to the vesting, or accelerations of vesting, of such awards.

Restricted stock units are released to the grantees at the point that they vest.

23. Contingent liabilities

The company is the subject of tax enquiries raised by HM Revenue & Customs for the 2022 financial year.

The directors are taking professional advice and are working to resolve the position with HM Revenue & Customs. At this stage of the enquiry the directors do not believe that it is possible to conclude whether any additional tax will become payable, nor what the amount of such tax which might become payable would be, with any certainty. Therefore no provision has been made for any such tax at 28 October 2023, nor for any interest and penalties which may become payable.

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

24. Pension commitments

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling €549,899 (2022: €436,632) were payable to the fund at the reporting date and are included in creditors.

The Company operates a Defined Benefit Pension Scheme.

The company is committed to providing a defined benefit pension for some of its overseas employees.

The pension benefits are wholly unfunded. The obligation is therefore funded from the company's reserves rather than from a separately administered plan.

Reconciliation of present value of plan liabilities:

	28 October 2023 €	29 October 2022 €
Reconciliation of present value of plan liabilities		
At the beginning of the year	1,072,169	1,676,123
Current service cost	96,187	55,636
Interest cost	43,637	22,963
Actuarial (gains)/losses	(110,004)	(682,553)
At the end of the year	1,101,989	1,072,169
	28 October 2023 €	29 October 2022 €
Present value of plan liabilities	(1,101,989)	(1,072,169)
Net pension scheme liability	(1,101,989)	(1,072,169)

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

24. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	28 October 2023 €	29 October 2022 €
Staff pension costs defined benefit	96,187	55,636
Interest on obligation	43,637	22,963
Total	139,824	78,599

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2023 %	2022 %
Discount rate	4.56	4.07
Future salary increases	2.60	2.60
Future pension increases	1.75	1.75
Mortality rates		
- for a male aged 65 now	20.76	20.61
- at 65 for a male aged 45 now	23.49	23.36
- for a female aged 65 now	24.16	24.04
- at 65 for a female member aged 45 now	26.36	26.26

CIENA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 OCTOBER 2023**

25. Commitments under operating leases

At 28 October 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	28 October 2023 €	29 October 2022 €
Not later than 1 year	1,822,739	1,699,396
Later than 1 year and not later than 5 years	3,372,711	547,789
Later than 5 years	47,106	245,585
	<u>5,242,556</u>	<u>2,492,770</u>

26. Related party transactions

Where possible the company has taken advantage of the exemption conferred by section 33.1A of FRS 102 from the requirement to disclose transactions with other wholly owned group undertakings.

27. Controlling party

The immediate parent undertaking is Ciena Global Holding LP incorporated in Scotland and the ultimate parent undertaking and controlling party is Ciena Corporation incorporated in USA and quoted on the NYSE exchange. This is the smallest and largest group for which consolidated accounts including Ciena Limited are prepared. Copies of Ciena Corporation's consolidated financial statements can be obtained from the Company Secretary at 7035 Ridge Road, Hanover, MD 21076, USA.

28. Post balance sheet events

During December 2023, the directors have passed a special resolution to cancel the share premium in the sum of £833,000,000 and transfer it to the profit and loss account following the passing of a solvency statement thereby making it distributable.

CIENA LIMITED

TAX STRATEGY (UNAUDITED) FOR THE YEAR ENDED 2 NOVEMBER 2024

Introduction

The purpose of the document is to comply with the requirements of Paragraph 19(2) and 22(2), Schedule 19 of the UK Finance Act of 2016 that requires qualifying companies to publish annually their tax strategy.

This strategy is applicable to the qualifying UK members of the Ciena Corporation Group: Ciena Limited, Ciena Global Distribution Company, Ltd and Ciena Global Products Company Ltd (the Ciena UK Companies).

Commitment to compliance

Ciena is committed to complying with all tax laws, regulations, and information reporting requirements on a timely basis. This includes remitting the correct amount of tax and disclosing all relevant information to the tax authorities. Ciena will also utilise available tax incentives and relief to reduce the amount of tax cost to the business. Ciena uses well respected, large firms for technical and compliance support.

Responsible attitude toward tax planning

In structuring our commercial activities Ciena will consider – among other factors – the tax laws of the countries in which it operates, with a view to maximising value on a substantial basis for Ciena's shareholders. Any tax planning undertaken will have commercial and economic substance and will consider the potential impact on Ciena's reputation and broader goals. We will not undertake planning that is contrived or artificial.

Approach to tax risk

Given the scale of our business and volume of our tax obligations, risks will inevitably arise in relation to the interpretation of complex tax laws. We actively seek to identify, evaluate, monitor, and manage these risks to ensure they remain in line with our objectives. Ciena has a low risk tolerance and frequently engages top advisors to ensure our tax compliance obligations are met.

Constructive approach to engaging with HMRC

Ciena engages HMRC with honesty, integrity, respect and fairness to foster a positive and professional relationship.

Tax governance and risk management

Oversight of the global tax function is performed by Ciena's global tax group, located at its corporate headquarters. The day to day administration of UK tax is managed by local management with support and oversight from the global tax group. Material matters (including taxation where relevant) are reviewed annually by an executive group of senior management and the Audit Committee of the Ciena Board.

Ciena's UK tax strategy is aligned with Ciena's code of business conduct and ethics that Ciena's Board of Directors has adopted. The Board reviews Ciena's code of business conduct and ethics periodically and amends it as necessary.

On an annual basis the UK Tax Strategy will be presented to the relevant Ciena UK Companies' Boards of Directors for their review and approval. The UK Tax Strategy was most recently approved in September 2024.