
CYRUSONE UK4 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



CYRUSONE UK4 LIMITED

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CYRUSONE UK4 LIMITED

COMPANY INFORMATION

Directors	Matthew Pullen Erik Zachary Leban
Registered number	11475531
Registered office	3rd Floor 103 Mount Street London United Kingdom W1K 2TJ
Independent auditors	Deloitte LLP Statutory Auditor Abbots House Abbey Street Reading United Kingdom RG1 3BD
Bankers	Bank of America Merrill Lynch 2 King Edward Street London United Kingdom EC1A 1HQ
Solicitors	Eversheds LLP Eversheds House 70 Great Bridgewater Street Manchester United Kingdom M1 5ES

CYRUSONE UK4 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the Company is that of development, management and letting of data centre real estate.

The Company did not generate revenue in the year as it is currently in the process of developing and fitting out the data centre facility.

Going concern

The Company meets its day-to-day working capital requirements through its cash resources and financing facilities with its immediate parent company, Cyrus One UK Limited. As at 31 December 2021, the Company had accumulated losses of £5.9m (2020: £3.2m) and net assets of £21.6m (2020: net liabilities £3.2m) and as such, will continue to require support from its parent company, CyrusOne Holdco LLC, until the data centre has been fully developed and adequately tenanted. The directors have assessed the ability of CyrusOne Holdco LLC to provide such support and has concluded that the funds made available are in excess of any needed for up to 12 months from the signing date of the financial statements.

The current economic environment creates uncertainty, however, the Group's revenue is based on long-term contracts signed in advance and, to date, there has been no indication that demand for our services or customer payments have been materially impacted by the COVID-19 pandemic.

The Group has also implemented safety measures at each facility, including enhanced access screening, facility restrictions and limitations on size gatherings to limit the spread of the disease in the workplace. Consequently, the going concern principle has been adopted in preparing the financial statements.

Results and dividends

The loss for the year, after taxation, amounted to £2,632,708 (2020 - loss £2,970,518).

The Company did not generate revenue during the period under review and have incurred costs relating to the development and fit out of the data centre.

The Directors do not recommend the payment of a dividend for the year (2020: £nil).

Directors

The directors who served during the year were and up to the date of signing the financial statements:

Matthew Pullen
Erik Zachary Leban

CYRUSONE UK4 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditors

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.


Auditors

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

Small companies note

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The directors have also taken the exemption from preparing a Strategic report as the company is small.

This report was approved by the board on 23 June 2022 and signed on its behalf.



.....
Matthew Pullen
Director

CYRUSONE UK4 LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

CYRUSONE UK4 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CYRUSONE UK4 LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of CyrusOne UK4 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

CYRUSONE UK4 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CYRUSONE UK4 LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Director's Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Director's Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

CYRUSONE UK4 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CYRUSONE UK4 LIMITED (CONTINUED)

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, UK GAAP including FRS 101, Corporation tax and VAT, and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included General Data Protection regulations (GDPR), The UK Bribery Act & FCPA.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

CYRUSONE UK4 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CYRUSONE UK4 LIMITED (CONTINUED)

Report on other legal and regulatory requirements

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

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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.



Andrew Hornby, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditors
Reading, United Kingdom
24 June 2022

CYRUSONE UK4 LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Administrative expenses		(1,922,052)	(2,148,984)
Operating loss	5	(1,922,052)	(2,148,984)
Finance costs	7	(710,656)	(821,534)
Loss before tax		(2,632,708)	(2,970,518)
Tax on loss	8	-	-
Loss for the financial year		(2,632,708)	(2,970,518)

All items derive from continuing operations.

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account.

There was no other comprehensive income for 2021 (2020:£NIL).

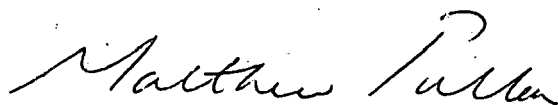
The notes on pages 12 to 28 form part of these financial statements.

CYRUSONE UK4 LIMITED
REGISTERED NUMBER: 11475531

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	65,474,951	49,968,858
		<u>65,474,951</u>	<u>49,968,858</u>
Current assets			
Debtors: amounts falling due within one year	10	6,794,033	555,487
Cash at bank and in hand	11	21,457,048	2,418,454
		<u>28,251,081</u>	<u>2,973,941</u>
Creditors: amounts falling due within one year	12	(28,657,582)	(21,291,366)
Net current liabilities		<u>(406,501)</u>	<u>(18,317,425)</u>
Total assets less current liabilities		<u>65,068,450</u>	<u>31,651,433</u>
Creditors: amounts falling due after more than one year	13	(43,430,398)	(34,880,673)
Net assets/(liabilities)		<u><u>21,638,052</u></u>	<u><u>(3,229,240)</u></u>
Capital and reserves			
Called up share capital	15	27,500,001	1
Profit and loss account		(5,861,949)	(3,229,241)
		<u><u>21,638,052</u></u>	<u><u>(3,229,240)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 June 2022.



.....
Matthew Pullen
Director

The notes on pages 12 to 28 form part of these financial statements.

CYRUSONE UK4 LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	1	(258,723)	(258,722)
Loss for the year	-	(2,970,518)	(2,970,518)
Total comprehensive expense for the year	-	(2,970,518)	(2,970,518)
At 1 January 2021	1	(3,229,241)	(3,229,240)
Loss for the year	-	(2,632,708)	(2,632,708)
Total comprehensive expense for the year	-	(2,632,708)	(2,632,708)
Shares issued during the year (note 15)	27,500,000	-	27,500,000
At 31 December 2021	27,500,001	(5,861,949)	21,638,052

The notes on pages 12 to 28 form part of these financial statements.

CYRUSONE UK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

CyrusOne UK4 Limited (the "Company") is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered and domiciled in England and Wales. The address of the Company's registered office is shown on page 1. The nature of the Company's operations and its principal activities are set out in the directors' report on page 2.

The principal accounting policies applied in the preparation of these financial statements are set out below.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' issued by the Financial Reporting Council.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

FRS 101 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of CyrusOne Inc. which are publicly available and can be obtained as set out in note 18.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related-Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into 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

CYRUSONE UK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Going concern

The Company meets its day-to-day working capital requirements through its cash resources and financing facilities with its immediate parent company, Cyrus One UK Limited. As at 31 December 2021, the Company had accumulated losses of £5.9m (2020: £3.2m) and net assets of £21.6m (2020: net liabilities £3.2m) and as such, will continue to require support from its parent company, CyrusOne Holdco LLC, until the data centre has been fully developed and adequately tenanted. The directors have assessed the ability of CyrusOne Holdco LLC to provide such support and has concluded that the funds made available are in excess of any needed for up to 12 months from the signing date of the financial statements.

The current economic environment creates uncertainty, however, the Group's revenue is based on long-term contracts signed in advance and, to date, there has been no indication that demand for our services or customer payments have been materially impacted by the COVID-19 pandemic.

The Group has also implemented safety measures at each facility, including enhanced access screening, facility restrictions and limitations on size gatherings to limit the spread of the disease in the workplace. Consequently, the going concern principle has been adopted in preparing the financial statements.

2.4 Impact of new international reporting standards, amendments and interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021 that have had a material impact on the company's financial statements.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss account within 'finance costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.6 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in 'Creditors' on the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.6 Leases (continued)

The Company has elected not to assess whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Tangible Fixed Assets' line in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.10.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.9 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the Company adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.10 Tangible fixed assets

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

CYRUSONE UK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

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

The estimated useful lives range as follows:

Long-term leasehold property - Over the life of the lease

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

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

Capital expenditures for assets during the course of construction are transferred to the appropriate class of property, plant and equipment when substantially all the activities that are necessary to get the asset ready for use are complete. No depreciation is provided on assets that are under construction.

2.11 Debtors

Trade and other debtors are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost less any provisions for impairment.

Intercompany loans receivable are unsecured, interest free, and repayable on demand.

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.13 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade and other creditors are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost less any provisions for impairment. Loans payable to CyrusOne Dutch Holdings BV are charged a fixed annual interest rate of 5.5% and all other amounts due to group companies are unsecured, interest free, and repayable on demand.

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets other than those which meet the criteria to be measured at amortised cost or fair value through other comprehensive income are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Debt instruments at fair value through other comprehensive income

Debt instruments are subsequently measured at fair value through other comprehensive income

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.14 Financial instruments (continued)

where they are financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.15 Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are initially measured at fair value. The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are issued principally for the purpose of repurchasing in the near term, or form part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking, or are derivatives, including separately embedded derivatives unless they are financial guarantee contracts or are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities at amortised cost

Financial liabilities which are not held for trading or are not financial liabilities designated upon initial recognition as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or modification, this is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3.

Critical judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Critical accounting judgement - Lease accounting

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For the lease of data centre facility:

- If there are significant penalties to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).

Otherwise, the Company considers other factors including industry lease durations and the costs and business disruption required to replace the leased asset.

Key sources of estimation uncertainty

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimation uncertainty - Lease accounting

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:

- Where possible, uses recent third-party financing received by the CyrusOne Group companies as a starting point, adjusted to reflect any changes in financing conditions since third party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for various factors including the lease term and collateralisation;
- Makes adjustments specific to the lease, e.g. term, currency and security. The company used incremental borrowing rates specific to each lease of 2.25%. A 100-basis point increase/(decrease) in the rate would cause the lease liability to (reduce)/increase by (£5.5m) and £6.6m respectively and a corresponding (decrease)/increase in the right-of-use asset by the same amounts.

CYRUSONE UK4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Turnover

The company did not trade in the year and as such no revenue has been recognised in these financial statements (2020: £nil).

5. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation relating to right-of-use assets	1,601,242	1,786,434
Fees payable to the Company's auditor for the audit of company accounts	14,100	14,100
Exchange differences	13,044	268

6. Staff costs

The company had no employees in the year ended 31 December 2021 (31 December 2020: nil).

The Directors are remunerated by other group companies. The portion of this remuneration that relates to the Company is considered to be £nil (2020: £nil).

7. Finance costs

	2021 £	2020 £
Other loan interest payable	710,656	821,534
	<u>710,656</u>	<u>821,534</u>

CYRUSONE UK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Taxation

No taxation charge arose during the period. At 31 December 2021, there were accumulated losses of £5,861,949 (2020: £3,229,241) which include expenses not deductible for tax purposes. The remaining trade losses are not allowed to be carried forward and set off against future profits under UK anti-hybrid rules. The Company's expenses are deducted in the wider CyrusOne Group taxation calculations and therefore no further allowance is given in the UK.

Factors affecting tax charge for the year

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £	2020 £
Loss on ordinary activities before tax	(2,632,708)	(2,970,518)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(500,215)	(564,398)
Effects of:		
Depreciation disallowed	304,236	339,422
Anti-hybrid disallowance	195,979	224,976
Total tax charge for the year	-	-

No deferred tax asset or liability has been recognised in respect of trading losses or property, plant and equipment temporary differences due to anti-hybrid tax rules.

Factors that may affect future tax charges

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly. The deferred tax at 31 Dec 2021 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences (2020 - 19%).

CYRUSONE UK4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Tangible fixed assets

	Right of use asset £	Construction in progress £	Total £
Cost			
At 1 January 2021	35,728,670	16,175,491	51,904,161
Additions	9,564,227	7,543,108	17,107,335
At 31 December 2021	<u>45,292,897</u>	<u>23,718,599</u>	<u>69,011,496</u>
Depreciation			
At 1 January 2021	1,935,303	-	1,935,303
Charge for the year on right-of-use assets	1,601,242	-	1,601,242
At 31 December 2021	<u>3,536,545</u>	<u>-</u>	<u>3,536,545</u>
Net book value			
At 31 December 2021	<u>41,756,352</u>	<u>23,718,599</u>	<u>65,474,951</u>
At 31 December 2020	<u>33,793,367</u>	<u>16,175,491</u>	<u>49,968,858</u>

In June 2021 the lease was modified and extended by 11 years 3 months. Therefore, the lease has been remeasured. During the current financial year, the financial effect of revising lease terms to reflect the effect of extending the lease was an increase in recognised lease liabilities and right of-use assets of £9,564,227. The rate used for the remeasurement was 2.25%.

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance Sheet is as follows:

	2021 £	2020 £
Tangible fixed assets owned	23,718,599	16,175,491
Right-of-use tangible fixed assets	41,756,352	33,793,367
	<u>65,474,951</u>	<u>49,968,858</u>

CYRUSONE UK4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Tangible fixed assets (continued)

Information about right-of-use assets is summarised below:

Net book value

	2021 £	2020 £
Property	41,756,352	33,793,367
	<u>41,756,352</u>	<u>33,793,367</u>

Depreciation charge for the year ended

	2021 £	2020 £
Leasehold property	1,601,242	1,786,434
	<u>1,601,242</u>	<u>1,786,434</u>

Additions to right-of-use assets

	2021 £
Additions to right-of-use assets	9,564,227

The lease before modification was for a period of 20 years. It has since been modified in June 2021 to extend the lease by 11 years 3 months.

10. Debtors: Amounts falling due within one year

	2021 £	2020 £
Other debtors	5,090,529	910
Prepayments	2,886	1,305
Other taxation	1,700,618	553,272
	<u>6,794,033</u>	<u>555,487</u>

Other taxation represents VAT recoverable from HMRC. Other debtors relates to the prepayment of equipment. Prepayments relates to prepaid insurance.

Trade and other receivables are measured at amortised cost less any provisions for impairment, the carrying amount is denominated in sterling and approximates to their fair values due to their short maturity period.

CYRUSONE UK4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	21,457,048	2,418,454
	<u>21,457,048</u>	<u>2,418,454</u>

12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,114,213	33,376
Amounts owed to other group undertakings	13,527,518	19,903,319
Amounts owed to parent undertakings	8,009,235	762
Lease liabilities	1,105,494	1,178,294
Accruals and deferred income	4,901,122	175,615
	<u>28,657,582</u>	<u>21,291,366</u>

Trade and other payables are measured at historical cost, which approximates to their fair values due to their short maturity period.

Accruals consist of capital expenditure accruals, property and rent accruals.

Amounts due to CyrusOne Dutch Holdings B.V. are charged a fixed annual interest rate of 5.5%, however is still repayable on demand and unsecured.

All other amounts due to group companies are unsecured, interest free, and repayable on demand.

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

	2021 £	2020 £
Lease liabilities	43,430,399	34,880,673
	<u>43,430,399</u>	<u>34,880,673</u>

CYRUSONE UK4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Leases

Company as a lessee

The company has a long lease contract in respect of a building for its data centre operations. The amounts recognised in the financial statements in relation to the lease is as follows:

Lease liabilities are due as follows:

	2021 £	2020 £
Not later than one year	1,105,494	1,178,294
Between one year and five years	4,679,071	5,322,897
Later than five years	38,751,328	29,557,776
	<u>44,535,893</u>	<u>36,058,967</u>

Contractual undiscounted cash flows are due as follows:

	2021 £	2020 £
Not later than one year	2,100,130	2,100,130
Between one year and five years	8,400,520	8,690,080
Later than five years	50,241,572	35,454,663
	<u>60,742,222</u>	<u>46,244,873</u>

In June 2021 the lease was modified and extended by 11 years 3 months. Therefore, the lease has been remeasured.

The total cash flow for leases in the period was £2,100,130.

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2021 £	2020 £
Depreciation charge of right of use asset - building	(1,601,242)	(1,786,434)
Interest on lease liabilities	(1,012,828)	(935,346)

Depreciation relating to right-of-use assets of £1,601,242 (2020: £1,786,434) has been charged to the Profit and loss account. Interest expense of £1,012,828 (2020: £935,346) has been capitalised and added to the carrying amount of assets under construction as disclosed in note 9, in line with IAS 23 borrowing costs. The capitalisation rate is 2.25%.

CYRUSONE UK4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Share capital

	2021 £	2020 £
Authorised, called up and fully paid		
27,500,001 (2020 - 1) Ordinary shares of £1.00 each	<u>27,500,001</u>	<u>1</u>

One ordinary share was issued for £1 on incorporation (20 July 2018). In 2021 the Company issued 27,500,000 ordinary shares in consideration for £27,500,000. The nominal value of each share issued is £1.

Ordinary shares carry rights to vote at general meetings and rights to dividends.

16. Capital commitments

Capital expenditure contracted for but not recognised at 31 December 2021 in respect of the construction of the data centre is £12,330,384 (2020: £104,131).

The company has commitments of £6,138,066 (2020: £nil) for non-cancellable contract commitments for construction of the data centres and equipment.

17. Post balance sheet events

No events occurred subsequent to 31 December 2021 through the date the financial statements were issued that required additional disclosure. On the 25th March 2022 the ultimate parent company, CyrusOne Inc, was acquired by KKR and Global Infrastructure Partners. Therefore, as of the 25th March 2022 the company is no longer a publicly traded entity.

18. Controlling party

The immediate parent undertaking is Cyrus One UK Limited, a company incorporated in England and Wales with registered address at 3rd Floor, 103 Mount Street, London, W1K 2TJ. The parent undertaking of both the smallest and largest undertakings for which consolidated financial statements are drawn up and publicly available as at 31 December 2021 was CyrusOne Inc., which was incorporated in the United States of America and which was the ultimate parent company as at 31 December 2021 and up to 25 March 2022. The consolidated financial statements of CyrusOne Inc. are available from the registered office address at 2850 N. Harwood Street, Suite 2200, Dallas, Texas 75201 or by visiting <https://sec.report/Document/0001553023-22-000009/>. On the 25th March 2022 CyrusOne Inc was acquired by KKR and Global Infrastructure Partners. The ultimate parent company and ultimate controlling party as at the date of signing the financial statements is Cavalry Parent LP. The registered office address is 4001 Kennett pike, suite 302, Wilmington, Delaware, 19897.