

Registration number: 08277408

CommScope UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2023

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CommScope UK Limited

Contents

| | |
|--|----------|
| Company Information | 1 |
| Strategic Report | 2 to 8 |
| Directors' Report | 9 to 12 |
| Statement of Directors' Responsibilities | 13 |
| Independent Auditor's Report | 14 to 17 |
| Profit and Loss Account | 18 |
| Statement of Comprehensive Income | 19 |
| Balance Sheet | 20 |
| Statement of Changes in Equity | 21 |
| Notes to the Financial Statements | 22 to 48 |

CommScope UK Limited

Company Information

| | |
|--------------------------|--|
| Directors | Alisdair More Jonathan Murphy |
| Registered office | 12 New Fetter Lane London EC4A 1JP |
| Bankers | JP Morgan Chase 25 Bank Street London E14 5JP |
| Auditors | Ernst & Young 12 Wellington Place Leeds LS1 4AP |

CommScope UK Limited

Strategic Report for the Year Ended 31 December 2023

The directors present their strategic report for the year ended 31 December 2023.

Principal activity

At year end the company is the principal operating company for customer sales outside of the United States of America ("U.S.") for mainly Access Networks Solutions ("ANS") business segment within CommScope Group of companies. The Group is a global provider of infrastructure solutions for communication, data center and entertainment networks reporting financial performance based on the following operating segments: Connectivity and Cable Solutions (CCS), Outdoor Wireless Networks (OWN), Networking, Intelligent Cellular and Security Solutions (NICS), Access Network Solutions (ANS) and Home Networks (Home).

Review of the business

Up to 31 July 2023, the company operated under a cost plus model providing services to ARRIS Global Ltd ("AGL") earning a set mark-up on the services provided.

Following the plan announced in 2021 by the Company's owner to spin off the Home Networks business segment as an independent group, CommScope Group implemented an ERP change in August 2023 for the core CommScope businesses, excluding Home Networks. From 1 August 2023 the company became an international selling entity distributing ANS business segment products, software and services to markets outside of the US, operating as a limited risk distributor for AGL. As part of the ERP change, non Home Networks employees transferred to the company.

Further to the spin off plans, on 2 October 2023 CommScope Group entered into a Call Option Agreement with Vantiva SA pursuant to which CommScope granted Vantiva a binding call option to acquire the Home segment and substantially all of the associated segment assets and liabilities (Home business), which was subsequently exercised and a Purchase Agreement signed on 7 December 2023. In preparation for the Home business sale, the company purchased ANS and international ICX intangible assets as well as ANS business from fellow UK companies for \$121.3m and \$567.4m respectively on 5 December 2023. CommScope UK Limited ceased to be a limited risk distributor to AGL on this date. From December onwards, the company is the principal operating company for customer sales for the ANS business segment and for a small element reported within CCS business segment. The company trades in Europe, Middle East and Africa ("EMEA"); Asia Pacific ("APAC"), Central and Latin America ("CALA") and Canada, most of these sales are made directly to external customers while some sales are made by other group companies on behalf of the company.

The ANS segment's product solutions include cable modem termination systems (CMTS), video infrastructure, distribution and transmission equipment and cloud solutions that enable facility-based service providers to construct a state-of-the-art residential and metro distribution network. The portfolio also includes a full suite of global services that offer technical support, professional services and system integration to enable solutions sales of our end-to-end product portfolio.

As at the 31 December 2023 the company has one overseas branch in Dubai. The branch is included in these Financial Statements.

CommScope UK Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

Due to the changes in activities during the year, the Directors do not consider presenting the company's key financial performance indicators with prior year comparatives as a relevant information. The Directors monitor the company's key financial and other performance indicators, such as revenue, gross profit margin and operating margin.

During the year the company had the following activities:

- \$18.5m income from cost plus activities, including restructuring expenses charged at cost, at 6% operating profit (2022: \$25.7m at 6% operating profit margin)
- \$0.9 gross inflows of economic benefits received and receivable as a Limited Risk Distributor earning 5% operating profit
- \$39.5m net sales as ANS principal operating company earning 39% operating profit
- \$3.1m royalty income
- \$4.3m dividend income from subsidiaries and \$(1.1)m expense resulting from impairment and loss on sale of a subsidiary

Principal risks and uncertainties

The principal risks and uncertainties of the Company are supply chain environment, competition, management of growth, new products, services and technologies, fluctuations in operating results, international expansion, commercial agreements, acquisitions, foreign exchange rates, system interruption, Government regulations, taxation and fraud. The Company has experienced staff managing these risks who anticipate the future and make plans accordingly to mitigate the impact to the Company, for example through innovation, staying up-to-date with technological trends, monitoring forecasts and working capital, segregation of duties and control procedures.

Economic climate

In 2023, macroeconomic factors such as higher interest rates and concerns about continued inflation and a global economic slow-down softened demand for the company's products, with certain customers reducing purchases as they right-sized their inventories and others pausing capital spending. This negatively impacted net sales and may continue to have a material negative impact on net sales into at least the first half of 2024. The company saw lower input costs across most of its segments as inflation settled during the year. The Company proactively implemented cost savings initiatives that favorably impacted its profitability in 2023 and continues to challenge costs taking advantage of efficiencies where possible.

Russia-Ukraine and Israel-Gaza conflicts

The crisis in Russia and Ukraine began in February 2022 and in Israel and Gaza in October 2023 and continues as of the date of this annual report. CommScope and the Company suspended all the services in Russia and Belarus, which has not had and is not expected to have material impact on the financial statements or operating results of the Company. The Company had no receivables from Russian customers. The conflict in Israel and Gaza is not expected to have material impact on the financial statements or operating results of the Company. The attacks on the ships on Red Sea has increased freight costs and transport times for products coming from Asia to Europe.

CommScope UK Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

Strategic risks

(a) Customers and markets

The majority of sales are directly to wireline network service providers, such as telephone companies, cable television network providers and satellite video distributors, to be deployed into their service delivery networks. As the global telecommunications industry continues a trend towards consolidation and network architecture and technology continues to evolve, sales to the largest service providers are crucial to the company success. Sales are substantially dependent upon a system operator's selection of CommScope's network equipment, demand for increased broadband services by subscribers, and general capital expenditure levels by system operators that tends to be cyclical.

(b) Suppliers

As the Group works on long lead times for the supply of components and there is a concentration on a small number of manufacturing partners there is a risk that products become unavailable and flexibility is diminished. However, procedures are in place to monitor the financial and operating strength of suppliers and the Group uses dual or multi-sourced suppliers where possible to mitigate these risks. The company buys and imports finished goods for the EMEA market directly from contract manufacturers and from affiliated companies. Finished goods for other regions are procured from affiliated companies.

(c) Operational

Future success depends on the company and Group's ability to anticipate and adapt to changes in technology and customer preferences and develop, implement and market innovative solutions. Many of the Group's markets are characterised by rapid advances in information processing and communications capabilities that require increased transmission speeds and density and greater bandwidth. These advances require significant investments in R&D in order to improve the capabilities of our products and services and develop new offerings or solutions that will meet the needs and preferences of our customers. There can be no assurance that our investments in R&D will yield marketable product or service innovations cost effectively meeting customer expectations.

Financial risks

(a) Market risk

(i) Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily against the US Dollar. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. All instruments used in the management of foreign exchange risk are controlled by the global CommScope Group based on the forecasts and estimates provided by the regional companies.

(ii) Interest rate risk

The company's interest rate risk arises from cash held in bank accounts. All instruments used in the management of interest rate risk are controlled by the operational headquarters in the United States of America, and are accounted for in other group subsidiaries.

(b) Credit risk

Credit risk is managed on a global basis. The company is responsible for analysing the credit risk associated with each new customer. This information is then provided to the CommScope corporate team based in the Group's USA head office, who manage the credit risk on a global basis.

CommScope UK Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

(c) Liquidity and cash flow risk

Cash flow is managed on a group wide basis which individual legal entity forecasts support. The objective is to retain minimum working capital balance in the Company to meet its operational needs. Cash flow above the minimum is used to settle liabilities owed to the group. All group borrowings, covenants and external loans are managed by the global CommScope group.

(d) Performance of investments

The company has a number of subsidiary investments whose current and projected performance impact profitability of the company in terms of income from dividend receipts and expense from impairments in the book value of the investments.

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 customers, shareholders, employees and suppliers. As a wholly-owned subsidiary of the Group, the Company has a sole member. The Company is a holding company in the United Kingdom to both its direct and indirect subsidiaries as presented in Note 14 to these financial statements.

The Directors follow 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 interests of the Company's employees;
- iii. The need to foster the Company's business relationships with suppliers, customers and others;
- iv. The impact of the Company's operations on the community and environment;
- v. The desirability of the Company maintaining a reputation for high standards of business conduct; and
- vi. The need to act fairly as between members of the Company.

Engagement with all of the Company's stakeholders has informed the way in which the Directors have discharged their duties and addressed the principal risks and uncertainties as detailed below. Within the Group, Directors hold positions as Asst. General Counsel - International and VP, Global Contoller. Where individual Directors are not directly involved in the processes described below, regular feedback and discussions are held with the relevant management teams on matters of significance. The need and frequency for management board meetings is driven by regulatory environment as well as strategic planning and actions driven by the Group. Both Directors are often in attendance virtually or via email. The Directors rely on the Group's functional experts' guidance and have their approvals as appropriate before authorising any board resolutions. Operational review meetings are held on monthly basis where key business segment and functional leaders are in attendance discussing group matters that impact the company too. VP, Global Contoller attends these meetings. There were no matters brought to the attention of the Directors through the undertaken engagement that were considered to be of strategic importance, other than relating to those matters detailed in the principal decisions section below.

The key stakeholders of the company during the year along with details of the forms of engagement undertaken are detailed below.

Stakeholder: Customers

Key Considerations

- Our customers include substantially all of the leading global telecom operators, data center managers and leading cable television providers.
- To enable customers' success the company continues to innovate with their needs in mind.
- Our end-to-end network expertise and commitment to our promises build the trust that drives deeper engagement and secures our ongoing success.

CommScope UK Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

| Why We Engage | How We Engage | Outcomes and Actions |
|---|---|---|
| We collaborate with our customers to design, create and build the world's most advanced networks. | Customer Service team feedback, web resources, conference calls | Strategic direction on sector-wide solutions require greater collaboration between technology companies, customers and suppliers. |
| Determined to make a positive change and grow the company. | | Company must stay ahead of consumer preferences and demands as they can directly impact business operations. |
| | | Market trends demonstrate a growing focus on social, environmental and governance aspects. The materiality assessment highlighted digital access, inclusion and e-security as key future focus areas. |

Stakeholder: Shareholders

Key Considerations

- Shareholders of the company are considered to be the wider CommScope group, ultimate parent and controlling entity is CommScope Holding Company, Inc.
- The company's continued success is depended on the group's performance, support for innovation and sharing of resources.

| Why We Engage | How We Engage | Outcomes and Actions |
|--|--|--|
| We create value for our shareholders by generating strong and sustainable results that translate into dividends. | Management Board meetings and operational reviews. | Utilisation of excess cash reserves to effectively manage working capital for the company, its subsidiaries and the group. |
| Continued access to new offerings for the international market. Able to influence and execute group's wider operational and financial strategic objectives of the company. | | Execution of disciplined cost control measures whilst maintaining strong operational capabilities of the company. |
| | | New product introductions meeting requirements of company's customers ensuring profitability and cashflow. |

Stakeholder: Employees

Key Considerations

- Our employees are those who directly work for the company whether as permanent staff or as contractors.
- The Directors promote a culture of always being there for our colleagues, working together, across borders and boundaries, toward a singular goal-to win.
- Part of what makes us unique is our diverse set of experiences and perspectives, which provide a uniquely strong support system.

CommScope UK Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

| Why We Engage | How We Engage | Outcomes and Actions |
|---|--|--|
| Leverage a diverse, enabled and agile workforce to deliver business innovation. | Engagement and pulse surveys, internal media, interviews, corporate Town Hall webcast, site-driven Town Hall meetings and dialogue as well as through an open-door policy. | Employee engagement is achieved through managing, mentoring and nurturing our talented professionals, establishing and maintaining optimal workplace conditions, ensuring a diverse employee community, continuing to progress diversity and inclusion within our teams and inspiring a culture of proactive health and fitness. |
| Provide a safe work culture and environment for all employees. | | Training and educational programs will help source the next generation of employees and ensure CommScope's products meet customer needs. |

Stakeholder: Suppliers

Key Considerations

- Our suppliers are both affiliated companies and external companies who are key strategic partners to our success and the backbone to our business.
- Working in partnership with our suppliers the Company is able to innovate with customer success in mind meeting a great range of local market requirements within our international operations.

| Why We Engage | How We Engage | Outcomes and Actions |
|---|---|---|
| Our suppliers are fundamental to the offering we are able to provide to our customers. | Operational reviews and discussions | Development of variations to products, services and software meeting sustainability and local requirements. |
| The Company is committed to conducting its business in an ethical, legal and socially responsible manner and expect our suppliers to share this commitment. | Sourcing evaluation team, Responsible Business Alliance, site visits, conferences and meetings. | Responsible sourcing and minimising supply chain risks. |

Other stakeholders of the Company are the community and environment where it operates. The Company supports local charities for the benefit of the wider community. Together with the CommScope Group, the Company ensures environmental compliance and designs improvements to reduce emission and wastage.

Principal decisions

Directors define principal decisions as both those that are material to the company, but also those that are significant to any of the key stakeholder groups in the previous section. In making the following principal decisions the Directors considered the outcome from its stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the company.

CommScope UK Limited

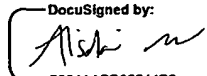
Strategic Report for the Year Ended 31 December 2023 (continued)

Key principal decisions during the year

I. The Board of Directors actively participated in the plans related to the preparation of the Home Networks business sale. As a result, the Board agreed that the purchase of the ANS business benefitted the company, its employees and shareholder and supported the subsidiary re-organisation transactions in order to achieve the strategic objectives of the ultimate parent company. The Board effectively balanced the shareholder requirements to the requirements of the Company.

II. The Board of Directors approved interim dividends of \$15.0 million during the year. The approval was given based on the company's requirement to support group wide effective working capital management. The Board of Directors assessed the financial position of the company and its subsidiaries and judged that the dividend would not impact the company's ability to continue to meet its strategic objectives and financial obligations.

Approved and authorised by the Board on 12 December 2024 and signed on its behalf by:

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Alisdair More
Director

CommScope UK Limited

Directors' Report for the Year Ended 31 December 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

Directors of the company

The directors who held office during the year were as follows:

Alisdair More

Jonathan Murphy - Company secretary and director

Results

The profit for the year, after taxation amounted to \$21,965,000 (2022: profit of \$2,885,000).

Dividends

The directors recommend a final dividend payment of \$Nil be made in respect of the financial year ended 31 December 2023 (year ended 31 December 2022: \$Nil). The Company made an interim dividend payment of \$15,000,000 during the current year (2022: \$11,700,000).

Political donations

The company made no political or charitable contributions during the year (2022: \$nil).

Research and development

Expenditure on research and development during the year amounted to \$4,634,000 (year ended 31 December 2022: \$nil). The expenditures include compensation costs, materials, other direct expenses, and an allocation of information technology, telecommunications, facilities costs, and legal fees.

Branches outside the United Kingdom

CommScope UK Limited - Dubai Branch

Sheikh Zayed Road, H-Business Tower, 25th floor, office 2509.

P.O.Box: 128262, Dubai.

Going concern

The Company is the principal operating company for customer sales outside of the United States of America (the "U.S.") for the ANS business.

Based on its forecasts to 31 December 2025, the Company expects to remain profitable on an annual basis. However, the Company is dependent on the activities of the Parent Company's group and the Ultimate Parent Company ('CommScope Holding Company, Inc. '), given the integrated nature of the Parent Company's activities and the centralised treasury structure whereby cash and cashflow is managed on a group-wide basis.

Consequently, the Company has obtained a letter of support from the Ultimate Parent Company 'CommScope Holding Company, Inc' that confirms that CommScope Holding Company, Inc. will provide financial support to the Company to assist in meeting its liabilities to the extent that funding is not otherwise available to the Company to meet such liabilities for the period from the date of approval of the financial statements until 31 December 2025 'the going concern period'.

The Directors have assessed the level of financial support available, taking into account the CommScope Holding Company, Inc's available liquidity, consisting of \$456.4m cash in hand and \$567.9m undrawn revolving credit facility at the end of September 2024 and its financial plans, and are satisfied the necessary support is available to fund the ongoing operations of the Company subject to the following considerations outlined below.

CommScope UK Limited

Directors' Report for the Year Ended 31 December 2023 (continued)

Going concern (continued)

As of September 30, 2024, the CommScope Holding Company, Inc. ('Group' or 'CommScope') has \$1.27 billion outstanding on its 6.00% senior unsecured notes which mature on June 15, 2025 ("2025 Notes"), which is within the going concern period. At present, CommScope Holding Company, Inc. does not currently have sufficient cash or liquidity to repay the 2025 Notes when they mature on June 15, 2025. The Directors consider this to represent a material uncertainty that may cast significant doubt on the CommScope Holding Company, Inc's, and therefore the Company's, ability to continue as a going concern. Further, CommScope Holdings Inc, also has \$ 4.5bn of debt due in March and April 2026, which although is outside the going concern period, management of the Group are considering options in order to refinance the debt and expect such refinancing to be completed satisfactorily before the debt is due for repayment.

On 18 July 2024 CommScope entered into a definitive agreement to sell its OWN segment as well as the Distributed Antenna Systems business unit of its NICS segment to Amphenol Corporation. CommScope will receive approximately \$2.1 billion in cash, to be paid by Amphenol upon closing. The sale is expected to close within the first half of 2025, subject to customary closing conditions, including receipt of applicable regulatory approvals. Should the transaction complete, proceeds from the sale may be used under certain circumstances to retire the 2025 Notes due to the flexibility under the CommScope Holding Company, Inc's credit agreements. The management of the Group and the Directors of the Company believe given the status of the sale and the closing conditions, it is probable the transaction will close as described above.

Concurrently, the CommScope Holding Company, Inc. is negotiating with its noteholders and lenders to explore both restructuring and/or refinancing of the 2025 Notes. No commitments have been obtained regarding this alternative as of the date of approval of the financial statements, thus it has not reached a level of being considered probable at this time, although it remains part of the CommScope Holding Company, Inc's plans.

The Directors have assessed the CommScope Holding Company, Inc's plan to mitigate the conditions that give rise to the material uncertainty and, considering the pending sale of the CommScope Holding Company, Inc's OWN segment and DAS business unit, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not reflect any adjustments that would be required to be made if they were prepared on a basis other than the going concern basis.

Directors' liabilities

The directors have chosen in accordance with Section 414C(11) of the Companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Directors' Report as the directors consider these are of strategic importance to the company.

A qualifying third party indemnity provision as defined in Section 232(2) of the Companies Act 2006 is in place for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law in respect of those liabilities for which directors may not be indemnified, a directors' and officers' liability insurance policy has been maintained throughout the financial year and at the date of approval of the financial statements.

CommScope UK Limited

Directors' Report for the Year Ended 31 December 2023 (continued)

Streamlined Energy and Carbon Reporting (SECR) Compliance

For financial years starting on or after 1 April 2019, large companies are required to report certain information in relation to their energy use and related carbon emissions. The data set out below is for the year end 31 December 2023.

| UK Greenhouse gas (GHG) emissions and energy use data for the period 1 January 2023 to 31 December 2023 | 2023 |
|--|----------------|
| <i>Energy consumption used to calculate emissions (kWh)</i> | 659,977 |
| <i>Energy consumption break down (kWh) (optional):</i> | |
| • Electricity | 659,977 |
| • Natural gas | - |
| • Process gases (e.g. methane, acetylene, butane, isobutane, methylacetylene-propadiene propane) | - |
| <i>Scope 1 emissions in metric tonnes CO₂e</i> | 5 |
| • Natural gas | - |
| • Process gases (e.g. methane, acetylene, butane, isobutane, methylacetylene-propadiene propane) | - |
| • Refrigerants | 5 |
| <i>Scope 2 emissions in metric tonnes CO₂e</i> | |
| • Purchased electricity | 136 |
| <i>Scope 3 emissions in metric tonnes CO₂e</i> | 22 |
| • Business travel | 21 |
| • Upstream leased assets | 1 |
| <i>Total gross emissions in metric tonnes CO₂e</i> | 163 |
| <i>Intensity ratio in metric tonnes CO₂e per £m UK revenue</i> | 330 |
| <i>Quantification and reporting methodology</i> | |

GHG Protocol Corporate Accounting and Reporting Standard.

The Global Reporting Initiative Sustainability Reporting Standards.

Further details in CommScope's [2023 Sustainability Report](#).

Scope 3 - Category 6, Business Travel was calculated as a percentage of the company's total business travel and the UK employees headcount percentage.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per \$m UK revenue, the recommended ratio for the sector.

CommScope UK Limited

Directors' Report for the Year Ended 31 December 2023 (continued)

Measures taken to improve energy efficiency

At all sites (owned and leased):

- Educating employees on energy reduction measures,
- Turning off the lights and TV screens when leaving meeting rooms,
- Turning off computers and other equipment when leaving the office,
- Adjusting HVAC set up to reflect the space occupancy,
- Providing online training and videoconferencing to minimize business travel.

At CommScope-owned facilities:

- Using energy-efficient LED lighting and light sensors,
- Optimizing compressed-air system settings,
- Adjusting equipment setup,
- Replacing high-GWP air-conditioning refrigerants with better alternatives,
- Optimizing HVAC settings.

Disclosure of information to the auditors

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

Reappointment of auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young will therefore continue in office. Ernst & Young have expressed their willingness to continue in office as auditors.

Non adjusting events after the financial period

Following a global plan by the group to re-align business segments activities, the company transferred its non-ANS employees to another fellow UK company realising a gain of \$3.2m on 1 January 2024.

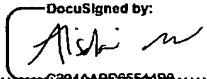
The Board approved a dividend in specie distribution in the form of 100% share capital in ARRIS Taiwan with the value of \$4,584,289 on 11 January 2024.

The company received a cash dividend payment of \$453,000 from subsidiary GIC International Holdco LLC on 19 February 2024.

With Board approval and shareholders direction, the company sold its international ICX assets to a fellow UK company for \$101.0m in exchange for a loan note recognising a gain of \$9.5m on 4 June 2024. The company made a distribution in specie in the form of the loan note on the same day of \$101.0m to the parent.

On 6 June 2024 CommScope group acquired Cable Business assets of Casa System, Inc. As part of the overall transaction, CommScope UK Limited acquired intangibles, fixed assets, accounts receivable and inventory in Ireland for \$27.2m.

Approved and authorised by the Board on 12 December 2024 and signed on its behalf by:

DocuSigned by:

.....C894AABD65541B0.....
Alisdair More
Director

CommScope UK Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard FRS102 The Financial Reporting Standard applicable in the UK and Ireland (FRS102). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Opinion

We have audited the financial statements of CommScope UK Limited (the 'Company') for the year ended 31 December 2023 which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet and Statement of Changes in Equity and the related notes 1 to 28, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw attention to Note 2 Going Concern in the financial statements, which indicates that the Company has obtained and relies on a letter of support from the Ultimate Parent Company, CommScope Holding Company, Inc., given the integrated nature of the CommScope Holding Company, Inc's activities and the centralised treasury structure whereby cash and cashflow is managed on a group-wide basis. As of September 30, 2024, the CommScope Holding Company, Inc ('Group' or 'CommScope') has \$1.27 billion outstanding on its 6.00% senior unsecured notes which mature on June 15, 2025 ("2025 Notes"), which is within the going concern period. At present, CommScope Holding Company, Inc does not have sufficient cash or liquidity to repay the 2025 Notes when they mature on June 15, 2025. As stated in Note 2 these events or conditions, along with the other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this respect.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

Other information (continued)

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

We have nothing to report in this regard.

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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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 13, 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.

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

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.

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax laws and regulations in the UK.
- We understood how CommScope UK Limited is complying with those frameworks by making enquiries of those charged with governance and management, including those responsible for legal and compliance procedures, to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of board minutes and made inquiries of management to identify if there are matters where there is a risk of breach of such frameworks that could have a material adverse impact on the company, as well as consideration of the results of our audit procedures across the company.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management and those charged with governance to understand where it considered there was a susceptibility to fraud. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements are free from fraud and error. Specifically, we identified a fraud risk in relation to revenue recognition. We performed detailed audit procedures over revenue accounts utilising our analytics tools, paying particular attention to unusual posting and manual journals, as well as testing accrued and deferred income releases reference to contracts, services performed and amounts billed in order to address the risk of management override. We also tested revenue cut off through selecting a sample of transactions and validated these to invoice and other evidence to demonstrate the revenue recognised was appropriate.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. In addition to those set out above, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Financial Statements with the requirements of the relevant accounting standards and UK legislation.

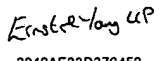
Independent Auditor's Report to the Members of CommScope UK Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

Use of our report

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

DocuSigned by:

3948AE33D376453.....

Tim Helm (Senior Statutory Auditor)
For and on behalf of Ernst & Young, Statutory Auditor

12 Wellington Place
Leeds
LS1 4AP

12 December 2024

CommScope UK Limited

Profit and Loss Account for the Year Ended 31 December 2023

| | Note | 2023 \$000 | 2022 \$000 |
|--|------|----------------------|---------------------|
| Turnover | 3 | 62,013 | 25,720 |
| Cost of sales | | <u>(18,558)</u> | <u>-</u> |
| Gross profit | | 43,455 | 25,720 |
| Distribution costs | | (246) | - |
| Administrative expenses | | (22,151) | (24,615) |
| Impairment in subsidiaries | 14 | (171) | (253) |
| Dividends received | 4 | 4,470 | 1,718 |
| (Loss)/ gain on sale of investments | 14 | <u>(969)</u> | <u>492</u> |
| Operating profit | 5 | <u>24,388</u> | <u>3,062</u> |
| Other interest receivable and similar income | 6 | 32 | 2 |
| Interest payable and similar expenses | 7 | <u>(3)</u> | <u>-</u> |
| | | <u>29</u> | <u>2</u> |
| Profit before tax | | 24,417 | 3,064 |
| Taxation | 11 | <u>(2,452)</u> | <u>(179)</u> |
| Profit for the financial year | | <u><u>21,965</u></u> | <u><u>2,885</u></u> |

The notes on pages 22 to 48 form an integral part of these financial statements.

CommScope UK Limited

Statement of Comprehensive Income for the Year Ended 31 December 2023

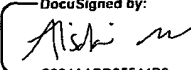
| | 2023 | 2022 |
|---|----------------------|---------------------|
| | \$000 | \$000 |
| Profit for the year | <u>21,965</u> | <u>2,885</u> |
| Total comprehensive income for the year | <u><u>21,965</u></u> | <u><u>2,885</u></u> |

The notes on pages 22 to 48 form an integral part of these financial statements.

CommScope UK Limited
(Registration number: 08277408)
Balance Sheet as at 31 December 2023

| | Note | 31 December 2023 \$000 | 31 December 2022 \$000 |
|--|------|------------------------------|------------------------------|
| Fixed assets | | | |
| Intangible assets | 12 | 120,318 | - |
| Tangible assets | 13 | 814 | 260 |
| Investments | 14 | <u>17,793</u> | <u>7,833</u> |
| | | <u>138,925</u> | <u>8,093</u> |
| Current assets | | | |
| Stocks | 15 | 2,676 | - |
| Debtors | 16 | 106,579 | 21,654 |
| Cash at bank and in hand | | <u>5,986</u> | <u>944</u> |
| | | 115,241 | 22,598 |
| Creditors: Amounts falling due within one year | 18 | <u>(73,756)</u> | <u>(4,986)</u> |
| Net current assets | | <u>41,485</u> | <u>17,612</u> |
| Total assets less current liabilities | | 180,410 | 25,705 |
| Creditors: Amounts falling due after more than one year | 18 | <u>(4,220)</u> | <u>(539)</u> |
| Net assets | | <u>176,190</u> | <u>25,166</u> |
| Capital and reserves | | | |
| Called up share capital | 20 | 41 | 41 |
| Share premium reserve | 21 | 688,745 | - |
| Merger reserve | 21 | (544,695) | - |
| Translation reserve | 21 | (39,273) | (39,273) |
| Profit and loss account | 21 | <u>71,372</u> | <u>64,398</u> |
| Total equity | | <u>176,190</u> | <u>25,166</u> |

Approved and authorised by the Board on 12 December 2024 and signed on its behalf by:

DocuSigned by:

C394AABD65544B8.....
 Alisdair More
 Director

The notes on pages 22 to 48 form an integral part of these financial statements.

CommScope UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2023

| | Share capital \$000 | Share premium \$ | Translation reserves \$000 | Merger reserve \$ | Profit and loss account \$000 | Total \$000 |
|--|------------------------|---------------------|----------------------------------|----------------------|-------------------------------------|----------------|
| At 1 January 2023 | 41 | - | (39,273) | - | 64,398 | 25,166 |
| Profit for the year | - | - | - | - | 21,965 | 21,965 |
| Total comprehensive income | - | - | - | - | 21,965 | 21,965 |
| Dividends | - | - | - | - | (15,000) | (15,000) |
| New share capital subscribed | - | 688,745 | - | - | - | 688,745 |
| Merger reserve arising on group reorganisation (note 22) | - | - | - | (544,695) | - | (544,695) |
| Share based payment transactions | - | - | - | - | 9 | 9 |
| At 31 December 2023 | 41 | 688,745 | (39,273) | (544,695) | 71,372 | 176,190 |
| | Share capital \$000 | Share premium \$ | Translation reserves \$000 | Merger reserve \$ | Profit and loss account \$000 | Total \$000 |
| At 1 January 2022 | 41 | - | (39,273) | - | 73,239 | 34,007 |
| Profit for the year | - | - | - | - | 2,885 | 2,885 |
| Total comprehensive income | - | - | - | - | 2,885 | 2,885 |
| Dividends | - | - | - | - | (11,700) | (11,700) |
| Share based payment transactions | - | - | - | - | (26) | (26) |
| At 31 December 2022 | 41 | - | (39,273) | - | 64,398 | 25,166 |

- The 2023 share based payment transaction of \$9,000 consist of share based payment expense of \$212,000 and charge made by parent during the year in respect of share based payments is \$203,000.
- The 2022 share based payment transaction of \$(26,000) consist of share based payment expense of \$490,000 and charge made by parent during the year in respect of share based payments is \$516,000.

The notes on pages 22 to 48 form an integral part of these financial statements.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

1 General information

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

The address of its registered office is:

12 New Fetter Lane
London
EC4A 1JP
United Kingdom

CommScope UK Limited is consolidated in the financial statements of its parent at year end, CommScope Holding Company, Inc., a company registered in the United States of America. A copy of these statements may be obtained from CommScope Holding Company, Inc., 3642 E US Highway 70, Claremont, NC 28610, United States of America.

These financial statements were authorised for issue by the Board on 12 December 2024.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

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. Certain critical accounting estimates (where relevant) have been used and professional judgements have been exercised in applying the Company's accounting policies (see note 2) in compliance with FRS102.

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

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

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

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

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

Functional and presentation currency

The company's functional and presentation currency is United States Dollar ("USD"). The activity of the Company is not distinct and separable from the wider CommScope Group and the economic environment in which it operates is reported in USD. The Company receives revenue in USD and a significant portion of expenses are also recorded in USD. The currency in the jurisdiction in which the Company is domiciled is the pounds sterling ("GBP").

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Going concern

The Company is the principal operating company for customer sales outside of the United States of America (the "U.S.") for the ANS business.

Based on its forecasts to 31 December 2025, the Company expects to remain profitable on an annual basis. However, the Company is dependent on the activities of the Parent Company's group and the Ultimate Parent Company ('CommScope Holding Company, Inc.'). Given the integrated nature of the Parent Company's activities and the centralised treasury structure whereby cash and cashflow is managed on a group-wide basis.

Consequently, the Company has obtained a letter of support from the Ultimate Parent Company 'CommScope Holding Company, Inc.' that confirms that CommScope Holding Company, Inc. will provide financial support to the Company to assist in meeting its liabilities to the extent that funding is not otherwise available to the Company to meet such liabilities for the period from the date of approval of the financial statements until 31 December 2025 'the going concern period'.

The Directors have assessed the level of financial support available, taking into account the CommScope Holding Company, Inc.'s available liquidity, consisting of \$456.4m cash in hand and \$567.9m undrawn revolving credit facility at the end of September 2024 and its financial plans, and are satisfied the necessary support is available to fund the ongoing operations of the Company subject to the following considerations outlined below.

As of September 30, 2024, the CommScope Holding Company, Inc. ('Group' or 'CommScope') has \$1.27 billion outstanding on its 6.00% senior unsecured notes which mature on June 15, 2025 ("2025 Notes"), which is within the going concern period. At present, CommScope Holding Company, Inc. does not have sufficient cash or liquidity to repay the 2025 Notes when they mature on June 15, 2025. The Directors consider this to represent a material uncertainty that may cast significant doubt on the CommScope Holding Company, Inc.'s, and therefore the Company's, ability to continue as a going concern. Further, CommScope Holdings Inc, also has \$ 4.5bn of debt due in March and April 2026, which although is outside the going concern period, management of the Group are considering options in order to refinance the debt and expect such refinancing to be completed satisfactorily before the debt is due for repayment.

On 18 July 2024 CommScope entered into a definitive agreement to sell its OWN segment as well as the Distributed Antenna Systems business unit of its NICS segment to Amphenol Corporation. CommScope will receive approximately \$2.1 billion in cash, to be paid by Amphenol upon closing. The sale is expected to close within the first half of 2025, subject to customary closing conditions, including receipt of applicable regulatory approvals. Should the transaction complete, proceeds from the sale may be used under certain circumstances to retire the 2025 Notes due to the flexibility under the CommScope Holding , Inc's credit agreements. The management of the Group and the Directors of the Company believe given the status of the sale and the closing conditions, it is probable the transaction will close as described above.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Going concern (continued)

Concurrently, the CommScope Holding Company, Inc. is negotiating with its noteholders and lenders to explore both restructuring and/or refinancing of the 2025 Notes. No commitments have been obtained regarding this alternative as of the date of approval of the financial statements, thus it has not reached a level of being considered probable at this time, although it remains part of the CommScope Holding Company, Inc's plans.

The Directors have assessed the CommScope Holding Company, Inc's plan to mitigate the conditions that give rise to the material uncertainty and, considering the pending sale of the CommScope Holding Company, Inc's OWN segment and DAS business unit, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not reflect any adjustments that would be required to be made if they were prepared on a basis other than the going concern basis.

Revenue recognition

The company's material revenue streams are the result of a wide range of activities, from the delivery of stand-alone equipment to custom design and installation over a period of time to bundled sales of equipment, software and services. The company recognises revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectability of the sales price is reasonably assured. In addition to these general revenue recognition criteria, the following specific revenue recognition policies are followed:

Products and equipment

For product and equipment sales, revenue recognition generally occurs when products or equipment have been shipped, risk of loss has transferred to the customer, objective evidence exists that customer acceptance provisions have been met, no significant obligations remain and allowances for discounts, price protection, returns and customer incentives can be reasonably and reliably estimated. Recorded revenues are reduced by these allowances. The company bases its estimates on historical experience taking into consideration the type of products sold, the type of customer, and the type of transaction specific in each arrangement.

Services, software & licenses

Revenue for services (including software maintenance, technical support and unspecified upgrades) is generally recognised rateably over the contract term as services are performed.

Revenue from pre-paid perpetual licenses is recognised at the inception of the arrangement, presuming all other relevant revenue recognition criteria are met. Revenue from non-perpetual licenses or term licenses is recognised rateably over the period that the licensee uses the license. Revenue from software maintenance, technical support and unspecified upgrades is generally recognised over the period that these services are delivered.

Multiple element arrangements

Arrangements with customers may include multiple deliverables, including any combination of products, equipment, services and software. Revenue is allocated to each deliverable based on fair value and then revenue is recognised for each separate deliverable based on the nature of the revenue.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Revenue recognition (continued)

Agent vs principal arrangements

From December 2023 onwards companies outside of the UK distribute goods and provide services to customers on behalf of the company for some international territories. The company recognises these sales as revenue on its Statement of Profit and Loss because it is the principal in this arrangement. This is because the company has the ultimate responsibility in fulfilling the customer order as the principal operating company outside of the United States, the company has inventory risk, is responsible in establishing the prices and bears the customers' credit risk.

From August 2023 to November 2023, the company operated as a distributor to ARRIS Global Ltd. During this period, ARRIS Global Ltd had the ultimate responsibility in fulfilling the customer order as the principal operating company outside of the United States, had the inventory risk, was responsible in establishing the prices and bore the customers's credit risk. Therefore, the Company operated like an agent to ARRIS Global Ltd and following FRS 102 principles recognised only the gross inflows of economic benefits received and receivable in the turnover.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Tax

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

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

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognized in financial statements, Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognized 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.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Depreciation

Depreciation is charged so as to write off the cost less estimated residual value of each of the assets over its expected useful life.

The assets' residual values, useful life and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the Statement of Comprehensive Income.

| Asset class | Depreciation method and rate |
|------------------------|------------------------------|
| Leasehold improvements | Up to 5 years |
| Laboratory equipments | 3 to 10 years |
| Other equipment | 3 to 10 years |

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Financial assets and liabilities (continued)

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- (b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
- (d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each year-end date. If there is objective evidence of impairment, an impairment loss is recognised in the income statement as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Intangible assets and amortisation

The useful lives of identifiable intangible assets are determined after considering the specific facts and circumstances related to each intangible asset. Factors considered when determining useful lives include the contractual term of any agreement related to the asset, the historical performance of the asset, the company's long-term strategy for using the asset, any laws or other local regulations which could impact the useful life of the asset, and other economic factors, including competition and specific market conditions.

Intangible assets that are acquired by the company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation of other intangibles is done on a straight-line basis over the estimated useful economic lives of the particular asset categories as follows:

- Technologies and customer contracts - ten years
- Licenses - ten years

Amortisation is charged to other expenses.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

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

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

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

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

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

The contributions are recognized as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Share based payments

Equity settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions) and non-vesting conditions. No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance conditions are satisfied.

At each year-end date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous year-end date is recognized in the income statement, with a corresponding entry in equity.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value expensed in the income statement.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award term continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognized if this difference is negative.

Critical accounting judgements and 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 year-end date and the amounts reported for turnover and expenses during the year. 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. For the current year management has identified impairment of investments as a key source of estimation uncertainty.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Impairment in Investments

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years 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.

3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

| | 2023 | 2022 |
|---------------------------------|--------------|--------------|
| | \$000 | \$000 |
| Sale of goods | 27,230 | - |
| Services, software and licenses | 31,686 | 25,720 |
| Royalties received | 3,097 | - |
| | 62,013 | 25,720 |

The analysis of the company's Turnover for the year by market is as follows:

| | 2023 | 2022 |
|--------------------------------|-------------|-------------|
| | \$ | \$ |
| Europe, Middle-East and Africa | 32,462 | 25,720 |
| North America | 10,405 | - |
| Central and Latin America | 14,864 | - |
| Asia Pacific | 4,282 | - |
| | 62,013 | 25,720 |

Revenue represents amounts derived from the provision of goods, services and licenses which fall within the company's ordinary activities, stated net of value added tax.

4 Dividends received

Dividend income for the year was from ARRIS Taiwan Ltd NT \$110.6 million (\$3,599,592), ARRIS Sweden A.B SEK 8 million (\$746,965) and GIC International HoldCo LLC \$123,618. 2022 dividend income was from ARRIS Taiwan Ltd NT \$29.42 million (\$924,802) and ARRIS Sweden A.B SEK 8 million (\$792,841).

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

5 Operating profit

Arrived at after charging:

| | 2023 \$000 | 2022 \$000 |
|---|-------------------|-------------------|
| Depreciation expense | 144 | 69 |
| Amortisation expense | 1,011 | - |
| Research and development cost | 4,634 | - |
| Foreign exchange (gains)/losses | (68) | 443 |
| Operating lease expense - land and building | 335 | 544 |
| Operating lease expense - plant and machinery | 1 | 37 |
| Loss on disposal of property, plant and equipment | - | 48 |
| | <u> </u> | <u> </u> |

6 Other interest receivable and similar income

| | 2023 \$000 | 2022 \$000 |
|--|-------------------|-------------------|
| Interest receivable on loans to group undertakings - other | 16 | - |
| Other finance income | 16 | 2 |
| | <u> </u> | <u> </u> |
| | <u> </u> | <u> </u> |

7 Interest payable and similar expenses

| | 2023 \$ | 2022 \$ |
|------------------------|-------------------|-------------------|
| Other finance expenses | 3 | - |
| | <u> </u> | <u> </u> |

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

| | 2023 \$000 | 2022 \$000 |
|--|-------------------|-------------------|
| Wages and salaries | 8,868 | 10,294 |
| Social security costs | 1,016 | 1,182 |
| Pension costs, defined contribution scheme | 627 | 612 |
| Redundancy costs | 1,269 | 202 |
| Share-based payment expenses | 226 | 490 |
| Other employee expense | 92 | 1,336 |
| | <u> </u> | <u> </u> |
| | <u>12,098</u> | <u>14,116</u> |

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

8 Staff costs (continued)

Out of the total \$12,100,000 current year staff costs, \$3,802,000 relates to the period the company operated as a limited risk distributor to ARRIS Global Ltd following agent accounting under FRS 102. The company passed these costs to ARRIS Global Ltd and therefore this expense is not presented in the administrative expenses or cost of sales within the profit and loss account.

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

| | 2023 | 2022 |
|--------------------------------------|-------------|-------------|
| | No. | No. |
| Production and technical | 41 | 38 |
| Administration, sales and management | 33 | 34 |
| Research and development | 7 | - |
| | <u>81</u> | <u>72</u> |

9 Directors' remuneration

All of the Directors are paid out of other Group affiliated companies. They have an overall CommScope Group role and as a result the directors do not believe it to be practical to allocate any fees to this entity. Director's fees for individual Directors are disclosed in their respective employing entity financial statements as appropriate.

During the period no retirement benefits were accruing to any of the existing directors in respect of defined contribution pension schemes as the directors are not employed by the company (2022: nil).

During the period, the directors were granted no restricted share units as part of a group share based payments scheme (2022: nil).

10 Auditors' remuneration

Fees payable to Ernst & Young LLP during the period ended 31 December 2023 for audit related assurance services to the company were \$108,782. Auditor's remuneration for the year includes fees for the company and five UK affiliates. Auditor's remuneration for the year ending 31 December 2022 has been borne by a fellow Group entity, ARRIS Global Ltd. There were no fees payable to Ernst & Young LLP and their associates for non-audit services to the company during the year.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

11 Taxation

Tax charged in the income statement

| | 2023 | 2022 |
|---|---------------------|-------------------|
| | \$000 | \$000 |
| Current taxation | | |
| UK corporation tax | 1,825 | - |
| Foreign tax | <u>360</u> | <u>92</u> |
| Total current income tax | <u>2,185</u> | <u>92</u> |
| Deferred taxation | | |
| Arising from origination and reversal of timing differences | 166 | (9) |
| Effect of tax rate change | (17) | 3 |
| Adjustment in respect of previous periods | <u>118</u> | <u>93</u> |
| Total deferred taxation | <u>267</u> | <u>87</u> |
| Tax expense in the income statement | <u><u>2,452</u></u> | <u><u>179</u></u> |

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 23.52% (2022 - 19%).

The differences are reconciled below:

| | 2023 | 2022 |
|---|---------------------|-------------------|
| | \$000 | \$000 |
| Profit before tax | <u>24,417</u> | <u>3,064</u> |
| Corporation tax at standard rate | 5,743 | 582 |
| Income not deductible for tax purposes | (1,279) | (451) |
| Expenses not deductible for tax purposes | 539 | 54 |
| Foreign tax paid | 360 | 92 |
| Rate change | (17) | 3 |
| Adjustment from previous periods - deferred tax | 118 | 93 |
| Group relief claimed | <u>(3,012)</u> | <u>(194)</u> |
| Total tax charge | <u><u>2,452</u></u> | <u><u>179</u></u> |

Deferred tax

Deferred tax assets and liabilities

| | Asset |
|----------------------|------------------|
| | \$000 |
| 2023 | |
| Capital allowances | (15) |
| Share based payments | <u>37</u> |
| | <u><u>22</u></u> |

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

11 Taxation (continued)

| 2022 | Asset \$000 |
|----------------------|------------------------|
| Capital allowances | 200 |
| Share based payments | 76 |
| Bonus | 12 |
| | <hr/> |
| | 288 |
| | <hr/> <hr/> |

Deferred tax assets in both 2023 and 2022 relate to other timing differences. The movement in the year is illustrated above.

The main rate of UK corporation tax of 19% was effective from 1 April 2017, however, the Chancellor announced in his Budget on 3 March 2021 that the main rate of corporation tax will increase to 25.00% from 1 April 2023. For the annual financial statements ending 31 December 2023 this results in a blended corporation tax rate applicable of 23.52%. The 25% corporation tax rate was substantively enacted on 24 May 2021 and was accounted for on balances at 31 December 2022, this remains unchanged for balances at 31 December 2023, being the tax rate which was substantively enacted at the balance sheet date.

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions the Group operates. The Group is in scope of enacted or substantively enacted legislation and has performed an assessment of the potential exposure which includes this company's impact to Pillar 2 effective from 1 January 2024. However, due to recent transaction activity in 2024 the UK analysis for Pillar 2 cannot be determined or a reasonable estimate established until towards the end of 2024 financial year.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

12 Intangible assets

| | Developed Technology ICX \$000 | Licenses \$000 | Total \$000 |
|--------------------------|---|---------------------------|------------------------|
| Cost or valuation | | | |
| Additions | 96,327 | 25,002 | 121,329 |
| At 31 December 2023 | <u>96,327</u> | <u>25,002</u> | <u>121,329</u> |
| Amortisation | | | |
| Amortisation charge | 803 | 208 | 1,011 |
| At 31 December 2023 | <u>803</u> | <u>208</u> | <u>1,011</u> |
| Carrying amount | | | |
| At 31 December 2023 | <u>95,524</u> | <u>24,794</u> | <u>120,318</u> |

On 5 December 2023, the company acquired international ICX IP assets for \$96.3 million and ANS IP asset for \$25.0 million from ARRIS International IP Limited as part of the CommScope group's preparation to sell Home Networks business segment. The assets are being amortised on a straight-line basis over the below useful economic lives. Amortisation is fully charged through administrative expenses.

Developed technology/patents 10 years.

13 Tangible assets

| | Land and buildings \$000 | Laboratory equipment \$000 | Other tangible assets \$000 | Total \$000 |
|--------------------------|---|---|--|------------------------|
| Cost or valuation | | | | |
| At 1 January 2023 | 233 | 381 | 23 | 637 |
| Additions | 41 | 477 | 180 | 698 |
| At 31 December 2023 | <u>274</u> | <u>858</u> | <u>203</u> | <u>1,335</u> |
| Depreciation | | | | |
| At 1 January 2023 | 3 | 355 | 20 | 378 |
| Charge for the year | 65 | 70 | 8 | 143 |
| At 31 December 2023 | <u>68</u> | <u>425</u> | <u>28</u> | <u>521</u> |
| Carrying amount | | | | |
| At 31 December 2023 | <u>206</u> | <u>433</u> | <u>175</u> | <u>814</u> |
| At 31 December 2022 | <u>230</u> | <u>26</u> | <u>4</u> | <u>260</u> |

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

14 Investments in subsidiaries

| | 31 December 2023 \$000 | 31 December 2022 \$000 |
|-----------------------------|---------------------------------------|---------------------------------------|
| Investments in subsidiaries | <u>17,793</u> | <u>7,833</u> |
| Subsidiaries | | \$000 |
| Cost or valuation | | |
| At 1 January 2023 | | 114,805 |
| Additions | | 12,029 |
| Disposals | | <u>(15,670)</u> |
| At 31 December 2023 | | <u>111,164</u> |
| Impairment | | |
| At 1 January 2023 | | 106,972 |
| Charge in the year | | 171 |
| Eliminated on disposals | | <u>(13,772)</u> |
| At 31 December 2023 | | <u>93,371</u> |
| Carrying amount | | |
| At 31 December 2023 | | <u>17,793</u> |
| At 31 December 2022 | | <u>7,833</u> |

As part of the preparation for the Home Networks business sale to Vantiva, on 1 December 2023 the company approved a dividend in specie from GIC International HoldCo LLC in the form of 100% share capital in ARRIS Solutions Portugal, Unipessoal LDA for fair value of \$123,618. On 22 December the company sold 100% share capital in ARRIS Solutions Portugal, Unipessoal LDA for net book value of \$123,618 and investment in ARRIS Sweden AB for fair value of \$804,479, recording a loss on disposal of \$969,225 in the profit and loss account, in exchange for an equal amount of shares in ARRIS STB Mexico, S.A. DE C.V. On the same day, the company acquired in cash the remaining number of shares in ARRIS STB Mexico, S.A. DE C.V. at fair value of \$9,975,560. The company incorporated ARRIS Telecommunications (Shenzen) Co., Ltd. and CommScope Technologies India Private Limited during the year and paid a capital contribution of \$1,000,000 and \$1,916 respectively.

Following an impairment review at year end, the company recognised an impairment on the P&L of \$133,797 writing off the value in ARRIS Solutions Saudi Arabia, a company in liquidation and an impairment expense of \$37,482 reflecting the difference between the fair value and the net book value of ARRIS Taiwan Ltd.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

14 Investments in subsidiaries (continued)

Details of undertakings

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

| Undertaking | Registered office | Owner entity | Proportion of voting rights and shares held | |
|---|--|-------------------------|---|------|
| | | | 2023 | 2022 |
| Subsidiary undertakings | | | | |
| ARRIS Taiwan Ltd. | 38F, No. 16, Xinzhan Rd., Banqiao Dist., New Taipei City 22041 Taiwan | CommScope UK Limited | 100% | 100% |
| ARRIS Canada, Inc. | 160 Elgin Street, Suite 2600, Ottawa, Ontario, K1P 1C3 Canada | CommScope UK Limited | 100% | 100% |
| ARRIS Solutions Saudi Arabia Ltd. | Building WH14, 3rd Floor, Digital City, Saeed Alsulami Road, KSA, Riyadh Saudi Arabia | CommScope UK Limited | 100% | 100% |
| GIC International Holdco LLC | c/o Corporation Service Company, 2711 Centerville Rd., Suite 400, Wilmington, DE 19808 USA | CommScope UK Limited | 100% | 100% |
| GIC International Capital LLC | c/o Corporation Service Company, 2711 Centerville Rd., Suite 400, Wilmington, DE 19808 USA | CommScope UK Limited | 100% | 100% |
| ARRIS STB Mexico S.A. de C.V. | Bldv Manuel Avila Camacho 126, Piso 2, Colonia Lomas de Chapultepec, Delegacion Miguel Hidalgo, CP 11000, Ciudad de Mexico Mexico | CommScope UK Limited | 99.98% | 0% |
| ARRIS Telecommunications (Shenzhen) Co., Ltd. | North wing, 3rd FL, Building #2, Gemdale Vision Software Technology Park, No. 9 Gaoxin Road, Nanshan District, Shenzhen, Guangdong, China 518021 China | CommScope UK Limited | 100% | 0% |

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

14 Investments in subsidiaries (continued)

| | | | | |
|--|---|--|------|------|
| CommScope Technologies India Private Limited | The Senate”, Ground, 1st and 2nd Floor, No. 33/1, Ulsoor Road, Bangalore – 560042 Karnataka India | CommScope UK Limited, GIC International HoldCo LLC | 100% | 0% |
| ARRIS Group Limited Company | Russia Liability 11 Gogolevsky Boulevard, Moscow, 119019, Russia | GIC International Holdco LLC, GIC International Capital LLC | 100% | 100% |
| ARRIS Telekommunikasyon Limited Sirketi | Turkey Astoria İş Merkezi Büyükdere Cad. A Blok no:127, Kat:8-9-10 Esentepe, Istanbul 34394, Turkey | GIC International Holdco LLC, GIC International Capital LLC | 100% | 100% |
| ARRIS del Ecuador S.A. | Av. Republica de El Salvador No.1082 y Naciones Unidas, Quito Ecuador | GIC International Holdco LLC, GIC International Capital LLC | 100% | 100% |
| ARRIS de Guatemala S.A | C/o Consortium Diagonal 6, 10-01 zona 10, Centro Gerencial Las Margaritas, Torre II, Oficina 1101 Guatemala | GIC International Holdco LLC, GIC International Capital LLC | 100% | 100% |
| ARRIS New Zealand Ltd | Tompkins Wake, Level 17, 88 Shortland Street, Auckland Central, Auckland 1010 New Zealand | GIC International Holdco LLC | 100% | 100% |
| ARRIS Telecommunication (Shenzhen) Co., Beijing branch | 0326, Floor 3, Building 4, No. 1, Wuliqiao 2nd Street, Chaoyang District, Beijing China | ARRIS Telecommunications (Shenzen) Co., Ltd. | 100% | 0% |

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

15 Stocks

| | 31 December 2023 \$000 | 31 December 2022 \$000 |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Raw materials and consumables | 44 | - |
| Finished goods and goods for resale | 2,632 | - |
| | 2,676 | - |

The cost of inventories recognised as an expense in the year amounted to \$6,509,000 (2022: \$nil). The total amount of inventory written down which was expensed to the profit and loss account in the period was \$1,942,000 (2022: \$nil).

16 Debtors - amounts due within one year

| | Note | 31 December 2023 \$000 | 31 December 2022 \$000 |
|------------------------------------|-------------|---------------------------------------|---------------------------------------|
| Trade debtors | | 58,289 | - |
| Amounts owed by related parties | 26 | 38,943 | 20,008 |
| Other debtors | | 20 | 105 |
| Prepayments | | 100 | 32 |
| VAT | | 6,513 | 183 |
| Foreign withholding tax receivable | | - | 1,038 |
| Deferred tax assets | 11 | 22 | 288 |
| Income tax asset | | 2,692 | - |
| | | 106,579 | 21,654 |

Included in other debtors is restricted cash deposits of \$13,614 (2022: \$13,614) which is not expected to be available within one year.

Amounts owed by related parties

The company entered into cash pooling agreement with other related party on 25 January 2022 that bear interest at ECB plus 150 basis points with outstanding receivable of \$2.2m (2022: \$nil) at the end of the year. The company also entered into cash pooling agreement with other related party on 25 January 2022 that bear interest rate based on net deposit or net borrowing of one month GBP Sonia of Base rate less 20 basis points with a floor of 5 basis points and base rate plus 100 basis points with a floor of 100 basis point respectively with the outstanding receivable of \$2.1m (2022: \$nil) at the end of the year. The remaining amounts are repayable on demand and bear no interest. Both agreements were terminated on 17 September 2024.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

17 Cash at bank and in hand

| | 31 December 2023 \$000 | 31 December 2022 \$000 |
|--------------|---------------------------------------|---------------------------------------|
| Cash at bank | <u>5,986</u> | <u>944</u> |

18 Creditors

| | Note | 31 December 2023 \$000 | 31 December 2022 \$000 |
|---|-------------|---------------------------------------|---------------------------------------|
| Due within one year | | | |
| Trade creditors | | 3,510 | 807 |
| Amounts due to related parties | 26 | 62,167 | 1,656 |
| Accruals | | 3,107 | 2,523 |
| Deferred income | | <u>4,972</u> | <u>-</u> |
| | | <u>73,756</u> | <u>4,986</u> |
| Due after one year | | | |
| Operating lease | | 227 | 96 |
| Deferred income | | 3,691 | - |
| Other non-current financial liabilities | | <u>302</u> | <u>443</u> |
| | | <u>4,220</u> | <u>539</u> |

Operating lease of \$227,000 (2022: \$96,000) includes deferred rent of \$126,000 (2022: \$52,000) and lease dilapidation accrual of \$101,000 (2022: \$44,000).

Other non current financial liability is gratuity for CommScope UK Limited - Dubai Branch, payable when the employee leaves the company.

Amounts due to related parties

Amounts payable to group undertakings due within one year include a loan note of \$3,931,000 (2022: \$nil) loan note repayable on demand bearing interest of 4.75%. The loan note was novated from an affiliated company as part of the Home Networks sale separation steps. The remaining amounts are repayable on demand and bear no interest. No security has been provided against any of these balances.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

19 Pension and other schemes

Defined contribution pension schemes

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the scheme and amounted to \$626,000 (2022: \$612,000). Contributions outstanding at 31 December 2023 amounted to nil (2022: \$nil) to the scheme.

20 Share capital

Allotted, called up and fully paid shares

| | 31 December 2023 | | 31 December 2022 | |
|--|-----------------------------|---------------|-----------------------------|---------------|
| | No. | \$ | No. | \$ |
| Allocated, issued and fully paid of £1 each | <u>26,102</u> | <u>41,003</u> | <u>26,100</u> | <u>41,000</u> |

Note: The company has one class of ordinary shares which carry no right to fixed income. One £1 ordinary share is unpaid.

On 5 December 2023 the company issued 2 new ordinary shares of GBP 1 each, fully paid at a premium of \$688,744,952 related to financing of the purchase of ANS trade, ANS and ICX IP from fellow affiliates.

21 Reserves

The company's other reserves are as follows:

- (i) Share premium account represents the amount above the nominal amount received for shares issued.
- (ii) Merger reserve represents the difference between consideration paid and net assets transferred on the group re-organisation executed on 5 December 2023 in respect of ANS Trade, ANS and ICX IP for \$567,417,000. The company has applied merger accounting provisions of FRS 102 and accordingly recognised \$544,695,000 excess of consideration over net assets acquired as a merger reserve.
- (iii) Translation reserve consist of \$(39,273,000) (2022: \$39,273,000) representing accumulated exchange differences arising from the impact of the functional currency change.
- (iv) The retained earnings reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

22 Group reorganisation

Following the plan announced in 2021 by the Company's owner to spin off the Home Networks business segment as an independent group, the company's activities were re-organised as follows:

1 August 2023

CommScope group implemented an ERP change in the core CommScope businesses, excluding Home Networks. As part of this change ANS business operations and ERP changed and CommScope UK Limited became an international selling entity distributing ANS business segment products to markets outside of the US and operating as a limited risk distributor for AGL. The implementation date was 1 August 2023 for new customer orders. As part of the ERP change, non Home Networks employees and their accrued liabilities were transferred to the company and AGL sold at cost ANS inventory, customer reserves and deferred revenue to the company. The company operated as an agent distributing ANS products during August to November 2023.

5 December 2023

In preparation for the sale of the Home Networks business, on 5 December 2023 the company purchased ANS trade, ANS and ICX IP from fellow affiliates that are being separated from the group via an intercompany loan notes. As part of the purchase, the company acquired all remaining ANS balance sheet assets and liabilities from AGL.

To finance the purchase, the company issued 2 new ordinary shares of GBP 1 each, fully paid at a premium of \$688,744,952 on 5 December 2023. The subscription debt was set off in full against the loan note payables related to ANS and ICX IP and ANS Trade purchases that the direct parent company, ARRIS International Limited, held after a distribution from ARRIS Global Ltd. The consideration paid for the ANS trade was \$567,417,000. The company has applied merger accounting provisions of FRS 102 and accordingly recognised \$544,695,000 excess of consideration over net assets acquired as a merger reserve.

23 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

| | 31 December 2023 \$000 | 31 December 2022 \$000 |
|---|------------------------------|------------------------------|
| Not later than one year | 459 | 146 |
| Later than one year and not later than five years | 1,164 | 1,021 |
| | <u>1,623</u> | <u>1,167</u> |

The amount of non-cancellable operating lease payments recognised as an expense during the year was \$335,000 (2022 - \$Nil).

The company has office lease agreements ending September 2024, May 2027 and September 2027.

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

24 Share-based payments

Scheme details and movements

Restricted stock and restricted stock units (RSUs) grants consist of shares or the right to shares in CommScope Holding Company, Inc's common stock which are awarded to certain employees and non-employee directors of the company.

The grants are restricted such that they are subject to substantial risk of forfeiture and to restrictions on their sale or other transfer by the employee.

Upon the occurrence of a change in control, the restrictions on all shares outstanding on the date on which the change in control occurs will lapse.

The RSUs vest at a rate of 1/3 a year over a three-year period, 25% a year over a four-year period, and one year and have been valued at the market value of the shares on the date of grant.

Under Section 26 of FRS 102 and using CommScope Holding Company, assumptions, the company records a fixed compensation expense equal to the fair market value of the shares of restricted stock granted on a straight-line basis over the requisite serviceman period for the restricted shares.

Effect of share-based payments on profit or loss and balance sheet

The total expense recognised in the profit or loss for the 2023 was \$227,000 (2022: \$490,000).

25 Dividends

| | 31 December 2023 | 31 December 2022 |
|-----------------------------|---------------------|---------------------|
| | \$000 | \$000 |
| Dividends declared and paid | 15,000 | 11,700 |

26 Related party transactions

Receivables from related parties

| | Parent \$000 | Subsidiary \$000 | Other related parties \$000 |
|---------------------------------------|-----------------|---------------------|-----------------------------------|
| 2023 | | | |
| Amounts receivable from related party | - | 660 | 33,963 |
| 2022 | | | |
| Amounts receivable from related party | - | 435 | 19,573 |

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

26 Related party transactions (continued)

Payables to related parties

| | Parent \$000 | Subsidiary \$000 | Other related parties \$000 |
|----------------------------------|-----------------|---------------------|-----------------------------------|
| 2023 | | | |
| Amounts payable to related party | 2,692 | 12,077 | 43,467 |
| 2022 | | | |
| Amounts payable to related party | - | - | 1,656 |

Loans to related parties

| | Other related parties \$000 | Total \$000 |
|-----------------------|-----------------------------------|----------------|
| 2023 | | |
| At start of period | - | - |
| Advanced | 4,304 | 4,304 |
| Interest transactions | 16 | 16 |
| At end of period | 4,320 | 4,320 |

Loans from related parties

| | Subsidiary \$000 | Total \$000 |
|--------------------|---------------------|----------------|
| 2023 | | |
| At start of period | - | - |
| Advanced | 3,931 | 3,931 |
| At end of period | 3,931 | 3,931 |

27 Parent and ultimate parent undertaking

CommScope UK Limited is consolidated in the financial statements of its parent at year end, CommScope Holding Company, Inc., a company registered in the United States of America. A copy of these statements may be obtained from CommScope Holding Company, Inc., 3642 E US Highway 70, Claremont, NC 28610, United States of America.

The company's immediate parent is ARRIS International Limited, incorporated in United Kingdom.

The ultimate parent is CommScope Holding Company, Inc., incorporated in United States of America.

The most senior parent entity producing publicly available financial statements is CommScope Holding Company, Inc.. These financial statements are available upon request from Company Secretary, CommScope Holding Company, Inc, 1100 COMMScope PLACE, SE, HICKORY NC 28602, United States of America.

The ultimate controlling party is CommScope Holding Company, Inc..

CommScope UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

28 Non adjusting events after the financial period

Following a global plan by the group to re-align business segments activities, the company transferred its non-ANS employees to another fellow UK company realising a gain of \$3.2m on 1 January 2024.

The Board approved a dividend in specie distribution in the form of 100% share capital in ARRIS Taiwan with the value of \$4,584,289 on 11 January 2024.

The company received a cash dividend payment of \$453,000 from subsidiary GIC International Holdco LLC on 19 February 2024.

With Board approval and shareholders direction, the company sold its international ICX assets to a fellow UK company for \$101.0m in exchange for a loan note recognising a gain of \$9.5m on 4 June 2024. The company made a distribution in specie in the form of the loan note on the same day of \$101.0m to the parent.

On 6 June 2024 CommScope group acquired Cable Business assets of Casa System, Inc. As part of the overall transaction, CommScope UK Limited acquired intangibles, fixed assets, accounts receivable and inventory in Ireland for \$27.2m.