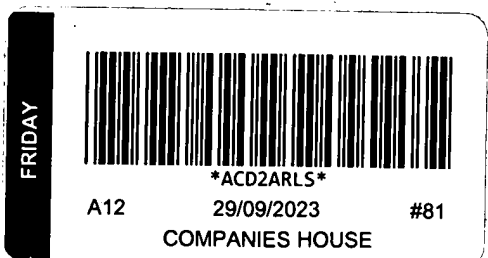


Registration number: 11701061

CommScope UK Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022



CommScope UK Holdings Limited

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CommScope UK Holdings Limited

Company Information

Directors Alisdair Saunders Lamb More

Jonathan Niall Murphy

Registered office 12 New Fetter Lane
London
EC4A 1JP

Auditors Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

CommScope UK Holdings Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

Review of the business

The company was incorporated on 28 November 2018 for the purpose of enabling CommScope Group's acquisition of ARRIS Group of entities. The company acts as an intermediary holding company within the CommScope group of companies.

During the financial year ended 31 December 2022 the Company made a loss after taxation of \$562,793,000. The loss relates to an impairment charge on the company's investment in subsidiaries and it follows from an impairment assessment based on discounted cash flow calculations, taking into account the development of the company's 2023 plans based on market trends that affect the business, including technology shifts affecting hardware sales and customer capital spending patterns. The company had no activity in the profit and loss account in the prior year. The Company will continue as an intermediary holding company within the CommScope group of companies with minimal activity through the profit and loss resulting from its holdings in investments. The Members of the company are satisfied to the long-term projected performance of the company and do not consider it necessary to use other key performance indicators to measure the performance of the company.

Proposal to Spin off Home Networks business

On 8 April 2021 the Company's owner has completed a strategic review and concluded that the Home Networks business globally, of which a portion is contained within the indirect subsidiaries of the company, is expected to be spun off as an independent group as soon as market conditions allows, as announced by the group early 2022. The plans are not yet concluded as to the structure and financing of the new group arising from the spin transaction. Whilst the full impact is unknown at this stage the expectation is that the change will not materially impact the company.

Principal risks and uncertainties

The Board reviews and where possible mitigate known business risks. The principal risks of the group are detailed in the financial statements of CommScope Holding Company, Inc. The main principal risk and uncertainty for the company relates to the performance of its subsidiaries.

S172(1) Statement

The Directors have ensured compliance with their duties under s.172(1) in relation to the Company and its various stakeholders, including its shareholders and subsidiary. As a wholly-owned subsidiary of the wider CommScope Group, the Company has a sole member.

The Directors follow the Group's policies and procedures in all business interactions using four guiding values: act with integrity, innovate for customer success, continuously improve and win as one team. The Directors believe that corporate responsibility and sustainability means making decisions that have a positive impact on our people, planet and bottom line. The group-wide sustainability mission is to enable faster, smarter and more sustainable solutions while demonstrating the utmost respect for our human and natural resources.

In executing their duties and in order to promote the success of the Company for the benefit of its members as a whole, the Directors always consider, among other things, the following factors:

- I. The likely consequences of any decision in the long term;
- II. The impact of the Company's operations on the community and environment;
- III. The desirability of the Company maintaining a reputation for high standards of business conduct; and
- IV. The need to act fairly as between members of the Company.

CommScope UK Holdings Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

S172(1) Statement (continued)

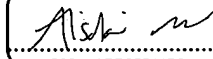
As a holding company, the Company's principal activity is aligned with the CommScope Group. The Directors of the Company are therefore guided by the Group's culture, policies and strategies. The Directors of the Company however recognise that their statutory duties are owed to the Company and believe when taking Board decisions during the period ended 31 December 2022 that they have acted in a way that they consider, in good faith, would be most likely to promote the success of the Company, having regard to those matters set out in section 172 of the Companies Act 2006 ("CA 2006"). As a holding company with effectively no employees, third party suppliers or customers, the Directors do not consider the factors listed in sections 172(1)(b), interests of employees, 172 (1)(c) relationships with suppliers and customers, or 172(1)(d), impact of operations on the community and environment, as relevant to the proper discharge of their duties pursuant to sections 172 of the CA 2006.

The nature of the Company's activities during the period were such to achieve the Company's long term success and were aligned with the CommScope Group, which has policies and procedures in place which have guided and informed the Directors during the period, when considering the likely consequences in the long term outcome of their decisions. Board meetings were held as required to enable the Directors to execute plans directed by the Group. The Directors rely on the Group's functional experts, such as Legal, Accounting, Treasury and Tax, guidance and have their approvals as appropriate before authorising any board resolutions. The Directors are kept informed on any matters of significance related to the business activities of the Company by the relevant functions.

A specific example of how the Directors have had regard to the matters set out in section 172 when discharging their duties during the period with regards to the Company is managing and monitoring the plans by the Company's ultimate parent Company related to Home Networks spin off ensuring its subsidiaries are appropriately considered and compensated, where necessary, in the process related to the assets they hold.

Approved and authorised by the Board on 28 September 2023 and signed on its behalf by:

DocuSigned by:



Alisdair Saunders Lamb More
Director

CommScope UK Holdings Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors of the company

The directors who held office during the year were:

Brooke Bare Clark (resigned 5 May 2022)

Michael David Coppin (resigned 9 June 2022)

Alisdair Saunders Lamb More (appointed 6 May 2022)

Jonathan Niall Murphy - Company secretary and director (appointed 9 June 2022)

Results

The loss for the period, after taxation, amounted to \$562,793,000 (2021: \$Nil).

Dividends

The directors do not recommend the payment of dividend at year end. (2021: \$Nil). The directors did not pay any interim dividends during the year (2021: \$Nil).

Future developments

There are no planned changes to the principal activities of the business.

Going concern

The Company is an intermediate holding company within the CommScope Holdings Company Inc Group. At the 31 December 2022, the Company has net current liabilities of \$0.2m. This net current liability position arises from intercompany payables, which are repayable on demand.

Consequently, the Company has obtained a letter of support by the ultimate parent, CommScope Holdings Company, Inc. The letter confirms that CommScope Holdings Company, Inc will provide financial support to the company to assist in meeting its liabilities to the extent that money is not otherwise available to the company to meet such liabilities. CommScope Holding Company, Inc. has confirmed its ability to provide such support for a period of at least until 30 September 2024 from the date of approval of the company's balance sheet. The Directors have assessed the level of financial support, and are satisfied the support is available taking into account the Parent Company's available liquidity, consisting of a \$859.0m revolver and \$418.1m cash in hand at the end of June 2023, and its financial plan driven by the CommScope NEXT designed to drive shareholder value through three pillars: profitable growth, operational efficiency and portfolio optimization.

The directors have analysed the business operations of the Company in terms of its ability to continue as a going concern for at least until 30 September 2024, and have determined that there is no significant uncertainty regarding the ability to continue as a going concern.

On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least until 30 September 2024 from the date of approval of the financial statements. Thus, the Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

CommScope UK Holdings Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

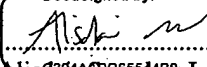
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

Approved and authorised by the Board on 28 September 2023 and signed on its behalf by:

DocuSigned by:


Atsuhiko Saunders-Lamb More
Director

CommScope UK Holdings Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard FRS102 The Financial Reporting Standard applicable in the UK and Ireland (FRS102). 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 and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

Independent Auditor's Report to the Members of CommScope UK Holdings Limited

Opinion

We have audited the financial statements of CommScope UK Holdings Limited (the "Company") for the year ended 31 December 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and related notes 1 to 10, 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 FRS 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 31 December 2022 and of its loss 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 Auditor's 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 UK, including the FRC'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 from when the financial statements are authorised for issue to 30 September 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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 this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of CommScope UK Holdings Limited (continued)

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page 6, 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.

Auditor 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent Auditor's Report to the Members of CommScope UK Holdings Limited (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax laws and regulations in the UK.
- We understood how CommScope UK Holdings Limited is complying with those frameworks by making enquiries of those charged with governance and management, including those responsible for legal and compliance procedures, to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of board minutes and papers provided to the Board, and made inquiries of management to identify if there are matters where there is a risk of breach of such frameworks that could have a material adverse impact on the company, as well as consideration of the results of our audit procedures across the company.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management and those charged with governance to understand where it considered there was a susceptibility to fraud. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit to procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements are free from fraud and error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. In addition to those set out above, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Financial Statements with the requirements of the relevant accounting standards and UK legislation.

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

DocuSigned by:

Ernst & Young LLP

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Tim Helm (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

28 September 2023

CommScope UK Holdings Limited

Profit and Loss Account for the Year Ended 31 December 2022

	Note	2022 \$ 000	2021 \$ 000
Turnover		-	-
Other expense - investment impairment charge	6	<u>(562,793)</u>	<u>-</u>
Operating profit		<u>(562,793)</u>	<u>-</u>
Loss before tax		(562,793)	-
Taxation	5	<u>-</u>	<u>-</u>
Loss for the financial year		<u><u>(562,793)</u></u>	<u><u>-</u></u>

The notes on pages 14 to 22 form an integral part of these financial statements.

CommScope UK Holdings Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	2022 \$ 000	2021 \$ 000
Loss for the year	(562,793)	-
Total comprehensive income for the year	(562,793)	-

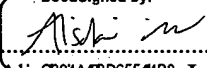
The notes on pages 14 to 22 form an integral part of these financial statements.

CommScope UK Holdings Limited

(Registration number: 11701061)
Balance Sheet as at 31 December 2022

	Note	2022 \$ 000	2021 \$ 000
Fixed assets			
Investments	6	527,810	1,090,603
Current assets			
Debtors - due within one year	7	8,093	8,093
Creditors: Amounts falling due within one year	8	<u>(8,338)</u>	<u>(8,338)</u>
Net current liabilities		<u>(245)</u>	<u>(245)</u>
Net assets		<u>527,565</u>	<u>1,090,358</u>
Capital and reserves			
Called up share capital	9	600,000	600,000
Profit and loss account		<u>(72,435)</u>	<u>490,358</u>
Total equity		<u>527,565</u>	<u>1,090,358</u>

Approved and authorised by the Board on 28 September 2023 and signed on its behalf by:

DocuSigned by:

 Ainslie Sanders Lamb More
 Director

The notes on pages 14 to 22 form an integral part of these financial statements.

CommScope UK Holdings Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2022	600,000	490,358	1,090,358
Loss for the year	-	(562,793)	(562,793)
Total comprehensive loss	-	(562,793)	(562,793)
At 31 December 2022	600,000	(72,435)	527,565
	Share capital \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2021	600,000	490,358	1,090,358
Total comprehensive income	-	-	-
At 31 December 2021	600,000	490,358	1,090,358

The notes on pages 14 to 22 form an integral part of these financial statements.

CommScope UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

12 New Fetter Lane

London

EC4A 1JP

United Kingdom

The Company's ultimate parent undertaking, CommScope Holding Company, Inc, includes the Company in its consolidated financial statements. The consolidated financial statements of CommScope Holding Company, Inc are prepared in accordance with US GAAP and are available to the public and may be obtained from the Secretary, CommScope Holding Company, Inc, 1100 COMMScope PLACE, SE, HICKORY NC 28602, United States of America.

The nature of the company's operation and its principle activities are set out in the Strategic report on page 2.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole \$1,000, except where otherwise indicated.

Summary of disclosure exemptions

The company is considered to be a qualifying entity (under FRS 102) due to it being a subsidiary of CommScope Holding Company, Inc. at the reporting date. As a qualifying entity, the company has adopted the following disclosure exemptions:

- (i) the requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d) and the requirements of Section 7 Statement of Cash Flows;
- (ii) the requirements of Section 11 Basic Financial Instruments, paragraphs 11.39 to 11.48A and the requirements of Section 12 Other Financial Instruments Issues paragraphs 12.26 to 12.29;
- (iii) the requirements of Section 26 Share based Payment, paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- (iv) the requirement of Section 33 Related Party Disclosures paragraph 33.7.

The company has also adopted the disclosure exemption in respect of related party transactions between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

CommScope UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Group accounts not prepared

The financial statements present information about the company as an individual undertaking and not about the group because the company qualifies for the exemption from the obligation to prepare and deliver group financial statements under Section 401 of the Companies Act 2016. Details of the ultimate parent and availability of consolidated financial statements are included in note 10.

Going concern

The Company is an intermediate holding company within the CommScope Holdings Company Inc Group. At the 31 December 2022 the Company has net current liabilities of \$0.2m. This net current liability position arises from intercompany payables, which are repayable on demand.

Consequently, the Company has obtained a letter of support by the ultimate parent, CommScope Holdings Company, Inc. The letter confirms that CommScope Holdings Company, Inc will provide financial support to the company to assist in meeting its liabilities to the extent that money is not otherwise available to the company to meet such liabilities. CommScope Holding Company, Inc. has confirmed its ability to provide such support for a period of at least until 30 September 2024 from the date of approval of the company's balance sheet. The Directors have assessed the level of financial support, and are satisfied the support is available taking into account the Parent Company's available liquidity, consisting of a \$859.0m revolver and \$418.1m cash in hand at the end of June 2023, and its financial plan driven by the CommScope NEXT designed to drive shareholder value through three pillars: profitable growth, operational efficiency and portfolio optimization.

The directors have analysed the business operations of the Company in terms of its ability to continue as a going concern for at least until 30 September 2024, and have determined that there is no significant uncertainty regarding the ability to continue as a going concern.

On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least until 30 September 2024 from the date of approval of the financial statements. Thus, the Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

Interest income and expense policy

Interest income and expense is recognised as it accrues in profit or loss, using the effective interest method.

Tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

CommScope UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Investments and impairment of investments

Investments are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through profit and loss). Where there are indicators of impairment of individual investments, the company performs impairment tests based on a value in use calculation. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next four years. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividends from subsidiaries are recognised when the Company's right to receive payment is established, which is generally when shareholders approve the dividend. Cash dividend is measured at the amount of cash paid and non-cash dividend at the fair value of the consideration received.

Financial instruments

Recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the period. 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 revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods..

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on a value in use calculation. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from Company's short-term budget and longer-term forecasts and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

CommScope UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Directors' remuneration

There were no emoluments received or receivable by the Directors in respect of their services to the Company during the current period.

The Company has no employees other than the directors.

4 Auditors' remuneration

Auditor's remuneration for the period ending 31 December 2022 and 2021 has been borne by a fellow Group company ARRIS Global Ltd.

5 Taxation

Tax charged/(credited) in the income statement

	2022 \$ 000	2021 \$ 000
Current taxation		
	-	-
Total current income tax	-	-
Deferred taxation		
Total deferred taxation	-	-
Total tax on profit on ordinary activities	-	-

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 \$ 000	2021 \$ 000
Loss before tax	(562,793)	-
Corporation tax at standard rate	(106,931)	-
Expense not deductible in determining taxable profit	106,931	-
Total tax charge/(credit)	-	-
The company has no recognised or unrecognised deferred tax.		

CommScope UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

6 Investments in subsidiaries

	2022 \$ 000	2021 \$ 000
Investments in subsidiaries	527,810	1,090,603
Subsidiaries		\$ 000
Cost or valuation		
At 1 January 2022 and 31 December 2022		5,673,181
Provision for impairment		
At 1 January 2022		4,582,578
Charge for the year		562,793
At 31 December 2022		5,145,371
Carrying amount		
At 31 December 2022		527,810
At 31 December 2021		1,090,603

The impairment expense was recorded following an impairment assessment performed on the Company's fixed asset investment balances. The carrying values of the fixed asset investments were compared to net assets of the subsidiaries and to discounted cash flow calculations as at year end. The impairment expense represents the shortfall. The impairment charge of \$562,793,000 (2021: \$Nil) for ARRIS International Limited follows from the development of the company's 2023 plans based on market trends that affect the business, including technology shifts affecting hardware sales and customer capital spending patterns.

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Owner Entity	Proportion of voting rights and shares held		
			2022	2021	
Subsidiary undertakings					
ARRIS International Limited	12 New Fetter Lane, London EC4A 1JP United Kingdom	CommScope UK Holdings Limited	100%	100%	
ARRIS Global Ltd	12 New Fetter Lane, London EC4A 1JP United Kingdom	ARRIS International Limited	100%	100%	

CommScope UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

6 Investments in subsidiaries (continued)

CommScope UK Ltd (formerly ARRIS Solutions UK Ltd - changed 1 March 2022)	12 New Fetter Lane, London EC4A 1JP United Kingdom	ARRIS International Limited	100%	100%
ARRIS Australia Pty Ltd (formerly Pace Australia Pty Ltd - changed 1 January 2022)	Level 1, 10A Julius Avenue, North Ryde NSW 2113 Australia	ARRIS Global Ltd.	100%	100%
ARRIS Group Private Limited	India "The Senate", Ground, 3rd Floor, No. 33/1, Ulsoor Road, Bangalore - 560042 Karnataka India	ARRIS Global Ltd.	99.99%	99.99%
Pace Asia Pacific Ltd.	14F, One TaiKoo Place, 979 King's Road, Quarry Bay Hong Kong	ARRIS Global Ltd.	100%	100%
Latens Systems Ltd	12 New Fetter Lane, London EC4A 1JP United Kingdom	ARRIS Global Ltd.	100%	100%
ARRIS International Ltd	12 New Fetter Lane, London EC4A 1JP United Kingdom	ARRIS Global Ltd.	100%	100%
ARRIS Solutions France	13 rue Camile Desmoulin, Issy Les Moulineaux, Paris, 92441 France	ARRIS Global Ltd.	100%	100%
Pace Distribution Ltd	Overseas 12 New Fetter Lane, London EC4A 1JP United Kingdom	Pace Distribution (Overseas) Ltd	99.71%	99.71%
ARRIS South Africa (Pty) Ltd	Building 11A, Woodland Office Park, Woodlands Drive, Gauteng, 2191 South Africa	Pace Overseas Distribution Ltd	99.71%	99.71%
ARRIS Eletrônica do Brasil Ltda.	Indústria Avenida Torquato Tapajós, 9475. Bairro tarumã Manaus, Amazonas, CEP 69048-660	ARRIS International IP Ltd	100%	100%

CommScope UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

6 Investments in subsidiaries (continued)

	Brazil			
ARRIS STB Mexico S.A. de C.V.	Blvd Manuel Avila Camacho 126, Piso 2, Colonia Lomas de Chapultepec, Delegacion Miguel Hidalgo, Ciudad de Mexico, CP 11000, Mexico	ARRIS Global Ltd & ARRIS Solutions France	100%	100%
ARRIS Sweden A.B.	Teknikringen 10, 583 30, Linköping Sweden	CommScope UK Ltd	100%	100%
ARRIS Taiwan Ltd.	38F, No. 16, Xinzhan Rd., Banqiao Dist., New Taipei City 22041 Taiwan	CommScope UK Ltd	100%	100%
ARRIS Canada, Inc.	160 Elgin Street, Suite 2600, Ottawa, Ontario, K1P 1C3 Canada	CommScope UK Ltd	100%	100%
GIC International Holdco LLC	c/o Corporation Service Company, 2711 Centerville Rd., Suite 400, Wilmington, DE 19808 USA	CommScope UK Ltd	100%	100%
GIC International Capital LLC	c/o Corporation Service Company, 2711 Centerville Rd., Suite 400, Wilmington, DE 19808 USA	CommScope UK Ltd	100%	100%
ARRIS Solutions Saudi Arabia Ltd.	Building WH14 3rd Floor Saeed Alsulami Road Digital City, KSA, Riyadh Saudi Arabia	CommScope UK Ltd	100%	100%
ARRIS Solutions Portugal Unipessoal LDA	Rua 7 de Junho de 1759 no.1 Lagol, Caxias 2760-110 Portugal	GIC International Holdco LLC	100%	100%
ARRIS Group Limited Company	Russia Liability 11 Gogolevsky Boulevard, Moscow 119019 Russia	GIC International Holdco LLC & GIC International Capital LLC	100%	100%

CommScope UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

6 Investments in subsidiaries (continued)

ARRIS Telekommunikasyon Limited Sirketi	Turkey Astoria İş Merkezi Cad. A Blok no:127, Kat:8-9-10 Esentepe, Istanbul 34394	Büyükdere	GIC International Holdco LLC & GIC International Capital LLC	100%	100%
ARRIS del Ecuador S.A.	Turkey Av. Republica de El Salvador No.1082 y Naciones Unidas, Quito Ecuador		GIC International Holdco LLC	100%	100%
ARRIS de Guatemala S.A	C/o Consortium Diagonal 6, 10-01 zona 10, Centro Gerencial Las Margaritas, Torre II, Oficina 1101, Guatemala		GIC International Holdco LLC & GIC International Capital LLC	100%	100%
ARRIS New Zealand Ltd	Guatemala Tompkins Wake, Level 17, 88 Shortland Street, Auckland Central, Auckland, 1010 New Zealand		GIC International Holdco LLC	100%	100%

The following indirect subsidiary was sold during the year: ARRIS Solutions Switzerland GmbH. The Company's direct subsidiary made a net gain on disposal of \$492,000. The liquidation had no direct impact on the Company.

7 Debtors

	2022 \$ 000	2021 \$ 000
Amounts owed by group undertakings due within one year - parent	8,093	8,093
	<u>8,093</u>	<u>8,093</u>

The amount falling due within one year owed by group undertakings in the prior year are unsecured, repayable on demand and do not attract interest.

8 Creditors

	2022 \$ 000	2021 \$ 000
Due within one year		
Amounts owed to group undertakings - parent	8,338	8,338

The amount falling due within one year owed to group undertakings is unsecured, repayable on demand and does not attract interest.

CommScope UK Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

9 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No. 000	\$ 000	No. 000	\$ 000
Ordinary Shares of \$1 each	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>

The company's initial share capital at incorporation on 28 November 2018 was 1 ordinary share at nominal value of £1. On 21 March 2019 this was cancelled and 1 ordinary share at nominal value of \$1 was issued.

On 4 April 2019 the company issued 600,000,000 ordinary shares at nominal value of \$1.

10 Controlling party

The immediate parent undertaking is CommScope UK Intermediate Holdings II LP, a company registered in England and Wales. At the end of the year the ultimate parent undertaking, and controlling party, is CommScope Holding Company, Inc, a company registered in the United States of America.

The largest and smallest group in which the results of the partnership are consolidated is that headed by CommScope Holding Company, Inc, whose consolidated financial statements may be obtained from the Company Secretary, CommScope Holding Company, Inc, 1100 COMMScope PLACE, SE, HICKORY NC 28602, United States of America.