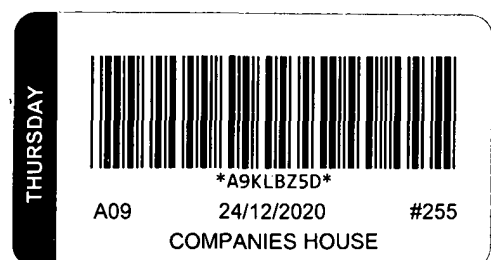


CommScope UK Holdings Limited

Registered Number 11701061

Annual reports and financial statements
for the period ended 31 December 2019



Contents

| | |
|---|----|
| Company information | 1 |
| Strategic report | 2 |
| Directors' report | 4 |
| Statement of directors' responsibilities in respect of the annual report and financial statements | 6 |
| Independent auditor's report to the members of CommScope UK Holdings Limited | 7 |
| Income statement and statement of comprehensive income | 9 |
| Statement of financial position | 10 |
| Statement of changes in shareholder's equity | 11 |
| Notes to the financial statements | 12 |

Company information

Directors

Brooke B. Clark

Frank B. Wyatt, II

Registered office

100 New Bridge Street,
London,
United Kingdom,
EC4V 6JA

Auditor

ERNST & YOUNG LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

Strategic report

Introduction

The directors, in preparing this strategic report for CommScope UK Holdings Limited (“company”) for the period ended 31 December 2019, have complied with s414C of the Companies Act 2006.

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. The company borrowed funds from an affiliated company for the purposes of the acquisition that was settled during the period using assets from the acquisition.

Current period profit after tax for the period of \$486,224,000 is driven by dividend income. 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.

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.

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 2019 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 with 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.

Strategic report (continued)

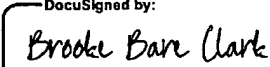
S172(1) Statement (continued)

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 would be the acquisition of ARRIS International plc during the period. The decision was made based on the Group's strategic objective to acquire ARRIS Group. The Directors judged the acquisition possible and profitable to the company by evaluating the financing options and the assets acquired therefore fulfilling its shareholders expectations.

Future developments

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

Approved by the Board on 17 December 2020 and signed on its behalf by:

DocuSigned by:

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Brooke B. Clark, Director

Directors' report

Directors

The directors who held office throughout the period were as follows:

Brooke B. Clark
Frank B. Wyatt, II

Results

The profit for the period, after taxation, amounted to \$486,224,000.

Dividends

The directors do not recommend the payment of dividend at period end. The directors did not pay any interim dividends during the period.

Going concern

The Company is an intermediate holding company within the CommScope Holdings Company Inc Group. At the 31 December 2019, other than fixed asset investments, the company has an interest-bearing intercompany loan receivable of \$74.4m as described in note 10 and other on demand intercompany payable and receivables resulting in net current assets of \$76.9m. However, following the settlement of intercompany loan receivable and a subsequent investment into the Company subsidiary undertaking, the company at the date of approval of the financial statements has net current liabilities of \$0.2m. This net current liability position arises from the remaining intercompany payables exceeding the intercompany receivables, both of which is 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 12 months from the date of approval of the company's statement of financial position. The Directors have assessed the level of financial support available, taking into account the Group's financial plan and cashflow forecast for 2021 and are satisfied the support is available.

On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Other information

The following items have been included in the Strategic Report on page 2:

- an indication of likely future developments in the business;
- particulars of significant events which have occurred since the end of the financial period;
- detail of research and development activity.

Directors' report (continued)

Auditor

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.

Post balance sheet events

Covid-19

Subsequent to end of the financial period, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The CommScope Holdings Company Inc Group ('Group') has not seen a significant impact on the Group to date, however, the Group's and company's subsidiaries selling to external markets have seen a reduction to their turnover. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the Group's business.

The scale and duration of these developments remain uncertain as at the date of this report; however, they may have an impact on the future earnings, cash flow and financial condition including the company's subsidiary undertakings.


It is not possible to estimate the impact of the outbreak's near-term and long-term effects or those of the Governments' varying efforts to combat the outbreak and support businesses. This being the case, the Directors do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the company at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and, accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.

Other events

On 18 November 2020 loan receivable from a group affiliate, as disclosed in note 10, was fully repaid. On the same day, the Company subscribed 1 ordinary share in the capital of ARRIS International Limited, fully paid at premium at a total cash subscription of \$81.3m.

Approved by the Board on 17 December 2020 and signed on its behalf by:

DocuSigned by:

58B5F9045ADF4B1...
Brooke B. Clark, Director

Statement of directors' responsibilities in respect of the annual report and financial statements

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 period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and 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; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CommScope UK Holdings Limited

We have audited the financial statements of CommScope UK Holdings Limited for the period ended 31 December 2019 which comprise the Income statement and statement of comprehensive income, Statement of financial position, Statement of changes in equity and the related notes 1 to 14, 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.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the period 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 below. 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.

Emphasis of matter – Effects of COVID-19

We draw attention to note 14 of the financial statements, which describes the financial and operational consequences that the trading subsidiaries of the company are facing as a result of COVID-19 which may impact the carrying value of the company's investments. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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)

Opinions 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 period 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 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 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 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's 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.

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.

Ernst & Young LLP

Tim Helm (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds

17 December 2020

Income statement and statement of comprehensive income

For the period ended 31 December 2019

| | Notes | 2019 \$000 |
|--|-------|----------------|
| Gross profit | | - |
| Other income – dividends received | | 5,124,435 |
| Other expense – investment impairment charge | 9 | (4,582,578) |
| Other expense – acquisition related equity expense | | (8,338) |
| Operating profit | | 533,519 |
| Interest income | 4 | 2,760 |
| Interest expense | 5 | (50,055) |
| Profit on ordinary activities before taxation | | 486,224 |
| Tax on profit on ordinary activities | 8 | - |
| Profit for the financial period | | 486,224 |
| Other comprehensive income | | - |
| Total comprehensive income | | 486,224 |

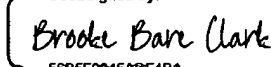
Statement of financial position

As at 31 December 2019

| | Notes | 2019 \$000 |
|---|-------|------------------|
| Fixed assets | | |
| Investments | 9 | 1,009,328 |
| | | <u>1,009,328</u> |
| Current assets | | |
| Debtors | | |
| - due within one year | 10 | 85,234 |
| | | <u>85,234</u> |
| Creditors: amounts falling due within one year | 11 | <u>(8,338)</u> |
| Net current assets | | <u>76,896</u> |
| Total assets less current liabilities | | <u>1,086,224</u> |
| Creditors: amounts falling due after one year | | <u>-</u> |
| Provision for liabilities | | <u>-</u> |
| Net assets | | <u>1,086,224</u> |
| Capital and reserves | | |
| Called up share capital | 12 | 600,000 |
| Retained earnings | | 486,224 |
| Shareholder's funds | | <u>1,086,224</u> |

The financial statements of CommScope UK Holdings Limited were approved by the Board of directors and authorised for issue on 17 December 2020.

They were signed on its behalf by:

DocuSigned by:

 59B5F9045A0F7491
Brooke B. Clark
 Director

The notes on pages 12 to 21 form an integral part of these financial statements.

Statement of changes in equity

For the period ended 31 December 2019

| | Called up share capital \$000 | Retained earnings \$000 | Total equity \$000 |
|-----------------------------------|-------------------------------------|----------------------------|--------------------------|
| At 28 November 2018 | - | - | - |
| Profit for the period | - | 486,224 | 486,224 |
| Total comprehensive profit | - | 486,224 | 486,224 |
| Shares issued | 600,000 | - | 600,000 |
| At 31 December 2019 | 600,000 | 486,224 | 1,086,224 |

Notes to the financial statements

1 General information

CommScope UK Holdings Limited (the “Company”) is a company limited by shares and domiciled in England & Wales.

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 financial statements were approved and authorised for issue by the Board on 17 December 2020.

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

2 Accounting policies and going concern

Summary of significant accounting policies

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 UK and Republic of Ireland’.

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

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

Consolidated financial statements

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 13.

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.

Notes to the financial statements *(continued)*

Going concern

The Company is an intermediate holding company within the CommScope Holdings Company Inc Group. Other than The Company is an intermediate holding company within the CommScope Holdings Company Inc Group. At the 31 December 2019, other than fixed asset investments, the company has an interest-bearing intercompany loan receivable of \$74.4m as described in note 10 and other on demand intercompany payable and receivables resulting in net current assets of \$76.9m. However, following the settlement of intercompany loan receivable and a subsequent investment into the Company subsidiary undertaking, the company at the date of approval of the financial statements has net current liabilities of \$0.2m. This net current liability position arises from the remaining intercompany payables exceeding the intercompany receivables, both of which is 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 12 months from the date of approval of the company's statement of financial position. The Directors have assessed the level of financial support available, taking into account the Group's financial plan and cashflow forecast for 2021 and are satisfied the support is available.

On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Taxation

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.

Financial instruments

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.

Called-up share capital

Ordinary shares are classified as equity.

Interest income and expense

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

Notes to the financial statements *(continued)***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.

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.

3 Critical accounting judgements and key sources of estimations uncertainty**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.

4 Interest income

| | 2019 |
|---|--------------|
| | \$000 |
| Interest receivable on loans to group undertakings – parent | 2,760 |
| Total | 2,760 |

Notes to the financial statements *(continued)***5 Interest expense**

| | 2019 |
|--|---------------|
| | \$000 |
| Interest payable on loans from group undertakings – parent | 50,055 |
| Total | 50,055 |

6 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.

7 Auditor's remuneration

Auditor's remuneration for the period ending 31 December 2019 has been borne by a fellow Group company.

8 Tax on profit on ordinary activities

| | |
|--|----------------|
| Analysis of tax charge for the financial year: | 2019 |
| | \$000 |
| Total current tax | - |
| Total deferred tax | - |
| Total tax on profit on ordinary activities | - |
| | 2019 |
| | \$000 |
| Profit on ordinary activities before tax | 486,224 |
| Tax on profit on ordinary activities at standard UK corporation tax rate of 19.00% | 92,383 |
| Effects of: | |
| Expense not deductible in determining taxable profit | 872,274 |
| Income not deductible in determining taxable profit | (973,643) |
| Surrender of group relief for no consideration | 8,986 |
| Tax charge for the period | - |

The company has no recognised or unrecognised deferred tax.

Notes to the financial statements *(continued)***9 Fixed asset investments**

| | 2019 |
|-----------------------------|------------------|
| | \$000 |
| Investments in subsidiaries | 1,009,328 |
| Subsidiaries | \$000 |
| Cost | |
| At 28 November 2018 | - |
| Additions (a) | 10,716,341 |
| Disposals (b) | (5,124,435) |
| Impairment (c) | (4,582,578) |
| At 31 December 2019 | 1,009,328 |
| Net book value | |
| At 28 November 2018 | - |
| At 31 December 2019 | 1,009,328 |

- (a) On 4 April 2019 the company acquired ARRIS International plc (now limited), registered office 100 New Bridge Street, London, United Kingdom, EC4V 6JA, encompassing all of its subsidiaries in an all-cash transaction for \$31.75 per share, or a total purchase price of approximately \$7.4b, including the repayment of debt \$1.8b.

On 31 May 2019 the company received dividend in specie in the form of ARRIS US Holdings, Inc at a fair value of \$5.6b.

- (b) On 31 May 2019 investment in ARRIS US Holdings, Inc was used as a repayment of intercompany loan that funded acquisition of ARRIS Group.
- (c) 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 period end. The impairment expense represents the shortfall in value of ARRIS International Ltd and ARRIS Solutions UK Ltd due to re-organisation activities during the period.

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as below:

| Subsidiary Undertakings | Country of incorporation | Principle activity | Registered Address | Owner Entity | Proportion of voting rights and shares held |
|-----------------------------|--------------------------|--------------------|---|-------------------------------|---|
| ARRIS International Limited | United Kingdom | Holding | 100 New Bridge Street, London, EC4V 6JA | CommScope UK Holdings Limited | 100.00% |

Notes to the financial statements *(continued)***9 Fixed asset investments** *(continued)*Details of undertakings *(continued)*

| Subsidiary Undertakings | Country of incorporation | Principle activity | Registered Address | Owner Entity | Proportion of voting rights and shares held |
|--|--------------------------|--------------------|--|-----------------------------|---|
| ARRIS Global Ltd | United Kingdom | Entrepreneurial | 100 New Bridge Street, London, EC4V 6JA | ARRIS International Limited | 100.00% |
| ARRIS Solutions UK Ltd | United Kingdom | Support | 710 Wharfedale Road, Winnersh, Wokingham, Berkshire, RG41 5TP | ARRIS International Limited | 100.00% |
| Pace Australia Pty Ltd | Australia | Support | C/o Company Matters Pty Limited Level 12, George Street, Sydney NSW 2000 | ARRIS Global Ltd. | 100.00% |
| ARRIS Group India Private Limited | India | Support | "The Senate", Ground, 1st and 2nd Floor, No. 33/1, Ulsoor Road, Bangalore - 560042 Karnataka | ARRIS Global Ltd. | 99.99% |
| Pace Asia Pacific Ltd. | Hong Kong | Support | 1607C-09, Block 2, 16/F Two Harbourfront, 22 Tak Fung Street, Hunghom, KL | ARRIS Global Ltd. | 100.00% |
| Latens Systems Ltd | United Kingdom | Liquidating | Victoria Road, Saltaire, West Yorkshire, BD18 3LF | ARRIS Global Ltd. | 100.00% |
| Pace Micro Technology Ltd | United Kingdom | Liquidating | Victoria Road, Saltaire, West Yorkshire, BD18 3LF | ARRIS Global Ltd. | 100.00% |
| ARRIS International IP Ltd | United Kingdom | Holding | Victoria Road, Saltaire, West Yorkshire, BD18 3LF | ARRIS Global Ltd. | 100.00% |
| ARRIS Solutions France | France | Support | 5 Boulevard Gallieni, 10 rue Camille Desmoulins, Immeuble DUEO 92130 Issy-les Moulineaux | ARRIS Global Ltd. | 100.00% |
| Pace Advanced Consumer Electronics Ltd | United Kingdom | Liquidating | Victoria Road, Saltaire, West Yorkshire, BD18 3LF | ARRIS Global Ltd. | 100.00% |

Notes to the financial statements *(continued)***9 Fixed asset investments** *(continued)*Details of undertakings *(continued)*

| Subsidiary Undertakings | Country of incorporation | Principle activity | Registered Address | Owner Entity | Proportion of voting rights and shares held |
|--|--------------------------|--------------------|--|---|---|
| Pace East Trading Ltd | United Kingdom | Liquidating | Victoria Road, Saltaire, West Yorkshire, BD18 3LF | ARRIS Global Ltd. | 100.00% |
| Pace Distribution (Overseas) Ltd | United Kingdom | Liquidating | Victoria Road, Saltaire, West Yorkshire, BD18 3LF | ARRIS Global Ltd. | 99.71% |
| Pace Overseas Distribution Ltd | United Kingdom | Holding | Victoria Road, Saltaire, West Yorkshire, BD18 3LF | Pace Distribution (Overseas) Ltd | 99.71% |
| ARRIS South Africa (Pty) Ltd | South Africa | Support | Building 11A, Woodland Office Park, Woodlands Drive, Woodmead, Gauteng, 2191 | Pace Overseas Distribution Ltd | 99.71% |
| ARRIS Indústria Eletrônica do Brasil Ltda. | Brazil | Support | Avenida Torquato Tapajós, 9475. Bairro tarumã Manaus, Amazonas, CEP 69048-660 | ARRIS International IP Ltd | 100.00% |
| Pace Asia Home Networks Sdn Bhd | Malaysia | Liquidating | 19-3, Jalan Puteri 2/7, Bandar Puteri, 47100 Puchong, Selangor | ARRIS Solutions France | 100.00% |
| Latens Systems (India) Private Limited | India | Liquidating | 6-2-966/1, Flat No. 101. Salma Arcade, Khairthabad, Hyderabad, Telangana-TG, 500004 | Latens Systems Ltd | 99.90% |
| ARRIS STB Mexico S.A. de C.V. | Mexico | Support | Blvd Manuel Avila Camacho 126, Piso 2, Colonia Lomas de Chapultepec, Delegacion Miguel Hidalgo, CP 11000, Ciudad de Mexico | ARRIS Global Ltd. ARRIS Solutions France | 98.00% 2.00% |
| ARRIS Sweden A.B. | Sweden | Support | Teknikringen 2, 583 30, Linköping | ARRIS Solutions UK Ltd | 100.00% |
| ARRIS Taiwan Ltd. | Taiwan | Support | No.1, Lane 232, Baoqiao Rd., Xindian District, New Taipei City 231, Taipei | ARRIS Solutions UK Ltd | 100.00% |

Notes to the financial statements (continued)**9 Fixed asset investments (continued)**Details of undertakings (continued)

| Subsidiary Undertakings | Country of incorporation | Principle activity | Registered Address | Owner Entity | Proportion of voting rights and shares held |
|---|--------------------------|--------------------|--|---|---|
| ARRIS Solutions Germany GmbH | Germany | Support | Birkenweg 24 64295 Darmstadt | ARRIS Solutions UK Ltd | 100.00% |
| ARRIS Canada, Inc. | Canada | Support | 160 Elgin Street, Suite 2600, Ottawa, Ontario, K1P 1C3 | ARRIS Solutions UK Ltd | 100.00% |
| ARRIS Solutions Denmark ApS | Denmark | Support | Strandvejen 44, 2900 Hellerup | ARRIS Solutions UK Ltd | 100.00% |
| GIC International Holdco LLC | USA | Holding | c/o Corporation Service Company, 2711 Centerville Rd., Suite 400, Wilmington, DE 19808 | ARRIS Solutions UK Ltd | 100.00% |
| GIC International Capital LLC | USA | Holding | c/o Corporation Service Company, 2711 Centerville Rd., Suite 400, Wilmington, DE 19808 | ARRIS Solutions UK Ltd | 100.00% |
| ARRIS Solutions Saudi Arabia Ltd. | Saudi Arabia | Liquidating | 1409, 28th Floor Kingdom Tower, 2239 Orouba Road, Olaya District, 12214-9597 Riyadh | ARRIS Solutions UK Ltd | 100.00% |
| ARRIS Solutions Switzerland GmbH | Switzerland | Support | Linvo Ag Gartenstrasse 23, Zurich, 8002 | ARRIS Solutions UK Ltd | 100.00% |
| ARRIS Belgium BV | Belgium | Support | Louizalaan, 209 A, 1050 Ixelles | GIC International Holdco LLC GIC International Capital LLC | 99.99% 0.01% |
| ARRIS Solutions Portugal Unipessoal LDA | Portugal | Support | Rua 7 de Junho de 1759 no.1 Lago1, 2760-110, Caxias | GIC International Holdco LLC | 100.00% |
| ARRIS Group Russia Limited Liability Company | Russia | Support | 11 Gogolevsky Boulevard, Moscow, 119019 | GIC International Holdco LLC GIC International Capital LLC | 99.99% 0.01% |
| ARRIS Turkey Telekomunikasyon Limited Sirketi | Turkey | Support | Astoria İş Merkezi Büyükdere Cad. A Blok no:127, Kat:8-9-10 Esentepe, Istanbul 34394 | GIC International Holdco LLC GIC International Capital LLC | 99.9975% 0.0025% |
| ARRIS del Ecuador S.A. | Ecuador | Support | Av. Republica de El Salvador No.1082 y Naciones Unidas, Quito | GIC International Holdco LLC | 100.00% |

Notes to the financial statements *(continued)***9 Fixed asset investments (continued)**Details of undertakings (continued)

| Subsidiary Undertakings | Country of incorporation | Principle activity | Registered Address | Owner Entity | Proportion of voting rights and shares held |
|-------------------------|--------------------------|--------------------|--|---|---|
| ARRIS de Guatemala S.A | Guatemala | Support | 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 | 99.677% 0.333% |
| ARRIS New Zealand Ltd | New Zealand | Support | Trident Trust Company (NZ) Limited, Level 2, 41 Bath Street, Parnell, Auckland 1052 | GIC International Holdco LLC | 100.00% |

The following indirect subsidiaries have liquidated post period end: Latens Systems (India) Private Limited on 16 September, Pace East Trading Limited on 22 September, Pace Advanced Consumer Electronics Ltd on 6 October, Pace Micro Technology Ltd and Pace Distribution (Overseas) Ltd on 27 October.

The following indirect subsidiaries have been sold to a group affiliate post period end: ARRIS Solutions Germany GmbH on 19 June, ARRIS Belgium BV on 31 July and ARRIS Solutions Denmark on 30 September.

10 Debtors

2019
\$000

Amounts falling due within one year:

Amounts owed by group undertakings - parent (a) 85,234

Total debtors 85,234

- (a) On 4 December 2019 the company entered into a loan agreement with CommScope Technologies LLC for the amount of \$74,381,000 representing the difference between borrowings from the same entity to fund ARRIS group acquisition and the settlement made during the period. The loan note is interest bearing at annual rate of 6.3%, unsecured and repayable 31 December 2020. The remaining amount falling due within one year owed by group undertakings are unsecured, repayable on demand and do not attract interest.

11 Creditors

2019
\$000

Amounts falling due within one year:

Amounts owed to group undertakings - parent (a) 8,338

Total debtors 8,338

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

Notes to the financial statements (continued)**12 Called up share capital and reserves**

| | 2019 Number | 2019 \$000 |
|---|----------------|---------------|
| Allotted, called-up and fully paid | | |
| Ordinary shares of \$1.00 each | 600,000,001 | 600,000 |

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.

13 Controlling party

The immediate parent undertaking is CommScope UK Intermediate Holdings II LP., a partnership registered in England and Wales. 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 company 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.

14 Subsequent events*Covid-19*

Subsequent to end of the financial period, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The CommScope Holding Company Inc Group (Group) has not seen a significant impact on the Group's business to date, however, the Group's and company's subsidiaries selling to external markets have seen a reduction to their turnover. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the Group's business. The scale and duration of these developments remain uncertain as at the date of this report; however, they may have an impact on the future earnings, cash flow and financial condition, including the company's subsidiary undertakings.

It is not possible to estimate the impact of the outbreak's near-term and long-term effects or those of the Governments' varying efforts to combat the outbreak and support businesses. ~~This being the case, the Directors do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the company at this time.~~

The financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and, accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.

Other events

On 18 November 2020 loan receivable from a group affiliate, as disclosed in note 10, was fully repaid. On the same day, the Company subscribed 1 ordinary share in the capital of ARRIS International Limited, fully paid at premium at a total cash subscription of \$81.3m.