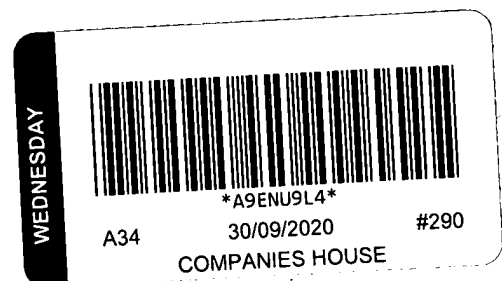


# CenturyLink Communications Europe Limited

*Registered no. 03728783*

Directors' Report and financial statements for the year ended 31 December 2019



# CenturyLink Communications Europe Limited

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# **CenturyLink Communications Europe Limited**

## **Directors and Other Information**

**Directors** Michael Reinke  
Dougald Robinson (appointed 13 March 2019)  
Nicholas Spence (resigned 13 March 2019)

**Registered office** 260-266 Goswell Road  
London  
England  
EC1V 7EB

**Solicitors** Clarks Legal LLP  
Thames Valley Office  
One Forbury Square  
The Forbury  
Reading RG1 3EB

**Auditor** KPMG LLP  
Chartered Accountants  
15 Canada Square  
London E14 5GL

**Bankers** Bank of America  
2 King Edward Street,  
London  
ECIA 1 HQ

# CenturyLink Communications Europe Limited

## Strategic Report

The purpose of this Strategic Report is to communicate to the members of CenturyLink Communications Europe Limited ("the Company") the information necessary to enable them to assess how the directors have performed their duty to promote the success of the Company.

### Review of the business

The Company is a member of the CenturyLink Group of Companies ("the Group"), an international facilities-based communications company engaged primarily in providing an integrated array of services to business and residential customers. The communications services include local and long-distance voice, virtual private network ("VPN") data network, private line (including business data services), Ethernet, information technology, wavelength, broadband, colocation and data centre services, managed services, professional and other services provided in connection with selling equipment, network security and various other ancillary services. A facilities-based provider is a one that owns or leases a substantial portion of the property, plant and equipment necessary to provide its services. The Group network is an international communications network that has been created by constructing its own assets through a combination of purchasing other companies and purchasing or leasing facilities from others. The Group network is designed to provide communications services that employ and take advantage of rapidly improving underlying optical, Internet Protocol ("IP"), computing and storage technologies.

The Group is currently focusing its attention on a number of operational and financial objectives, including: (1) growing free cash flow per share as it believes that it has the ability to drive that growth, first through synergy achievement, and then through ongoing efficiencies and profitable revenue growth over the long term; (2) continuing growth in adjusted EBITDA; (3) strong free cashflow generation; (4) achieving the expected operating expense and capital cost savings; (5) investing in the products, services and customer experience platforms necessary to meet the connectivity and managed services needs of the business market; (6) focusing on customers' needs and improving overall customer experience; (7) concentrating its capital expenditures on those technologies and assets that enable the Group to increase its Core Network Services revenue; and (8) managing the Wholesale Voice Services for margin contribution.

The ultimate parent company of the Company is CenturyLink, Inc., a company registered in the United States of America. The results of the Company are consolidated into CenturyLink, Inc., whose accounts can be obtained from Investor Relations, CenturyLink, Inc., 100 CenturyLink Drive, Monroe Louisiana, United States of America.

### Financial Performance

Revenue for the year was \$60,201,298 (2018: \$77,457,569) and the operating loss was \$1,105,782 (2018: \$444,559). The result for the year after taxation was a profit of \$8,282,144 (2018: a loss of \$972,328).

As at 31 December 2019, the Company had net assets of \$26,189,322 (2018: \$17,907,178).

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and reserves and reduced by the accumulated deficit.

The primary objective of the Company's capital management is to ensure that it maintains a healthy credit rating in order to support its business and enable it to continue as a going concern.

# CenturyLink Communications Europe Limited

## Strategic Report (continued)

### Principal Risks Facing the business

The Directors consider that the principal risks and uncertainties faced by the Company are as follows:

#### *Risks relating to our business operations*

- We must increase Core Network Services revenue at acceptable margins to realise our targets for financial and operating performance. If:
  - we do not avoid excessive customer churn or improve our current relationships with existing key customers;
  - we are not able to expand the available capacity on our network to meet our customers' demands in a timely manner; or
  - our customers obtain these services from either their own network or from one of our competitors.

We may not be able to increase or maintain our revenue at acceptable levels, which would adversely affect our margins and profitability.

- Our business depends on our ability to continue to develop and manage effective business support systems. In certain cases, the development of these business support systems is required to realise anticipated benefits from both past and future acquisitions. The development and management of business support systems is a complicated undertaking requiring significant resources and expertise, the development of uniform standards, controls, procedures and policies and the efficient consolidation and elimination of business support systems that are no longer useful in the business. This undertaking also requires support from third-party vendors. Following the development of the business support systems, the data migration regarding network and circuit inventory must be completed for the full benefit of the systems to be realized. Business support systems are needed for:
  - quoting, accepting and inputting customer orders for services;
  - provisioning, installing and delivering these services;
  - providing customers with direct access to our information systems so they can manage the services they purchase from us, generally through web-based customer portals; and
  - billing for these services.
- We may lose customers if we experience systems failures that significantly disrupt the availability and quality of services that we provide. System failures may also cause interruptions to service delivery and the completion of other corporate functions.
- Failure to introduce new services could affect our ability to compete in the industry.
- Our future growth depends on continued development and expansion of the Internet as a communications medium and market place for the distribution and consumption of data and video by businesses, consumers and governments.
- Intellectual property and proprietary rights of others could prevent us from using necessary technology to provide our services or subject us to expensive intellectual property litigation.
- The Company is exposed to currency exchange risks where we issue invoices, or incur costs, for services in currencies other than US dollars. Our net result may suffer due to currency translations and re-measurement.
- A significant portion of our revenue comes from a limited number of customers. In 2019 47% (2018: 53%) of our third party revenue came from our top ten customers. If we lost one or more of our major customers, or if one or more of them significantly decreased orders for our services, our business would be materially and adversely affected.
- Our business is dependent on a number of third party suppliers. If a critical relationship is terminated, a supplier exits / curtails its business or fails to provide critical services or equipment and we are unable to reach suitable alternative arrangements quickly, we may experience additional costs or we may not be able to provide certain services to customers.

# CenturyLink Communications Europe Limited

## Strategic Report (continued)

### Principal Risks Facing the business (continued)

#### *Risks related to competition and our industry*

- The communications industry is highly competitive. Many of our competitors have financial, personnel, marketing and other resources significantly greater than ours. Many of these competitors also have the added competitive advantage of a larger existing customer base. In addition, significant new or increased competition could arise as result of:

- the consolidation in the industry;
- allowing foreign carriers to more extensively compete in the local market;
- further technological advances; and
- further deregulation and other regulatory initiatives.

In addition, future significant competitors could include new entrants to the communications industry such as content companies that have existing significant customer bases and substantial cash resources that are greater than ours. If we are unable to compete successfully, our business could be significantly affected.

- The communications industry is subject to rapid and significant changes in technology. Our future success depends, in part, on our ability to anticipate and adapt in a timely manner to technological changes.
- We are materially reliant upon our networks, information technology infrastructure and related technology systems (including our billing and provisioning systems) to provide products and services to our customers and to manage our operations and affairs. We face the risk, as does any company, of a security breach or significant disruption of our information technology infrastructure and related systems.
- Our ability to expand and update our systems and information technology infrastructure in response to our growth and changing business needs is important to our ability to maintain and develop attractive product and service offerings.
- Our future success depends on our ability to identify, hire, train and retain executives, managers and employees with technological, engineering, product development, operational, provisioning, marketing, sales, customer service, administrative, managerial and other key skills. There is a shortage of qualified personnel in several of these fields.

#### *Risks related to Brexit*

The UK voted in June 2016 to leave the European Union, which has led to a period of uncertainty in both the UK and in the wider European and Global economies. CenturyLink remains steadfast and committed to the EMEA region. The full impact of this upon the financial markets and the Global economy will continue to be monitored and evaluated. Whilst the UK exit date is still uncertain, measures have been put in place to ensure that any business impact will be minimised. The key customer and supplier relationships have been reviewed, as has the impact upon supply chain, logistics and other areas of potential impact.

#### *Risks related to liquidity and financial resources*

Continued uncertainty in the global financial markets and economy may negatively affect our financial results. Declines in customer spending, failure of key suppliers to provide us with the services/materials for our network could negatively impact our operating results and financial position.

#### *Risks related to integration following the acquisition by CenturyLink Inc.*

As a result of the acquisition there are a number of systems and functions that were integrated. The combined Company has devoted significant attention and resources to integrating the combined businesses to ensure that any potential risks were mitigated.

#### *Others risks*

CenturyLink has been closely monitoring the spread of the coronavirus and planning to minimise its potential impact to our people, our communities and our valued customers. We are maintaining a continuous state of operational readiness around the globe, with particular emphasis on the strength, performance and security of our network. We operate one of the world's largest and most interconnected networks which allows us to support the most critical operational needs of our customers so their businesses keep running and stay connected at this unprecedented time. We continue to evaluate the impact of the coronavirus on our business and although we have not seen any material adverse effects as of the date of the approval of the financial statements we cannot provide any assurance that there will not be material adverse effects in the future as a result of the unprecedented nature of events.

# CenturyLink Communications Europe Limited

## Strategic Report (continued)

### Section 172 statement

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. The Board welcomes the direction of the UK Financial Reporting Council (the 'FRC'). This S172 statement, which is reported for the first time, explains how CenturyLink Directors, in accordance with section 172 of the Companies Act 2006, our directors acts in the way that he or she considers, in good faith, would most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. likely consequences of any decisions in the long-term,
- b. interests of the company's employees,
- c. need to foster the company's business relationships with suppliers, customers and other key stakeholders,
- d. impact of the company's operations on communities and the environment,
- e. desirability of the company maintaining a reputation for high standards of business conduct
- f. need to act fairly as between members of the company.

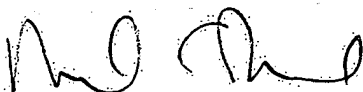
The Directors understand the business and the evolving environment in which we operate, including the challenges of navigating through the technology evolution. CenturyLink rebranded as "Lumen", a brand that will carry our business into the next chapter of our history of furthering human progress through technology, honouring our telecom past while embracing our technology future.

The Directors recognise that CenturyLink employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

Delivering our strategy requires strong relationships with customers, suppliers, and other key stakeholders. Our vision is to revolutionise how our customers connect to the world by putting their success first. Guide our customers through the 4th Industrial Revolution through deep listening, resilient solutions and experiences that ultimately lead to our customers' success.

As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enable the directors to comply with their legal duty under section 172 of the Companies Act 2006.

By order of the Board,



Director: Michael Reinke  
Date: 28 September 2020

## **CenturyLink Communications Europe Limited**

### **Directors' Report**

The Directors present their annual report and audited financial statements of CenturyLink Communications Europe Limited ("the Company") for the year ended 31 December 2019. The Company is a member of the CenturyLink group of companies ("the Group").

#### **Directors**

The Directors who served during the year and subsequently were as follows:

Michael Reinke  
Dougald Robinson (appointed 13 March 19)  
Nicholas Spence (resigned 13 March 19)

The Directors of the Company who served during the year were remunerated by fellow group undertakings. Two of the directors exercised stock units in CenturyLink during the year (2018: 1).

#### **Dividends**

The Directors do not recommend the payment of a dividend for the year (2018: \$nil).

#### **Future Developments**

The communications industry has been and remains highly competitive. The industry is subject to rapid and significant changes in technology. We believe that advances in optical and Internet Protocol technologies have, and will continue to, facilitate decreases in unit costs for communications service providers that are able to most effectively take advantage of these technology advances. We believe that, over time, rapidly improving technologies and high demand elasticity are the two primary factors that are continuing to drive this market dynamic.

In view of these market and technology opportunities, we seek to serve business customers by using a customer first focus and providing a broad range of communications services over the Group's advanced and extensive fibre optic network. With the networks extensive geographic reach and deep reach into major metropolitan areas of the United States of America, Europe and Latin America, we are positioned to provide end-to-end services for customers entirely on the Group's own facilities across multiple continents. We plan to continually expand this fibre optic network to new locations where the demands of customers and potential customers justify the costs of expansion.

#### **Employees**

##### *Disabled persons*

The Company's attitude concerning the employment of disabled persons is the same as that relating to all other employees in the matter of recruitment, continuity of employment, training, development and promotion. Nevertheless, the Company is conscious of the difficulties experienced by the disabled and takes account sympathetically of individual circumstances.

##### *Employee involvement and consultation*

Employee involvement and commitment is an established responsibility of the Board of Directors and requires their participation. Regular contact and exchanges of information between the directors, managers and staff are maintained through department meetings together with an employee council. The Company promotes the principle of team briefings on a regular and continuing basis, with the aim of ensuring that all employees are personally advised of the financial and commercial progress of the Company. The Company operates a bonus programme applicable to substantially all employees of the Company. Each participant is provided a target award, and actual awards are payable at the discretion of the CenturyLink, Inc. Compensation Committee if the Group achieves specified targets for earnings and cash flow.

# CenturyLink Communications Europe Limited

## Directors' Report *(continued)*

### Going Concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate. The Company is dependent for its obligation on funds provided to it by CenturyLink, Inc., the Company's ultimate parent entity. CenturyLink, Inc. has indicated its intention to continue to make available financial support for twelve months from the signing date of these financial statements, or earlier, to such period when either CenturyLink, Inc. or the Company, to enable the Company to trade, and not to call for settlement of amounts owing to group entities where to do so would place the Company in an insolvent position.

As with any company placing reliance on other group entities for financial support, the directors of the Company acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Directors have considered the liquidity of the Company going forward, in particular adverse effects that could arise due to the ongoing COVID-19 pandemic and have deemed that due to the letter of support, they believe that the Company is well placed to manage its financing and future commitments over a period of at least 12 months from the date of the financial statements.

### Subsequent events

CenturyLink has been closely monitoring the spread of the coronavirus and planning to minimise its potential impact to our people, our communities and our valued customers. We are maintaining a continuous state of operational readiness around the globe, with particular emphasis on the strength, performance and security of our network. We operate one of the world's largest and most interconnected networks which allows us to support the most critical operational needs of our customers so their businesses keep running and stay connected at this unprecedented time. We continue to evaluate the impact of the coronavirus on our business and although we have not seen any material adverse effects as of the date of the approval of the financial statements we cannot provide any assurance that there will not be material adverse effects in the future as a result of the unprecedented nature of events.

On 14 September 2020, CenturyLink rebranded as "Lumen", a brand that will carry our business into the next chapter of our history of furthering human progress through technology, honouring our telecom past while embracing our technology future. In North America, some teams will continue to support our customers under the CenturyLink brand for residential and small business customers, but for all other regions Lumen is the go forwards brand with immediate effect. There is no change to the global group structure at this stage nor any changes to EMEA legal entity names.

No other significant events have occurred after the balance sheet date which would require the adjustment of or disclosure in the financial statements.

### Political and charitable donations

The Company made no political or charitable donations or incurred any political expenditure during the year (2018: \$nil).

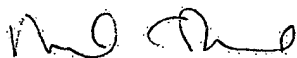
### Disclosure of Information to the auditor

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the company's statutory auditors are aware of that information. In so far as they are aware there is no relevant audit information of which the company's statutory auditors are unaware.

### Auditor

KPMG, Chartered Accountants, will continue in office in accordance with Section 487 of the Companies Act, 2006.

By order of the Board,



Director: Michael Reinke  
Date: 28 September 2020

## CenturyLink Communications Europe Limited

### Statement of Directors' Responsibilities in respect of the Directors' Report and the 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 year. 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

On behalf of the board



Director: Michael Reinke  
Date: 28 September 2020

## **Independent Auditor's Report to the Members of CenturyLink Communications Europe Limited**

### **Opinion**

We have audited the financial statements of CenturyLink Communications Europe Limited ("the company") for the year ended 31 December 2019 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in the notes.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## **Independent Auditor's Report to the Members of CenturyLink Communications Europe Limited (continued)**

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**John Edwards**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London

29 September 2020

## CenturyLink Communications Europe Limited

### Profit and Loss Account and Other Comprehensive Income For the year ended 31 December 2019

	Notes	2019 \$	2018 \$
<b>Turnover</b>	2	60,201,298	77,457,569
Cost of sales		<u>(46,127,703)</u>	<u>(35,835,582)</u>
<b>Gross profit</b>		<b>14,073,595</b>	<b>41,621,987</b>
Administrative expenses	3	<u>(15,179,377)</u>	<u>(42,066,546)</u>
<b>Operating loss</b>		<b>(1,105,782)</b>	<b>(444,559)</b>
Interest receivable and similar income	4	687,002	1,837,091
Interest payable and similar charges	4	<u>(1,015,406)</u>	<u>(4,684,412)</u>
<b>Net finance expense</b>	4	<b>(328,404)</b>	<b>(2,847,321)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(1,434,186)</b>	<b>(3,291,880)</b>
Taxation	6	9,716,330	2,319,552
<b>Total comprehensive income/(expense) for the financial year</b>		<b><u>8,282,144</u></b>	<b><u>(972,328)</u></b>

The accompanying notes on pages 15 to 25 form an integral part of these financial statements.

# CenturyLink Communications Europe Limited

## Balance Sheet As at 31 December 2019

	Notes	2019 \$	2018 \$
<b>Fixed assets</b>			
Intangible assets	7	(125,201)	(166,932)
Tangible assets	8	22,101,817	28,329,802
Financial assets	9	-	-
		<u>21,976,616</u>	<u>28,162,870</u>
<b>Other non current assets</b>			
Prepayment and accrued income	10	9,070,488	13,206,033
Deferred tax asset	6	6,302,297	-
		<u>15,372,785</u>	<u>13,206,033</u>
<b>Current assets</b>			
Debtors	10	62,173,507	63,823,452
Cash at bank and in hand		-	-
		<u>62,173,507</u>	<u>63,823,452</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(56,748,822)</u>	<u>(52,703,399)</u>
<b>Net current assets</b>		<u>5,424,685</u>	<u>11,120,053</u>
<b>Total assets less current liabilities</b>		<u>42,774,086</u>	<u>52,488,956</u>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(16,584,764)</u>	<u>(34,581,778)</u>
<b>Net assets</b>		<u>26,189,322</u>	<u>17,907,178</u>
<b>Capital and reserves</b>			
Called up share capital	14	287,000,003	287,000,003
Other reserves	15	800,462	800,462
Profit and loss account		<u>(261,611,143)</u>	<u>(269,893,287)</u>
<b>Shareholders' funds</b>		<u>26,189,322</u>	<u>17,907,178</u>

The accompanying notes on pages 15 to 25 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 28 September 2020:



Director: Michael Reinke

## CenturyLink Communications Europe Limited

### Statement of Changes in Equity For the year ended 31 December 2019

	Share Capital	Other Reserves	Profit and Loss Account	Total
	\$	\$	\$	\$
Balance at 1 January 2018	112,000,003	800,462	(268,920,959)	(156,120,494)
Allotment of shares	175,000,000	-	-	175,000,000
Loss for the year	-	-	(972,328)	(972,328)
<b>Balance at 31 December 2018</b>	<b>287,000,003</b>	<b>800,462</b>	<b>(269,893,287)</b>	<b>17,907,178</b>
Balance at 1 January 2019	287,000,003	800,462	(269,893,287)	17,907,178
<b>Total comprehensive expense for the financial year:</b>				
Profit for the year	-	-	8,282,144	8,282,144
<b>Balance at 31 December 2019</b>	<b>287,000,003</b>	<b>800,462</b>	<b>(261,611,143)</b>	<b>26,189,322</b>

The accompanying notes on pages 15 to 25 form an integral part of these financial statements.

# CenturyLink Communications Europe Limited

## Notes to the Financial Statements For the year ended 31 December 2019

### 1. Accounting Policies

CenturyLink Communications Europe Limited (“the Company”) is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as issued in September 2015, however the amendments arising from the implementation of the EU Accounting Directive in the UK have been disapplied. The financial statements are presented in US Dollars, which is the functional currency of the company.

The Company’s ultimate parent undertaking, CenturyLink, Inc. (“the Group”) includes the company in its consolidated financial statements. The consolidated financial statements of CenturyLink, Inc., are available to the public and may be obtained from Investor Relations, CenturyLink, Inc., 100 CenturyLink Drive, Monroe, Louisiana, 71203, United States of America.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period
- Cash flow statement and related notes
- Disclosure of related party transactions with wholly owned members of the CenturyLink group; and
- Key management personnel remuneration.

As the consolidated financial statements of CenturyLink, Inc., include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36 (4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### *Measurement Convention*

The financial statements are prepared on the historical cost basis.

#### *Going Concern*

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate. The Company is dependent for its obligation on funds provided to it by CenturyLink, Inc., the Company’s ultimate parent entity. CenturyLink, Inc. has indicated its intention to continue to make available financial support for twelve months from the signing date of these financial statements, or earlier, to such period when either CenturyLink, Inc. or the Company, to enable the Company to trade, and not to call for settlement of amounts owing to group entities where to do so would place the Company in an insolvent position.

As with any company placing reliance on other group entities for financial support, the directors of the Company acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Directors have considered the liquidity of the Company going forward, in particular adverse effects that could arise due to the ongoing COVID-19 pandemic and have deemed that due to the letter of support, they believe that the Company is well placed to manage its financing and future commitments over a period of at least 12 months from the date of the financial statements.

# CenturyLink Communications Europe Limited

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 1. Accounting Policies (continued)

#### *Foreign Currency*

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### *Accounting Estimates and Judgements*

Preparation of financial statements pursuant to FRS 102 requires judgemental assumptions and estimates to be made. These impact on the profit and loss account and the valuation of assets and liabilities in the balance sheet. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation. Actual results may differ from those estimates.

#### *Intangible assets, goodwill and negative goodwill*

##### *Goodwill*

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or a group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

##### *Negative Goodwill*

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet immediately below any positive goodwill and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

##### *Other intangible assets*

Other intangible assets that are acquired by the company are stated at cost less accumulated amortisation and less accumulated impairment losses.

##### *Amortisation*

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use.

Goodwill (including negative goodwill) is amortised on a straight-line basis over its useful life.

Goodwill has no residual value. The remaining useful life of negative goodwill is estimated to be 7 years.

#### *Tangible Fixed assets*

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation, less any estimated residual value, of assets on a straight-line basis over their useful economic lives, as follows:

Subsea equipment	25 years
Land & buildings owned	10 to 40 years
Fixtures and fittings	7 years
Operating equipment	3 to 25 years

# CenturyLink Communications Europe Limited

## Notes to the Financial Statements *(continued)*

For the year ended 31 December 2019

### 1. Accounting Policies *(continued)*

#### *Financial fixed assets*

Financial fixed assets are stated at acquisition cost or, in the case of a permanent impairment in value, at the lower of net asset value or fair market value as determined on the basis of the financial statements of the Group Company.

#### *Trade and other debtors*

Trade and other debtors are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest method less any provision made for impairment.

#### *Trade and other creditors*

Trade and other creditors are initially recorded at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest method.

#### *Share Capital*

Financial instruments that have been issued are classified as equity where they meet the definition of equity and confer on the holder a residual interest in the assets of the company. Ordinary shares are classified as equity.

#### *Pensions*

The Company operates a defined contribution scheme. A defined contribution scheme is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay any further amounts. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year for the services rendered by employees. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### *Turnover*

Turnover represents amounts receivable for goods and services provided in the normal course of business stated exclusive of VAT.

#### *Operating lease expenses*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

#### *Interest receivable and interest payable*

Interest income and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payment is established.

Interest receivable and similar income includes interest receivable on funds invested and intercompany loans, and net foreign exchange gains.

Interest payable and similar charges include interest payable, finance leases recognised in profit or loss using the effective interest method and net foreign exchange losses.

Finance costs which are attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the assets are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

# CenturyLink Communications Europe Limited

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 1. Accounting Policies (continued)

#### Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future, and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income and expense are non-taxable or are disallowable for tax or because certain charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax. Deferred tax is measured at the rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### Changes in significant accounting policies

There are no significant changes affecting the current year.

### 2. Turnover

Turnover is stated as the amounts receivable (net of sales taxes) from the provision of services and telecommunications infrastructure and capacity. Turnover arising from the provision of services is recognised evenly over the life of each contract, regardless of the payments profile.

### 3. Operating Result

Operating result is stated after charging/(crediting):

	2019	2018
	\$	\$
Auditor's remuneration	45,618	15,232
Operating lease rentals	(12,817,478)	9,120,955
Amortisation of negative goodwill	(41,731)	(41,733)
Depreciation	9,162,519	11,342,359

There is a credit in Operating lease rentals due to the Dockland (East India dock) leases being transferred to another group company. As a result the rent-levelling liability was written off together with a significant decrease in operating lease expenses for the year. This is fully compensated by the transfer pricing agreement and offsets in intercompany revenue therefore there is no impact to the Profit and loss in the financial statements.

## CenturyLink Communications Europe Limited

### Notes to the Financial Statements (continued) For the year ended 31 December 2019

#### 4. Net Finance expense

	2019	2018
	\$	\$
<b>Interest receivable and similar income</b>		
Foreign exchange gains	-	1,491,745
Interest receivable on loans receivable from group companies	687,002	345,346
	<u>687,002</u>	<u>1,837,091</u>
<b>Interest payable and similar charges</b>		
Interest payable on loans payable to group companies	-	(4,664,609)
Interest payable on bank overdrafts	(17,791)	(19,803)
Foreign exchange losses	(997,615)	-
	<u>(1,015,406)</u>	<u>(4,684,412)</u>
<b>Net finance expense</b>	<u>(328,404)</u>	<u>(2,847,321)</u>

#### 5. Staff Costs and Directors' Remuneration

	2019	2018
	\$	\$
<i>Aggregate staff costs comprised:</i>		
Wages and salaries	10,823,153	11,207,019
Social security costs	1,361,697	1,566,251
Other pension costs (Note 13)	529,051	489,090
	<u>12,713,901</u>	<u>13,262,360</u>

The average monthly number of employees (including executive directors) during the year was 135 (2018: 132).

The directors of the Company who served during the year were remunerated by fellow group undertakings. Two of the directors exercised stock units in CenturyLink during the year (2018: 1).

## CenturyLink Communications Europe Limited

### Notes to the Financial Statements (continued) For the year ended 31 December 2019

#### 6. Taxation

	<b>2019</b>	<b>2018</b>
	\$	\$
Tax credit on loss on ordinary activities	<u>(9,716,330)</u>	<u>(2,319,552)</u>
The tax charge / (credit) comprises:	<b>2019</b>	<b>2018</b>
	\$	\$
Corporation tax at 19% (2018: 19%)	<u>(9,716,330)</u>	<u>(2,319,552)</u>
Group relief claimed in respect of prior periods	<u>(9,716,330)</u>	<u>(2,319,552)</u>

There is no taxation charge in respect of the year due to the factors outlined below.

#### Reconciliation of tax charge

The tax credit for the year is higher than the standard rate of corporation tax in the UK of 19% (2018: 19%)

The differences are explained below.

	<b>2019</b>	<b>2018</b>
	\$	\$
Loss on ordinary activities before taxation	<u>(1,434,186)</u>	<u>(3,291,880)</u>
Tax on loss at 19% (2018: 19%)	(272,495)	(625,457)
Factors affecting tax charge for the year:		
Expenses not deductible for tax purposes	17,057	17,023
Deficit of book depreciation over tax allowances	(3,262,867)	(2,617,198)
Other timing differences	174,076	19,986
Recognition of deferred tax	(6,302,297)	-
UK to UK Transfer pricing adjustment	<u>(69,804)</u>	<u>886,094</u>
Tax credit for the year	<u>(9,716,330)</u>	<u>(2,319,552)</u>

#### Provisions for liabilities and charges

Deferred taxation provided and not provided are as follows:

	Provided asset/(liability)		Not provided asset/(liability)	
	2019	2018	2019	2018
	\$	\$	\$	\$
Accelerated capital allowances	6,302,297	-	34,931,779	42,253,851
Other timing differences	-	-	13,904,337	14,020,063
Tax losses available	-	-	24,625,540	24,495,428
	<u>6,302,297</u>	-	<u>73,461,656</u>	<u>80,769,342</u>

Deferred tax assets are recognised for short-term temporary differences, unutilised tax losses and accelerated capital allowances to the extent that realisation of the related tax benefit through future taxable income is probable. During the year the Company recognised a deferred tax asset of \$6.3m (2018: \$nil) in respect of accelerated capital allowances. As at 31 December 2018, the unrecognised deferred tax asset is \$73.5m (2018: \$80.8m). The Company has unused tax losses of \$145m (2018: \$144m) available for relief against future taxable income at 31 December 2019. These tax losses are available for an indefinite period of time.

A change to the main UK corporation tax rate from 1 April 2020, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable for the fiscal years beginning 1 April 2020 and 1 April 2021 remains at 19 percent, rather than the previously enacted reduction to 17 percent. The impact of the rate change on the Company is not material.

## CenturyLink Communications Europe Limited

### Notes to the Financial Statements (continued) For the year ended 31 December 2019

#### 7. Intangible Fixed Assets

As part of the Intra-Group Acquisition Agreement between CenturyLink Communications Europe Limited and various other Group companies at 31 December 2007, all assets and liabilities acquired were accounted for in CenturyLink Communications Europe Limited at fair value. As part of this fair value exercise, CenturyLink Communications Europe Limited acquired negative goodwill of \$626,594 relating to the fair value assessment of prepaid capacity and deferred revenue transferred from International Optical Network Limited prior to its dissolution on 27 October 2009. This negative goodwill is being amortised over 15 years which was the remaining term of the deferred revenue contract on which the negative goodwill arises.

	Negative Goodwill
<b>Cost</b>	<b>\$</b>
At 1 January 2018 and at 31 December 2019	(626,594)
<b>Amortisation</b>	
At 1 January 2019	459,662
Charge for the year	41,731
At 31 December 2019	<u>501,393</u>
<b>At 31 December 2019</b>	<u>(125,201)</u>
<b>At 31 December 2018</b>	<u>(166,932)</u>

#### 8. Tangible Fixed Assets

	Subsea Equipment	Land & Buildings Owned	Leasehold Improvements	Fixtures and Fittings	Office/ Computer Equipment	Operating Equipment	Construction In Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>								
At 1 January 2019	9,960,013	1,318,323	1,823,352	5,281,597	4,102,110	82,377,415	1,588,862	106,451,672
Additions	-	-	-	-	-	2,186,570	747,964	2,934,534
Transfers	-	-	-	-	-	1,442,329	(1,442,329)	-
<b>At 31 December 2019</b>	<u>9,960,013</u>	<u>1,318,323</u>	<u>1,823,352</u>	<u>5,281,597</u>	<u>4,102,110</u>	<u>86,006,314</u>	<u>894,497</u>	<u>109,386,206</u>
<b>Depreciation</b>								
At 1 January 2019	3,723,412	351,773	1,724,051	2,627,691	3,983,729	65,711,214	-	78,121,870
Charge for the year	44,485	349,159	-	5,871	-	8,763,004	-	9,162,519
<b>At 31 December 2019</b>	<u>3,767,897</u>	<u>700,932</u>	<u>1,724,051</u>	<u>2,633,562</u>	<u>3,983,729</u>	<u>74,474,218</u>	<u>-</u>	<u>87,284,389</u>
<b>Net Book Value</b>								
At 31 December 2019	<u>6,192,116</u>	<u>617,391</u>	<u>99,301</u>	<u>2,648,035</u>	<u>118,381</u>	<u>11,532,096</u>	<u>894,497</u>	<u>22,101,817</u>
At 31 December 2018	<u>6,236,601</u>	<u>966,550</u>	<u>99,301</u>	<u>2,653,906</u>	<u>118,381</u>	<u>16,666,201</u>	<u>1,588,862</u>	<u>28,329,802</u>

An impairment review was carried out at a Group level based on a review of future cash-flows and based on this analysis it was determined no impairment charge of tangible fixed assets was deemed necessary in the financial statements for 2019 (2018: \$nil).

## CenturyLink Communications Europe Limited

### Notes to the Financial Statements (continued) For the year ended 31 December 2019

#### 8. Tangible Fixed Assets (continued)

##### Capital Commitments

No capital commitments were entered into for the year ended 31 December 2019.

#### 9. Financial Fixed Assets

Name of Company	Country of incorporation	Proportion of voting rights and shares held	Principle activity of business	Cost at 1st Jan 2018 and 31st Dec 2019 \$	Accumulated impairment provisions at 1st Jan 2018 and 31st Dec 2019 \$	Net book Value at 1st Jan 2018 and 31st Dec 2019 \$
<i>Subsidiary undertakings:</i>						
CenturyLink Communications PEC Telekomunikasyon Hizmetleri Limited Şirketi	Turkey	1% ordinary shares	Telecom services	31	(31)	-
<i>Associated undertakings:</i>						
CenturyLink Communications UK Limited	England	0% ordinary shares	Telecom services	1,218,484	(1,218,484)	-

#### 10. Debtors

	2019 \$	2018 \$
<b>Amounts falling due within one year:</b>		
Trade debtors	5,833,145	6,387,924
Prepayments and accrued income	9,908,635	11,319,357
Amounts owed by group undertakings	46,431,727	45,545,624
Other debtors	-	570,547
	<u>62,173,507</u>	<u>63,823,452</u>
<b>Amounts falling due after more than one year:</b>		
Prepayments and accrued income	9,070,488	13,206,033
	<u>71,243,995</u>	<u>77,029,485</u>

The amounts owed by other Group companies are repayable on demand and are non-interest-bearing due to their short-term nature with the exception of those with Level 3 Holdings B.V. which incurred quarterly interest at 8% (2018: 8%).

## CenturyLink Communications Europe Limited

### Notes to the Financial Statements (continued) For the year ended 31 December 2019

#### 11. Creditors: amounts falling due within one year

	2019	2018
	\$	\$
Trade creditors	3,688,543	3,490,898
Amounts owed to group undertakings	41,589,479	40,092,152
Accruals and deferred income	11,470,800	9,120,349
	<u>56,748,822</u>	<u>52,703,399</u>

The amounts owed to other Group companies are repayable on demand and are non-interest-bearing with the exception of loans with CenturyLink Communications UK Limited which incurred quarterly interest at 13.5% in 2018, the loan was repaid in 2019.

#### 12. Creditors: amounts falling due after more than one year

	2019	2018
	\$	\$
Deferred income	16,584,764	22,831,924
Rent levelling	-	11,749,854
	<u>16,584,764</u>	<u>34,581,778</u>

Rent levelling balance was released to the Profit and loss due to the reassignment of the Docklands (East India Dock) leases to CenturyLink Communications UK Limited.

#### 13. Pensions

##### *The Global Crossing Pension Scheme*

A small number of employees of the Company participate in a multi-employer defined benefit pension scheme of another Group company, CenturyLink Communications UK Limited called the Global Crossing Pension Scheme ("the Scheme"). The assets of this Scheme are held separately from that company in an independently administered fund. It is not possible to identify the Company's share of the underlying assets and liabilities of the Scheme which relate to the Company's employees and accordingly, the Company treats the Scheme as a 'defined contribution scheme' in accordance with the FRS 102.28: "Employee Benefits" requirements for multi-employer schemes.

The surplus in the Scheme as at 31 December 2019 held by CenturyLink Communications UK Limited was £3,594,000/ \$4,714,609 (2018: £3,522,000/ \$4,485,936). Contributions paid by the Company into the fund in the year amounted to \$nil (2018: \$nil).

##### *The CenturyLink Flexible Retirement Plan*

This personal pension scheme is open to new members. The Company matches the contributions paid by employees up to a maximum of 7% of basic salary. Pension costs for the Company for the year ended 31 December 2019 were \$520,152 (2018: \$489,090).

## CenturyLink Communications Europe Limited

### Notes to the Financial Statements (continued) For the year ended 31 December 2019

#### 14. Called Up Share Capital

	2019 \$	2018 \$
<b>Authorised:</b> 338,888,889 ordinary shares of £1 each	<u>486,458,560</u>	<u>486,458,560</u>
<b>Allotted, called-up and fully paid:</b> 210,808,571 ordinary shares of £1 each	<u>287,000,003</u>	<u>287,000,003</u>

#### 15. Other Reserves

The Company recognised total expenses relating to equity-settled share-based payments of \$800,462 in 2008. The Company issued equity settled share-based payments in CenturyLink, Inc. stock to certain qualifying employees up to the year ended 31 December 2008. At that date, the issuance of equity settled share-based payments was terminated. Equity settled share based payments are measured at fair value at the grant date. The fair value determined at the grant date is expensed within the vesting period.

#### 16. Commitments and Contingencies

##### Operating Leases

At 31 December 2019 the minimum future rental commitments of the Company under non-cancellable operating leases, were as follows

	2019 \$	2018 \$
<b>Lease expiry term:</b>		
Within one year	1,096,020	9,623,388
Between two and five years	2,695,235	27,567,103
After five years	<u>7,155,438</u>	<u>61,084,063</u>
	<u>10,946,693</u>	<u>98,274,554</u>

There is a significant decrease in the operating lease commitments due to the Dockland (East India dock) leases being transferred to another group company.

#### 17. Ultimate Parent Company

CenturyLink Communications Europe Limited is a wholly owned subsidiary of CenturyLink EMEA Holdings Limited, a company incorporated in United Kingdom. The ultimate parent company of the Company is CenturyLink, Inc., a company registered in the United States of America. The smallest and largest group into which the results of the Company are consolidated is that headed by CenturyLink, Inc., whose accounts can be obtained from Investor Relations, CenturyLink, Inc., 100 CenturyLink Drive, Monroe, Louisiana, 71203, United States of America.

#### 18. Related Party Transactions

The company has availed of the exemption in Section 33.1A of FRS 102 from the requirement to disclose transactions with wholly owned members of the CenturyLink Group.

## **CenturyLink Communications Europe Limited**

### **Notes to the Financial Statements *(continued)*** **For the year ended 31 December 2019**

#### **19. Subsequent events**

CenturyLink has been closely monitoring the spread of the coronavirus and planning to minimise its potential impact to our people, our communities and our valued customers. We are maintaining a continuous state of operational readiness around the globe, with particular emphasis on the strength, performance and security of our network. We operate one of the world's largest and most interconnected networks which allows us to support the most critical operational needs of our customers so their businesses keep running and stay connected at this unprecedented time. We continue to evaluate the impact of the coronavirus on our business and although we have not seen any material adverse effects as of the date of the approval of the financial statements we cannot provide any assurance that there will not be material adverse effects in the future as a result of the unprecedented nature of events.

On 14 September 2020, CenturyLink rebranded as "Lumen", a brand that will carry our business into the next chapter of our history of furthering human progress through technology, honouring our telecom past while embracing our technology future. In North America, some teams will continue to support our customers under the CenturyLink brand for residential and small business customers, but for all other regions Lumen is the go forwards brand with immediate effect. There is no change to the global group structure at this stage nor any changes to EMEA legal entity names.

No other significant events have occurred after the balance sheet date which would require the adjustment of or disclosure in the financial statements.