



AGILITY

IN A NEW REALITY

“ Agility is the quality or state of being agile. It is the ability to move quickly and easily, the ability to think and understand quickly. It is built upon knowing who you are, what you do and those you do it for.”



Welcome to the CBL
Group 2020 Annual Report

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Chairman's Report

Prudent stewardship in the face of adversity

It gives me great pleasure to write to you our shareholders on the progress that your company has made since our last meeting. The theme of Agility for this years' annual report is one which best describes a year filled with much adversity as we reflect on the impact of Hurricane Dorian on our Northern Islands of The Bahamas in September 2019. The new reality of COVID-19 has impacted the world, particularly telecom operators, who have been challenged to ensure the highest level of connectivity to drive commerce and digital access for education, work and entertainment.



ROSS MCDONALD
CHAIRMAN

I am pleased to report that your company reported a net income of \$59M with revenues of \$193M. This net income has been driven by a \$109M profit from the sale of Summit Broadband which was concluded on January 21st, 2020. With this sale completed, we are confident in our ability to continue to support our Bahamian operations and to make the required investments in our network, customer experience and drive continued growth in our subscriber base in Aliv, Cable Bahamas Business Solutions, OURTV and REV.

I'd like to acknowledge the work of our teams who have led the charge in the face of much adversity but, who have pivoted to ensure we provide our consumers with more ways to pay, better service and to effectively steward the business in the face of much uncertainty. A true testament to our respective leadership teams and their ability to be agile.

Further, I'd like to acknowledge and thank them for their volunteerism in assisting the Government, NGO's and all Bahamians who suffered the impact of Dorian in Abaco and Grand Bahama. The level of community mindedness and Bahamian spirit has really been lived

“We are confident in our ability to continue to support our Bahamian operations and to make the required investments”

out by both REV and ALIV when we reflect on the donations and support extended to the Government.

Through the Ministry of Education, we have supplied over 10,000 tablets and will continue to support every Bahamian's access to connectivity whether for work, education or entertainment.

Sincerely,

Ross McDonald

Who we are. What we do. Who we do it for.

aliv

Cellular data, voice and internet
for everyone on the move.
We are for Mobile in The Bahamas.



cablebahamas

**We are Bahamian.
We are for powering the
digital transformation
of The Bahamas.
We are for You.**



TV, Media & Advertising for
everyone on the move, at home,
in Government and in business.
We are for Content in The Bahamas.



**cablebahamas
Business.Solutions**

Start ups, entrepreneurs,
SOHO, SME, Government & Enterprise.
We are for Business in The Bahamas.

REV

you & us together

Voice, Internet & TV for
everyone at their residence.
We are for Home in The Bahamas.



President's Report

Powering the digital transformation of The Bahamas

The Group achieved significant milestones in 2020:

1. Serving more than **300k** valuable communications, media and technology connections in the Bahamain market - more than the competitor.
2. Growing revenue **6%** to **\$193M**.
3. Delivering financial stability by improving our cash position from **\$28M** to **\$175M**.



FRANKLYN A BUTLER II
PRESIDENT

We did this by being agile. By handling what was thrown at us – Dorian and COVID-19, and adapting prudently and quickly to “the new reality”. Dorian, the strongest hurricane to ever hit The Bahamas, obliterated Abaco and parts of Grand Bahama resulting in a loss of 7,500 of our fixed connections. Then, in the midst of our recovery from Dorian, COVID-19 struck. Our country experienced the shutdown of tourism, which is about 50% of our GDP and lockdowns throughout The Bahamas. How people work and learn changed dramatically, resulting in a substantial increase in the use of our connections via the applications of Zoom, Microsoft Teams, Webex and others. A digital transformation that was pervasive in ways that our country had never imagined possible.

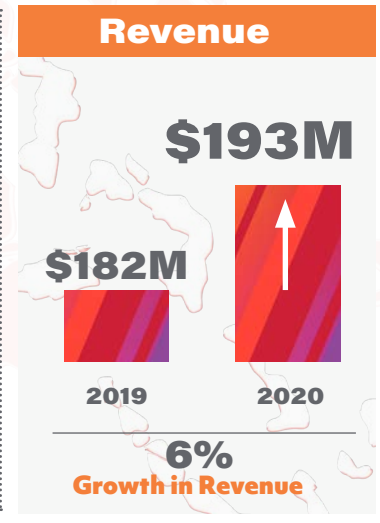
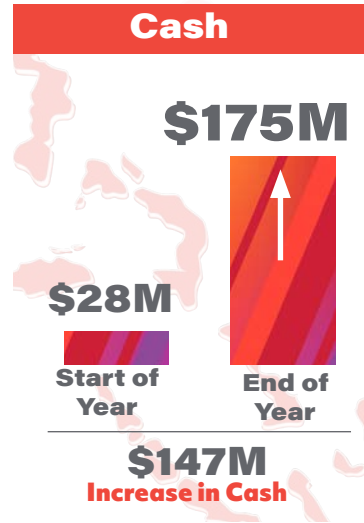
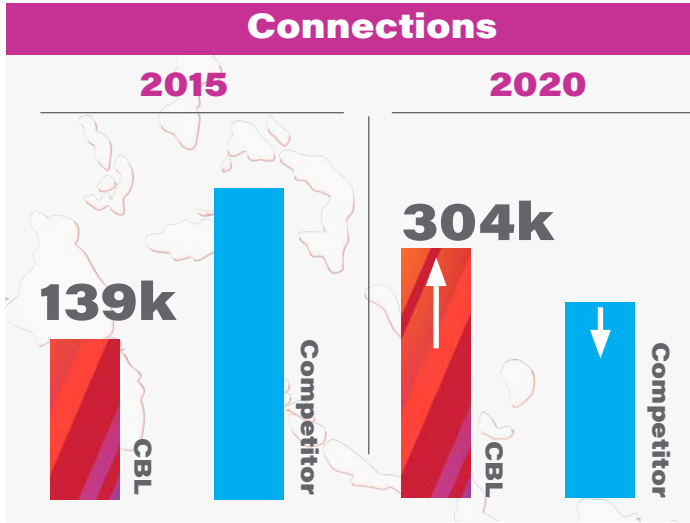
We needed to adapt immediately. We did.

Our team got the facts, made the plan and implemented quickly. We rose to the occasion despite extreme adversity. We used each of these opportunities to deepen our penetration within the Bahamian marketplace, better serving our customers' needs. We provided a level of resilience and agility which allowed The Bahamas to remain

connected whether through ALIV's mobile connectivity or REV's home connectivity. I'd particularly like to recognize our team of engineers who have worked tirelessly in the face of Dorian and COVID-19. Monitoring and managing our network's performance, making the appropriate changes and upgrades, and driving the digital transformation of The Bahamas... living our vision.

“Being the leader in enabling connected lifestyles and experiences in the markets we serve.”

In the face of COVID lockdowns and the restrictions placed on our retail operations, I'd like to recognize the work achieved by our customer experience teams who have enabled the digital transformation of our business. Digital payments rose from 25% to nearly 75% at June 2020. We provided more options for our customers: pay via phone, online and more locations. We opened three locations with our strategic partner AML Foods Limited, allowing us to pivot and manage cash flows when government emergency orders suspended disconnects, late fees and reconnect fees. We partnered with local digital wallets Cash N Go, Mobile Assist, SunCash and Kanoo to enable greater digital payments



“Power the digital transformation of The Bahamas in order to be the leader in enabling connected lifestyles and experiences.”

within the Group. REV bills can now be paid via the Aliv App. We consolidated our store footprint by fully integrating REV Bill Pay in ALL ALIV stores and offering REV customer and sales support in South West Plaza, Palmdale, Cable Beach and the Mall at Marathon Aliv stores.

In summary, we transformed quickly.

Uncertainty demands prudent, solid management. In January of this year we announced the completion of the sale of Summit Broadband to Grain Management LLC for \$301.5M. This established a foundation of re-capitalizing our balance sheet and re-positioning the Group to sustain the substantial negative impact of COVID-19 on The Bahamas.

We strengthened our company.

Across the Group, not only did we focus on digital transformation and inclusion, we also continued to drive corporate and social responsibility with the support of several key programs, with national recognition, including The Bahamas Primary School Student of the Year program, donated in excess of \$250k through the Cable Cares initiative supported by ALIV and REV directly in

communities following the impact of Hurricane Dorian.

The Group additionally donated \$250k to the Government of The Bahamas in support of its reconstruction pledge initiative for the rebuilding of Grand Bahama and Abaco. We have also provided significant assistance to the Government of The Bahamas as they chart a better future through the work of the Economic Recovery Committee. We continued to develop our digital capabilities through training our team, developing cloud analytics and using big data capabilities to drive our business.

Digital transformation is the path we are on.

In conclusion, I would like to thank all of our team members who have pivoted with speed and agility to allow us to rise to the occasion in the face of a year which has been filled with challenges, yet still we have overcome.

I'd especially like to thank my executive team and all of those on the frontlines (our technicians, engineers and customer experience teams) who have all made personal sacrifices to support our customers at every turn.

While our business continues to manage the impact of COVID-19 and face the continued closure of hotels and the threat of future lockdowns, we remain committed to the health and safety of all our associates but also to ensure we create shareholder value.

Our focus remains delivering unrivaled customer experience, growing our customer connections and delivering solid financial performance in the new reality that COVID-19 has created; **to be agile.**

Sincerely,

Franklyn A Butler II



Financial and Operational Management

Group Capabilities

Anticipating and quickly responding to adverse market conditions

- 1 Response to Hurricane Dorian
- 2 Response to Covid-19


Data transformation makes us clever, alert and swift

- 1 Investment in data skills of employees
- 2 Development and use of "big data" analytics
- 3 Customer engagement campaigns
- 4 Reporting and analysis focus

Applications and ease for consumers

- 1  
- 2 

Delivering for our community

- 1 **Economic Recovery Committee:** Assisting the Government of The Bahamas chart a better economic future
- 2 Education: Ministry of Education, Bahamas Learning Channels
- 3 

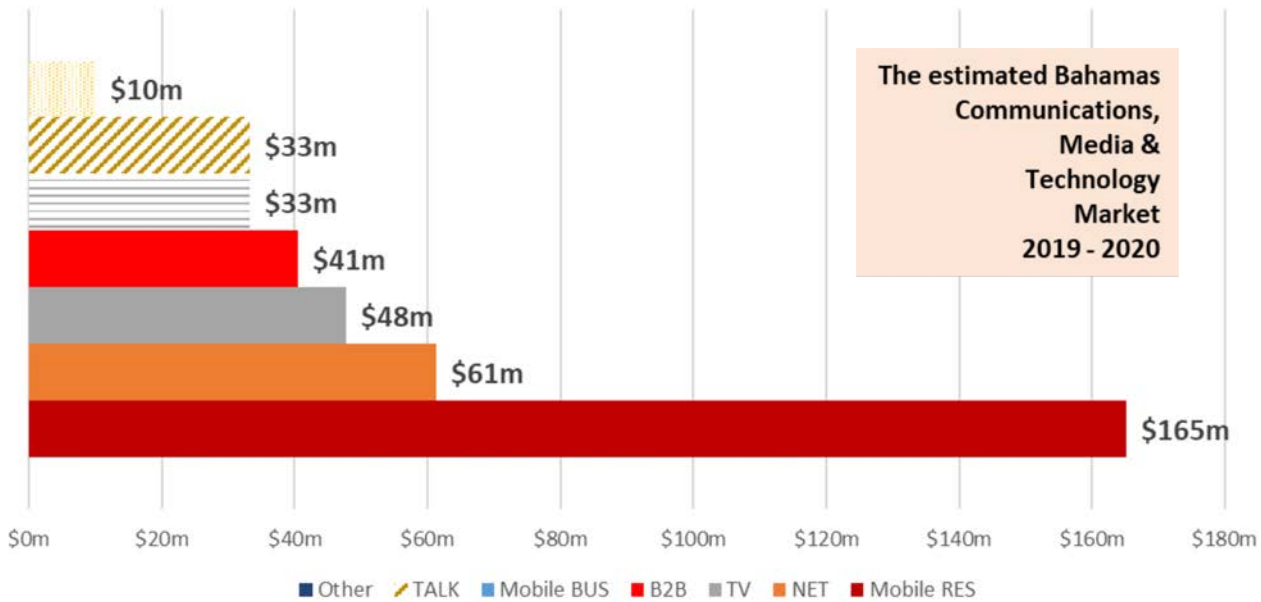
Agility

Ability to move quickly and easily. Ability to think and understand quickly. Synonyms: cleverness, dexterity, quickness, sharpness, swiftness, adroitness, nimbleness, alertness.



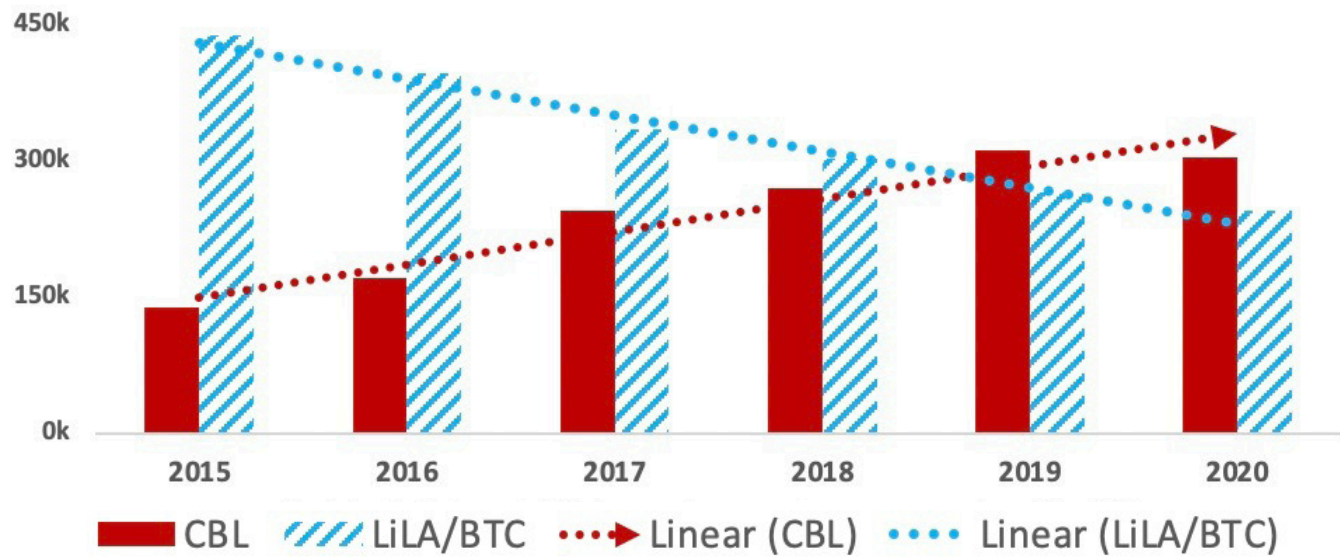
CBL set a mission to be the leader in enabling connected lifestyles and experiences throughout the entire Bahamas.

Estimated \$400M market



The estimated Bahamas Communications, Media & Technology Market 2019 - 2020

Connections



Source: Liberty Latin America SEC filings, CBL internal reports and team estimates

Now, we are the leader. We have the most connections in The Bahamas.
(NET, TALK, TV, MOBILE)

We did that by being agile. We will maintain agility by being nimble, alert and swift in pleasing our customers and improving the capabilities of their valuable connections.

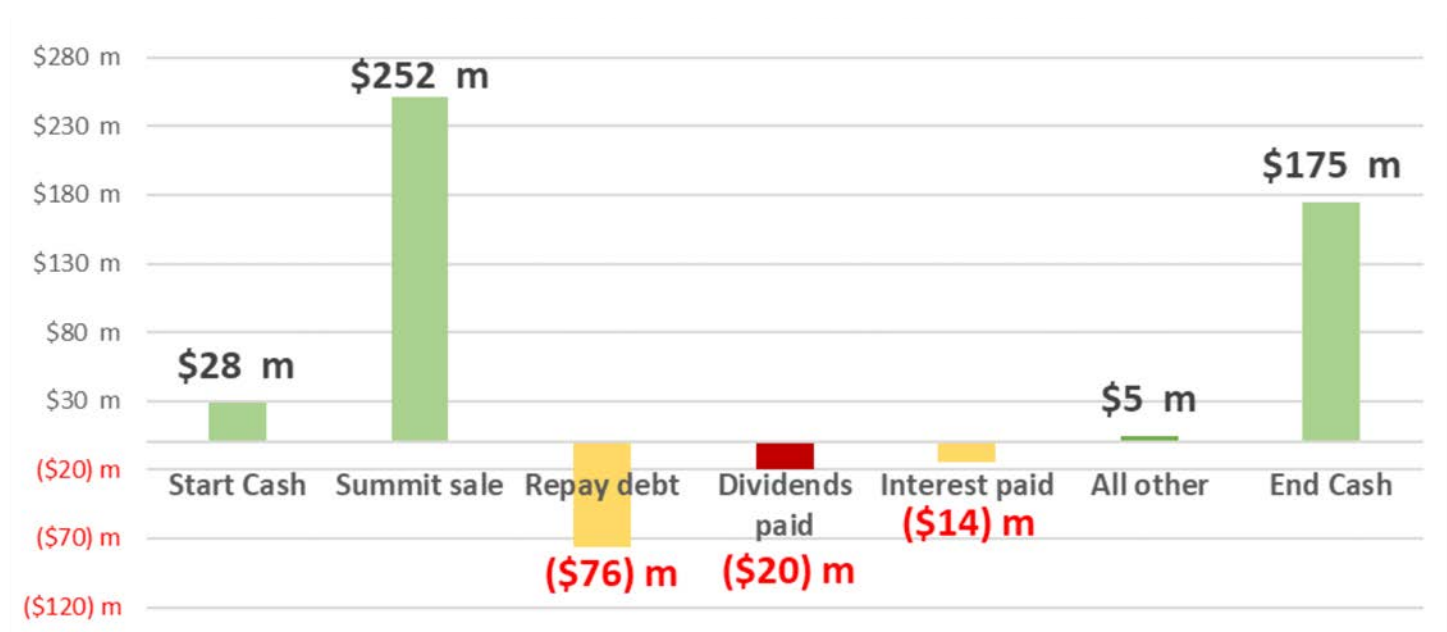


Financial and Operational Management

1 Cash

- a CBL:** The cash position substantially increased by **\$147M** from \$28M by the end of the year. The sale of Summit accounted for the significant change in CBL cash position.

CBL Cash position: \$147M Cash increase in 2020



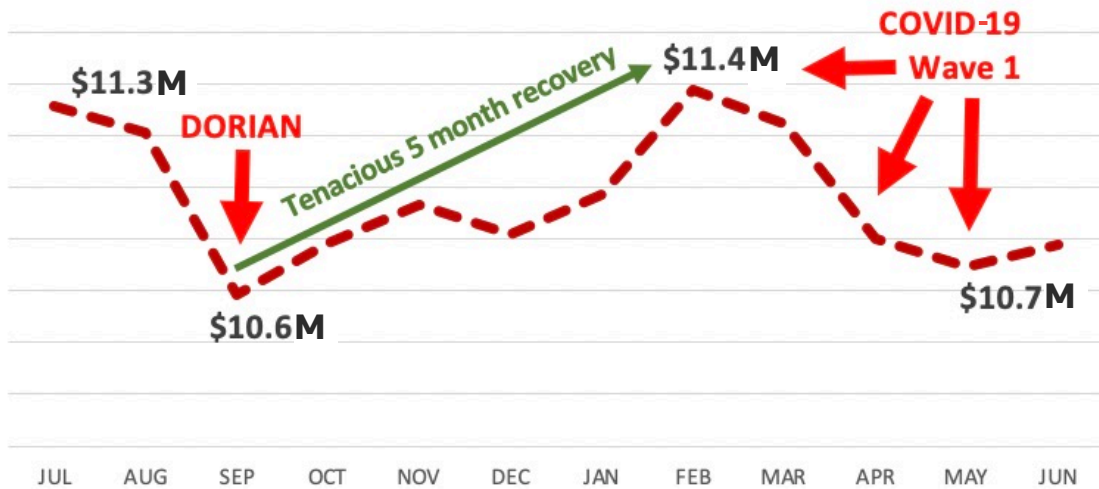
2 Revenue

- a CBL:** Increased revenues by 6% from **\$181,896,881** to **\$192,909,153** despite the impacts of **Dorian** and **COVID-19**. Revenue increased due to higher revenues from ALIV.
- b REV:** We endured two storms in 2019 – 2020: **Dorian** and **COVID-19**. Despite a loss of **\$0.7M** to revenue (September 2019 vs July 2020), REV monthly revenues were above pre-Dorian results by **February 2020**. A recovery in 5 months.

COVID-19 impacted The Bahamas in **March 2020**.



REV Revenue: Two Storms and Recovery Dorian and COVID-19



3 Expense

- a **CBL:** Expenses increased from **\$138.6M** in 2019 to **\$148.8M** in 2020. A **7.4%** increase primarily driven by costs due to Hurricane Dorian.

Operating Expenses

Category	<i>restated</i>		Change
	2019	2020	
Programming	\$52.5 m	\$50.8 m	-3.2%
Technical	\$27.3 m	\$31.9 m	16.6%
Administrative	\$16.4 m	\$23.1 m	41.4%
Marketing	\$19.4 m	\$19.0 m	-1.7%
Network Services	\$14.0 m	\$13.2 m	-5.8%
Gov't and regulatory fees	\$9.0 m	\$10.8 m	19.3%
TOTAL	\$138.6 m	\$148.8 m	7.4%

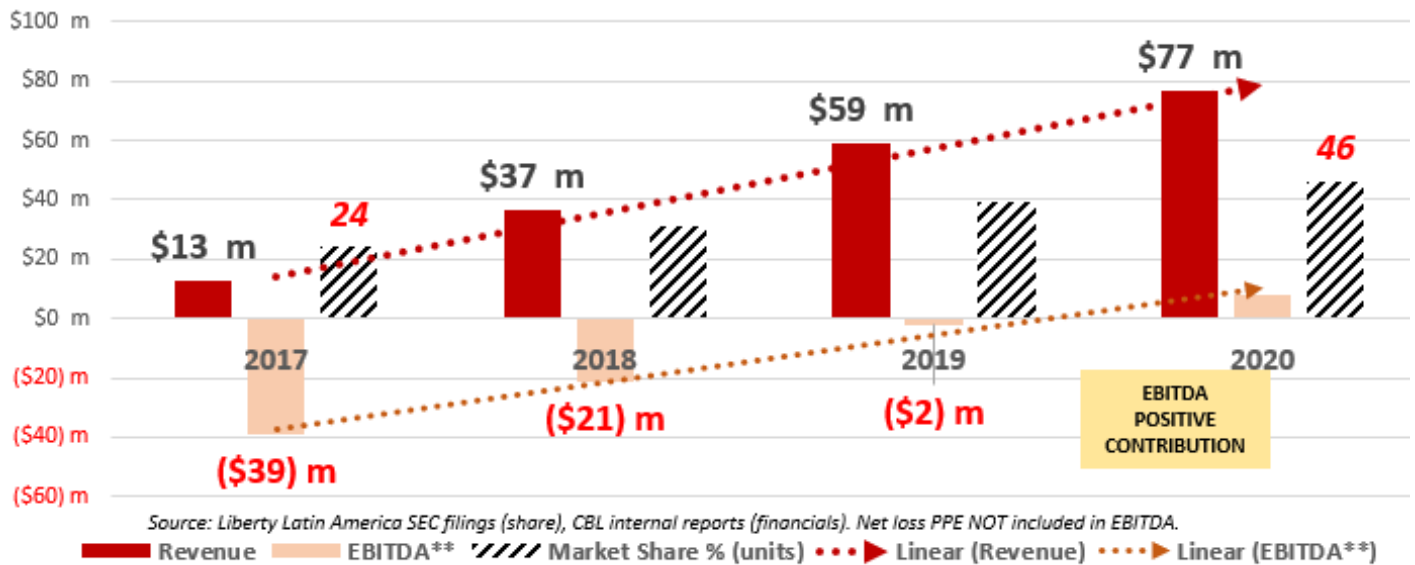


Financial and Operational Management

4 EBITDA

- a **CBL:** EBITDA declined from **\$40,158,873** in 2019 to **\$36,531,297** in 2020. EBITDA declined due to **7.4%** increases in expenses detailed in the notes to the consolidated financial statements.
- b **ALIV:** EBITDA turned positive in 2020 for the first time since launch of the network in late 2016.

ALIV EBITDA Evolution: 2017 to 2020



**Aliv's EBITDA contribution to CBL Group



Risk Factors

1) COVID-19

CBL began pandemic modeling on February 12th, 2020 regarding COVID-19. Consequently, late in February 2020 we prepared our company and employees for various economic and health scenarios the virus would later impose collectively on us.

Since the economy of The Bahamas is tourist driven (estimated 50%+ of GDP) and most of that tourism is driven by the USA (estimated 85%+), we modeled not only the impact in The Bahamas, but in the USA. We developed a number of economic scenarios: ranging from moderate to extreme economic impact. We assumed the USA would not develop an effective national response through the fall of 2020 and that likely significant political instability associated with the 2020 presidential election would greatly restrict any tourist visits from America.

Consequently, we took immediate steps to strengthen our company accordingly.

It became apparent to us that collection of payments would be a critical factor in our company's continued strong financial performance. Accordingly, we implemented a number of items including an increase in the options for bill payment, "smart" payment collection campaigns driven by big data and analytics, a laser focus on daily payments, a new battery of metrics to provide insight into payment trends/risk and quickly pivot as required and strengthened our payment collections team.

The impact of these efforts has increased payments received by customers by almost 33% (May through August, 2020 vs March and April, 2020). Consequently, our cash position is significantly improved.

Our current business plan reflects a moderate to severe COVID-19 scenario lasting through the foreseeable future. We have assumed vaccine or virus mitigation drugs are not significantly available during our business plan period. We have also assumed no significant economic recovery from COVID-19.

2) Climate change, hurricanes and rising sea level

Climate change modeling demonstrates that change is real, happening at an accelerating rate and is associated with increasingly frequent and severe climate and weather related events and conditions.

According to the U.S Intergovernmental Panel on Climate Change, **"Scientific evidence for warming of the climate system is unequivocal. The current warming trend is of particular significance because most of it is extremely likely (greater than 95 percent probability) to be the result of human activity since the mid-20th century and proceeding at a rate that is unprecedented over decades to millennia. The planet's average surface temperature has risen about 2.05 degrees Fahrenheit (1.14 degrees Celsius) since the late 19th century, a change driven largely by increased carbon dioxide and other human-made emissions into the atmosphere. Most of the warming occurred in the past 40 years, with the six warmest years on record taking place since 2014. Global sea level rose about 8 inches in the last century. The rate in the last two decades, however, is nearly double that of the last century and is accelerating slightly every year"**.

The Bahamas is extremely susceptible to increasingly catastrophic conditions including, but not limited to, extreme hurricanes and rising sea levels. It is unclear how the Government of The Bahamas and governments throughout the world will be able to manage this risk, given the significant lack of political consensus and will to manage this worldwide threat.



aliv

**Reinvent Aliv Customer Experiences
in order to Transform Now**



DAMIAN BLACKBURN
Chief Aliv Officer



BARRY WILLIAMS
Chief Money Maestro



GRAVETTE BROWN
Chief Commercial
Officer



DWAYNE DAVIS
Chief Information Officer



PATRICE THOMPSON
General Manager
New Providence



Management Discussion and Analysis

We Are With You. Believe in Best.

Since launch and the reveal of a new brand for mobile telecommunications in the Bahamas in November 2016, Aliv has differentiated itself from its competition by building its brand position around four key pillars.

1. World class network

The best quality 4.5G LTE mobile data network and VoLTE voice service in The Bahamas has been delivered on all populated islands and cays.

2. "Wow" customer experience

The best experience ever seen in the Bahamas has been developed at all customer touch points.

3. Innovation in all that we do

Providing best-in-class products, services and innovative experiences for the digital lifestyle landscape of today and tomorrow.

4. Community orientated

Through best practice partnerships we forged and activities we have supported, Aliv has rooted its brand at the heart of Bahamian culture.

aliv

The uniquely Bahamian brand experience was brought to life with unparalleled excellence in Bahamian produced high quality videography and digital media and is underpinned with the best value for money customer propositions. All of the above when taken in combination has produced one of the most recognised brands in the market with a Net Promoter Score that has increased during the last year and regularly exceeds 70, in line with best in class brands like Apple Inc. This strategy of building the Aliv brand has meant that Aliv has been able to win market share from its competitor at speed in all segments through best value pricing rather than price discounting.

Aliv's rapid growth since launch has been in four distinct phases -

Launch Phase – Q2 FY17 (December 2017) to Q1 FY18 (September 2018) - The first year of trading by Aliv focused on putting the basic capabilities in place and on rapid

growth by attracting Innovators and Early Adopters in the pre-pay market as the network rolled-out island by island. We launched our 4.5G LTE and 3G network on the four major islands of New Providence, Grand Bahama, Abaco and Eleuthera. We built fourteen Aliv branded flagship retail stores throughout The Bahamas and designed Aliv mobile stores for use in underserved communities. Smartphone led offers promoted the adoption of and education about Aliv's innovative 7 day Freedom and 30 day Liberty plans containing talk, text and data. By making these plans widely available at 1,200 sales outlets this led to widespread adoption with over 70% of the base now purchasing these plans each month. To provide the best customer experience ever seen in The Bahamas, we launched an easy to use web site located at www.bealiv.com, a user friendly app for customers to access their account and our world class, 24 x 7 customer care centre in Grand Bahama.



own summer

ALIV launch & family fun day in Bimini Friday August 18

Itwebbs store, Alice Town, Bimini store opens 9 a.m.
family fun day 5 p.m. - 7 p.m. at the store

aliv

bealiv.com

ALIV plans

Freedom 7 day plans	Data	Talk minutes	Text	Cost	VAT incl.
Freedom10	1 GB	100	100	\$10	\$10.75
Freedom30	3 GB	300	300	\$30	\$31.50
Freedom30	unlimited	unlimited	unlimited	\$30	\$32.25
Freedom10 Haiti	1 GB	30 local	30	\$10	\$10.75
Freedom10 Jamaica plus	1 GB	30 Caribbean	30	\$10	\$10.75

Liberty 30 day plans	Data	Talk minutes	Text	Cost	VAT incl.
liberty10	1 GB	100	100	\$10	\$10.75
liberty15	1.5 GB	150	150	\$15	\$15.75
liberty20	2 GB	200	200	\$20	\$20.75
liberty25	2.5 GB	250	250	\$25	\$25.75
liberty30	3 GB	300	300	\$30	\$30.75
liberty platinum	unlimited	unlimited	unlimited	\$175	\$183.13

Liberty Global	Talk minutes	Cost	VAT incl.
liberty global Haiti	30 talk minutes to Haiti	\$8.50	\$10
liberty global Caribbean	90 talk minutes to Caribbean	\$18.00	\$20
liberty global Europe	400 talk minutes to Europe	\$18.00	\$20
liberty global China	300 talk minutes to China	\$18.00	\$20

all plans include local calls to The Bahamas, Canada and USA.

aliv

believe in best

bealiv.com

long island

keep your number, switch your network

and get the Huawei Y3 or Alcatel 5049 FREE with the purchase of a freedom30 plan or above

or

iPhone 7 32GB
with the purchase of a Freedom30 plan
\$599
+ FREE call transfer

Samsung Galaxy S8+ 64GB
with the purchase of a Freedom30 plan
\$699
+ FREE call transfer

aliv

Evolution Phase – Q2 FY18 (October 2018) to Q4 FY18 (June 2018) – This was the period that Aliv embedded into the minds of customers the concept of mobile number portability and the completion of its regulator mandated network roll-out to all Bahamian islands. Aliv launched propositions into new market segments:

- **Q2 FY18** – full launch of best value Liberty Corporate post-pay plans and self service web based portal for billing and account administration for Corporate customers.
- **Q3 FY18** – wireless broadband service launched providing high quality access to the internet for thousands of previously underserved households in the Family Islands and the launch of roaming data plans easing the use of the service while traveling.
- **Q4 FY18** – launch of the best value Consumer post-pay service and roll-out of the network in all remaining islands in the Southern Bahamas.

a promise fulfilled

Mangrove Bush Primary School, Mangrove Bush, Long Island

we keep our promises, our superfast LTE network is now on every island, everyday, we are investing in communities all across The Bahamas. we are also developing technology and apps to improve the Bahamian way of life.

now we promise, our best is yet to come.

believe in best
f i o t

aliv

our network now on every island

Don'ts Blue Hole, Cleopatra Town, Long Island

our superfast LTE network is now on every island.

- + 232 towers built
- + 110,000 plus subscribers
- + 214,892,612 calls made
- + 45,000 people used ALIV roaming
- + 1200 plus top-up and plans purchase points
- + 33K plus moved their number to ALIV

because our promise is our guarantee.

believe in best
f i o t

aliv



Management Discussion and Analysis

Focus Phase – FY19 (July 2018 to June 2019) – After successfully completing the first nineteen months of trading the Aliv brand was established, rapid market share growth in the pre-pay market had been achieved and all capabilities were in place to enable growth in all market segments. This phase was used to accelerate growth and deliver on its promise to be the best mobile telecommunications company in The Bahamas. The goal was to focus on attracting higher ARPU segments, typically with ARPU's higher than \$60 per month, with a more personalised approach aimed at the post-pay and wireless broadband markets. This approach was led by our Business Solutions, Concierge and Door to Door teams providing a one stop solution for customers with time sensitive

pressures. We supported this with customer testimonial TV advertising, refer-a-friend schemes, heavy use of social and digital media advertising and strategic partnerships with community and corporate organisations. By the end of Q4 FY19, we had fulfilled our initial goals of achieving substantial market share, rolling out our network through all the islands and rapidly growing quarterly revenue streams. This was achieved while constantly building on our engineering excellence, developing unrivalled customer experience... in the face of intense competitive pressures. The laser like focus culminated in Q4 FY19 with the major milestone of delivery of a positive EBITDA contribution to CBL Group for the first time.



we believe in communities all over The Bahamas

Take a trip to Eddie's Edgewater, George Town, Great Exuma

we have invested in community groups and engaged with community and local leaders to promote our cultural heritage and our proud Bahamian identity.

- + 14 branded stores
- + 2.5 million dollars invested in community
- + 300 plus events sponsored
- + 10 thousand plus Bahamian children touched
- + 260 plus Bahamians employed

because our promise is our guarantee.

believe in best

f i o t

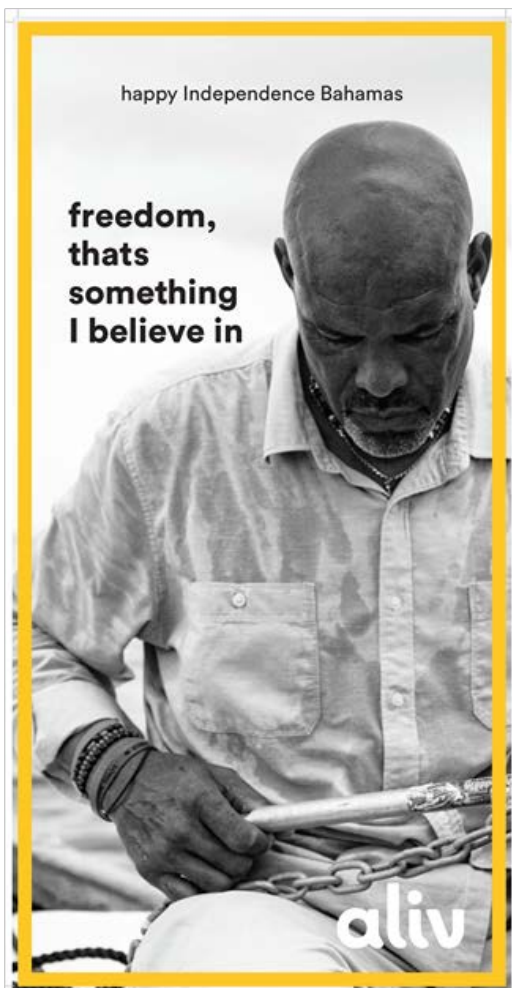
aliv



Transformation Phase – FY20 (July 2019 to June 2020)

- We planned FY20 to be a year of transformation for Aliv, we adopted the mission to “Re-invent Aliv Customer Experience” to ensure that all elements of our experience continued to meet the changing needs of our customers. We started the financial year in July 2019 with the Aliv Bahamas Independence Day advertising campaign showcasing the best of Bahamian values. At that stage none of us could have predicted how the events of the next year would transform The Bahamas, show the strength of those values in times of adversity and utterly transform Aliv.

We started by transforming our 7-day Freedom and 30-day Liberty pre-pay plans, launching a new suite of VAT inclusive plans and a new \$4 daily option and a new \$30 Liberty plan that was further enhanced with a \$45 Liberty plan. Our accompanying Freedom Simplified campaign has been widely acclaimed as one of our best marketing campaigns articulating the simplicity of our new pre-pay price position.





Management Discussion and Analysis

introducing liberty30

**\$30 for
30 days**

+ VAT inclusive pricing

freedom... simplified

aliv

**one day
plan!**

simplified...

freedom... simplified

aliv

7 day plans

all plans include FREE (unlimited)* ALIV to ALIV calls/text

freedom6 \$6 + 600 MB data	freedom12 \$12 + 2.5GB data	freedom25 \$25 + 3GB data	freedom35 \$35 + unlimited data*
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freedom... simplified

aliv

Hurricane Dorian made landfall in the Abacos on 1st September 2019 and continued its destructive path over Grand Bahama for three days. It brought utter devastation to everything in its path combining category 5 winds with unprecedented storm surges and flooding. The communities in the Abacos and Grand Bahama faced grave danger during the storm but incredibly, due in part to the investment by Aliv and Cable Bahamas in ensuring the mobile network was as resilient as possible, the Aliv service operated throughout the passing of the hurricane in Freeport, Grand Bahama and Marsh Harbour, Abaco where most of the impacted populations resided.

Keldra Pinder in her book **"The Water has Come"** tells a story that we were humbled to hear repeated by many of our customers –

"One of our mobile service providers (Aliv) astonishingly had a strong signal throughout the duration of the hurricane. If there was an award or accolade for Most Reliable Telecommunications Company, it would be given to Aliv. I was able to alert the public that we had sought refuge in the roof of the house."

"It was impressive that Aliv was able to maintain cellular and mobile data connection throughout the entire hurricane. It was safe to say many lives that were saved can be attributed to the company. And while the ability to send and receive messages was a small comfort to many souls under the forage of Dorian, I received a few messages that had to be from God Himself."



Aliv continued to provide 24 x 7 customer care throughout the hurricane as we re-located some of our care team from Grand Bahama to New Providence prior to the storm and activated our emergency customer care facilities.

In addition, critical IT systems were moved before and during the passage of the storm from the data centre in Grand Bahama to mirror our resilient data centre in New Providence ensuring continuity of such systems.

An Inter-American Development Bank report released on 15th November 2019 revealed the utter devastation of Hurricane Dorian reporting hundreds of people were dead or missing.

29,472 people were affected by hurricane damage to their homes or assets.

The report estimated that the total cost of the impact of Hurricane Dorian on The Bahamas was \$3.4 billion (with over 75 percent of this in the Abacos) and would have an impact on the economy that would last for years.

Aliv's network suffered wind and flooding damage mainly to radio network equipment and back-up power solutions in Grand Bahama and Abaco with a replacement value of \$6million of which \$4.5million was reclaimed from insurance.

All the towers constructed by Cable Bahamas in the path of the storm stood strong and suffered no damage.

The network restoration plan was completed at an astonishing speed by the Aliv and Cable Bahamas engineering teams involving –

- **Airlifting Huawei network equipment** to The Bahamas and additional “rigger” engineering resources from the Caribbean within two days of the hurricane.
- **Chartering a ferry boat** that transported temporary cells on wheels, microwave transmission, vehicles, generators, fuel tanks, construction materials and Aliv mobile store to Abaco and evacuated hundreds of people to New Providence.
- **Locating teams in Grand Bahama and Abaco during the hurricane** to aid the fastest possible damage assessment and immediate recovery and supplementing with specialist teams transported by a chartered helicopter.
- **4,000+ hours of engineering resources** were deployed in the immediate network restoration and recovery:
 - o Immediately after the hurricane Aliv service was working in Freeport, the West End of Grand Bahama (80% of population) and Marsh Harbour, Abaco;
 - o Within 9 days service was fully restored to all of Greater Abaco; and
 - o Within 23 days service was fully restored to all of the Abaco Cays and the East End of Grand Bahama.
- **Roaming services were provisioned and working for all major USA mobile network operators** to facilitate first responder and NGO team communication.
- **Enabling our competitor's customers to roam on the Aliv 3G network** in Grand Bahama (for two weeks) and Abaco (for two months).



Management Discussion and Analysis



The demand for Aliv's service in Grand Bahama, the Abacos and New Providence, where many evacuees came and emergency shelters were established, immediately after the passage of Hurricane Dorian was unprecedented. Aliv donated over 1,000 Smartphones, wireless broadband and push to talk devices to the first responder and relief teams to meet their communication and connection to internet needs. Aliv customers on Grand Bahama and the Abacos were provided with millions of minutes of free calls

enabling them to stay in touch with family and friends.

The Aliv sales team on Abaco all suffered damage and loss to their homes and were evacuated and replaced immediately after the hurricane passed with a relief team comprising members from almost all other islands in The Bahamas. This team established a base in Marsh Harbour in Abaco and restarted Aliv's sales operations immediately using a mobile store and distributing Aliv pre-paid physical



vouchers, in line with our emergency plan, before new pre-paid top up and plan sales locations were established island-wide. The Aliv base established in Marsh Harbour acted as a key co-ordination location and a feeding station that fed many essential workers including defence and police forces, doctors and nurses and relief workers in the first month of the response. Aliv responded to unprecedented demand for Smartphones and Mi-Fi wireless broadband devices in Grand Bahama and Abaco by providing a free phone and Mi-Fi special offer if the customer purchased a 30-day Liberty or Mi-Fi plan. Over 20,000 devices were sourced and provided in the months of September and October to meet this demand.



keeping you connected with...

tech tips



- + working from home?
keep video for the call
turned off if possible

we got you.



**better days
are coming**

we are not just an island.

in fact, we are many islands
throughout the storms,
throughout the challenges
we will continue to thrive
through our never-ending support
and a strong reliable network.

#wegotyoubetter days
are coming



**better days
are coming**

ALIV is ready to assist

**need a device immediately or
another special request?**

- + call 806 & 807 PORT (806-7678) / 611 or
email conciergeservices@bealiv.com
- + have your credit/debit card handy
- + schedule & pick up your package
- + Keep connected!


we got you.

*Please note that ALIV is monitoring and keeping within
best practices as instructed by The Ministry of Health




keeping you connected with...

tech tips



- + using Youtube? Downgrade video
to 480p - the video will play but not
in HD furthermore decreasing your
data consumption

we got you.




**better days
are coming**

keeping you connected...

purchase ALIV top-up or
your favorite plan from:


- + gas stations
- + ALIV kiosk
- + supermarkets
- + MyALIV app
- + or call 611

aliv download today




keeping you connected with...

tech tips



- + netflix and Chill? download episodes /
movies and then watch them offline.
you can do this on your laptop, phone,
computer or tablet

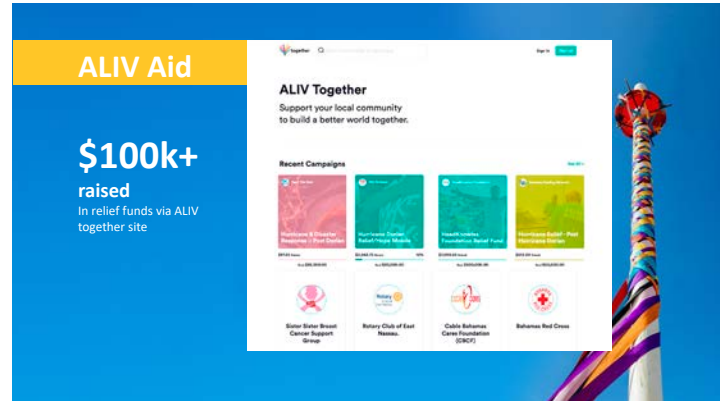
we got you.





Management Discussion and Analysis

The Aliv team played a full part in the relief efforts to the communities impacted by Hurricane Dorian. Aliv donated over 5,000 care packages to those impacted, our staff undertook hundreds of hours of volunteering working with organisations leading the relief efforts and provided internet access to over 50 emergency shelters and command centres. We launched Aliv Together, a Bahamian crowd funding web site, in the immediate aftermath of the hurricane and local and international organisations used this platform to raise over \$100,000 for relief efforts.



As the immediate recovery phase concluded we re-positioned our brand messaging: The reliability of the Aliv network and reflecting the amazing humanity witnessed in the aftermath of the hurricane with our “Angels do Exist” theme for our Christmas campaign.



angels do exist

+ 2019 Silent Auction - Chistmastide
Whether you can see in person or want to just list from the comfort of your home, please respond by Christmas Eve or the Fall Release History Club Challenge. That's one money for subscriptions for exciting young college students at the University of the Bahamas.

+ Feed The Five Thousand
In partnership with Aliv, Bahama Feeding Network is appealing to corporate Bahamas and the general public to donate towards Christmas Dinner Packages, valued at \$25 each. The packages will contain items to prepare a festive holiday meal for a charity in need.

+ HeadKnives Relief Fund
The real ahead in restoring and stabilizing our communities after disaster. Such as our relief fund and educational recovery is a great undertaking. HeadKnives Foundation is committed to working together with all of our partners to help these communities put their lives back together.

+ Hurricane Relief - Post Dorian
In collaboration with our partner at HeadKnives, we have been on the ground in Grand Bahama distributing \$5,000 for every day to those affected by Hurricane Dorian.

+ Hurricane Relief - Hope Mobile
The Hope Mobile project involves the purchase and carrying of multiple mobile devices to meet the needs of people in the community, where they can be easily accommodated. Items such as food, toiletries, business products, baby goods, hygiene products, toys and blankets, and other basic items will be readily available, for those in need.

donate on the go!

Find all your favorite charities in one place this Christmas at together.baham.com

together

when I see that a new day brings hope, I know angels exist.

get the iPhone 11 today for just \$449 only \$65 when you switch to Aliv powered!

never look back. believe in best. **aliv**

when I see that a new day brings hope, I know angels exist.

get the Samsung A80 for just \$399 only \$65 when you switch to Aliv powered!

never look back. believe in best. **aliv**

give the gift of data via the new MyALIV app

share up to 6GB of data, only through the new MyALIV app

never look back. believe in best. **aliv**

our network works.

aliv aliv aliv

60 sec

Our Network Works

I could talk about the great plans we have for every budget, that we are innovation leaders in bringing you transparent easy pricing & That your call will always be answered by a Bahamian.

I could remind you of our community partnerships and that you can always count on us when you need us most we work night and day we were tested and proven the best.

During catastrophic hurricanes or the ordinary storms of life I could say all this because it's true.

But when you strip it all away When you quiet the noise, What matters most is that Our Network Works.

Call 801 . 6188 to join the best network.

ALIV believe in best

As part of our planned transformation for FY20 on 1st September 2019, the Aliv Corporate sales teams merged with the Cable Bahamas business focused teams creating the new division of Cable Bahamas Business Solutions.

This team now sell the Aliv mobile services products developed for the Corporate market.

Following the passage of Hurricane Dorian we also merged the Aliv and Cable Bahamas Engineering, Customer Care, Human Resources and Warehouse and Procurement teams.

There are many benefits of the reorganisation, including –

- Increased leads, sales and retention opportunities in the business market through cross selling and upselling to both customer bases.
- Cross-skilling of engineering and customer care teams providing a deeper pool of resources to meet future needs leading to avoidance of costs and de-risking our operations.

- Achieving scale and management efficiencies where operations can be combined to serve both companies, for example warehouse operations and facilities.
- Sharing of knowledge, best practice and expertise that will facilitate better service levels for our customers; and
- Simplification of the Aliv organisation with the team focused on driving the sales, marketing, product change and innovation plan and ensuring compliance with its stakeholder commitments and obligations.

The rapid transformation and growth in FY20 meant that Aliv delivered record revenues of \$21M+ in Q2 (October to December 2019) and Q3 FY20 (January to March 2020) with Aliv's market share having grown to 44%.



Management Discussion and Analysis

In March 2020 the global pandemic of COVID-19 reached the shores of The Bahamas and this utterly transformed the environment that Aliv was now operating in.

The United Nations Development Programme states –

“The coronavirus COVID-19 pandemic is the defining global health crisis of our time and the greatest challenge we have faced since World War Two. Since its emergence in Asia late last year, the virus has spread to every continent except Antarctica.

We have now reached the tragic milestone of one million deaths, and the human family is suffering under an almost intolerable burden of loss.

But the pandemic is much more than a health crisis, it’s also an unprecedented socio-economic crisis. Stressing every one of the countries it touches, it has the potential to create devastating social, economic and political effects that will leave deep and longstanding scars.

Every day, people are losing jobs and income, with no way of knowing when normality will return. Small island nations, heavily dependent on tourism, have empty hotels and deserted beaches. The International Labour Organization estimates that 400 million jobs could be lost.”

After the first COVID-19 case was confirmed in The Bahamas on 15th March 2020, Aliv operated under the following restrictions and challenges as the Government of the Bahamas declared a state of emergency and

issued orders to prevent and contain the spread of the coronavirus –

- March 17th onwards (apart from brief periods) – Aliv team working from home including Customer Care. Working from home was mandatory for all businesses with very few exceptions, lay-offs and redundancies from most major employers with NIB processing record unemployment benefit claims.
.....
- March 20th to May 4th - Aliv stores closed, one third of stores where top up sold closed and limited hours of operation of essential stores/banks. Weekday curfew at night and weekend curfew except essential workers for emergencies.
.....
- April 3rd to June 12th – full weekend and public holiday lock down at home with all businesses closed except easing of restrictions for essential workers on Saturdays for food stores. Borders were essentially closed to visitors.
.....
- May 4th – curbside store openings allowed at stores and some restrictions eased.
.....
- By June 12th – all Aliv stores fully open with appropriate social distancing measures. Weekend lock down removed but nighttime curfew remained in place.
.....
- July 1st to July 22nd - Borders re-opened but were then closed/restricted.
.....
- July 22nd onwards - After a second wave of COVID-19 which led to more lock-downs and restrictions, Aliv stores and other stores where Aliv top up was sold, closed and/or had limited hours of operation in certain islands during the remainder of July and August. Borders were only open to those prepared to quarantine on arrival for 14 days meaning minimal visitors and inter-island travel, also severely restricted by testing and 14 day quarantine requirements. Night time curfew remained in place.
.....
- November 1st – Borders planned to be re-opened with instant testing requirements to enable visitors to travel to The Bahamas.



Aliv's team responded to the unprecedented challenge and demonstrated the agility required in this new reality.

Aliv transformed all aspects of the business:

- **Working From Home** - successfully implemented for all employees without any disruption to business operations.
- **Team Flexibility** - rapidly re-assigned and trained sales teams to take inbound calls to cope with double normal call volume and make outbound calls to educate customers about the MyAliv app as best social distancing friendly payment method.
- **Team Restructure** - where re-assignment not possible, we reduced headcount with a widely regarded best practice communication and empathetic process and re-structured sales operations for new requirements going forward.
- **New Customer Experiences** - implemented a Curbside concierge service to meet critical customer needs and re-opened stores in compliance with all new social distancing requirements.
- **Network Capacity and Performance** - implemented a focused programme to increase data capacity in the Aliv network to cope with 35% more demand, resolved network performance issues with minimal service disruption, continued to deliver critical resilience and capacity expansion projects and agreed a new long term network equipment agreement.
- **Excellent Communication** - new regular team communication structure implemented to ensure team focused on re-set priorities. Produced high quality engaging external communication to customers across all forms of media including assisting Government to distribute key public health messages to prevent virus spread.
- **Digital Engagement Transformation** - Implemented multiple sales promotions to encourage adoption of MyAliv app for pre-pay plan purchases, Aliv and Rev

post-pay bill-pay. Expanded payment kiosks in high footfall locations to over 70 outlets in partnership with Quickpay and MobileGo enabling Aliv pre-pay plan purchases, Aliv and Rev post-pay bill-pay.

- **Bill Payment Process Transformed** - improved customer engagement processes and performance monitoring for Aliv post-pay accounts led to record monthly cash collection levels and targeted assistance to those most in need of help.
- **Cash Savings** - discretionary costs reduced to minimal amounts and where necessary, obtained extended payment terms with major vendors and the Government.
- **Secured Long Term Financing** - Cable Bahamas agreed to provide a secured \$70M long term loan facility that enables the Huawei network vendor leasing finance to be fully repaid early, repay outstanding deferred payments for using towers, transmission and other services to Cable Bahamas and provide Aliv with cash reserves to fully fund the long term business plan.



Management Discussion and Analysis

Aliv experienced a 15% revenue decline in Q4FY20 during the initial lock-down phase due to Aliv store closures.

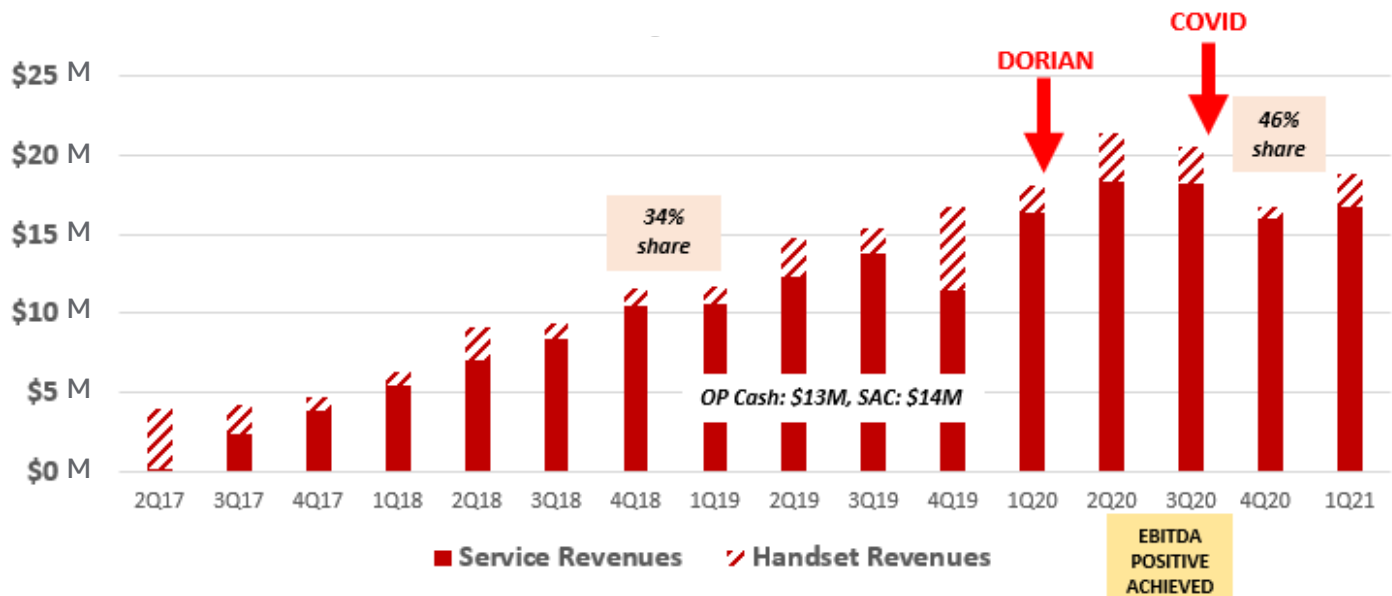
Sales agent stores where Aliv sell pre-paid plans and top-up closed or experienced essential worker only restricted opening.

The complete restriction on outbound and inbound travel led to minimal roaming revenues.

During April, May and until 12th June in that initial lock-down phase, for 35% of the available days, our Aliv agent sales outlets were closed or only available to essential workers.

Revenues have now recovered to pre-COVID19 levels with the exception of roaming revenues and the subscriber base has recovered.

ALIV Quarterly Revenue: Context



Despite all of the challenges in FY20 Aliv grew its subscriber base by 12% to 169,882, increased its annual revenues by 30% to \$76.8M, delivered positive EBITDA and contributed \$8M EBITDA to Cable Bahamas Group results.

Aliv exits FY20 transformed. Despite being a year shaped and dominated by Hurricane Dorian and the COVID-19 global pandemic, Aliv embraced the challenges they brought to implement the mission to “Re-invent Aliv Customer Experience”.

Aliv not only pro-actively re-invented pre-paid plans, methods of work and operation, the way we engage with our customers digitally... through the Aliv Creates digital solutions programme... but critically we re-invented everything we do to meet the needs of the communities we serve at their hours of need.

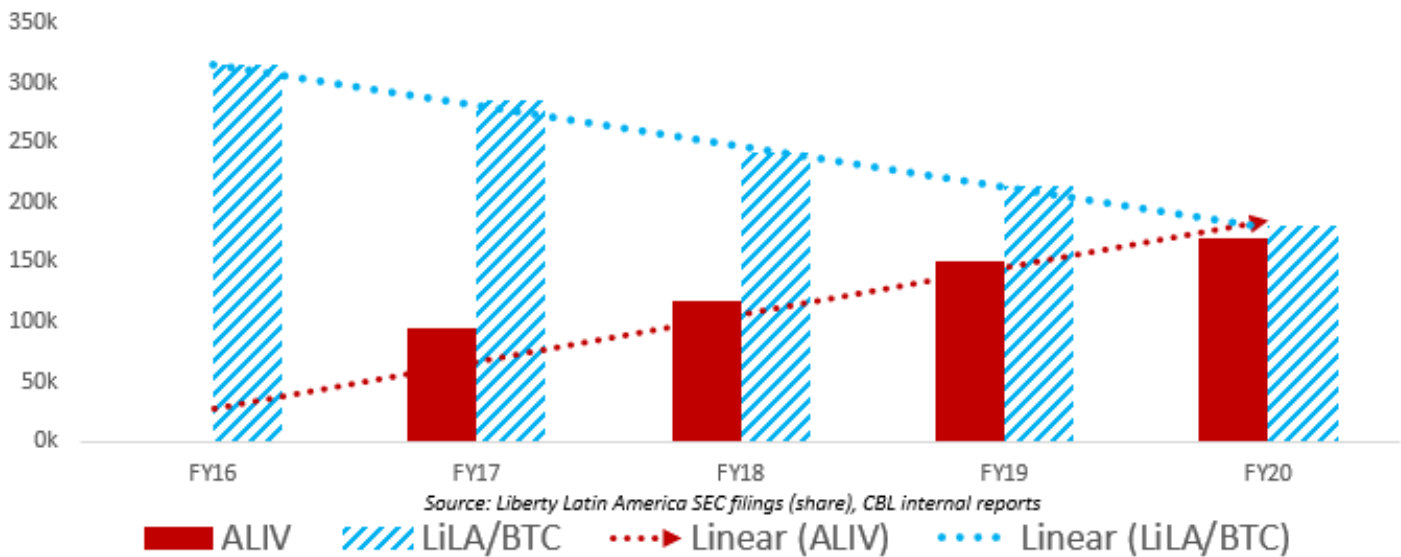
This is best illustrated in the Abacos where our rapid reaction to re-build the network after Hurricane Dorian means that we are now not only the number 1 mobile service provider but also the number 1 way for households and businesses to access the internet using our wireless broadband services.



Summary of Results

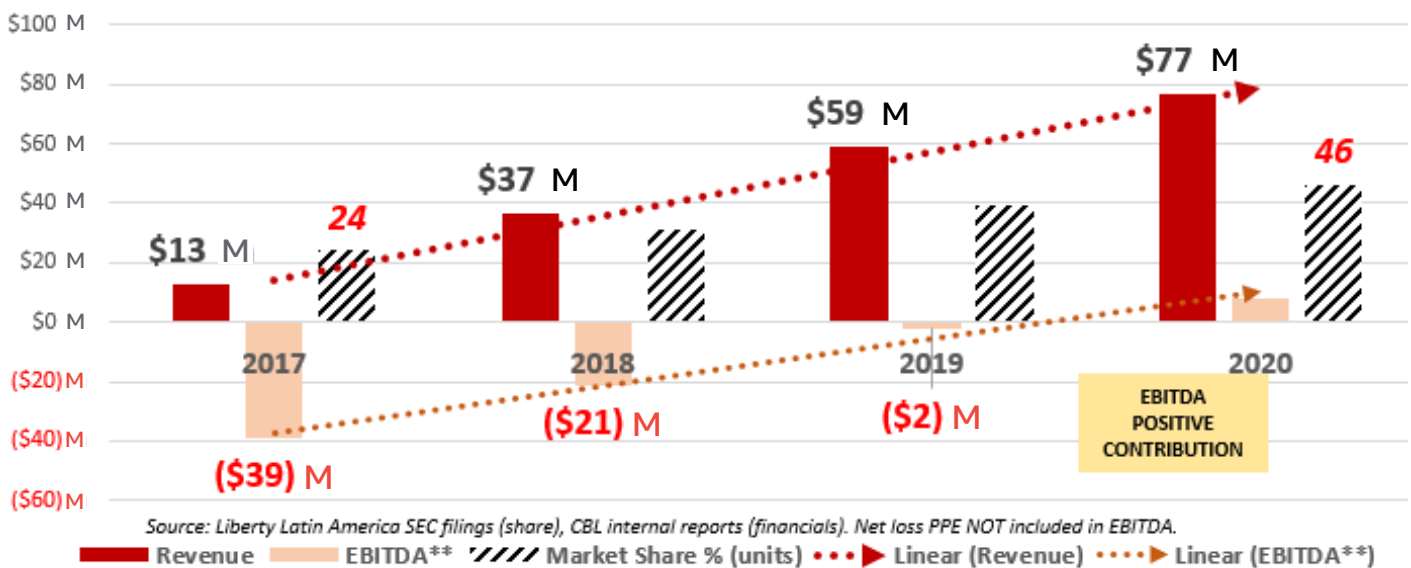
Aliv has transformed the landscape of mobile telecommunications in The Bahamas in its fifteen trading quarters since launch.

Mobile Customers: Prepaid & Postpaid



Aliv's has rapidly grown market share over those fifteen quarters to 45%. Revenue growth has followed with a 56% compound annual revenue growth rate and the \$76.8M revenues generated in FY20 represent 39% of Cable Bahamas Group's revenue in FY20. This rapid growth has led to a positive \$8M contribution to EBITDA in FY20.

ALIV Performance 2017 to 2020



**Aliv's EBITDA contribution to CBL Group



Management Discussion and Analysis

Aliv acquired its Communications Licenses from URCA on 1st July 2016 following Cable Bahamas successful \$62.5M bid in the Government auction process. Aliv has subsequently invested \$98M in network infrastructure rolling-out its 4.5G LTE and 3G network to 246 sites in all of the populated islands of The Bahamas locating its

mobile radio network equipment at 145 sites owned by Cable Bahamas and 79 sites owned by its competitor. Following the conclusion of the initial roll-out and system build, in FY20 the \$5.9M capital investment was focused on network capacity expansion and software enhancements and upgrades to develop new products.

\$Millions	FY17	FY18	FY19	FY20	TOTAL
Communications Licenses	64.6	0.0	0.0	0.0	64.6
Network Infrastructure	62.3	21.2	12.2	2.3	98.0
System Software	8.1	4.6	1.8	2.6	17.2
Others	9.0	3.7	0.8	1.0	14.5
TOTAL CAPITAL INVESTMENT	144.0	29.5	14.9	5.9	194.3

Note FY20 Network Infrastructure is net of \$4.5M insurance proceeds.



Aliv's increasing revenues and operating cash and reduced capital investment requirements (net of insurance proceeds relating to Hurricane Dorian and sale of 21 tower sites to Cable Bahamas) led to Aliv's lowest annual cash requirement of \$4.2M in FY20 funded from cash on hand. This was achieved with the support of Cable Bahamas who

agreed to convert \$22M of deferred payments due under its master service agreements with Aliv to a long term secured debt facility in November 2020. Aliv has invested \$52.9M over the four years in acquiring and retaining its customer base through the provision of device subsidies, sales commissions and other costs.

\$Millions	FY17	FY18	FY19	FY20	TOTAL
Operating Cash (before SAC & CBL)	(20.9)	(13.2)	13.2	18.6	(2.3)
Subscriber Acquisition Investment	(12.9)	(12.1)	(13.7)	(14.3)	(52.9)
CBL MSA Payments	(8.5)	(9.4)	(4.1)	(9.3)	(31.3)
Communicatons License	(64.6)	0.0	0.0	0.0	(64.6)
Cash for Capital Investment *	(47.8)	(20.3)	(8.6)	(1.1)	(77.9)
CASH REQUIREMENT	(154.7)	(55.0)	(13.1)	(6.2)	(229.1)
Equity	136.7	0.0	0.0	0.0	136.7
Net Debt (Proceeds less Repays) **	60.0	47.1	17.2	12.6	136.9
Interest and Financing Payments	(2.1)	(8.3)	(13.8)	(15.5)	(39.7)
TOTAL FINANCING	194.6	38.8	3.5	(3.0)	233.9
YEAR END CASH BALANCE	39.8	23.7	14.0	4.8	

* Cash for Capital Investment is net of lease financing for Huawei network equipment.

* FY20 includes \$9.3M proceeds from sale of 21 towers to CBL & Hurricane Dorian insurance.

** FY20 includes \$22M owed to CBL converted as part of \$70M long term debt in November 2020.



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Business.Solutions

**Explode Cable Bahamas Business
Solutions in order to Transform Now**



CHARNETTE THOMPSON
Director Enterprise Solutions



DELMARO DUNCOMBE
Head of Small & Medium
Innovations



JAVIER BOWE
Head of Major &
Government Innovations



CHANTELLE SANDS
Head of Family Island
Innovations



JENNIFER BASDEN
Head of B2B Marketing



LANC LYSTON
Head of B2B Sales
Operations



CRAIG PINK
Head of Enterprise
Solutions



MARCUS HINSBEY
Head of Service Delivery



Management Discussion and Analysis

Driving Enterprise Optimization. Think Beyond.

In August 2019, CBL Group unified its Cable Bahamas business teams and ALIV business teams into one entity, Cable Bahamas Business Solutions. The objective: to provide best in class enterprise Internet of Things (IoT) technologies that empower companies and government organizations in our community to enable business process optimization and improve resilience.



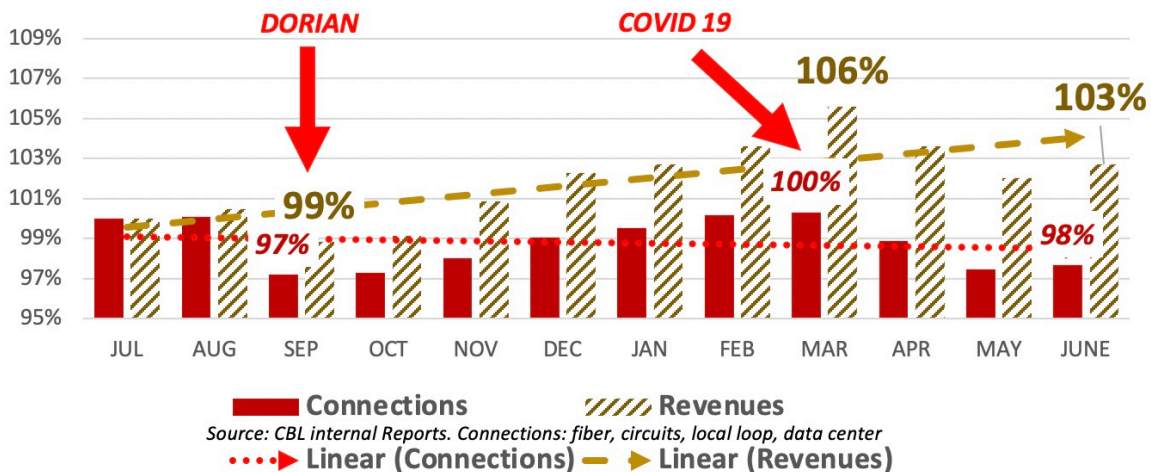
This dynamic team expanded a year later to include Commercial Provisioning and Support, while ensuring alignment between our sales leads and service delivery functions, as we aim to better understand and support our customer's digitization objectives. Hence, this team of seasoned, experienced and curious individuals has leveraged a wealth of expertise in Fixed, Mobile and Cloud technologies to deliver ROI-driven PBX, Data Center and Connectivity solutions as well as managed WiFi and offsite data backup platforms to help our customers solve business problems.

Indeed, as the only Bahamian owned and operated telecoms company, we are the trusted local partner with access to best-in-class, global

innovation from Cisco, Juniper, Aruba/ HP, Mitel, Avaya and other technology pioneers. Likewise, we have leveraged these relationships to help customers design and deploy robust voice, data and wireless network solutions that drive business operations and processes with LTE coverage available for mobile/ IOT applications via ALIV's national network.

Despite the tumultuous fiscal year with Category 5 Hurricane Dorian (September 2019) and ongoing socio-economic challenges associated with the Covid-19 pandemic (lockdowns commencing March 2020), the new, unified Cable Bahamas Business Solutions group has delivered a robust year.

CBL Business Solutions Sector: Recovery from Dorian and COVID-19 Impact on Connections and Revenue





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ESSENTIAL PACKAGE

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- VOICE LINE
- VIRTUAL NUMBER
- \$400 OF PULSE 5 AND CROSS CHANNEL AD SPOTS
- LIBERTY STARTER ALIV CORPORATE PLAN

\$164 P/MONTH (\$1,872 P/YEAR)

Contact the experts at Cable Bahamas Business Solutions today. 601-8911 (Nassau) / 602-8811 (Family Islands)
businessolutions@cablebahamas.com

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cablebahamas Business Solutions THINK BEYOND

DON'T BE BLUE...

GIVE YOUR BUSINESS THE EDGE!

Get a **FREE PUSH-TO-TALK (PTT)** device with purchase of 5 or more

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TELO TESSO
TELO TESSO PLUS
TELO TESSO

Key milestones:

- “Business In A Box” revamped packages with broadband Internet, landline, TV and mobile phone features that are designed and priced for small business owners and entrepreneurs.
- Attractive mobile plans including texts, voice minutes, mobile data, roaming minutes and handset credit to help business owners/ managers stay connected with customers and suppliers.
- A Push To Talk (PTT) cloud-based unified platform with affordable two-way radio handsets, data/video-sharing capabilities and coverage via ALIV’s national network.
- Enhanced Hosted PBX with Teleconferencing options that allow enterprise & government organizations to improve business communications and reduce operating costs, with onsite desktop sets and remote workforce apps that support virtual meetings.
- Managed WiFi with design and deployment of Wireless Access Points, bandwidth on our Gig-speed network, content filtering to restrict access to offensive sites and other features for free or paid usage.

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Protect Your Staff, Visitors and Assets

- Provides early detection for human fever
- NO PHYSICAL CONTACT with the sensor or personnel presence is necessary
- Restrict access to sensitive areas
- Protection against intrusion or sabotage

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cablebahamas Business Solutions THINK BEYOND



Management Discussion and Analysis

- Broadband Internet over our Gig-speed Fiber network and MiFi mobile data bundles that empower students, teachers and administrators to stay connected and engaged through virtual learning platforms.

- In partnership with the Ministry of Education, completion of Fiber installation to 17 schools in Grand Bahama, 17 schools in Eleuthera and 11 buildings in New Providence as the foundation for Learning Management System (LMS), Educational Management Information System (EMIS), distance learning modalities and other smart school applications.

Bulk SMS Messaging
Expand Your Reach & Get Results

- Great for Promotional Messages
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- Expansion beyond our national data centres in New Providence and Grand Bahama with physical rack space, to establish the Bahamas Cloud platform that supports data sovereignty (data owned by Customer) and data residency (data stored in The Bahamas, with geographic diversity option for Canada) in compliance with Bahamian Data Protection Laws.

- Advanced Hospitality TV features with branded community channel, Chromecast streaming, live content from local and international networks and premium sports packages.

DON'T BE BLUE...

GIVE YOUR BUSINESS THE EDGE!

Get 2-MONTHS FREE 1 TB
Of **Bahamas Cloud Storage** when you sign up for a 2-year agreement

*New business internet customers

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HOSTED
PBX
FOR BUSINESS

MAKE THE CALL

Keep your team connected

PRICES AS LOW AS

\$20⁰⁰ per month



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We also continue to host bi-weekly webinars featuring local and regional industry leaders, who share insights and experiences that we hope will help and inspire business owners/leaders in our community to think beyond today's challenges.

This is an incredibly exciting time for the dynamic Cable Bahamas Business Solutions team.

We have combined the business expertise of both Cable Bahamas & ALIV to effectively become a one stop shop for ROI-driven mobile, fixed and cloud connectivity services.

We have taken all of these steps to become agile in our new reality. To meet the needs of Micro/SMEs, Family Island businesses and bespoke Enterprise/Government organizations.

HOSTED
PBX
FOR BUSINESS

Make the call

And Keep Your Team Connected
Prices starting as low as \$20 p/month

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**Deliver a new content and media
infrastructure in order to transform Now**



DAVID BURROWS
Vice President, Media



ALEXIA COAKLEY
Our TV Operations
Manager



VINETTE GAITOR
Sales Manager



JEROME SAWYER
Executive Producer News
and Current Affairs



Management Discussion and Analysis

The Power to Connect and Stay Connected

REV Media is the only media company in The Bahamas connecting businesses and products with Cable Bahamas' 63,000+ unique Bahamian households, with verifiable viewership statistics and demographics of its customers including marital status, sex, age, financial viability, business ownership, inclusive of TV viewing across 27 cable networks including OURTV.



REV Media also delivers 5M+ video content views per month from our online news clips to 100,000+ followers on our Facebook platform. The Our News Bahamas Facebook page also has the highest number of impressions and engagement - more than any Facebook page in the country with 500,000+ engagements per week and a top demographic of 20 - 44 year olds.

On television, Our News represents the most tuned into news broadcast in the country, delivering a main demographic of 34-54 year olds with OURTV audience and an average daily TV audience of 28,000 viewers. The overall OURTV channel has a viewership base of over 86,000 viewers per month, 75% of which have been with us for over 15 years and 78% are on time payers in good standing. The Our News product was further strengthened this year with the addition of Jerome Sawyer as the OURTV Executive Producer for News and Current Affairs. Jerome's unique skills as the number one news broadcaster in the country would soon be put to the test in Q1 when his coverage of Hurricane Dorian became so important to the nation and the REV subscriber base.

Competitors

Page name	Fans	Talking about this	Fan posts	Page posts	Interactions	Engagement
Our News Baha...	69K 66/day	20K 28.8% of fans	2 0.1/day	555 19.1/day	192K 345.2/post	276.2 0.5% post
Eyewitness Ne...	107K 20.6/day	14K 13.6% of fans	9 0.3/day	384 13.7/day	57K 147.4/post	53.1 0.1% post
Bahamas News ...	79K 21.3/day	6.4K 8.1% of fans	356 12.7/day	60 2.1/day	6.9K 114.2/post	8.7 0.1% post
The Official ...	44K 4.3/day	1K 2.4% of fans	5 0.2/day	85 3/day	3K 35.8/post	7 0.1% post

Engagement

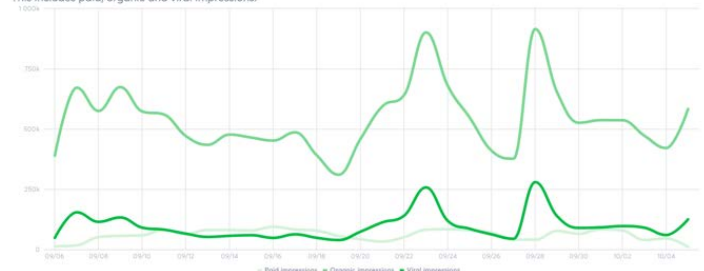
Number of fans interactions (reactions, comments, shares, clicks and private messages) with your Facebook page for the selected period.



The total engagement is **692,122 interactions** representing a variation of **-19.6 %** compared to Aug. 7 2020 - Sep. 5 2020

Impressions

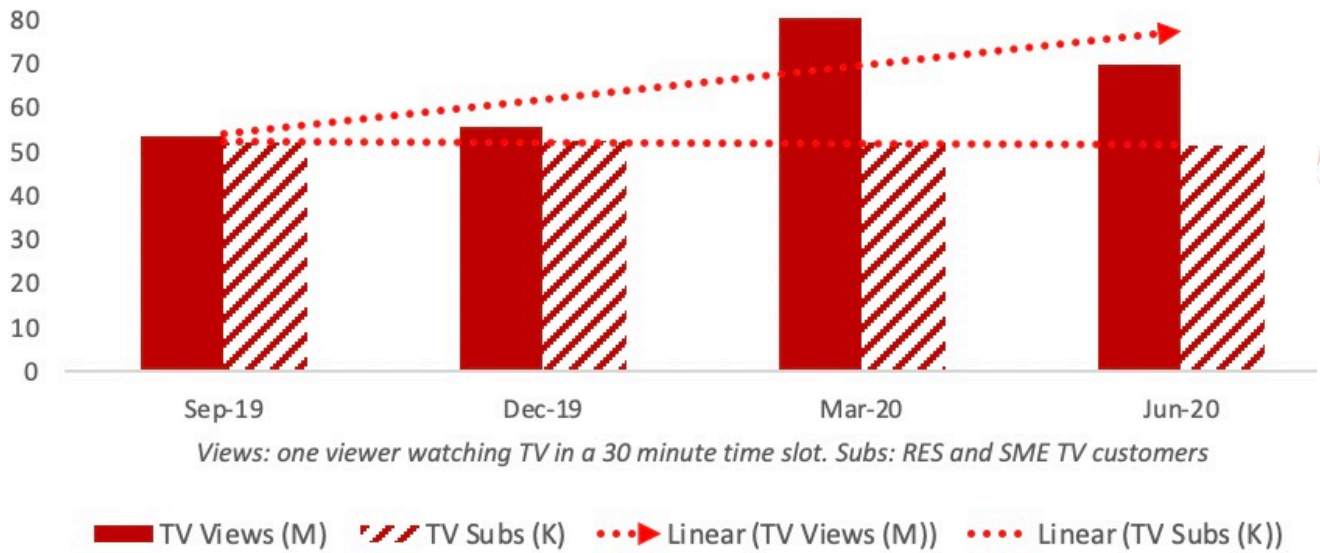
Number of times your page's content has been viewed during the selected period. This includes paid, organic and viral impressions.



The total impressions are **21M**



TV Engagement: 31% increase in views and 1% decline in customers



With our new season now launching, OURTV will move from five original TV series to 15+ original Bahamian series and from 40 movies to 100+ movie titles including 40 blockbuster Sony titles and 5+ Bahamian movies and

documentaries. OURTV is now the first and only local TV station to deliver video content 24 hours a day, seven days per week and the first private local broadcaster to make its signal available to every home in The Bahamas.



Management Discussion and Analysis

In 2019, OURTV began work with REV to promote its Trio campaign which has seen a subsequent growth of 18% in subscription conversion, along with a 3.2% growth in the broadband market and a 16% growth in the landline voice, inclusive of a market share increase from 30% to 45% over that period against a 100+ year old incumbent.

In Q2 of 2019/2020 fiscal year Our TV launched a local TV initiative as well as a full slate of Hallmark Christmas movie titles. From this date in November, REV experienced a churn

reduction in its TV product by 1.1% per month and added over 1,333 TV subscribers for a 2.6% growth through to one month after the start of COVID-19. The OURTV local line-up garners up to 18,000 viewers per night at 8:00PM, surpassing all US broadcast networks combined in this prime-time hour each night, increasing loyalty to the REV TV product.

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WHOLE NEW GAME



By Q3 we launched two additional original Bahamian series including "Where in the World is Wally" and "Broke Bosses" along with our staples "On the Record", "The New Sawyer Boy TV" and "Happy Foods 242" as well as additional Hallmark movie content, the enhancing of Our News content and working with local programmers to develop content for our 2020/2021 TV calendar.





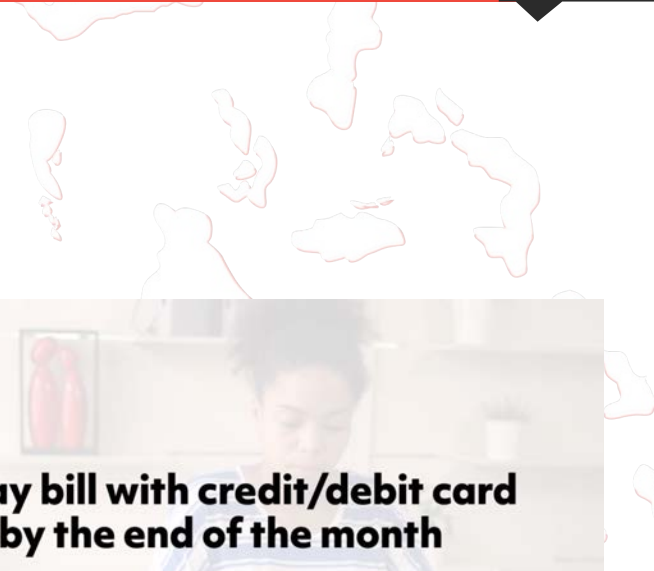
Management Discussion and Analysis



With the impact of both Hurricane Dorian and the COVID-19 pandemic on the economy and local marketing budgets, REV Media shifted in the early months of the pandemic to develop and launch The Ministry of Education’s “Bahamas Learning Channel” within a week, making the channel available to the entire country. Within just over a month we successfully launched a second BLC channel and expanded our operation to manage both channels around the clock. REV Media now manages four unique channels through our Our TV operation, inclusive of BLC 1, BLC 2, Pulse 5 and of course, OURTV.

REV Media is currently building our fifth channel, which will bring an enhancement in local weather and traffic to the country providing a national footprint. This channel, branded as “Go 242” promises to be the most enhanced local digital platform in the country bringing together relationships with Nassau Airport Development Company for flight schedules, the Met office for up to date national radar and weather as well as the Royal Bahamas Police Force traffic division for up to date traffic reporting. The channel will also deliver all marine movements in the country inclusive of ferry schedules between Marsh

DEPARTURE	DESTINATION	FLIGHT	GATE	STATUS	ARRIVAL	TIME
7:00AM	ABACO	DL-2078	S1	ON TIME	7:15AM	
8:00AM	GRAND BAHAMA	GB-2074	C7	ON TIME	8:15AM	
8:00AM	ROCK SOUND	RS-2071	C7	ON TIME	8:15AM	
8:00AM	NAASU	NA-2081	G8	ON TIME	8:15AM	
8:00AM	ROCK SOUND	RS-2071	B1	SCHEDULED	8:15AM	
8:00AM	PT LAUREN	PL-7903	B3	SCHEDULED	7:00AM	
8:00AM	ABACO	AB-2077	S1	SCHEDULED	10:00AM	
10:15AM	NAASU	NA-2081	G8	SCHEDULED	11:00AM	

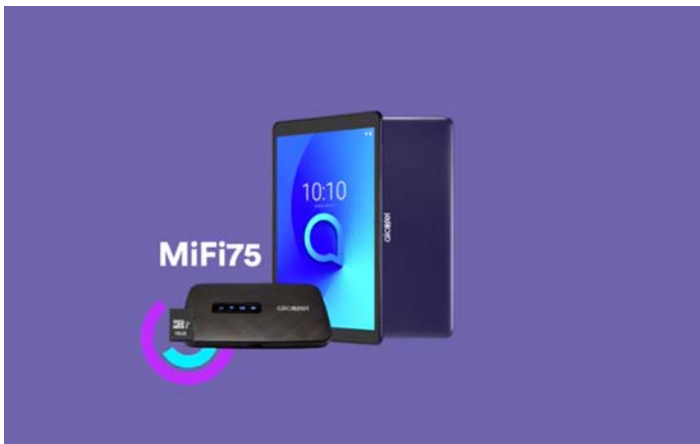


In March 2020 at the beginning of the pandemic, REV Media worked with REV residential services to promote digital payment methods to its subscribers, resulting in significant increased cash flow, during the worst financial crisis the planet has ever seen as a result of the COVID-19 Pandemic - Showing the power of OURTV reach by providing millions of ad views per month through OURTV, News social media content and ad placements across 27 US networks.



Our second largest customer, ALIV, has been in the market for four years and has achieved significant market share in mobile subscriptions against a monopoly incumbent over this short period of time.

REV Media manages deeply engaged ad placements for ALIV across Our News, OURTV local programming like "On the Record", the number-one viewed local show on television in The Bahamas (outside of news), as well as across our 20-plus US networks ad availability.



These engaged viewers have also been leveraged to enhance the marketing for Cable Bahamas Business Solutions product set as well as local and international advertisers such as SBC Japan, Cancer Treatment Centers of America, Proctor and Gamble, Kelly's Home Center, Fidelity, AID and many others.



REV

**Change REV Residential in order to
Transform Now**



JOHNNY INGLE
Director, REV



MELISSA COLEBROOK
Head of Marketing and
Communications



ODETTE CAREY
Head of Product
Development



RORY L. MAJOR
Head of Sales and
Loyalty



Management Discussion and Analysis

Changing the Landscape. Elevating the Game.

The Residential side of the business commenced the year with a clear objective to re-engineer REV based on a clear mission: Change REV Residential in order to transform now.

REV

To support delivery of the Mission, a revised management structure was implemented, putting the right people in the right roles, responsible and accountable, for the changes required.

At the start of the year, a dedicated REV Residential Team was created to ensure customers in the home received the best value in fixed voice, internet and TV services and solutions.

The newly appointed REV Residential Leadership Team (REV Residential Director, Head of Products, Head of Marketing & Communications and Head of Residential Sales) provided the focus required to deliver the changes needed.

Following internal reviews and findings, a series of fundamental changes were implemented:

An internal “REV Agency” was created in-house. Essentially an internal marketing and communications engine that delivers the REV brand to the internal and external consumer. The existing team was re-purposed, assigning new roles for the existing team that they could optimize in and add deeper value.

Hired & Retained Bahamian Talent. Secured Bahamian talent with the requisite expertise that can make radio, print, video and digital content so REV can control Marketing

and Communications quality and consistency, in-house.

The newly created Production & Content team ensured Hardware & Software equipment was sourced, approved, purchased, shipped and put into production. REV can create and execute assets that can be used to deliver our business and brand objectives – assets for the business - to drive brand, revenue and customer engagement & satisfaction.

Eliminated REV dependency on third party creative agencies.

Through cancellation of costly and unnecessary retainers and contracts with independent suppliers.

A reinvigorated **REV digital presence** was created. A proper term of selection and engagement for a third party supplier to deliver a new REV website was executed, ensuring the preferred supplier delivered a new REV website that is dynamic, intuitive, entertaining, engaging and commercially driven with on-line purchase of products, 24/7/365.

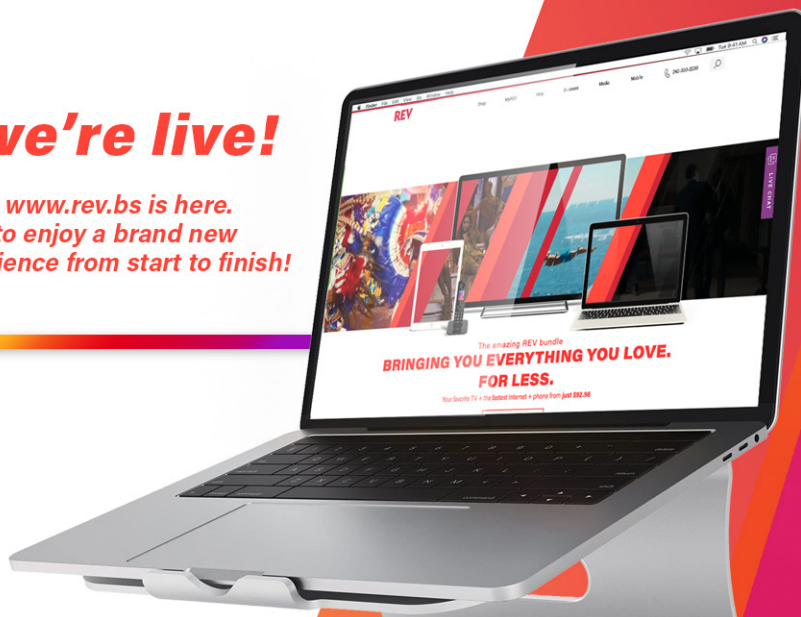
CBL Group senior leadership received a 360° on-line questionnaire (15 questions, with 5 criteria per question) to have material and meaningful input in the design of the “best in class” website build. As a result, 37 pages of feedback were received and formed the basis for the new website design brief.



And we're live!

The all new www.rev.bs is here.
Visit today to enjoy a brand new
browsing experience from start to finish!

rev.bs



REV

A tender process was established with four new creative agencies with website and app content/design proven ability, with a strict criteria to build a new, tier one, best in class website that is a true digital portal serving all internal and external customers.

At 12:01am, Thursday June 30th, 2020 www.rev.bs was born.

EVERYTHING YOU LOVE. IN ONE PERFECT PACKAGE.

Your favorite TV shows and sports. The fastest broadband for streaming, gaming and working. A home phone to connect you to the people and places that mean the most.

The website overhaul revamp & questionnaire highlighted key challenges with product offerings – the sheer volume of information and offerings were incomprehensible to the average customer and average staff member that used the website to research them. A research project was completed and found that:

- Product complexity and ambiguity led to consumer confusion
- No consistency in naming conventions across the product lines
- Unclear pricing structure with unclear “up-sell” factor over the course of the customer lifecycle, across the offerings

A revised product and bundle portfolio to acquire customers was created with solutions built on a logical and sequential model to solve these issues. Simple and consistent packages across TV, Broadband & Fixed Line, that are easy to understand and explain, were built.

- Simple pricing structure - clear, concise, transparent, easy to understand and explain - with a clear “up-sell” factor over the customer lifecycle, across the bundle offerings.
- Simple and consistent naming conventions across product offerings that are easy to understand and explain.
- The primary revised triple play offering, TRIO, to drive Residential customer growth was communicated aggressively and enhanced consistently from Q1 through to the end of Q4.



Management Discussion and Analysis

Why have one good thing, when you could have everything Q1

3TRIO

YOU COULD HAVE ONE GOOD THING OR YOU COULD HAVE EVERYTHING

3TRIO

Internet **only \$99** Per month

66% FASTER
These speeds allow internet packages and games to go faster

50 MBPS Download speeds and 7 MBPS Upload speeds

+ Telephone + Cable

Call 601.2200 Now
Residentialsales@cablebahamas.com

REV you & us together

YOU COULD HAVE ONE GOOD THING OR YOU COULD HAVE EVERYTHING

3TRIO

Telephone **only \$99** Per month

UNLIMITED Local & International Calling (to US, Canada, Mexico, Puerto Rico, US, Canada, Mexico, Puerto Rico, US, Canada, Mexico, Puerto Rico)

1 FREE VIRTUAL NUMBER US, Canada or UK

17 FREE International Numbers

REV VOICE Unlimited pay-as-you-go service for all your phone calls

+ Cable + Internet

ONLY WITH TRIO!

Call 601.2200 Now
Residentialsales@cablebahamas.com

REV you & us together

YOU COULD HAVE ONE GOOD THING OR YOU COULD HAVE EVERYTHING

3TRIO

Cable **only \$99** Per month

FREE HBO GO Access to 200+ HBO Shows with HBO GO

90+ Television and audio channels

REV VOICE Unlimited pay-as-you-go service for all your phone calls

+ Telephone + Internet

ONLY WITH TRIO!

Call 601.2200 Now
Residentialsales@cablebahamas.com

REV you & us together

YOU COULD HAVE ONE GOOD THING OR YOU COULD HAVE EVERYTHING

3TRIO

only \$99 Per month

Telephone + Internet + Cable

Call 601.2200 Now
Residentialsales@cablebahamas.com

REV you & us together

TERMS AND CONDITIONS APPLY. SEE PRICES AND WEBSITE FOR FURTHER DETAILS.

\$250,000 CASHBACK CHRISTMAS! Q2

\$250,000
Cashback Christmas

To celebrate our 25th birthday, REV is rewarding 250 lucky customers with a \$250,000 CASHBACK Christmas.

SWITCH or UPGRADE to 3TRIO
OR Pay your bill in FULL
To **GUARANTEE** your place in **EVERY** Cashback draw!

CALL 601.8992
Trio@cablebahamas.com

REV

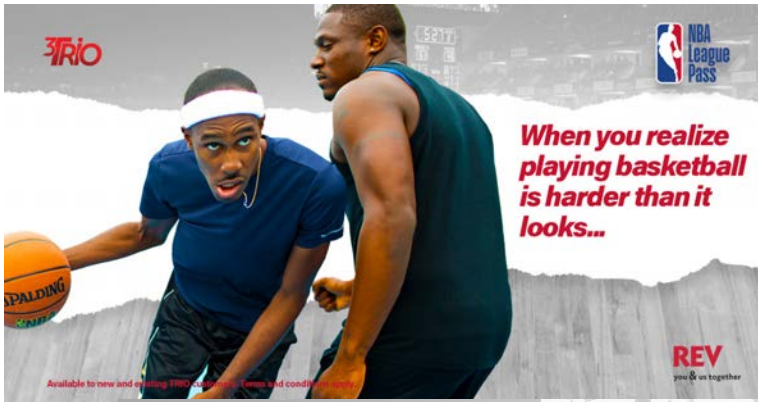
NOW EVEN MORE!

3TRIO STILL ONLY **\$99**

POWER

Call 601.2200 Now
Residentialsales@cablebahamas.com

REV you & us together



Ready to WIN BIG? Q3



No Matter What Life Throws at You, Stay Connected with TRIO Q4

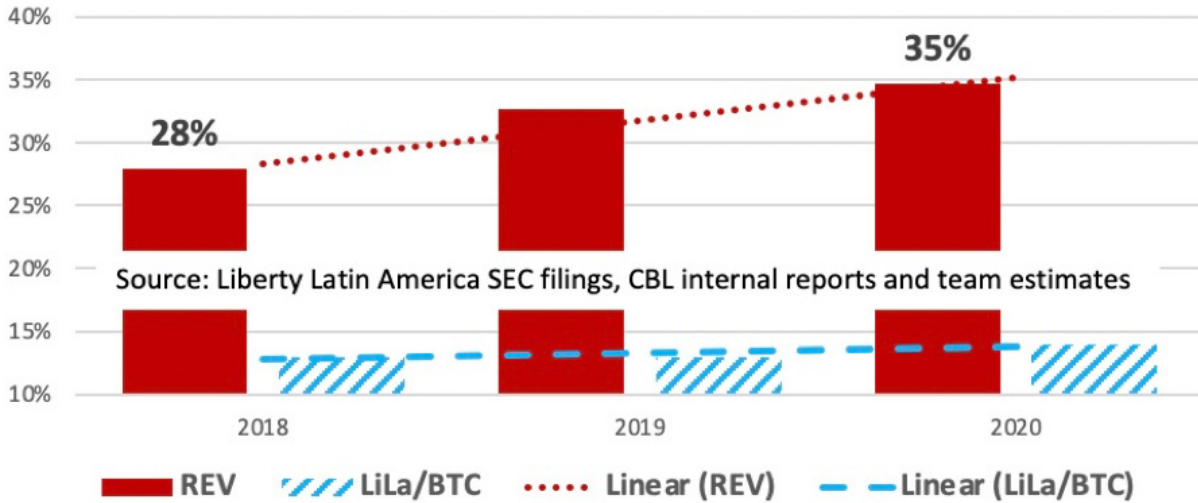




Management Discussion and Analysis

Simply, foundational corrective action to drive value within the triple play area of the residential business has delivered double the number of residential customers as the competition with a higher bundling ratio, from 2.0 to 2.1.

REV % of Residential Triple Play (TRIO): Significant Recent Improvement



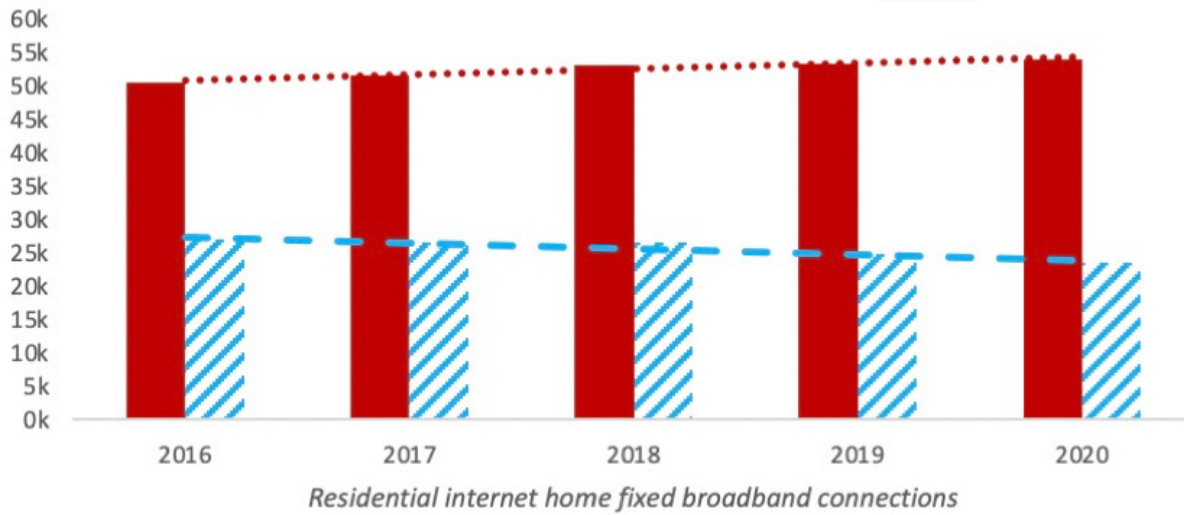
All the fun stuff you can do on the internet. But faster. This is the downloading, streaming, browsing, bingewatching, gaming, emailing, selfie-posting, comment liking, superfast wonder of REVNET.

REVNET is your connection to the Internet and with it you can browse the web, email, chat, shop, keep current and share photos, movies and music faster than ever before!

REVNET's Internet connection allows you to do these things because it is "broadband", a faster Internet connection which allows you to quickly do more and interact in many ways at the same time.



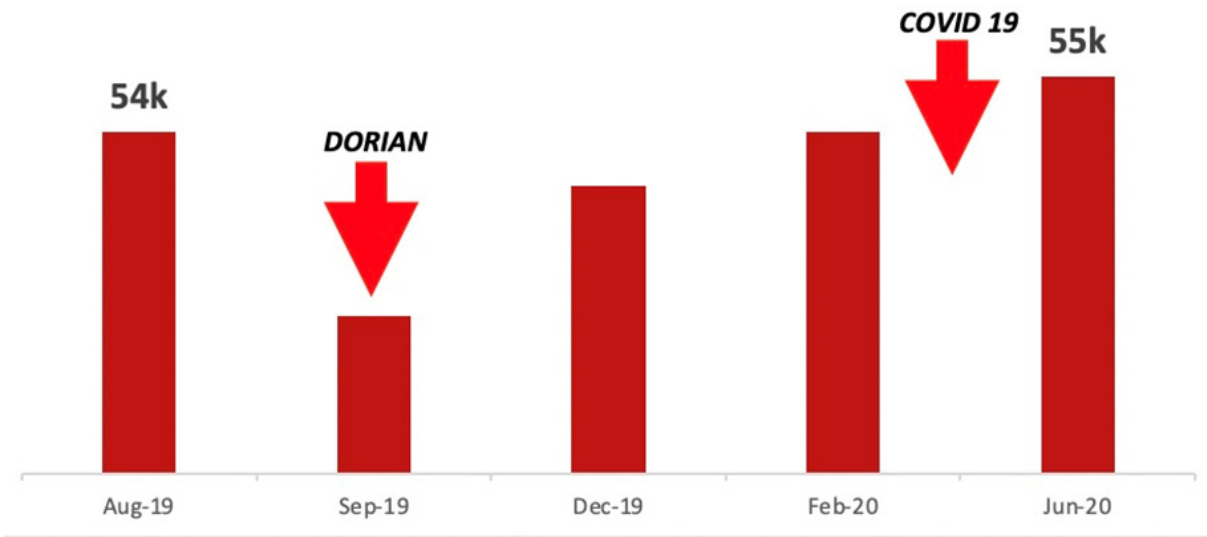
Residential Home Internet Connections



Source: Liberty Latin America SEC filings, CBL internal reports and team estimates

■ REV ▨ LiLA/BTC - - Linear (LiLA/BTC) Linear (REV)

REV Home Internet Connections: Progress Despite Hurricane Dorian & COVID-19





Management Discussion and Analysis

REVTALK, THE DIFFERENCE SPEAKS FOR ITSELF

Nothing beats the warm familiar sound of family and friends – now you can stay connected with friends, family and colleagues with our crystal clear lines and a list of free options to leave you...almost speechless.

ALL REVTALK packages were augmented based on the following six great reasons to move to REVTALK:

1. Keep your existing phone number when you switch to REVTALK
2. Unlimited local calls
3. Unlimited calling to any other REVTALK number
4. Low long distance rates
5. Use your home phone on your mobile via REVGO voice
6. Free virtual number

Also, customers signing up for REVTALK received the following innovative calling features at no additional cost.



Call Forwarding to a Backup Phone

Even if you have technical problems, we've got you covered. You can choose to have your calls forwarded to an alternate number any time through REVTALK's Call Forwarding to a Backup Phone feature. In the event there is a temporary interruption of your REVTALK services, you can have your calls automatically sent to an alternate number, such as a mobile phone or work number.

Note: When service is restored, calls will automatically ring to your REVTALK telephone number.



Busy Redial

When you get a busy signal, hang up then press *66 before dialing the number again. If you receive a busy signal again, hang up and Busy Redial will keep trying to connect your call for up to 30 minutes. To cancel a Busy Redial request, dial *86.



Caller ID

See who's calling before you pick up the phone! With this handy feature, you can have the name and phone number of incoming callers displayed on your phone's caller ID screen.



Caller ID Blocking (*67)

For more privacy, you can decide if you want your caller ID information blocked on a particular call. Dial *67 to keep your name and number from being shown. Please note that when using this feature, your calls may be blocked by anyone using an anonymous call blocking feature.



Call Waiting / Cancel Call Waiting

You never have to miss a call. When you're on the phone and a new call comes in, press the hook switch or flash button to place your current call on hold and answer the new call. Press the hook switch or flash button again and you'll return to the original call. If you don't want a particular conversation to be interrupted, you may cancel call waiting on a per-call basis by pressing *70 before dialing a number.



Do Not Disturb

Need some quiet time? Press *78 and all incoming calls will be met with an announcement that you're not taking calls at this time. When you're ready to receive calls again, press *79.



Call Waiting With Caller ID

Caller ID information for new calls lets you decide whether or not to interrupt your current call.



Selective Call Acceptance

Create a list of up to 32 phone numbers. Calls from numbers that are not on your screening list will be blocked unless the caller enters a PIN number. To set up your Selective Call Acceptance list and PIN, use *68 and follow the instructions.



Custom Speed Dial

Customize your speed dial with the eight numbers you call most often. To set up, go off hook and dial *74. You will hear a stutter tone then a dial tone. Enter the speed dial code (2-9), then enter the telephone number to be stored under that code (eg 601-0999) and then enter the # key. You will receive a confirmation tone. The number is then stored. To dial 601-0999, simply go off hook, get a dial tone & enter 2# and that telephone number will ring.



Selective Call Rejection

Block calls for up to 32 phone numbers – just dial *60 and follow the instructions for activating this feature and managing your list. Dial *60 to deactivate this feature.



3-Way Calling

It's easy to add a third person to your calls. After placing your first call, press the hook switch

or flash button before dialing another number. Once you have the second call on the line, press flash again and all three of you can join in the conversation. The call will continue as a 3-way conversation until the original caller hangs up.



Selective Call Forwarding

List up to 32 numbers for forwarding your calls. It's easy – activate this feature by dialing *63 and following the instructions.



Call Return (*69)

Dial *69 to get the caller ID information for the last call you received, then press 1 if you'd like to call the number back.



Toll Barring

Avoid extra costs by restricting access to toll or long-distance numbers. Let your customer care representative know that you wish for this feature to be activated.



Call Forwarding

Your calls can reach you even when you're away from home. Press *72 followed by the number where you want your calls to be sent. When you want your calls to be received at home again, just press *73.



Customer Origination Trace

Protect yourself against fraudulent or malicious calls. If you receive an abusive call, hang up and wait for a dial tone then press *57. A record will be stored as a Customer Origination Trace record and made available upon request from the proper authorities under the relevant laws of the Commonwealth of The Bahamas.



Anonymous Call Blocker

Dial *77 and you'll block all calls without caller ID information. To deactivate Anonymous Call Blocker, dial *87.



Voicemail

REVTALK makes it easy to manage your messages. Each REVTALK line includes a free voicemail box with up to 180 minutes of storage. Plus, you can customise your voicemail with two greetings, each up to 90 seconds long, and receive as many as 35 messages up to 5 mins long!



Management Discussion and Analysis

REVGGO PLAY AND REVGGO VOICE

Live stream or record your favorite shows for free on your phone and tablet and take your home phone with you wherever you go with these two amazing REV Apps

REVGGO Play, a TV Anywhere App from REV made its initial appearance in the fall of 2018 making TV on the go a possibility for customers throughout The Bahamas. Since its launch, the app has performed exceptionally well among users who enjoy being able to watch their favorite shows in the palm of their hand.

During this season where connectivity is more important than ever REV has worked to make this amazing product even better. Currently REVGGO Play allows users to register up to 3 devices per account and 2 devices may stream simultaneously. With this new upgrade users will be allowed to register four devices per account and 3 devices will be able to stream content simultaneously.

This move should prove to be a great help for large families in particular where multiple viewers want to watch different shows at the same time. Users can enjoy their programming, pause broadcasts and set a timer to record show they don't want to miss by utilizing the nDVR feature.

“ We believe this upgrade could not have come at a better time as most of the population is at home round the clock. REVGGO Play allows users to watch what they want, when they want and that has always been the goal. We are happy to make this incredible app even more accessible.”

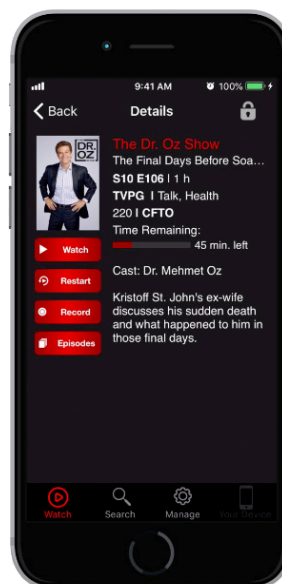
REVGGO



TAKE YOUR TV ANYWHERE YOU GO

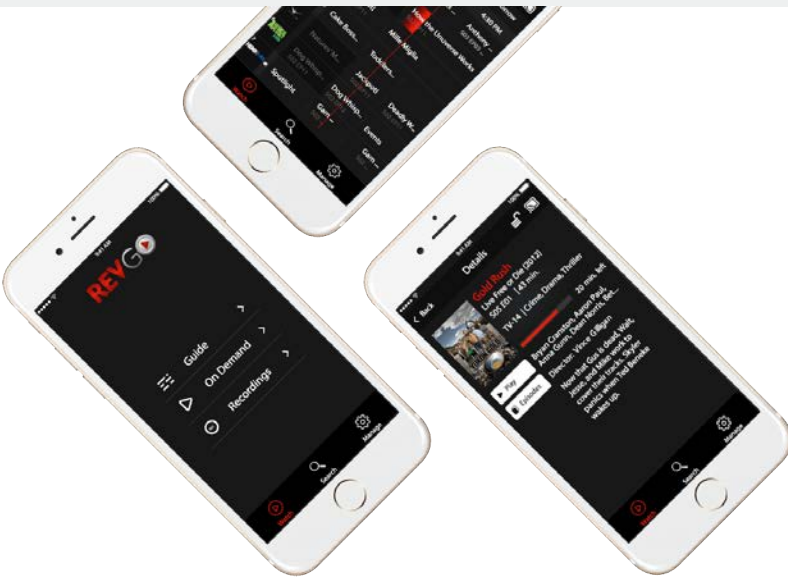
Whether you're at home or on the go, you can always watch TV your way with REVGGO Play.

REVGGO Play gives you access to more than 50 live viewing channels, and 12 radio channels. Stream your favorite movies and TV shows at your convenience and enjoy REVGGO Play on up to three devices at a time!



RECORD YOUR FAVORITE SHOWS TO WATCH LATER

REVGGO Play offers you over 30 different channels all available for recording to your cloud, including top networks FOX, ABC, NBC and CBS. Enjoy up to 20 hours of cloud storage per month so you never have to miss a thing.



LIVE TV GUIDE

Live interactive TV Guide lets you choose the channel you want to watch.

RECORD SHOWS TO THE CLOUD

Enjoy 31 nDVR channels with 20 hours of storage per month.

ACCESS REVGO PLAY ON MULTIPLE DEVICES

Available on both iOS and Android platforms.

REVGO

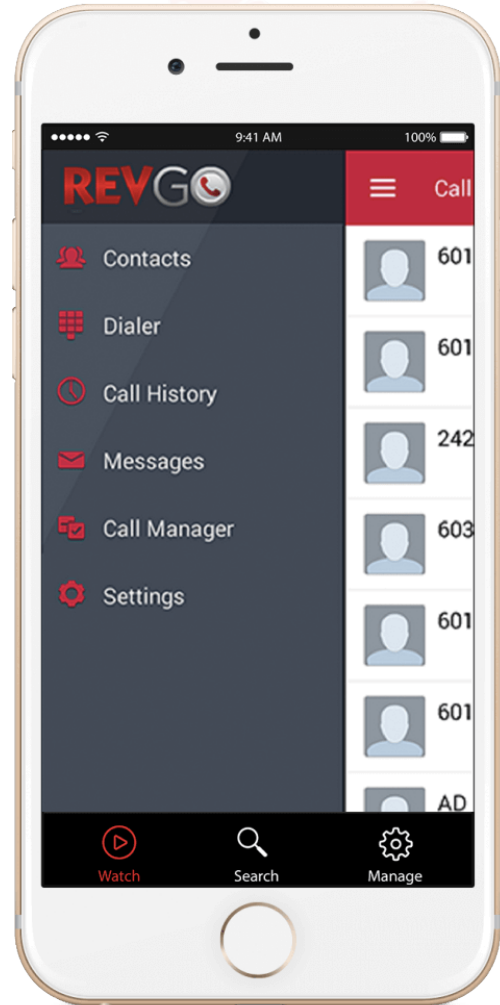


NEVER MISS A CALL AGAIN WITH REVGO VOICE

REVGO Voice is a VOIP App that allows REV fixed line customers to receive calls from their land line number whether at home, on the road or abroad as long as they have access to the internet.

TAKE YOUR CALLS WHEREVER YOU LIKE, HOWEVER YOU LIKE

Seamlessly move calls back and forth between your home phone, tablet, desktop or mobile phone.



ENJOY FABULOUS FEATURES

- 2-way video calling with other REVGO Voice customers
- Instant Messaging & Group Instant Messaging
- Voice & Video conferencing with screen share
- Share visual experiences with your contacts

DOWNLOAD REVGO PLAY and REVGO VOICE



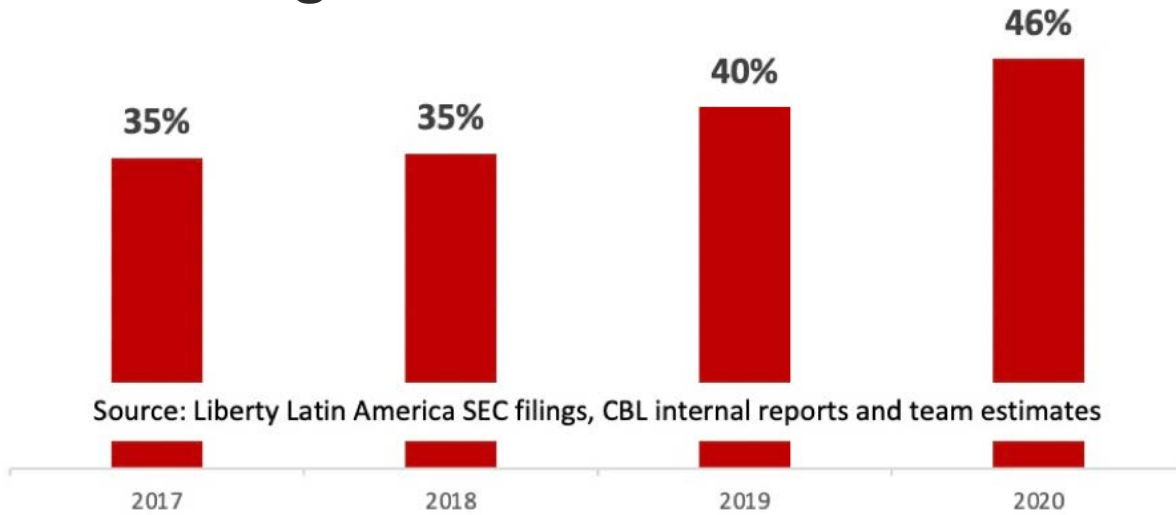
REVGO PLAY available free for all REVTV customers.
REVGO VOICE available free for all Trio, REVTalkPro and REVTalkPremium customers.



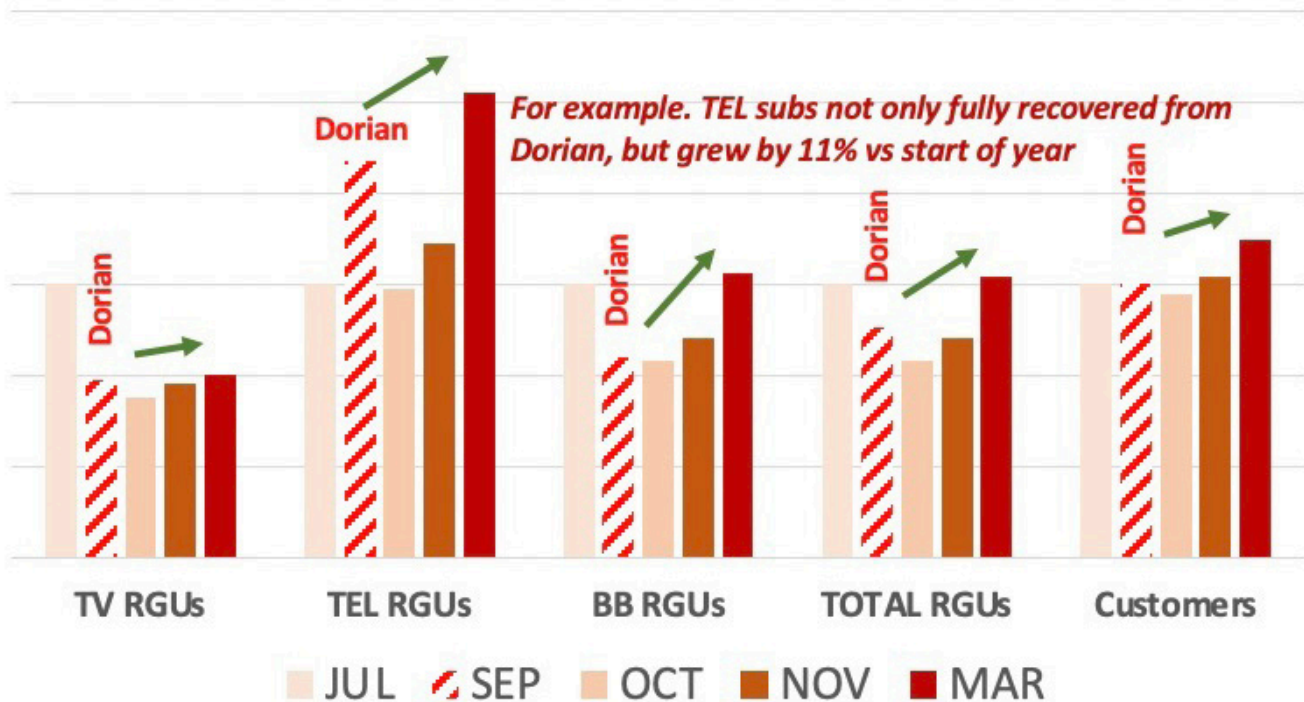
Management Discussion and Analysis

As a result, REV has delivered significant recent growth

Fixed Home Phone Market: Significant Recent Growth



Hurricane Dorian Impact & Recovery Revenue Generating Units (RGUs) & Customers





As results in the table above reflect, the entire REV team worked tirelessly to recover from the impact of Hurricane Dorian. TV grew to 49,635 RGUs while TEL (fixed home phone) recovered the impact within a month and within two months exceeded the July opening position. TEL grew each consecutive month from October, exceeding the July opening position by 2,798 RGUs as at March end. BB (home broadband) grew to 54,415 RGUs, exceeding the July opening position by 331 RGUs as at March end.

At the end of Q3, total RGUs were 133,267, recovering both Hurricane Dorian RGU impact and exceeding the July opening position by 331 RGUs by Q3 end.....within six months. A testament to the commitment of the cross functional team that ensured services were reconnected.



COVID19 Impact

Exactly six months to recover from Hurricane Dorian....then a global pandemic.

A clear focus and plan based on the following key objectives was executed in March 2020 to protect the recovery results from September 2019 through to March 2020, to mitigate and manage COVID19 risk moving forward.

Communication

The Residential Team mobilized with immediate effect to ensure a seamless transition to a teleworking model. A "War Room" approach was executed with three Leadership Emeetings daily with the Residential Director, Head of Products, Head of Marcomms and Head of Sales & Loyalty to monitor and manage impact to Residential KPIs.

Reduce OPEX

Sales Team & Marcomms Team delivered significant Headcount reductions as part of the OPEX management plan and OPEX management will continue to remain a priority focus.

Increase E-payment & E-billing

90% of the REV residential customer base will receive their bill electronically.

90% of the REV residential customer base will have access to their account via the MyREV portal.

90% of the REV residential customer base will pay their bill electronically.

REV bill payments enabled via the MyALIV app.

REV bill payments enabled via all ALIV kiosks.

REV bill payments enabled via all ALIV seamless terminals.

No cheques accepted.

Suncash, MoneyMaxx, Cah N'Go, Kanoo and Mobile Assist partnerships live.



INTRODUCING
REV Concierge

Upgrade your services to TRIO with minimal contact through our new curbside service.

Claim your VIP experience.
Contact us now:

 (242) 601-8992

 (242) 810-9553/810-9554

PAY YOUR REV BILL ON



And stay safe while doing so!

Just download the Cash N' Go app from Google Play or the App Store. It's fast, it's easy, and it's FREE.

Stay connected with REV!

my.REV.bs



REV
you & us together



Management Discussion and Analysis

REV response to COVID19 Impact

PAY YOUR BILL BY PHONE

Paying your **REV** bill by phone is easy!

Just call us toll-free at
+1 242 300 2200
and be entered into the Cashback draw when you pay your bill in full by the 27th of the month.

Stay connected with **REV!**



my.REV.bs 

PAY YOUR REV BILL ON CASH N' GO

And stay safe while doing so!

Just download the Cash N' Go app from Google Play or the App Store. It's fast, it's easy, and it's FREE.

Stay connected with **REV!**





my.REV.bs 


Pay your REV bill with the aliv app anytime

Starting Thurs, April 30th

1. Click on REV Pay Bill
2. Input account no
3. Input credit card info
4. Click on submit payment





REV 

Pay your REV bill with the aliv app anytime

Starting Thurs, April 30th

1. Click on REV Pay Bill
2. Input account no
3. Input credit card info
4. Click on submit payment



REV 

Pay your REV bill online, anytime


MY.REV.BS

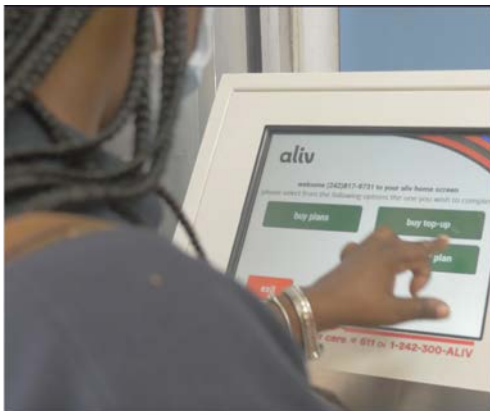
AND DOUBLE YOUR CHANCES OF WINNING \$100 CASHBACK

REV 

Good news to all Aliv subscribers!

REV bill payments are now accepted at aliv kiosks and top-up terminals

REV 



Pay your REV bill by phone

Call (242) 300-2200

Have your account number + credit card ready and follow the voice prompts.
It's that fast and easy!



Conveniently pay your REV bill online anytime

MY.REV.BS

ONLINE
REV Payment at my.REV.BS

ALIV
All Items Available
Wireless Pay Available

PAYMENT CENTERS
Sovereign Bank (Bahamas) - Bahama
Sovereign Bank (Bahamas) - Nassau
Bahamas Post Office (Nassau) - Nassau

BANKS
Bank of the Bahamas
EastWest Bank (Bahamas)
First Citizens Bank
Royal Bank of Canada
*Check with your bank to ensure you are able to use a message for payments at all times.



Hey, Grand Bahama!

PAY YOUR BILL AND MORE
at Solomon's in Lucaya and CostRite starting this Monday, July 27th.

We at **REV** are ready to serve you at any of these locations from
Mon-Fri, 8am to 5pm
Saturdays, 8am to 1pm

Stay connected with **REV!**



my.REV.bs 

REV

Pay your REV bill at Solomon's

CASH PAYMENTS ACCEPTED

SEAHORSE SHOPPING PLAZA
MONDAY TO SATURDAY 9AM TO 5PM

rev.bs 



4 ISLANDS 51

WAYS TO PAY

KIOSK LOCATIONS
WhatsApp 738-9060 for kiosk locations

ABACO

Kiosk	Company	Location
Mobile Go	Quality Star	Marsh Harbour
Mobile Go	Pinder's Service Stn	Sandy Point
Mobile Go	Sun Downers	King Street
Aliv	Maxwells	Marsh Harbour

WAYS TO PAY

WhatsApp 738-9060 for kiosk locations

GRAND BAHAMA

Kiosk	Company	Location
Quick Pay	Inland Lock	Cole's Road
Quick Pay	Inland Lock	Five Starway
Quick Pay	Bullman's Luggage	Southside Road
Quick Pay	Cost Me	West Center Street
Quick Pay	Stop-n-Shop Food Store	Palmer Drive
Quick Pay	The Prescription Pharmacy	Harbour West City Ctr
Mobile Go	Municipal Motors	Freeport
Mobile Go	Stagers Food Store	Freeport
Mobile Go	Chapman	East Breeze Highway
Mobile Go	Out2 Sea	Freeport

WAYS TO PAY

WhatsApp 738-9060 for kiosk locations

NEW PROVIDENCE

WAYS TO PAY

WhatsApp 738-9060 for kiosk locations

KIOSK LOCATIONS

PAY YOUR REV BILL ON

MobileAssist
Join The Ecosystem™

And stay safe while doing so!

Just download the MobileAssist app from Google Play or the App Store. It's fast, it's easy, and it's FREE.

Stay connected with REV!

my.REV.bs

REV
you & us together

Did you know?
YOU CAN PAY YOUR REV BILL conveniently with **ALIV, Mobile Go,** and **QuickPAY** kiosks nationwide!

Find them at select gas stations, grocery stores, home centers, pharmacies, and restaurants in Abaco, Eleuthera, Grand Bahama and New Providence.

Stay connected with REV!

my.REV.bs

REV
you & us together

Did you know? YOU CAN PAY YOUR REV BILL

conveniently with **ALIV, Mobile Go,** and **QuickPAY** kiosks nationwide!

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Stay connected with REV!

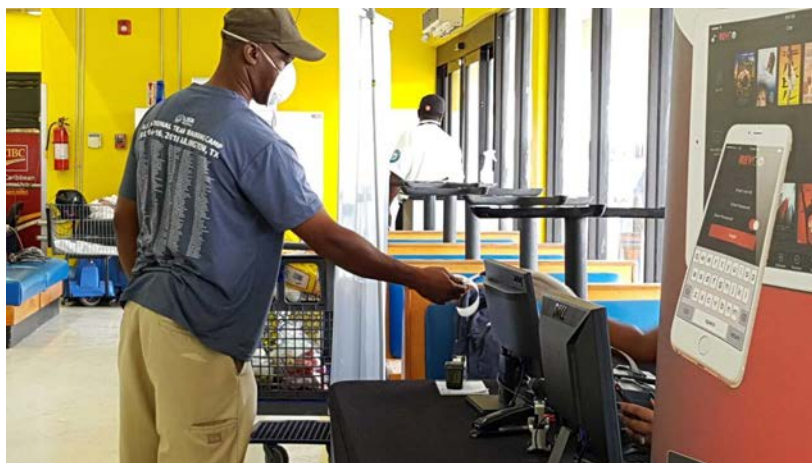
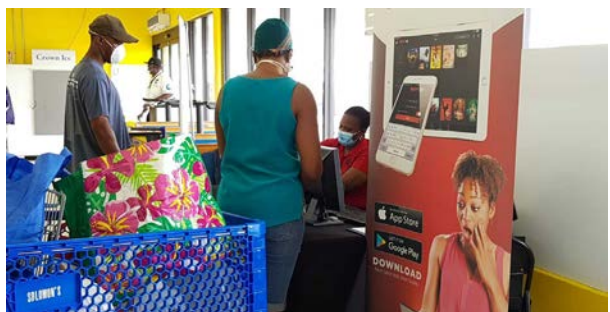
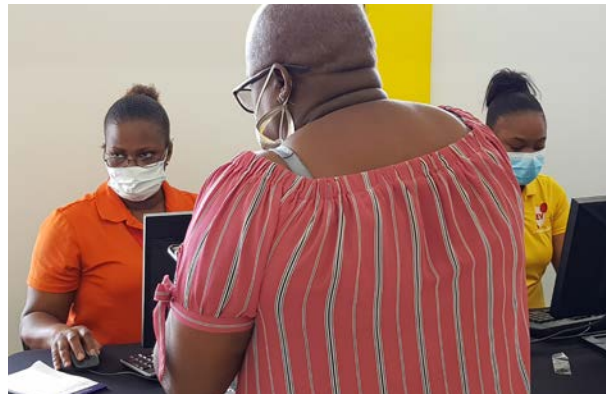
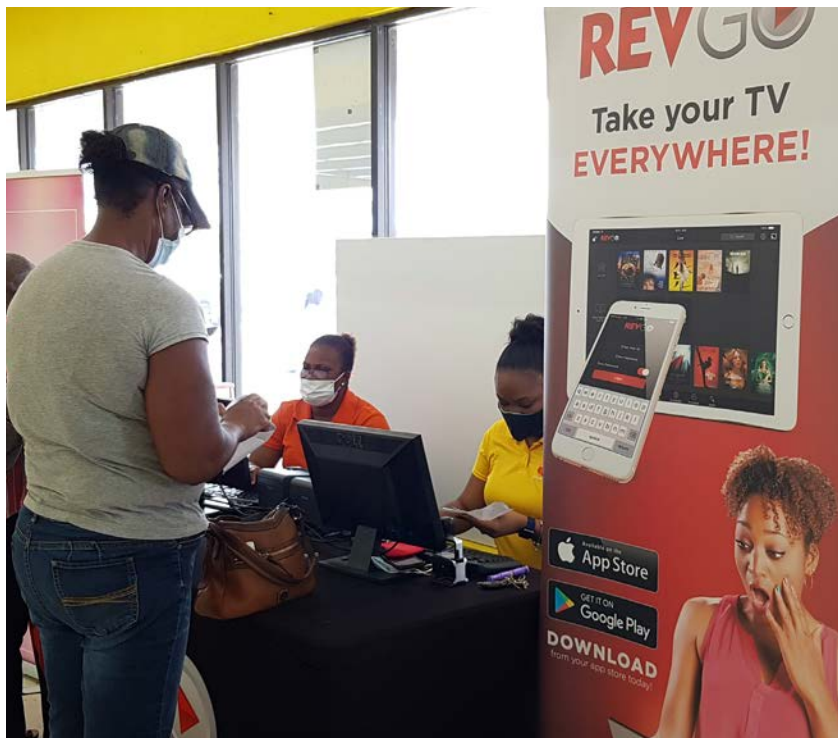
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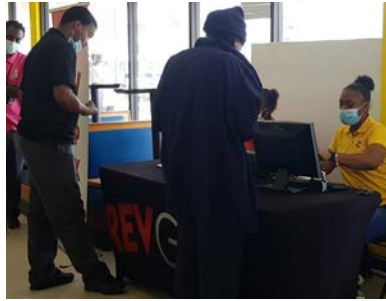
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Management Discussion and Analysis

REV response to COVID19 Impact







Management Discussion and Analysis

REV response to COVID19 Impact

APRIL 27TH TO MAY 3RD

WHAT'S FREE ON REVTV THIS WEEK

287 - AWE
336 - BET
369 - AXS TV
402 - MSNBC
403 - CNBC

406 - OAN
409 - NBC WORLD NEWS
426 - EURO NEWS
689 - ISLAND TV
Starts April 30

FREE HBO GO ON REV TRIO

Check out your email for other FREEBIES on REVREMINDE

Over 30 FREE channels available for you

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BET★ BET★ Gospel Island CMT THEATER @discovery360 ID @Discovery CHANNELS div @Discovery CHANNELS food @Discovery CHANNELS COOKING CHANNELS

BET★ SOUL MTV COMEDY TV360 VHI axstv nickmusic HGTV TLC HD ANIMAL PLANET

Discovery @Discovery CHANNELS world turbo sci @Discovery CHANNELS FOX PREMIUM

h&h @Discovery CHANNELS travel @Discovery CHANNELS

Paramount NETWORK

OAN THE AMERICAN NEWS NETWORK

TV ONE REPRESENT.

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First Caribbean | Royal Bank of Canada**

*Wall Road Branch only
**For clients only

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OR

pay at Cash N' Go (select locations are open)

OR

pay at any of these Banks: Bank of The Bahamas | Commonwealth Bank Fidelity | First Caribbean | RBC | Scotia

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Call us toll free at 1-242-300-2200 or message us via WhatsApp at 901-0553 to 54 for questions.

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MAY 20

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S.B. DREAD
MAY 29

DREW HARMONY
JUNE 1

➡ **CATCH THEM @6PM ON OUR INSTAGRAM @CABLEBAHAMAS**



INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 30TH JUNE 2020



Independent auditors' report

To the Shareholders of Cable Bahamas Ltd.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Cable Bahamas Ltd. (the Company) and its subsidiaries (together 'the Group') as at June 30, 2020, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at June 30, 2020;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report.

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

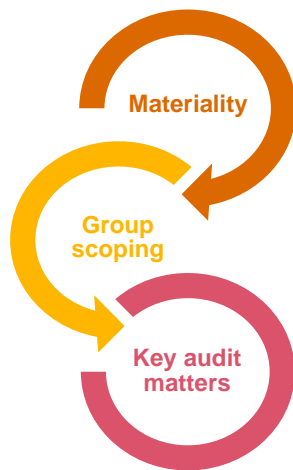
Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



Our audit approach

Overview



- Overall group materiality: \$2.5 million, which represents 5% of net loss from continuing operations.
- In addition to the Group's primary operating company, Cable Bahamas Ltd., we performed a full scope audit of Be Aliv Limited, its largest subsidiary. Specific audit procedures were performed over the remaining subsidiaries and transactions related to the discontinued operation.
- Audit of opening balances – IFRS 16 'Leases'

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Be Aliv Limited, a subsidiary of the Group, was classified as an individually financially significant component based on its overall contribution to the Group. For the remaining non-significant components, we performed specific audit procedures on select accounts and classes of transactions.

Until the current year, Summit Vista Inc. ("SVI") was also a subsidiary of the Group which had been classified in the prior year as held for sale. Effective January 21, 2020, the Group disposed of SVI, its US-based operations. The disposal was treated as a discontinued operation.

All audit procedures were performed by PricewaterhouseCoopers Bahamas.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.



Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	\$2.5 million
How we determined it	5% of net loss from continuing operations
Rationale for the materiality benchmark applied	We chose net loss from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$123,000, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><i>Audit of opening balances – IFRS 16 ‘Leases’</i> Refer to notes 3(s), 4, 5, 8 and 11 to the consolidated financial statements for disclosures of related accounting policies and balances.</p> <p>The initial adoption of IFRS 16 ‘Leases’ in the prior year had a material impact on the Group’s June 30, 2019 financial statements resulting in opening balances as at July 1, 2019 in the amount of \$113,450,110 for right-of-use assets and lease liabilities in the amount of \$150,288,396. These balances represented 15% and 21% of total assets and total liabilities, respectively, and thus had a material impact on the Group’s financial position.</p> <p>We focused our audit efforts on these opening balances due to their material impact on the consolidated financial statements both in the current year and in respect of the opening balances. The determination of lease contracts, lease terms and incremental borrowing rates involved a level of applied judgement by management.</p>	<p>As part of our audit procedures on the opening balances of the consolidated statement of financial position, we inquired about the prior year implementation of IFRS 16 and evaluated its impact on the consolidated financial statements, including the Group’s accounting policies.</p> <p>We evaluated the assumptions used by management as the basis for preparing the Group’s lease calculations for the opening balances, in particular those used in determining the lease term period, incremental borrowing rate, lease conditions and measurement principles.</p>



Upon implementation of IFRS 16, management performed a detailed analysis of its leasing arrangements to determine whether contracts contained a lease. In determining the lease term, management considered all relevant facts and circumstances, including the existence of economic incentives to exercise an extension option, or not exercise a termination option. As the interest rate implicit in the lease could not be readily determined, management determined an incremental borrowing rate of 8.5% based on recent third-party financing rates received.

We performed the following procedures, amongst others, over the opening balances as it pertains to right-of-use assets and lease liabilities as follows:

- Inspected a sample of lease agreements with a focus on payment terms, renewal and extension options to evaluate the appropriateness of the lease term considering our entity and industry knowledge;
- Evaluated the reasonableness of the incremental borrowing rate through examination of supporting data including recent third-party financing received by the Company; and
- Independently calculated the opening balances based on the terms of the lease agreement and related external inputs, including risk-free rates from long-term sovereign debt, adjusted for risk premiums using quoted lending rates obtained from the Group's bankers and compared our value to management's calculated value.

Based on the results of our audit procedures, we identified that adjustments were required to correct the consolidated financial statements related to the initial adoption of IFRS 16, as further described in Note 5 to the consolidated financial statements.

Other information

Management is responsible for the other information. The other information comprises the Cable Bahamas Ltd. 2020 Annual Report (but does not include the consolidated financial statements and our auditors' report thereon), which is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



When we read the Cable Bahamas Ltd. 2020 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Other matter

The consolidated financial statements of the Group for the year ended June 30, 2019 were audited by another firm of auditors whose report, dated October 2, 2019, expressed an unmodified opinion on those statements.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.



- If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Prince A. Rahming.

**Chartered Accountants
Nassau, Bahamas**

November 6, 2020



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2020



CABLE BAHAMAS LTD.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020**
(Expressed in Bahamian dollars)

	2020	2019
		Restated Note 5
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 24)	\$ 174,902,357	\$ 28,326,808
Term deposits (Note 24)	5,618,667	618,202
Trade and other receivables (Notes 6, 19, 24)	19,158,222	15,757,739
Prepaid expenses and deposits	6,209,684	5,866,702
Inventory	7,293,042	8,121,937
Contract assets (Note 7)	4,482,403	3,398,209
	<u>217,664,375</u>	<u>62,089,597</u>
Assets classified as held for sale (Note 22)	-	207,732,098
Total current assets	<u>217,664,375</u>	<u>269,821,695</u>
NON-CURRENT ASSETS:		
Property, plant and equipment (Note 8)	329,942,312	343,761,191
Intangible assets (Note 9)	68,638,225	74,212,275
Contract assets (Note 7)	-	2,756,320
Total non-current assets	<u>398,580,537</u>	<u>420,729,786</u>
TOTAL ASSETS	<u>\$ 616,244,912</u>	<u>\$ 690,551,481</u>



CABLE BAHAMAS LTD.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020**

(Expressed in Bahamian dollars)

	2020	2019
		Restated Note 5
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities (Notes 10, 13, 19, 24)	\$ 74,997,860	\$ 65,710,259
Deferred income	5,444,473	3,369,250
Other liabilities (Note 11)	15,284,921	15,315,735
Notes payable (Note 12)	58,455,397	-
Long-term debt (Note 12)	2,520,000	6,552,456
	<u>156,702,651</u>	<u>90,947,700</u>
Liabilities directly associated with assets classified as held for sale (Note 22)	-	61,505,134
	<u>156,702,651</u>	<u>152,452,834</u>
NON-CURRENT LIABILITIES:		
Subscriber deposits	8,802,212	8,614,848
Other liabilities (Note 11)	64,206,020	78,626,617
Notes payable (Note 12)	-	58,290,490
Long-term debt (Note 12)	10,431,877	75,103,175
Preferred shares (Note 13)	301,137,072	300,995,715
	<u>384,577,181</u>	<u>521,630,845</u>
TOTAL LIABILITIES	<u>541,279,832</u>	<u>674,083,679</u>
EQUITY:		
Equity attributable to owners of the parent:		
Ordinary share capital (Note 14)	30,367,307	30,367,307
Retained earnings	92,894,200	7,823,460
	<u>123,261,507</u>	<u>38,190,767</u>
Non-controlling interest (Note 23)	(48,296,427)	(21,722,965)
	<u>74,965,080</u>	<u>16,467,802</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 616,244,912</u>	<u>\$ 690,551,481</u>

These consolidated financial statements were approved by the Board of Directors and authorized for issue on November 6th, 2020, and are signed on its behalf by:

Director

Director

The accompanying notes are an integral part of these consolidated financial statements.



CABLE BAHAMAS LTD.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020**
(Expressed in Bahamian dollars)

	2020	2019
		Restated Note 5
REVENUE (Notes 19, 21)	\$ 192,909,153	\$ 181,896,881
OPERATING EXPENSES (Notes 17, 18, 19, 21)	(150,187,757)	(138,581,977)
Impairment of financial assets (Notes 6, 7)	(7,570,900)	(3,156,031)
Depreciation and amortization (Notes 8, 9)	35,150,496	40,158,873
Other income	(47,935,432)	(44,387,423)
Loss on disposal of assets, net (Note 8)	876,453	-
	(2,554,745)	(1,568,099)
OPERATING LOSS	(14,463,228)	(5,796,649)
Interest expense (Notes 11, 12, 21)	(15,861,339)	(18,003,409)
Dividends on preferred shares (Notes 13, 19)	(20,151,453)	(18,848,077)
NET LOSS FROM CONTINUING OPERATIONS	(50,476,020)	(42,648,135)
Profit/(loss) from discontinued operations attributable to owners of the parent (Note 22)	109,130,311	(1,281,539)
NET AND COMPREHENSIVE INCOME/(LOSS)	\$ 58,654,291	\$ (43,929,674)
Net and comprehensive income/(loss) for the year attributable to:		
Owners of the parent	\$ 85,227,753	\$ (13,295,164)
Non-controlling interests	(26,573,462)	(30,634,510)
	\$ 58,654,291	\$ (43,929,674)
Basic earnings per share on profit or loss (Note 14)	\$ 1.94	\$ (0.30)
Diluted earnings per share on profit or loss (Note 14)	\$ 1.91	\$ (0.30)
Basic earnings per share on profit or loss from continuing operations (Note 14)	\$ (1.15)	\$ (0.97)
Diluted earnings per share on profit or loss from continuing operations (Note 14)	\$ (1.13)	\$ (0.96)



CABLE BAHAMAS LTD.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020**

(Expressed in Bahamian dollars)

	Ordinary Share Capital	Retained Earnings	Non-Controlling Interest	Total
Balance at June 30, 2018 (as previously reported)	\$ 30,367,307	\$ 20,613,815	\$ 14,046,409	\$ 65,027,531
Impact of change in accounting policy (IFRS 15 and 16)	-	(4,671,155)	(5,134,864)	(9,806,019)
Impact of correction of prior period error (Note 5)	-	4,483,411	-	4,483,411
Balance at July 1, 2018, Restated (Note 5)	30,367,307	20,426,071	8,911,545	59,704,923
Total net loss and total comprehensive loss, Restated (Note 5)	-	(13,295,164)	(30,634,510)	(43,929,674)
Vested share based options (Note 18)	-	692,553	-	692,553
Balance at June 30, 2019, Restated (Note 5)	30,367,307	7,823,460	(21,722,965)	16,467,802
Total net income/(loss) and total comprehensive income/(loss)	-	85,227,753	(26,573,462)	58,654,291
Vested share based options (Note 18)	-	(157,013)	-	(157,013)
Balance at June 30, 2020	\$ 30,367,307	\$ 92,894,200	\$ (48,296,427)	\$ 74,965,080



CABLE BAHAMAS LTD.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**
(Expressed in Bahamian dollars)

	2020	2019
		Restated Note 5
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/(loss) for the year	\$ 58,654,291	\$ (43,929,674)
Adjustments for:		
Depreciation and amortization (Notes 8, 9)	47,935,432	63,952,322
Interest expense (Notes 11, 12, 21)	15,861,339	24,314,621
Dividends on preferred shares (Note 13)	20,151,453	14,332,490
Vesting of share based options (Note 18)	(157,013)	692,553
Gain on joint venture	-	(281,049)
Net (gain)/loss on disposal of assets	(535,071)	1,573,613
Profit from discontinued operations (Note 22)	(109,130,311)	-
Impairment of financial assets (Notes 6, 7)	7,570,900	3,156,031
Impairment loss on property, plant and equipment (Note 8)	3,153,320	-
Amortization of transaction costs	1,242,581	538,020
Amortization of indefeasible right of use	-	(826,908)
Operating cash flows before working capital changes	44,746,921	63,522,019
(Increase)/decrease in trade and other receivables	(10,971,383)	8,609,432
Increase in prepaid expenses and deposits	(342,982)	(258,987)
Decrease in inventory	828,895	2,592,224
Decrease/(increase) in contract assets	1,672,126	(4,362,554)
Increase in accounts payable and accrued liabilities	9,097,070	5,238,280
Increase in deferred income	2,075,223	60,755
Increase in subscriber deposits	187,364	350,353
Net cash from operating activities	47,293,234	75,751,522
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in term deposits	(5,000,465)	(618,202)
Additions to property, plant and equipment (Note 8)	(33,906,712)	(51,360,269)
Additions to intangible assets (Note 9)	(2,636,548)	(8,031,585)
Proceeds from insurance claim (Note 8)	4,500,000	161,883
Reimbursement of indebtedness associated with sale of subsidiary	3,708,969	-
Proceeds from disposal of property, plant, and equipment	882,508	-
Proceeds from sale of subsidiary (Note 22)	251,648,306	-
Net cash from/(used in) investing activities	\$ 219,196,058	\$ (59,848,173)



CABLE BAHAMAS LTD.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

(Expressed in Bahamian dollars)

	2020	2019
		Restated Note 5
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt (Note 12)	\$ (75,524,562)	\$ (2,000,000)
Proceeds from long-term debt (Note 12)	3,750,000	17,700,000
Payment of transaction costs	-	(731,740)
Repayment of lease liabilities (Note 11)	(14,451,411)	(18,642,424)
Deferred indefeasible right of use	-	910,255
Issuance of preferred shares (Note 13)	-	15,000,000
Interest paid (Notes 11, 12, 21)	(13,868,205)	(21,105,618)
Dividends paid on preferred shares (Note 13)	(19,819,565)	(14,356,662)
Net cash used in financing activities	<u>(119,913,743)</u>	<u>(23,226,189)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	146,575,549	(7,322,840)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		
Cash held by divested subsidiary (Note 22)	-	(7,190,965)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 174,902,357	\$ 28,326,808
Cash and cash equivalents comprise: cash on hand and at banks	<u>\$ 174,902,357</u>	<u>\$ 28,326,808</u>



CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

(Expressed in Bahamian dollars)

1. GENERAL INFORMATION

Cable Bahamas Ltd. (the “Company”) was incorporated on September 19, 1994, under the laws of The Commonwealth of The Bahamas (“The Bahamas”).

Cable Bahamas Ltd. and its subsidiaries (together, the “Group”) provide cable television and related services, national and international data services, broadband access services, telephony services, wireless communication, web hosting and business continuity services. As at June 30, 2020, the Group’s subsidiaries include Cable Freeport Ltd. (“Cable Freeport”), Caribbean Crossings Ltd. (“Caribbean”), Maxil Communications Ltd. (“Maxil”), Systems Resource Group Limited (“SRG”), and Be Aliv Limited (“Aliv”) which are all incorporated in The Bahamas, their place of domicile. Trinity Communications Bahamas Ltd. (“Trinity”) a company incorporated in the United States of America is a wholly-owned subsidiary of Caribbean. Until January 21, 2020 Summit Vista Inc. (“SVI”) which is incorporated under the laws of the state of Florida, United States of America was also a wholly-owned subsidiary of the Group (Note 22).

The Group has a 48.25% shareholding in Aliv and holds management and board control. HoldingCo2015 Limited (“HoldingCo”) owns the remaining 51.75% of the ordinary shares and is a special purpose holding group set up by and currently wholly owned by the Government of The Bahamas. Aliv, formerly known as Newco2015 Limited, was incorporated on February 25, 2016, under the laws of The Commonwealth of The Bahamas.

The ordinary shares of the Group are listed and traded on the Bahamas International Securities Exchange (BISX).

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), and under the historical cost convention. The principal accounting policies adopted in the preparation of these consolidated financial statements are set out in Note 3.

The preparation of consolidated financial statements in conformity with IFRS requires management to make critical accounting estimates and exercise judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed separately in Note 4.

New standards, amendments and interpretations adopted by the Group

Standards and amendments and interpretations to published standards that became effective for the Group’s financial year beginning on July 1, 2019 were not relevant or not significant to the Group’s operations, and accordingly did not impact the Group’s accounting policies or consolidated financial statements.



Standards, amendments and interpretations issued but not yet effective and not early adopted by the Group

The application of new standards and amendments and interpretations to existing standards that have been published but are not yet effective are not expected to have a material impact on the Group's accounting policies or consolidated financial statements in the period of initial application.

Assessment of the impact of COVID-19 on the Group

Since the outbreak of COVID-19 in the first quarter of calendar year 2020, global financial markets and local businesses and retail customers have experienced, and may continue to experience significant volatility. There are significant consequences for the global and local economies from travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand, collectability of trade receivables, and general market uncertainty. The extent and duration of the impact of COVID-19 on the global and local economies and the sectors in which the Group and its customers and suppliers operate is uncertain at this time, but it has the potential to adversely affect our business. The Group has taken measures to preserve its operations and the health and safety of its employees and customers. Measures are being taken to reduce operating costs and non-business critical capital expenditure, offering more electronic and physical payment channels for our customers, and optimizing working capital.

As of the date of the approval of these consolidated financial statements, management was not aware of any significant adverse effects on the financial statements for the year ended June 30, 2020 as a result of COVID-19. Management will continue to monitor the situation and the impact on the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

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

a. Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assess whether or not the Group's voting rights in an investee are sufficient to give it power, including;



- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders, or other parties;
- rights arising from other contractual arrangements;
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

The financial statements of Aliv have also been consolidated in these financial statements as the Group owns 48.25% of its ordinary shares and maintains management and board control (Note 23).

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary and any non-controlling interest and other components of equity. The net income or loss of the subsidiary disposed during the year will be included in the consolidated statement of profit or loss and other comprehensive income for the period through which the Group held the investment in the subsidiary.

As at June 30, 2019, the Group's investment in SVI, previously a wholly-owned subsidiary met the IFRS criteria for classification as assets held for sale, because management had begun to execute a formal plan to sell. As a result, the assets, liabilities, and results of operation of SVI are measured and presented in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in the prior year consolidated financial statements.

As at June 30, 2020, the Group completed its disposal of this subsidiary and, as such, the related assets and associated liabilities are no longer classified as held for sale, as of the disposal date, and a net income from discontinued operations resulting from the disposal of the investment is included in the consolidated statement of profit or loss and other comprehensive income. Additional disclosures are presented in Note 22.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Group and the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

- b. Cash and cash equivalents** - Cash and cash equivalents comprise cash on hand, demand deposits, and term deposits with original maturities of three months or less and which are subject to insignificant risk of changes in value.
- c. Trade and other receivables** - Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. Trade and other receivables are subsequently measured at amortized cost, net of an allowance for expected credit losses. The allowance for expected credit losses is determined based on application of IFRS 9 *Financial Instruments*. Trade and other receivables do not carry any interest and are stated at their nominal value.



- d. Inventory** - Inventory items are carried at the lower of cost and net realizable value, with cost being determined using weighted average cost. Net realizable value represents the estimated selling price of inventories less all estimated costs to make the sale. All inventory items are transferred to property, plant, and equipment or operating expenses accordingly, as they are placed into operation or sold.
- e. Property, plant and equipment** - Property, plant and equipment are carried at cost less accumulated depreciation, less any impairment. All costs associated with putting an asset into service are capitalized. Improvements that extend asset lives, and costs associated with the construction of cable and data transmission and distribution facilities, including direct labour and materials, are capitalized. Other repairs and maintenance costs are expensed as incurred.

Land is not depreciated. Depreciation on property, plant and equipment other than right-of-use assets is recorded on a straight-line basis over their estimated useful lives as follows:

Commercial buildings	40 years
Leasehold improvements	Term of the lease
Vehicles	3-5 years
Equipment	3-20 years
Network systems and infrastructure	7-40 years
Fiber optic network	25 years
Web hosting systems	8 years

The estimated useful life and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when future economic benefits are not expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognized in profit or loss.

- f. Intangible assets** - Intangible assets are carried at cost less accumulated amortization and net of any adjustment for impairment. Intangible assets consist of communications and spectrum licenses, the acquired franchises license, and software and other related licenses.

The estimated useful lives and amortization methods are reviewed at the end of each reporting year, with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal when no future economic benefits from use are reasonably expected. Disposal gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in profit or loss when the asset is derecognized.

- g. Impairment of assets** - At each consolidated statement of financial position date, management reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. Any impairment loss is recognized immediately in the consolidated statement of profit or loss and other comprehensive income.



- h. Indefeasible Right of Use (IRU)* – The proceeds from the sale of IRUs are recorded in other liabilities, and installation fees are recorded in income at the time of the sale. Income from IRUs is recognized on a straight-line-basis over the term of the IRU contract.
- i. Subscriber deposits* - In the normal course of its operations, the Group requires its customers to make deposits relating to services contracted. These deposits are repayable to the customer on termination of contracted services, net of any outstanding amounts due.
- j. Foreign currency translation* - The Group's functional and presentation currency used to measure amounts included in the financial statements of the Group's entities is the Bahamian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in the consolidated statement of profit or loss and other comprehensive income.

- k. Borrowing costs* - 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 those assets are ready for their intended use.

The costs are added proportionately to the qualifying assets over the year in which the assets are being acquired, constructed or produced.

All other borrowing costs are recognized in profit or loss in the year in which they occurred.

- l. Financial instruments* - Financial assets and financial liabilities are recognized in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Classification and measurement of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; 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.

By default, all other financial assets are measured subsequently at fair value.

Amortized cost and the effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (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) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognized in the consolidated statement of profit or loss and other comprehensive income.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (“ECL”) on financial assets, other than those measured at fair value through profit or loss. The Group determines a lifetime ECL for trade receivables and contract assets using the IFRS 9 simplified approach. The ECL on these assets are estimated using a provision matrix based on historical credit loss experience, in order to determine a loss rate.

At each reporting period, the Group calculates a loss rate which is applied as a percentage to the period-ending balance of each respective aging category. The result in the aggregate across the aging categories, is the updated ECL, or the allowance for credit losses. The allowance for expected credit losses is adjusted at each period end to reflect the reassessed ECL for the period.

This may be adjusted for factors that are specific to the debtors, and general forward-looking economic



conditions. The Group has identified the gross domestic product (GDP) and the unemployment rate of the country in which it sells its goods and services to be the most relevant forward-looking factors, and accordingly may adjust the historical loss rates based on expected changes in these factors.

To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to the Group's remaining performance obligations to provide wireless services to customers under long-term contracts and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

For all other financial instruments, the Group would recognize lifetime ECL if there has been a significant increase in credit risk since initial recognition. If the credit risk of the financial instrument has not increased significantly since initial recognition, the Group measures a loss allowance for that financial instrument at an amount equal to a 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. The amount is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information, which would include factors such as:

- actual or expected significant adverse changes in business, financial, or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations or,
- actual or expected significant changes in the operating results of the borrower.

Regardless of the analysis above, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-offs

Financial assets are written off when there is no reasonable expectation of recovery, such as a failure to make contractual payments for a period of greater than 180 days past due, and a debtor failing to engage in a repayment plan with the Group. When a trade receivable or contract asset is considered uncollectible, it is written off against the allowance account and recognized in operating expenses in the consolidated statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.



Financial liabilities

Financial liabilities are classified as at amortized cost.

All financial liabilities (including borrowings, lease liabilities, and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant year. 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 net carrying amount on initial recognition.

De-recognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the consolidated statement of profit or loss and other comprehensive income.

- m. Trade and other payables* - These amounts represent unsecured liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.
- n. Basic and diluted earnings per share (EPS)* – Basic earnings per share is calculated by dividing net income attributable to ordinary equity holders of the Group for the year by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares outstanding during the year if all convertible securities and potentially dilutive instruments were exercised. Potentially dilutive instruments are all outstanding stock options, and warrants. Unless the Group has no additional potential shares outstanding, the diluted EPS will always be lower than the simple or basic EPS.
- o. Retirement benefit costs* - Employer contributions made to the Group's defined contribution retirement benefit plan are charged as an expense when employees have rendered service entitling them to contribution. The benefit plan is separately managed and administered by a third-party service provider. The Group has no legal or constructive obligations to pay further contributions if the plan does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.
- p. Share based option plan* - The Group provides to key employees through a long-term incentive plan, the option to acquire ordinary shares in the Group. The fair value of the options is determined using the Black Sholes option pricing model and is expensed as the options vest over the term of the plan.
- q. Related parties* - Related parties include shareholders with shareholdings of 10% or greater of outstanding ordinary shares, key management personnel (senior executive officers and directors), and entities that are controlled by these parties. The Government of the Bahamas, as beneficial owner of the majority shareholding of Aliv, is not deemed a related party in respect to certain transactions with statutory agencies.



r. **Revenue from contracts with customers** - The Group recognizes revenues from the sale of products or the rendering of services in a manner that represents the transfer of goods and/or services to customers consistent with an amount reflecting the expected consideration in return for those goods or services; when all of the following conditions are met:

- There is a clear evidence that an arrangement exists.
- The amount of revenue and related cost can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Group.
- For bundled arrangements, the total arrangement consideration is allocated to each separately identifiable product or service included in the contract with the customer based on its stand-alone selling price. Generally stand-alone selling prices are determined based on the observable prices at which products are sold separately without a service contract and prices for non-bundled service offers with the same range of services, adjusted for market conditions and other factors, as appropriate.

In particular, the Group recognizes:

- Television, internet, telephony, and postpaid wireless airtime and data subscriber revenues over time as the service is delivered (usually monthly).
- Fees for local, long distance and wireless services (e.g. prepaid and roaming), and pay-per-use services when the services are provided.
- Other fees, such as network access fees, license fees, hosting fees, maintenance fees, standby fees, and equipment rental fees over the term of the contract as services are delivered.
- Revenues from the sale of equipment when the equipment is delivered and accepted by customers.
- Revenues on long-term contracts over time as services are provided, when equipment is delivered to and accepted by customers, and contract performance obligations are met.
- Advertising revenue, net of agency commission when advertisements are aired on television.

The Group measures revenues at the fair value of the arrangement consideration. Revenues are reduced for customer rebates and allowances and exclude taxes the Group collects from customers.

The Group may also enter into arrangements with dealers who would also provide services to the customer base. When the Group acts as the principal in these arrangements, revenue is recognized based on the amounts billed to customers. Otherwise, the net amount that is retained as revenue is recognized.

A contract asset is recognized in the consolidated statement of financial position when the right to consideration from the transfer of products or services to a customer is conditional on the obligation to transfer other products or services. Contract assets are transferred to trade receivables when the right to the consideration becomes conditional only as to the passage of time. Incremental costs of obtaining a contract with a customer, principally comprised of sales commissions and prepaid contract fulfillment costs, are included in contract assets in the consolidated statement of financial position. These costs are deferred when incurred and are recorded as operating expenses over the pattern of transfer of goods and services to the customer, except where the amortization period is one year or less, in which case costs of obtaining a contract are immediately expensed.

Capitalized costs are amortized on a systematic basis that is consistent with the period and pattern of transfer to the customer of the related products or services. The Group amortizes these amounts over the average term of its customer contracts.

Payments received in advance from subscribers, including upfront refundable payments, are treated as a contract liability and presented as “deferred income” in the consolidated statement of financial position and are recognized



as income when the relevant performance obligations are satisfied.

s. Leases

The Group as a lessee

The Group rents real estate, poles, and other support structures, and equipment. The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all arrangements 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 Group recognizes 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 assets 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 Group uses an incremental borrowing rate.

The lease liability is presented in the consolidated statement of financial position within other liabilities.

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

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 any impairment losses.

When the Group has a present obligation 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 recognized for reliably estimable costs. This provision is included in other liabilities on the consolidated statement of financial position.

Lease assets which are right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying assets, the cost of the right-of-use asset reflects that the Group 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 lease assets are presented within property, plant and equipment in the consolidated statement of financial position.

The Group as a lessor

The Group has not entered into any lease agreements as a lessor.

- t. Business combinations** - Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred, liabilities incurred, and the equity interests issued in exchange for control of the acquiree. Acquisition-related costs are recognized in the consolidated statement



of profit and loss and other comprehensive income as incurred. The cost of the acquisition is measured as the aggregate of the consideration transferred for interest in the acquiree. Subsequently, non-controlling interest is measured at the proportionate share of net assets of the subsidiary.

- u. Value added tax** - The Government of The Bahamas enacted into law the Value Added Tax (“VAT”) Act in 2014. The Act, as amended, imposes VAT at a rate of 12%. The Group, in compliance with this Act, charges its customers VAT through its invoices on all applicable services.

Under the current laws of The Bahamas, the country of domicile of the Group, there are no income, withholding, or capital gains taxes imposed.

When the Group held SVI as a subsidiary, the Group’s corporate income from foreign operations was subject to taxation in the United States of America. For the current and prior year, current and deferred net tax liabilities, and income tax expense were \$Nil.

- v. Provisions** – Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

- w. Segment reporting** - The Group uses as its basis for segmentation and reporting, the results of operations and the financial position of its separately managed business components for which the chief operating decision maker reviews the financial results.
- x. Corresponding figures** – Where necessary, corresponding figures are adjusted to conform with changes in presentation in the current year. Changes made to corresponding figures within these consolidated financial statements are outlined in Note 5.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting year. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.



The Group bases its estimates on a number of factors, including historical experience, current events and actions that the Group may undertake in the future and other assumptions that it believes are reasonable under the circumstances. By their nature, these estimates and judgements are subject to measurement uncertainty and actual results could differ.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be incorrect.

a) Useful Lives of Property Plant and Equipment and Finite Life of Intangible Assets

Property, plant and equipment represents 54% (2019: 50%) of the Group's total assets. Intangible assets represent 11% (2019: 10%) of the Group's total assets. Changes in technology or intended use of these assets, as well as changes in business prospects or economic and industry factors, may cause the estimated useful lives of these assets to change.

Management determines the useful lives and residual values for assets when they are acquired, based on experience with similar assets and taking into account other relevant factors such as any expected changes in technology. The depreciation charge for an asset is derived using estimates of its expected useful life and expected residual value, which are reviewed annually.

b) Impairment of Tangible and Intangible Assets

If events or changes in circumstances during the reporting year indicate that a tangible or intangible asset might be impaired, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belong. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

c) Contingencies

In the ordinary course of business, the Group becomes involved in various claims and legal proceedings seeking monetary damages and other relief. Pending claims and legal proceedings represent a potential cost to the business. The Group estimates the amount of a loss by analyzing potential outcomes and assuming various litigation and settlement strategies, based on information that is available at the time.

d) Multiple Element Arrangement

Where a contractual arrangement consists of two or more separate elements that have value to a customer on a stand-alone basis (e.g. wireless devices and voice and data services), revenue is recognized for each element as if it were an individual contract. Total contract consideration is allocated between the separate elements based on their fair value. The Group applies judgement in both identifying separate elements and allocating consideration between them.



e) Business Model Assessment

Classification and measurement of financial assets depends on the Group's business model for managing the financial assets and whether the contractual characteristics of the financial assets represent solely payments of principal and interest (SPPI). The business model test will determine the classification of financial assets that pass the SPPI test. The three business models are as follows:

- Hold to collect
- Hold to collect and sell
- Other

The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortized that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate, whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

f) Lease Term

In determining a 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 leases that allow for an extension option, the Group performed an assessment of its expectations to continue to use the assets and the expected length of time for which extension options would be reasonably certain. The following considerations represent significant economic incentives to continue to exercise extension options:

- A known impediment such as high costs to remove or relocate the assets,
- the possibility of an unsustainable reduction in revenue based on the removal of a necessary piece of the service network, or
- the inability to conduct business or provide revenue-generating services to customers.

The Group is typically reasonably certain of exercising extension options on its leases, especially those related to its network assets, primarily due to the significant cost that would be required to relocate the network towers and related equipment.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.



g) Incremental Borrowing Rate

To determine the incremental borrowing rate, the Group where possible uses recent third-party financing rates as a starting point to establish a reference rate, and adjusts this rate to reflect the disparity in financing conditions under leases.

5. RESTATEMENT OF PRIOR YEAR COMPARATIVE FIGURES

During the current year, the Group discovered a computational error in its calculation of the interest expense on its lease liabilities. The error resulted in an understatement of interest expense recognized for the 2019 fiscal year and a corresponding understatement of the lease liabilities as of June 30, 2019.

The Group also discovered an error in the elimination of balances and transactions associated with intercompany leases between the Company and Aliv at the initial adoption of IFRS 16 as well as at June 30, 2019. This error resulted in: i) an understatement of operating expenses and overstatement of depreciation expense recognized for the 2019 fiscal year, ii) an overstatement of the lease liabilities and right-of-use asset balances as at June 30, 2019; and iii) an understatement of the opening retained earnings at July 1, 2018 resulting from the IFRS 16 transition adjustment.

Basic and diluted earnings per share, as previously reported in the consolidated statement of profit or loss and other comprehensive income, incorrectly excluded the net loss from discontinued operations attributable to owners of the parent. In addition, as part of the restatement, the Group has now separately presented basic and diluted earnings per share and basic and diluted earnings per share from continuing operations on the face of the consolidated statement of profit or loss and other comprehensive income.

These errors have been corrected by restating each of the affected line items and reported amounts for the prior period, as shown in the accompanying table below.

Certain other changes to prior year amounts were made to conform to a change in presentation in the current year. These changes and the related cash flow impacts are presented separately in the table below and are made to improve the understandability and comparability of the following items in the consolidated financial statements:

- Presentation in the consolidated statement of financial position of term deposits that did not meet the Group's definition of cash and cash equivalents;
- Classification of unpaid lease rentals in the consolidated statement of financial position previously recorded within accounts payable and accrued liabilities;
- Presentation of impairment on financial assets in the consolidated statement of profit or loss and other comprehensive income to distinguish these losses from operating expenses;
- Presentation of loss on disposal of assets to distinguish these as operating losses from finance costs (that is, interest expense and dividends on preferred shares) in the consolidated statement of profit or loss and other comprehensive income;
- Classification of dividends on preferred shares in the consolidated statement of profit or loss and other comprehensive income that were previously recorded as interest expense; and
- Classification in the consolidated statement of cash flows of vesting of share based options, a non-cash item that was reported as a cash flow from financing activities, to cash flows from operating activities.


**Consolidated statement of financial position
(extract)**

	June 30, 2019	Correction of Error	Reclassification	June 30, 2019 Restated
Cash and cash equivalents	\$ 28,945,010	\$ -	\$ (618,202)	\$ 28,326,808
Term deposits	-	-	618,202	618,202
Total current assets	269,821,695	-	-	269,821,695
Property, plant and equipment	402,865,860	(59,104,669)	-	343,761,191
Total non-current assets	479,834,455	(59,104,669)	-	420,729,786
Total assets	749,656,150	(59,104,669)	-	690,551,481
Accounts payable and accrued liabilities	66,442,488	-	(732,229)	65,710,259
Current portion of other liabilities	14,806,249	(222,743)	732,229	15,315,735
Total current liabilities	152,675,577	(222,743)	-	152,452,834
Other liabilities	135,721,170	(57,094,553)	-	78,626,617
Total non-current liabilities	578,725,398	(57,094,553)	-	521,630,845
Total liabilities	731,400,975	(57,317,296)	-	674,083,679
Retained earnings	5,715,172	2,108,288	-	7,823,460
Non-controlling interest	(17,827,304)	(3,895,661)	-	(21,722,965)
Total equity	\$ 18,255,175	\$ (1,787,373)	\$ -	\$ 16,467,802

**Consolidated statement of profit or loss and other
comprehensive income (extract)**

Operating expenses	\$ (136,637,753)	\$ (5,100,255)	\$ 3,156,031	\$ (138,581,977)
Impairment of financial assets	-	-	(3,156,031)	(3,156,031)
Depreciation and amortization	(45,941,397)	1,553,974	-	(44,387,423)
Loss on disposal of assets, net	-	-	(1,568,099)	(1,568,099)
Operating loss	(682,269)	(3,546,281)	(1,568,099)	(5,796,649)
Interest expense	(19,794,493)	(2,724,503)	4,515,587	(18,003,409)
Dividends on preferred shares	(14,332,490)	-	(4,515,587)	(18,848,077)
Net and comprehensive loss	(37,658,890)	(6,270,784)	-	(43,929,674)

**Net and comprehensive loss for the year
attributable to:**

Owners of the parent	(10,920,041)	(2,375,123)	-	(13,295,164)
Non-controlling interests	(26,738,849)	(3,895,661)	-	(30,634,510)
	\$ (37,658,890)	\$ (6,270,784)	\$ -	\$ (43,929,674)
Basic earnings per share	\$ (0.22)	\$ (0.08)	\$ -	\$ (0.30)
Diluted earnings per share	\$ (0.22)	\$ (0.08)	\$ -	\$ (0.30)



	June 30, 2019	Correction of Error	Reclassification	June 30, 2019 Restated
Consolidated statement of cash flows (extract)				
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss for the year	\$ (37,658,890)	\$ (6,270,784)	\$ -	\$ (43,929,674)
Adjustments for:				
Depreciation and amortization	65,506,294	(1,553,972)	-	63,952,322
Interest expense	21,590,120	2,724,501	-	24,314,621
Vesting of share based options	-	-	692,553	692,553
Impairment of financial assets	-	-	3,156,031	3,156,031
Operating cash flows before working capital changes	<u>64,773,690</u>	<u>(5,100,255)</u>	<u>3,848,584</u>	<u>63,522,019</u>
Decrease in trade and other receivables	11,765,463	-	(3,156,031)	8,609,432
Increase in accounts payable and accrued liabilities	<u>870,254</u>	<u>5,100,255</u>	<u>(732,229)</u>	<u>5,238,280</u>
Net cash from operating activities	<u>75,791,198</u>	<u>-</u>	<u>(39,676)</u>	<u>75,751,522</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Increase in term deposits	-	-	(618,202)	(618,202)
Net cash used in investing activities	<u>(59,229,971)</u>	<u>-</u>	<u>(618,202)</u>	<u>(59,848,173)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of lease liabilities	(19,374,653)	-	732,229	(18,642,424)
Vesting of share based options	<u>692,553</u>	<u>-</u>	<u>(692,553)</u>	<u>-</u>
Net cash (used in) from financing activities	<u>(23,265,867)</u>	<u>-</u>	<u>39,678</u>	<u>(23,226,189)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(6,704,638)</u>	<u>-</u>	<u>(618,202)</u>	<u>(7,322,840)</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 28,945,010</u>	<u>\$ -</u>	<u>\$ (618,202)</u>	<u>\$ 28,326,808</u>

These corrections further affected some of the comparative amounts disclosed in Notes 8, 10, 11, 14, 17, 21, and 24.



6. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise the following:

	2020	2019
Subscribers	\$ 21,184,969	\$ 15,971,730
Other	6,583,199	5,900,525
	<u>27,768,168</u>	<u>21,872,255</u>
Allowance for expected credit losses	(8,609,946)	(6,114,516)
	<u>\$ 19,158,222</u>	<u>\$ 15,757,739</u>

Allowance for expected credit losses and movement in allowance for expected credit losses is as follows:

	2020	2019
Balance at beginning of year	\$ 6,114,516	\$ 5,582,772
Amounts written off during the year	(4,861,584)	(2,477,623)
Amounts recovered during the year	191,670	395,281
Allowance recognized in the consolidated statement of profit or loss and other comprehensive income	7,165,344	3,156,031
Reclassified as held for sale	-	(541,945)
	<u>\$ 8,609,946</u>	<u>\$ 6,114,516</u>

The following table details the risk profile of trade receivables based on the Group's provision matrix. The Group's allowance for credit losses based on past due status is further distinguished between the Group's customer segments, as different loss patterns have been historically observed. In the current period, the Group further analyzed the over 120 day aging bucket by introducing an over 150 and an over 180 day assessment to its aging buckets analysis. The additional aging buckets did not result in a significant change in the overall allowance.



June 30, 2020

Corporate

	Days past due							Total
	<30	31-60	61-90	91-120	121-150	151-180	>181	
Expected credit loss rate	13%	39%	51%	60%	65%	75%	93%	
Estimated total gross carrying amount at default	\$ 3,498,794	\$ 1,524,889	\$ 919,290	\$ 2,276,007	\$ 688,967	\$ 528,776	\$ 1,537,408	\$ 10,974,131
Lifetime ECL	\$ 462,042	\$ 587,377	\$ 467,389	\$ 1,358,670	\$ 448,282	\$ 397,908	\$ 1,422,561	\$ 5,144,229

June 30, 2020

Residential

	Days past due							Total
	<30	31-60	61-90	91-120	121-150	151-180	>181	
Expected credit loss rate	16%	40%	46%	74%	89%	86%	100%	
Estimated total gross carrying amount at default	\$ 5,393,719	\$ 2,136,854	\$ 1,279,238	\$ 650,867	\$ 212,398	\$ 161,853	\$ 375,909	\$ 10,210,838
Lifetime ECL	\$ 839,931	\$ 849,872	\$ 588,473	\$ 482,910	\$ 188,694	\$ 139,928	\$ 375,909	\$ 3,465,717

June 30, 2019

Corporate

	Days past due					Total
	<30	31-60	61-90	91-120	>120	
Expected credit loss rate	12%	19%	39%	79%	92%	
Estimated total gross carrying amount at default	\$ 3,142,302	\$ 1,282,208	\$ 600,823	\$ 904,040	\$ 2,420,656	\$ 8,350,029
Lifetime ECL	\$ 389,239	\$ 248,772	\$ 237,316	\$ 713,436	\$ 2,215,313	\$ 3,804,076

June 30, 2019

Residential

	Days past due					Total
	<30	31-60	61-90	91-120	>120	
Expected credit loss rate	19%	36%	72%	90%	100%	
Estimated total gross carrying amount at default	\$ 5,326,823	\$ 1,408,088	\$ 342,055	\$ 193,307	\$ 351,428	\$ 7,621,701
Lifetime ECL	\$ 1,037,255	\$ 501,999	\$ 246,089	\$ 173,671	\$ 351,426	\$ 2,310,440



7. CONTRACT ASSETS

The table below provides a reconciliation of the change in the contract assets balance:

	2020	2019
<i>Contract assets relating to bundled contracts</i>		
Balance at beginning of year	\$ 2,997,406	\$ -
Increase in contract assets from revenue recognized during the year	2,382,487	4,727,932
Contract assets transferred to trade receivables	(1,642,279)	(1,730,526)
Contract terminations	(1,423,099)	-
Loss allowance	(405,556)	-
Balance at end of year	<u>1,908,959</u>	<u>2,997,406</u>
<i>Costs to obtain contracts</i>		
Balance at beginning of year	3,157,123	2,925,098
Incremental costs of obtaining a contract	1,956,240	3,451,510
Amortization included in cost of sales	(2,415,663)	(2,989,216)
Charges included in operating expenses	(124,256)	(230,269)
Balance at end of year	<u>2,573,444</u>	<u>3,157,123</u>
	<u>\$ 4,482,403</u>	<u>\$ 6,154,529</u>



8. PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment during the year is as follows:

	Land	Commercial Buildings	Vehicles	Equipment	Network Systems and Infrastructure	Fiber Optic Network	Web Hosting Systems	Construction in Progress	Total
COST:									
Balance at July 1, 2018 ²	\$ 24,535,883	\$ 48,093,741	\$ 4,971,982	\$ 94,985,628	\$ 326,055,373	\$ 197,087,780	\$ 447,702	\$ 11,438,567	\$ 707,616,656
Additions	1,027,596	1,167,845	645,965	10,779,135	24,184,840	2,433,608	626	22,576,721	62,816,336
Transfer of assets	-	-	-	2,801,911	3,573,615	8,727,586	-	(15,103,112)	-
Disposals	-	(176,490)	(764,915)	(6,613,921)	(11,778,873)	-	(51,264)	-	(19,385,463)
Reclassified as assets held for sale	(558,277)	(6,652,094)	(2,177,780)	(25,095,125)	(14,828,281)	(154,460,569)	-	(18,912,176)	(222,684,302)
Balance at June 30, 2019 ²	\$ 25,005,202	\$ 42,433,002	\$ 2,675,252	\$ 76,857,628	\$ 327,206,674	\$ 53,788,405	\$ 397,064	\$ -	\$ 528,363,227
Additions	-	811,331	940,326	10,105,705	12,821,288	5,687,374	33,780	3,957,867	34,357,671
Transfer of assets	(3,091,040)	-	-	-	3,091,040	-	-	-	-
Impairment loss	-	-	(40,358)	(18,761)	(9,942,179)	-	-	-	(10,001,298)
Modifications to right-of-use asset	-	(805,434)	-	-	-	-	-	-	(805,434)
Disposals	(215,103)	-	(570,620)	(11,013,840)	(5,681,931)	-	(640)	-	(17,482,134)
Balance at June 30, 2020	\$ 21,699,059	\$ 42,438,899	\$ 3,004,600	\$ 75,930,732	\$ 327,494,892	\$ 59,475,779	\$ 430,204	\$ 3,957,867	\$ 534,432,032
ACCUMULATED DEPRECIATION AND IMPAIRMENT:									
Balance at July 1, 2018 ²	\$ 951,604	\$ 13,179,008	\$ 2,718,897	\$ 46,368,502	\$ 105,740,154	\$ 49,724,924	\$ 383,695	\$ -	\$ 219,066,784
Depreciation ^{1,2}	538,485	3,407,024	1,041,670	9,130,221	28,148,492	12,063,383	8,851	-	54,338,126
Transfer of assets	-	-	-	(1,054,068)	1,075,030	(20,962)	-	-	-
Disposals	-	(13,218)	(754,016)	(5,056,322)	(11,778,870)	-	(51,264)	-	(17,653,690)
Reclassified as assets held for sale	-	(1,874,523)	(1,563,223)	(16,848,372)	(7,938,433)	(42,924,633)	-	-	(71,149,184)
Balance at June 30, 2019 ²	\$ 1,490,089	\$ 14,698,291	\$ 1,443,328	\$ 32,539,961	\$ 115,246,373	\$ 18,842,712	\$ 341,282	\$ -	\$ 184,602,036
Depreciation	580,872	2,738,889	727,119	9,770,616	23,007,417	2,896,950	2,971	-	39,724,834
Transfer of assets	(209,106)	-	-	-	209,106	-	-	-	-
Impairment loss	-	-	(22,932)	(9,680)	(2,315,366)	-	-	-	(2,347,978)
Modifications to right-of-use asset	43,849	(507,760)	-	-	-	-	-	-	(463,911)
Disposals	-	(2,623)	(570,620)	(10,915,408)	(5,535,970)	-	(640)	-	(17,025,261)
Balance at June 30, 2020	\$ 1,905,704	\$ 16,926,797	\$ 1,576,895	\$ 31,385,489	\$ 130,611,560	\$ 21,739,662	\$ 343,613	\$ -	\$ 204,489,720
CARRYING VALUE:									
As at June 30, 2020	\$ 19,793,355	\$ 25,512,102	\$ 1,427,705	\$ 44,545,243	\$ 196,883,332	\$ 37,736,117	\$ 86,591	\$ 3,957,867	\$ 329,942,312
As at June 30, 2019 ²	\$ 23,515,113	\$ 27,734,711	\$ 1,231,924	\$ 44,317,667	\$ 211,960,301	\$ 34,945,693	\$ 55,782	\$ -	\$ 343,761,191

¹Depreciation of \$17,444,142 on property, plant and equipment held by discontinued operations is included in the total depreciation as of June 30, 2019.

²The amounts disclosed are after the restatement for the correction of the error disclosed in Note 5.

In September 2019, the Group sustained significant physical damage to the network infrastructure and equipment following the passage of a Hurricane. As a direct result, the Group recognized an impairment charge to its property plant and equipment of \$7,653,320 and received \$4,500,000 in insurance proceeds. The resulting net loss of \$3,153,320 is recorded in the consolidated statement of profit or loss and other comprehensive income, within Loss on disposal of assets.

As at June 30, 2020, management has analyzed the Group's property, plant and equipment and concluded that there were no indicators of impairment of the remaining assets as at that date. Among the factors considered in making this assessment are the nature of the asset and its use, the going concern assumption, and the absence of any obsolescence indicators.

Property, plant and equipment on the consolidated statement of financial position comprises both owned and leased assets that do not meet the definition of investment property.



	2020	2019 Restated
Property, plant and equipment owned	\$ 278,350,669	\$ 289,415,750
Right-of-use assets	51,591,643	54,345,441
	<u>\$ 329,942,312</u>	<u>\$ 343,761,191</u>

The following table provides information on the right-of-use assets included in property, plant and equipment on the consolidated statement of financial position.

Leases (Group as a lessee) - Right-of-use Assets

	Land	Commercial Buildings	Network Systems and Infrastructure	Total
Net carrying amount at				
June 30, 2019, Restated	\$ 21,539,231	\$ 3,162,127	\$ 29,644,083	\$ 54,345,441
June 30, 2020	\$ 17,906,381	\$ 2,106,572	\$ 31,578,690	\$ 51,591,643
Depreciation expense for the year ended				
June 30, 2019, Restated	\$ 538,486	\$ 1,275,094	\$ 995,459	\$ 2,809,039
June 30, 2020	\$ 414,551	\$ 1,051,883	\$ 1,175,289	\$ 2,641,723

Total net additions to right-of-use assets during the year were \$450,959 (2019: \$1,122,501)



9. INTANGIBLE ASSETS

Intangible assets included in the consolidated statement of financial position consist of the following:

Acquired franchise license

Grand Bahama Port Authority License

Cable Freeport is licensed by the Grand Bahama Port Authority to exclusively conduct its cable television business in the Freeport area through the year 2054. This license is being amortized on a straight-line basis through the term of the license.

SRG has also been licensed by the Grand Bahama Port Authority to provide telecommunications services in the Freeport area.

Communications licenses

The Company has an Individual Operating License (“IOL”) and an Individual Spectrum License (“ISL”) issued by The Utilities Regulation and Competition Authority to provide any network or carriage services in accordance with the conditions of the licenses. This allows the Group to provide telephony, cable television, and internet services in The Bahamas. In 2010, the Group began the recognition of costs required to fully utilize its communications licenses as an intangible asset. These costs are being amortized over the remaining term of the licenses which expire on October 14, 2024.

On July 1, 2016, Aliv was issued an Individual Operating License, authorizing the operation of an electronic communications network and provision of carriage services; and, an Individual Spectrum License, authorizing the use of specific allocations of premium radio spectrum. Both licenses have been awarded for a term of fifteen years, until June 29, 2031.

The Group recognized all costs associated with the issuance of the IOL and ISL to Aliv, which totaled \$65,169,890. These costs are being amortized on a straight-line basis over the term of the licenses.

Software and licenses

All costs associated with internally developed and purchased software and licenses are capitalized including all costs associated with placing the software into service and all costs are depreciated on a straight-line basis over their estimated useful lives, which is 3 to 10 years.

Acquired licenses

Intangible assets acquired as a part of the acquisition of SRG included Spectrum and Communications Licenses, collectively the “Acquired Licenses”. The Spectrum license was granted on October 28, 2009 and allows SRG to use the Assigned Radio Spectrum in The Commonwealth of The Bahamas. The Communications License was granted on November 23, 2009 and allows the licensee within, into, from, and through The Bahamas a right to provide Carriage Services and to establish, maintain, and operate one or more networks. Both licenses are being amortized over the remaining term of the licenses which expire in the year 2024 on the anniversary of their grant dates. As these licenses are of a similar nature and have the same term for reporting and disclosure purposes, they are classified together as the Acquired Licenses. This



treatment follows the guidelines of IAS 38 *Intangible Assets*.

Acquired communications and spectrum licenses are being amortized on a straight-line basis over the term of the licenses.

The movement in intangible assets during the year consists of the following:

	Acquired Franchise License	Communications License	Software and Licenses	Acquired Licenses	Total
COST					
Balance at June 30, 2018	\$ 5,221,248	\$ 72,823,180	\$ 12,706,206	\$ 12,947,315	\$ 103,697,949
Additions	-	7,500	1,849,569	-	1,857,069
Balance at June 30, 2019	5,221,248	72,830,680	14,555,775	12,947,315	105,555,018
Additions	-	-	2,636,548	-	2,636,548
Balance at June 30, 2020	\$ 5,221,248	\$ 72,830,680	\$ 17,192,323	\$ 12,947,315	\$ 108,191,566
AMORTIZATION					
Balance at June 30, 2018	\$ 3,025,392	\$ 12,642,238	\$ 1,405,674	\$ 6,776,000	\$ 23,849,304
Amortization	130,536	4,933,021	1,445,882	984,000	7,493,439
Balance at June 30, 2019	3,155,928	17,575,259	2,851,556	7,760,000	31,342,743
Amortization	130,536	4,933,117	2,162,945	984,000	8,210,598
Balance at June 30, 2020	\$ 3,286,464	\$ 22,508,376	\$ 5,014,501	\$ 8,744,000	\$ 39,553,341
CARRYING VALUE:					
As at June 30, 2020	\$ 1,934,784	\$ 50,322,304	\$ 12,177,822	\$ 4,203,315	\$ 68,638,225
As at June 30, 2019	\$ 2,065,320	\$ 55,255,421	\$ 11,704,219	\$ 5,187,315	\$ 74,212,275

The above table was corrected for an internal classification error between communications license and software and licenses in the prior year.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprise the following:

	2020	2019 Restated
Trade payables	\$ 26,646,731	\$ 21,366,917
Government and statutory agencies	25,299,901	13,779,972
Shareholder obligations	8,015,221	15,981,677
Network and customer related obligations	7,124,097	6,258,733
Other operational obligations	5,280,301	5,914,103
Payroll & employee benefits	2,631,609	2,408,857
	<u>\$ 74,997,860</u>	<u>\$ 65,710,259</u>



Amounts payable to the Government and statutory agencies as of year-end include liabilities owed for value added tax, customs duties, and regulatory and licensing fees. Included in shareholder obligations are unpaid balances related to Series Seven preferred shares as outlined in Note 13 and preferred dividends payable as at year-end.

11. OTHER LIABILITIES

Other liabilities include the following:

Lease Liabilities (Group as a lessee)

The Group has in place capital lease contracts for network equipment, and other equipment included in property, plant, and equipment with terms ranging from 3 to 5 years and that bear interest at rates ranging from 3.2% to 15.78%. As at June 30, 2020, the balance outstanding totaled \$19,290,768 (2019: \$32,365,455) included in other liabilities on the consolidated statement of financial position, and the current lease principal payments due within one year was \$13,178,805 (2019: \$12,953,291).

The lease liabilities corresponding to the right-of-use assets covered in Note 8 carry terms ranging from 5 to 40 years and are discounted using the incremental borrowing rate. As at June 30, 2020, the balance outstanding totaled \$59,765,291 (2019: \$61,337,874 as restated per Note 5) included in other liabilities on the consolidated statement of financial position, and the current lease principal payments due within one year was \$2,106,116 (2019: \$2,362,444 as restated per Note 5).

As at June 30, 2020 the Group is committed to \$Nil (2019: \$39,190) for short-term leases.

This note provides information on the amounts recognized in profit or loss related to leases.

	2020	2019
		Restated
Depreciation on lease assets	\$ 2,641,723	\$ 2,809,039
Interest expense on lease liabilities	6,646,042	7,322,268
Expense relating to short-term leases	635,723	95,180

Asset Retirement Provision

The Group recorded a provision for an asset retirement obligation in accordance with IAS 37 *Provisions, Contingent Liabilities, and Contingent Assets*. The amount of \$434,882 is included in other liabilities as of June 30, 2020 (2019: \$239,023).



12. NOTES PAYABLE AND LONG-TERM DEBT

Notes payable

The Group issued \$60,000,000 in Series A and Series B unsecured notes in March 2017. The proceeds of the notes were used for various capital projects and to fund working capital requirements.

The notes are designated as 10-year 8.00% Series A and 15-year 8.50% Series B and mature in 2026 and 2031, respectively. The terms of the notes are governed by a trustee agreement and all payments associated with the notes are required to be paid through a payment agent. These notes pay coupons semi-annually on June 30 and December 31. Total interest paid during the year was \$5,009,638 (2019: \$4,995,950). The remaining balance as at June 30, 2020 was \$58,455,397 (2019: \$58,290,490).

The notes payable balance is comprised of the principal balance offset by unamortized borrowing costs of \$1,544,603 (2019: \$1,709,510).

During the year, and as at June 30, 2020, the Group was not in compliance with the financial covenants of the notes as set out in the trustee agreement. As a result, the notes have been reclassified this year to current liabilities in the consolidated statement of financial position. Subsequent to year-end the breach remained unresolved, and while no waiver had been received, the notes have not been called by the trustee.

Long-term debt

Property mortgage

In February 2020, the Group entered into a mortgage agreement for \$2,520,000 to facilitate the purchase of a property to be used in its operations. The loan is secured by the mortgaged property, and bears interest at an annual rate of 4.75% payable quarterly. The loan has a maturity date of January 1, 2030, but the lender may at its sole discretion demand payment. As a result, the loan has been classified within current liabilities in the consolidated statement of financial position. As per the loan agreement, the first 24 months of the loan term are the interest only period. Thereafter, blended payments of principal and interest are to be made until maturity. The balance of the loan as at June 30, 2020 was \$2,520,000 (2019: \$Nil).

Shareholder loan

In 2019, the Group authorized the issuance of a secured promissory note to HoldingCo for a total of \$10,750,000, proportionate to HoldingCo's equity shareholding in Aliv. Of this amount, \$7,000,000 was received from HoldingCo by June 30, 2019 and the remaining \$3,750,000 was received on July 12, 2019. The note is secured through a debenture over all the assets of Aliv excluding the Individual Spectrum License and assets pledged under lease obligations.

The note matures on December 31, 2024 with equal monthly installment payments commencing January 31, 2021 through to maturity. Interest on the outstanding principal balance is paid on a quarterly basis at Bahamian Prime Lending Rate plus a margin of 3.5%. As at June 30, 2020, the total outstanding balance was \$10,750,000 (2019: \$7,000,000).



The proceeds of the note are being used to fund both working capital and operating expenditures. The notes outstanding balance is comprised of the principal balance offset by unamortized transaction costs of \$318,123 (2019: \$388,616).

Senior credit facility

In January 2020, following the conclusion of the sale of SVI, the senior credit facility was fully repaid. The Senior Credit Facility was a syndicated, fully secured loan with two Bahamian and two US domicile banks. The Senior Credit Facility was secured by a First Registered Demand Debenture creating a fixed and floating charge over all assets of the Group. The facility was also secured by guarantees and postponement of claims from all subsidiaries and assignment of insurance policies over the assets of the Group. The total amount owing is \$Nil as at June 30, 2020 (2019: \$107,169,330).

The 2019 balance was inclusive \$30,000,000 which was directly funded to SVI and excluded unamortized transaction costs of \$480,314, which was being amortized over a five-year period. This balance was settled through a deduction of the outstanding loan from the gross proceeds of the sale of SVI.



13. PREFERRED SHARES

	Issue Date	Maturity Date	2020	2019
Authorized:				
10,000 shares par value B\$1,000				
25,000,000 shares par value B\$0.01				
Issued: 103,500 shares par value B\$0.01				
5.75% Series Six cumulative redeemable preferred shares at B\$1,000	May 25, 2014	May 2024	\$ 103,500,000	\$ 103,500,000
Issued: 11,000 shares par value B\$0.01				
6.25% Series Eight cumulative redeemable preferred shares at US\$1,000	May 25, 2014	May 2024	11,000,000	11,000,000
Issued: 65,500 shares par value B\$0.01				
6.25% Series Nine cumulative redeemable preferred shares at B\$1,000	April 10, 2015	April 10, 2025	65,500,000	65,500,000
Issued: 9,500 shares par value B\$0.01				
6.75% Series Ten cumulative redeemable preferred shares at US\$1,000	April 10, 2015	April 10, 2025	9,500,000	9,500,000
Issued: 4,090 shares par value B\$0.01				
8.0% Series Eleven cumulative redeemable preferred shares at US\$1,000	June 30, 2016	June 30, 2023	4,090,000	4,090,000
Issued: 1,349 shares par value B\$0.01				
8% Series Eleven cumulative redeemable preferred shares dominated in JMD indexed to USD at J\$1,000,000	June 30, 2016	June 30, 2023	10,610,339	10,610,338
Issued: 2,035 shares par value B\$0.01				
7.75% Series Twelve cumulative redeemable preferred shares at US\$1,000	July 27, 2016	June 30, 2026	2,035,000	2,035,000
Issued: 26,000 shares par value B\$0.01				
6.25% Series Thirteen cumulative redeemable preferred shares at US\$1,000	July 27, 2016	June 30, 2026	26,000,000	26,000,000
Issued: 55,000 shares par value B\$0.01				
8.0% Series One cumulative redeemable amortizing preferred shares at US\$1,000	February 2018	October 2027	54,196,837	54,028,336
Issued: 15,000 shares par value B\$0.01				
8.0% Series One cumulative redeemable amortizing preferred shares at US\$1,000	February 23, 2019	October 31, 2027	14,704,896	14,732,041
TOTAL			<u>\$ 301,137,072</u>	<u>\$ 300,995,715</u>

Preference shares issued by the Group do not carry voting rights and pay dividends semi-annually. Proceeds from the issuance of these shares are used to either settle short-term debt commitments or fund capital investments. The Series Six preferred shares were also used to partially redeem the Group's Series Four and Five Preferred Shares.



The Series 11 preferred shares are listed and traded on the Jamaican International Securities Exchange.

The proceeds of the Series One Shares were used to fund working capital requirements of Aliv and the continued build out of the its mobile network throughout The Bahamas.

Since the preference shares are mandatorily redeemable on a specific date, they are recognized as financial liabilities in these consolidated financial statements.

Management has estimated that the fair value of the Group's redeemable preferred shares approximates its stated amount of \$301,137,072 (2019: \$300,995,715). The preference share balance is comprised of the principal balance offset by unamortized transaction costs of \$1,098,267 (2019: \$1,239,623).

The Series Seven preferred shares matured in May 2016 and the unpaid balance was reclassified to accounts payable and accrued liabilities. As of the date of the approval of the consolidated statement of financial position, a balance of \$5,027,000 at June 30, 2020 (2019: \$13,310,000) remained outstanding and subject to dispute as to the required payment thereof. A portion of the prior year balance was settled during the year.

14. ORDINARY SHARE CAPITAL

Ordinary share capital is comprised of the following:

	2020	2019
Issued and fully paid ordinary shares of no par value	<u>43,887,035</u>	<u>43,887,035</u>
Ordinary share capital	<u>\$ 30,367,307</u>	<u>\$ 30,367,307</u>

The number of ordinary shares outstanding as at June 30, 2020 was 43,887,035 (2019: 43,887,035) and the weighted average number of ordinary shares was 43,887,035 (2019: 43,887,035).

The earnings used in the calculation of basic earnings per share are as follows:

	2020	2019 Restated
Earnings used in calculation of basic earnings per share on profit or loss	<u>\$ 85,227,753</u>	<u>\$ (13,295,164)</u>
Earnings used in calculation of basic earnings per share on profit or loss from continuing operations	<u>\$ (50,476,020)</u>	<u>\$ (42,648,135)</u>



The weighted average numbers of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2020	2019
Weighted average of ordinary shares used in calculation of basic earnings per share for continued operations	43,887,035	43,887,035
Shares deemed to be issued on vesting of share based option plan for continued operations	661,594	460,969
Weighted average of ordinary shares used in calculation of diluted earnings per share for continued operations	44,548,629	44,348,004

15. COMMITMENTS AND CONTINGENT LIABILITIES

The Group is involved in legal actions for which management is of the opinion that accrued liabilities are sufficient to meet any obligations that may arise therefrom. The Group also has a facility for Corporate credit cards and letters of guarantee in the amount \$700,000 (2019: \$300,000).

The Group through Be Aliv Ltd. has in place a letter of guarantee in the amount of \$100,000 which is considered restricted cash and is included in the cash balance.

The Group has insurance coverage to certain limits for major risks on property and major claims in connection with legal liabilities arising in the course of operations.

During 2016 and 2017, Utilities Regulation and Competition Authority (“URCA”) issued Preliminary Determinations outlining perceived breaches by the Group relating to the non-payment of fees with respect to operations in Grand Bahama. URCA believes that the Group is in breach of Parts IV and XVI of the Communications Act and as such has pursued regulatory measures against the Group with the view to resolve this matter. The Group, however, has maintained that based on provisions of the Hawksbill Creek Agreement, URCA does not have a legal basis to license its operations in Grand Bahama, and has commenced legal proceedings to support the Group’s position.

16. LICENSES AND AGREEMENTS

Federal Communications Commission license (FCC)

Caribbean Crossings was granted a cable landing license by the FCC to land and operate two private fiber optic submarine cable systems, the Bahamas Internet Cable System, extending between The Bahamas and the United States.



Trinity Communications Bahamas Ltd., a wholly-owned subsidiary of Caribbean Crossings, and SRG hold Section 214 Common Carrier licenses from the FCC. These licenses allow for the resale of telecommunication services within the United States.

17. OPERATING EXPENSES

Operating expenses consist of the following:

	2020	2019 Restated
Programming	\$ 50,833,605	\$ 52,507,378
Technical	31,854,333	27,320,578
Administrative	23,568,998	16,355,259
Marketing	19,030,179	19,360,434
Network services	13,215,192	14,028,326
Government and regulatory fees	11,685,450	9,010,002
	<u>\$ 150,187,757</u>	<u>\$ 138,581,977</u>

18. EMPLOYEE COMPENSATION

For the year ended June 30, 2020, employee compensation costs totaled \$41,531,851 (2019: \$37,305,161).

The Group participates in externally managed pension plans. Under the terms of the defined contribution plans, the Group matches employee contributions up to a maximum of 5% of salary for its staff and 12.5% for executive management. The Group's contributions amounted to \$934,763 (2019: \$1,061,466).

In 2014, the Group implemented a share-based option plan for key executives of the Group. The plan commenced on April 23, 2014, and under the terms of the plan, the maximum number of shares that may be issued upon the exercise of options shall not exceed 5% of the issued and outstanding shares of the Group and vest equally over five years. Options are granted under the plan for no consideration and carry no dividend or voting rights. In 2015 and in 2019, the Group granted additional options within the plan. These tranches vest equally over 5 years and 4 years, respectively.



The options are recorded at the fair value on the grant date, which was determined using the Black Scholes options pricing model. The inputs to this model included the exercise price, the share price on the grant date, expected price volatility of the Group's equity shares, the expiry date of the options, and the risk-free interest rate.

The following share-based option plans were in existence during the current and prior years:

	Number	Vesting date	Exercise price	Fair value at grant date
(1) Granted on April 23, 2014	1,927,500	23-Apr-19	\$3.72	\$2.36
(2) Granted on January 1, 2015	150,000	1-Jan-20	\$4.67	\$2.68
(3) Granted on March 27, 2019	1,615,500	27-Mar-23	\$2.22	\$2.22

Movements in the share-based options plan are shown below:

	Movement in number of share-based options		Weighted average exercise price	
	2020	2019	2020	2019
Outstanding, beginning of year	1,975,500	1,498,500	\$ 2.54	\$ 3.79
Granted	-	1,615,500	-	2.22
Forfeited	(197,063)	(1,138,500)	3.70	3.72
Outstanding, end of year	1,778,438	1,975,500	2.36	2.54
Exercisable	661,594	460,969	\$ 2.59	\$ 3.58

The total number of shares vested as at June 30, 2020 was 661,594 (2019: 460,969). The decrease in fair value of the shares vested during the year was \$157,031 (2019: \$692,553 increase) and is included in operating expenses in the consolidated statement of profit or loss and other comprehensive income. The cumulative fair value of shares vested at June 30, 2020 is \$1,491,838 (2019:\$1,648,851).



19. RELATED PARTY BALANCES AND TRANSACTIONS

Compensation of directors and key executive personnel:

	2020	2019
Short-term benefits	\$ 3,155,086	\$ 2,938,398
Long-term benefit - share based plan	585,583	127,396
Post employment benefits	144,147	179,791
	<hr/>	<hr/>
	\$ 3,884,816	\$ 3,245,585

Total remuneration of directors and key executive personnel is determined by the compensation committee of the Board of Directors having regard to qualifications, performance and market trends. These balances are included in operating expenses in the consolidated statement of profit or loss and other comprehensive income.

Other related party balances and transactions:

	2020	2019
Trade and other receivables	\$ -	\$ 172,875
Accounts payable and accrued liabilities	\$ 15,712,221	\$ 16,749,039
Preferred shares	\$ 11,977,500	\$ 11,977,500
Revenue	\$ 203,622	\$ 294,387
Operating expenses	\$ 1,382,833	\$ 1,177,221
Dividends on preferred shares	\$ 955,580	\$ 955,580

The related party amounts within the accounts payable and accrued liabilities, preferred shares, and dividends on preferred shares lines comprise balances and transactions with Officers of the Company, Directors, holders of 10% or more ordinary shares, and business entities closely affiliated with any of those persons.

Refer to Note 12 for details of other related party balances and transactions.



20. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair value is the amount for which an asset can be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or need to liquidate or curtail materially the scale of its operations or undertake a transaction on adverse terms.

In the opinion of management, the estimated fair value of financial assets and financial liabilities, (which are the Group's cash, term deposits, accounts receivable, and current and non-current liabilities) at the consolidated statement of financial position date were not materially different from their carrying values either due to:

- a. their immediate or short-term maturity;
- b. interest rates that approximate current market rates or
- c. carrying amounts that approximate or equal market value.

21. SEGMENT INFORMATION

The Group identifies its operating segments as the business components that have an appointed segment manager who is accountable to the chief operating decision maker, and that have discrete financial information from which reports are produced for the benefit of review and assessment of its operating activities, financial results, and resource allocation by the chief operating decision maker.

All reportable segments operate in The Bahamas (except SVI which operates in Central and South West Florida, and is not included within the 2020 segment information). In the comparative segment information, SVI is presented separately from the segment total as it was classified as a discontinued operation.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3 and services as described in Note 1. Segment profit (loss) represents the profit or (loss) before tax earned by each segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The details of the various operating segments are as follows:



2020

	Cable	Cable Freeport	Aliv	Eliminations	Segment Totals	Held for Sale SVI
Revenue from external customers	\$ 116,921,974	\$ 14,091,885	\$ 76,811,115	\$ (14,915,821)	\$ 192,909,153	\$ -
Intercompany charge	\$ 503,589	\$ -	\$ -	\$ (503,589)	\$ -	\$ -
Interest expense	\$ 4,709,408	\$ -	\$ 17,611,709	\$ (6,459,778)	\$ 15,861,339	\$ -
Depreciation and amortization	\$ 22,984,517	\$ 2,752,523	\$ 24,788,201	\$ (2,589,809)	\$ 47,935,432	\$ -
Reportable segment profit (loss)	\$ 106,911,888	\$ 5,001,582	\$ (51,349,685)	\$ (1,909,494)	\$ 58,654,291	\$ -
Operating expenses	\$ 81,980,882	\$ 6,439,292	\$ 70,833,691	\$ (9,066,108)	\$ 150,187,757	\$ -
Reportable segment assets	\$ 513,880,884	\$ 57,837,824	\$ 234,934,218	\$ (190,408,014)	\$ 616,244,912	\$ -
Reportable segment liabilities	\$ 336,431,413	\$ 4,527,963	\$ 327,189,647	\$ (126,869,191)	\$ 541,279,832	\$ -

2019 Restated

	Cable	Cable Freeport	Aliv	Eliminations	Segment Totals	Held for Sale SVI
Revenue from external customers	\$ 121,729,547	\$ 13,404,001	\$ 59,172,067	\$ (12,408,734)	\$ 181,896,881	\$ 73,748,634
Interest expense	\$ 6,768,118	\$ -	\$ 16,758,589	\$ (5,523,298)	\$ 18,003,409	\$ 10,256,686
Depreciation and amortization	\$ 20,199,054	\$ 2,657,514	\$ 23,084,829	\$ (1,553,974)	\$ 44,387,423	\$ 19,564,897
Reportable segment profit (loss) ¹	\$ 21,000,278	\$ 3,146,078	\$ (59,197,120)	\$ (8,878,910)	\$ (43,929,674)	\$ (10,135,971)
Operating expenses	\$ 65,973,463	\$ 7,280,320	\$ 72,642,688	\$ (7,314,494)	\$ 138,581,977	\$ 54,338,556
Reportable segment assets	\$ 581,749,650	\$ 51,679,848	\$ 269,428,036	\$ (212,306,053)	\$ 690,551,481	\$ 207,732,098
Reportable segment liabilities	\$ 413,583,999	\$ 3,371,569	\$ 310,333,779	\$ (53,205,668)	\$ 674,083,679	\$ 61,505,134

¹The reportable segment profit (loss) line in the above table was corrected for an internal classification error between the Cable, Aliv, and Eliminations columns in the prior year.

22. DISCONTINUED OPERATIONS

On March 7, 2019 the Board of Directors resolved to carry out a plan to dispose of 100% of the Group's equity in the subsidiary SVI. The plan was consistent with the Group's long term objective to focus its activities and resources on its Bahamas based operations, and is a part of a strategic plan to deleverage the Group's financial position. As at June 30, 2019, the Group began to execute the formal plan to sell. Consequently, the associated assets and liabilities were presented as held for sale in the 2019 consolidated financial statements.

The sale of SVI was completed on January 21, 2020 and is reported in the current and prior year as a discontinued operation. Financial information relating to the discontinued operation for the period up to the date of disposal is set out below.

Analysis of financial performance and cash flow from discontinued operations

The results of discontinued operations included in profit or loss for the year, and cash flow information are for the period from July 1, 2019 through January 21, 2020, and for the year ended June 30, 2019.



Profit for the year from discontinued operations

	2020	2019
REVENUE	\$ 42,468,868	\$ 73,748,634
OPERATING EXPENSES	<u>(33,036,253)</u>	<u>(54,338,556)</u>
	9,432,615	19,410,078
Depreciation and amortization	<u>(11,595,857)</u>	<u>(19,564,897)</u>
OPERATING LOSS	(2,163,242)	(154,819)
Interest expense	(1,198,896)	(10,256,686)
Loss on disposal of assets	(142,883)	(5,515)
Gain on joint venture	<u>287,036</u>	<u>281,049</u>
Net loss before income tax expense	(3,217,985)	(10,135,971)
Income tax expense	-	-
COMPREHENSIVE LOSS FOR THE PERIOD	<u>(3,217,985)</u>	<u>(10,135,971)</u>
<i>Eliminations</i>		
Inter-company fees	182,736	540,407
Inter-company interest	<u>-</u>	<u>8,314,025</u>
Operating profit for the year from discontinued operations	(3,035,249)	(1,281,539)
Gain on sale	112,165,560	-
Profit/(loss) for the year from discontinued operations	<u>\$ 109,130,311</u>	<u>\$ (1,281,539)</u>
Basic earnings per share from discontinued operations	\$ 2.49	\$ (0.03)
Diluted earnings per share from discontinued operations	\$ 2.45	\$ (0.03)

Cash flows from discontinued operations

	2020	2019
Net cash from operating activities	\$ 9,758,530	\$ 23,211,721
Net cash used in investing activities	(9,237,652)	(30,997,058)
Net cash (used in)/from financing activities	<u>(6,085,045)</u>	<u>13,621,875</u>
NET (DECREASE)/INCREASE IN CASH	<u>\$ (5,564,167)</u>	<u>\$ 5,836,538</u>

Details of the sale of the discontinued operations

The negotiated base price for the sale of SVI was \$301,500,000. This amount was adjusted and is presented in the table below after deductions as set out in the sale agreement for: (i) closing net working capital adjustments, (ii) the closing indebtedness of the subsidiary and (iii) other transaction costs. The consideration following the adjustments totaled \$253,135,352 of which \$251,648,306 was received in cash.

A gain on disposal of discontinued operations was recognized in the amount of \$112,165,560 in the consolidated statement of profit or loss and other comprehensive income, calculated as the difference between (i) the aggregate of the fair value of the consideration received and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of SVI at the date of the sale. Upon the closure of the sale, no interest in SVI was retained.



	2020
Consideration received or receivable	
Cash received	\$ 251,648,306
Deferred consideration	1,487,046
Fair value of consideration received	<u>253,135,352</u>
Carrying amount of Investment in SVI prior to sale	140,726,313
Costs to sell	(243,479)
Gain on sale	<u>\$ 112,165,560</u>

The deferred consideration is held in a separate escrow account that was established to indemnify the buyer or the seller against any future losses arising out of or as a result of any breaches of any representations or warranties made by each in the purchase and sales agreement, or breaches by SVI of its covenants and agreements contained therein for a period of one year from the date of closing, subject to certain limitations as outlined in Section VII of the agreement.

According to the terms of the agreement, the aggregate amount that would be required to be paid by the seller in respect of any losses incurred by the buyer in respect of the indemnifications shall in no event exceed \$4,500,000.

Assets and liabilities previously classified as held for sale

The following is the net asset position of SVI at the beginning of the date of sale along with comparative information as at June 30, 2019. As of June 30, 2020 there are no assets held for sale.

	January 21, 2020	June 30, 2019
CURRENT ASSETS:		
Cash	\$ 1,626,798	\$ 7,190,965
Trade and other receivables, net	1,877,810	2,599,185
Prepaid expenses and deposits	1,817,507	1,668,656
Inventory	2,958,487	2,573,575
Contract costs	1,169,361	1,106,806
Total current assets	<u>9,449,963</u>	<u>15,139,187</u>
NON-CURRENT ASSETS:		
Investment in a joint venture	7,298,119	7,011,083
Property, plant and equipment, net	150,295,445	151,535,118
Goodwill	13,074,165	13,074,164
Contract costs	2,731,017	2,456,639
Intangible assets	17,254,492	18,515,907
Total non-current assets	<u>190,653,238</u>	<u>192,592,911</u>
TOTAL ASSETS	<u>\$ 200,103,201</u>	<u>\$ 207,732,098</u>
Assets classified as held for sale	<u>\$ -</u>	<u>\$ 207,732,098</u>



	January 21, 2020	June 30, 2019
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 11,227,177	\$ 9,865,453
Deferred income	364,805	291,285
Due to parent	3,775,806	28,701,239
Current portion of other liabilities	936,167	1,770,935
Current portion of long-term debt	-	4,686,524
Total current liabilities	<u>16,303,955</u>	<u>45,315,436</u>
NON-CURRENT LIABILITIES:		
Other liabilities	15,503,224	15,239,402
Deferred income	207,144	248,425
Long-term debt	31,138,371	27,678,716
Note payable	-	2,450,000
Total non-current liabilities	<u>46,848,739</u>	<u>45,616,543</u>
TOTAL LIABILITIES	<u>\$ 63,152,694</u>	<u>\$ 90,931,979</u>
<i>Eliminations</i>		
Note payable to the parent	-	25,174,988
Intercompany fees and other accruals payable to the parent	<u>3,775,806</u>	<u>4,251,857</u>
Liabilities directly associated with assets classified as held for sale	<u>\$ -</u>	<u>\$ 61,505,134</u>
NET ASSETS	<u>\$ 140,726,313</u>	<u>\$ 146,226,964</u>

The intercompany fees payable to the parent of \$3,775,806 were settled in cash as a part of the transaction.

23. NON-CONTROLLING INTEREST

On July 1, 2016 the Shareholders Agreement was executed between the Group and HoldingCo as it relates to the ownership of Be Aliv Limited. The agreement provides guidance and specific requirements and commitments to each of the parties inclusive of ownership structure, capitalization, change of control, reporting and strategic initiatives, investments and related party transactions, and the structure of the Board of Directors. In accordance with the agreement, 51.75% of the capital requirements of the Group of \$70,167,306 was provided by HoldingCo and the remaining 48.25% in the amount of \$65,421,691 was provided by the Group. As at June 30, 2020 and at June 30, 2019 there were no outstanding capital commitments from the shareholders.

The non-controlling interest relates to the 51.75% of ordinary shares in Be Aliv Limited, held by The Government of The Bahamas through its special purpose holding company, HoldingCo. The Group has a 48.25% shareholding in Be Aliv Limited, and has board and management control.



The movement in non-controlling interest is as follows:

	2020	2019 Restated
Balance at beginning of year	\$ (21,722,965)	\$ 14,046,409
Impact of change in accounting policy	<u>-</u>	<u>(5,134,864)</u>
Beginning balance after change in accounting policy	(21,722,965)	8,911,545
Share of loss for the year	<u>(26,573,462)</u>	<u>(30,634,510)</u>
Balance, end of year	<u>\$ (48,296,427)</u>	<u>\$ (21,722,965)</u>

24. RISK MANAGEMENT

There are a number of risks inherent in the telecommunications industry that the Group manages on an ongoing basis. Among these risks, the more significant are credit, foreign exchange, liquidity, interest rate risk and capital risks.

Credit risk - Credit risk arises from the failure of a counterparty to perform according to the terms of contracts. From this perspective, the Group's significant exposure to credit risk is primarily concentrated with cash and cash equivalents, trade and other receivables, and balances due from related parties. Subscriber deposits are maintained until the services are terminated to offset any outstanding balances due to the Group. In order to limit the amount of credit exposure, accounts in arrears at 180 days are disconnected depending on their credit history. Cash and cash equivalents are predominantly in Bahamian or United States dollars and have been placed with high quality financial institutions.

Liquidity risk - Liquidity risk reflects the risk that the Group will not be able to meet an obligation when it becomes due or honor a credit request to a customer and/or related party. The Group maintains a satisfactory portion of its assets in cash and other liquid assets to mitigate this risk. In addition, the Group keeps its trade payables within agreed upon terms with its vendors. On a daily basis, the Group monitors its cash and other liquid assets to ensure that they sufficiently meet the Group's liquidity requirements.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.



	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
Accounts payable and accrued liabilities	\$ 12,087,973	\$ 11,092,100	\$ 25,259,357	\$ 22,159,513	\$ -	\$ 70,598,913	\$ 70,598,913
Notes payable	58,455,397	-	-	-	-	58,455,397	58,455,397
Long-term debt	-	653,057	7,266,588	65,237,513	288,258,352	361,415,510	314,407,071
Lease liabilities	1,032,953	4,251,083	15,677,940	27,378,386	146,402,694	194,743,056	79,056,058
Balance at June 30, 2020	\$ 71,576,323	\$ 15,996,240	\$ 48,203,855	\$ 114,775,412	\$ 434,661,046	\$ 685,212,876	\$ 522,517,439

	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
Accounts payable and accrued liabilities ¹	\$ 9,927,358	\$ 19,967,241	\$ 34,869,975	\$ -	\$ -	\$ 64,764,574	\$ 64,764,574
Notes payable	-	-	5,002,831	27,146,989	67,007,480	99,157,300	58,290,490
Long-term debt	-	3,161,020	16,519,083	129,762,578	311,660,612	461,103,293	160,896,323
Lease liabilities ²	1,241,764	1,429,248	17,998,038	44,226,515	152,171,542	217,067,107	93,703,329
Balance at June 30, 2019	\$ 11,169,122	\$ 24,557,509	\$ 74,389,927	\$ 201,136,082	\$ 530,839,634	\$ 842,092,274	\$ 377,654,716

¹Accounts payable and accrued liabilities presented for 2019 have been adjusted to remove certain non-financial liabilities.

²Lease liabilities presented for 2019 are after the restatement for the correction of the error disclosed in Note 5.

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
Cash and term deposits	\$ 174,902,357	\$ -	\$ 5,618,667	\$ -	\$ -	\$ 180,521,024	\$ 180,521,024
Trade and other receivables	22,492,824	468,371	4,806,913	-	-	27,768,108	19,158,222
Balance at June 30, 2020	\$ 197,395,181	\$ 468,371	\$ 10,425,580	\$ -	\$ -	\$ 208,289,132	\$ 199,679,246

	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
Cash and term deposits	\$ 28,326,808	\$ -	\$ 618,202	\$ -	\$ -	\$ 28,945,010	\$ 28,945,010
Trade and other receivables	15,927,455	-	1,250,639	-	-	17,178,094	15,757,739
Balance at June 30, 2019	\$ 44,254,263	\$ -	\$ 1,868,841	\$ -	\$ -	\$ 46,123,104	\$ 44,702,749

Market risk

Foreign currency risk - Foreign currency risk relates to the Group operating in different currencies and converting non-Bahamian earnings at different foreign exchange levels when adverse changes in foreign currency exchange rates occur. The Group is not directly exposed to foreign currency risk, as operations are denominated in Bahamian dollars (and US dollars), which is fixed to the US dollar at the following rate: B\$1 = US\$1. The Group mitigates this risk by utilizing funds received in US dollars to pay the US dollar invoices.



Interest rate risk - Interest rate risk is the potential for a negative impact on the consolidated statement of financial position or the consolidated statement of profit or loss and other comprehensive income arising from adverse changes in the value of financial instruments as a result of changes in interest rates. The Group manages interest cost using a mixture of fixed-rate and variable-rate debt.

Sensitivity analysis

The Group is exposed to variable interest rates on certain financial liabilities. For floating rate liabilities, the analysis is prepared assuming the amount outstanding at the end of the reporting year was outstanding for the whole year. A 25, 50 and 75 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Should effective interest rates increase or decrease, the effect on net and comprehensive income would be as follows:

	2020	2019
0.75%	\$ 211,657	\$ 816,581
0.50%	\$ 141,105	\$ 544,388
0.25%	\$ 70,552	\$ 272,194

Capital risk management - The Board of Directors manages the Group's capital to ensure that it has a strong capital base to support the development of its business. The Board of Directors seeks to maximize the return to shareholders through optimization of the Group's debt and equity balance. The Group's risk management structure promotes making sound business decisions by balancing risk and reward. The Group is not subject to any externally imposed capital requirements.

The Directors promote revenue generating activities that are consistent with the Group's risk appetite, policies and the maximization of shareholder return. The capital structure of the Group consists of preference shares and equity attributable to the common equity holders of the Group, comprising issued capital and retained earnings as disclosed in Notes 13 and 14. The Board of Directors review the capital structure at least annually. As part of this review, the Board considers the cost of the capital and the risks associated with each class of capital. Based on recommendations of the Board, the Group manages its capital structure through the payment of common and preferred dividends, the redemption of preferred shares, ordinary share purchases through normal share repurchase, and the restructuring of the capital base. The Group's strategy is unchanged from 2019.

Corporate tax management - The Group is subject to taxes and tax regulations in The Bahamas. The Board of Directors ensures that adequate internal controls and financial reporting guidelines are established and monitored in the preparation and submission of all tax reporting. The Group also uses on a regular basis external expertise to ensure that all tax information, resources and filings are carried out using relevant and current information.



25. SUBSEQUENT EVENTS

Early redemption of preference shares

On September 21, 2020, the Group issued notice to the holders of its United States dollar Series 8, 10, and 12 preference shares pursuant to Section 99 of the 2011 Securities Industry Act, stating its intent to exercise its option for early redemption. The early redemption was effective as of September 30, 2020, and a payment of \$23,280,268 was made to those shareholders on October 5, 2020 representing the sum of principal and interest owed.

On September 30, 2020, the Group issued notice to the holders of its United States dollar and Jamaican dollar Series 11 preference shares under the terms and conditions of its Confidential Private Placement Memorandum, stating its intent to exercise its option for early redemption. The early redemption will be effective as of December 29, 2020, and a payment of \$15,286,741 is expected to be made to those shareholders by January 2021 representing the sum of principal and interest owed. Upon the early redemption of the Series 11 shares, the Group will cease to be registered with the Jamaica International Securities Exchange.



2020 CBL Group Finance Team



NERIKA BURROWS
VP of Finance



FELICITY CAREY
Finance Manager



NICOLA ROY
Aliv Finance Director



STACY JOHNSON
Aliv Director Financial
Planning



BARRY WILLIAMS
Aliv Chief Financial
Officer



DAVID DOCKTER
Head of Strategy



Executive Team



FRANKLYN BUTLER II
President & CEO



JOHN GOMEZ
Chief Operations Officer



BEVERLY SAUNDERS
Vice President, Human
Resources



FELICITY JOHNSON
General Counsel, Cable
Bahamas Ltd.



STEPHEN CURRAN
Chief Technical Officer



CHARNETTE THOMPSON
Director Enterprise Solutions



CHRIS ANNESLEY
Vice President,
Engineering and
Technology



DAVID BURROWS
Vice President, Media



JOHNNY INGLE
Director Residential



ALLISON LEVARITY
Senior Director
Customer Experience



NERIKA I BURROWS
Vice President, Finance



DAMIAN BLACKBURN
Chief Aliv Officer



Corporate Information

DIRECTORS

Ross McDonald
Franklyn Butler II
Gary Kain
Michael Maura Jr
Michele Merrell
Ranford Patterson

Chairman
Executive Vice Chairman
Director
Director
Director
Director

Businessman
President & CEO, Cable Bahamas Ltd.
Businessman
Chairman of APD Ltd.
Vice President, Global Marketing & Communications
Reverend/Pastor

OFFICERS/ EXECUTIVES

BAHAMAS

Franklyn Butler II
John Gomez
Felicity Johnson
Stephen Curran
Johnny Ingle
David Burrows
Beverly Saunders
Chris Annesley
Nerika Burrows
Allison Levarity
Charnette Thompson

Executive Vice Chairman, President & CEO
Chief Operations Officer
General Counsel/Corporate Secretary
Chief Technology Officer (Group)
REV Residential Director
Vice President of Media
Vice President of Human Resources
Vice President of Engineering & Technology
Vice President of Finance
Senior Director Customer Experience
Director Enterprise Solutions

ALIV

Damian Blackburn
Barry Williams
Gravette Brown
Dwayne Davis
Patrice Thompson

Chief Aliv Officer
Chief Money Maestro
Chief Commercial Officer
Chief Information Officer
General Manager New Providence

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

As required by Rule 23(5) of the Securities Industry (Corporate Governance) Rules 2019, as amended (the "Rules"), Cable Bahamas Ltd. hereby confirms that it is in compliance with the Rules.

Dated the 10th day of November 2020

ANNUAL REPORT CREDITS



Creative Director
(Design, Production, Placement & Typesetting)
Dahar Butler
Production & Content Coordinator
REV Marketing Team

Proofing and Printing
Cable Bahamas Group

Photos
Cable Bahamas Group

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Tel (242) 322 4130

AUDITORS

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West Bay Street & Blake Road,
Nassau, The Bahamas
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Tel (242)-302-5300

PRINCIPAL BANKERS

Royal Bank of Canada

Royal Bank House
East Hill Street
P O Box N 7549
Nassau, The Bahamas
Tel (242) 356 8500



Shareholdings of directors and senior management and their connected persons pursuant to Jamaica Stock Exchange (JSE) Rule 409 and JSE Appendix 3 – Listing Agreement – Rule 8

DIRECTORS AND OFFICERS

DIRECTORS	TITLE	SERIES 11 SHARES
Ross McDonald	Chairman	Nil
Franklyn Butler II	Executive Vice-Chairman	Nil
Gary Kain	Director	Nil
Michael Maura Jr.	Director	Nil
Michele Merrell	Director	Nil
Dr. Ranford Patterson	Director	Nil

OFFICERS

Franklyn Butler II	CEO & President	Nil
John Gomez	COO	Nil
Felicity Johnson	Corporate Secretary	Nil

CONNECTED PERSONS

This is to confirm that the Directors, Officers and their Connected Persons hold no interest in Cable Bahamas Ltd. Series 11 Redeemable Cumulative USD and JMD Preference Shares.

CABLE BAHAMAS LTD SERIES 11 REDEEMABLE CUMULATIVE USD PREFERENCE SHARES:

Top Ten (10) Shareholders	Address	Shares	Currency
NCB (CAYMAN) LIMITED	Jamaica	3000	USD
SAGICOR BARBADOS	Barbados	750	USD
PWL	Jamaica	340	USD

CABLE BAHAMAS LTD SERIES 11 REDEEMABLE CUMULATIVE JMD PREFERENCE SHARES:

Top Ten (10) Shareholders	Address	Shares	Currency
NCB INSURANCE CO.LTD	Jamaica	590	JMD
GRACEKENNEDY LIMITED PENSION SCHEME	Jamaica	330	JMD
SJIML	Jamaica	192	JMD
ATL GROUP PENSION FUND TRUSTEES NOMINEE LIMITED	Jamaica	125	JMD
SJLIC FOR SCOTIABRIDGE RETIREMENT SCHEME	Jamaica	24	JMD
I.C.W.I PENSION PLAN	Jamaica	20	JMD
THE STAFF PENSION FUND OF RADIO JA. LTD.	Jamaica	20	JMD
PROVEN WEALTH LIMITED FOR PROVEN EQUITY POOLED FUND	Jamaica	19	JMD
DB&G PENSION FUND	Jamaica	5	JMD
D. C. & O. SERVICES LIMITED PENSION SCHEME	Jamaica	5	JMD
MF & G ASSET MANAGEMENT LTD. – NCB CM	Jamaica	5	JMD
UNIT TRUST SCHEME (JMD CARIBBEAN EQUITY)			



Audit Committee Composition

The Audit Committee is comprised of independent Directors who are neither officers nor employees of the Company or any of its subsidiaries. The Audit Committee is responsible for oversight of the financial reporting and internal controls of the Company, which includes the review and evaluation of the appropriate accounting principles and practices to be observed in the preparation of the accounts of the Company and its subsidiaries inclusive of tax planning initiatives and tax compliance. The Audit Committee is responsible for the initial review of the Company's annual audited consolidated financial statements prior to consideration thereof by the Board of Directors and direct oversight of the internal audit function. It approves the internal and external audit activities proposed each year to be conducted by the appointed independent auditors. The Committee also recommends the appointment and approves the terms of engagement of the independent auditors.

Gary Kain chairs the Audit Committee.

Members of the Audit Committee include:

Gary Kain – Chairperson
Ross McDonald – Member
Michael J. Maura Jr. – Member

Corporate Governance Guidelines

Our governance and internal control framework helps the Board to exercise proper oversight of the company's governance policies and procedures whilst retaining overall accountability. The Guidelines can be found at the bottom of our webpage under Corporate - Company Profile.

<https://www.rev.bs/about>

“ Agility is an ability to change position efficiently and effectively. It requires a combination of reflex, balance, coordination, speed, strength and endurance.”

