

CABLE BAHAMAS LTD.

**Consolidated Financial Statements
For The Year Ended June 30, 2026
And Independent Auditors' Report**

CABLE BAHAMAS LTD.
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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, 2026, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at June 30, 2026;
- 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, comprising material accounting policy information 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.

PricewaterhouseCoopers, 2 Bayside Executive Park,
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Nassau, Bahamas
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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) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview



Overall materiality: \$2.54 million which represents approximately 2.5% of earnings before interest, tax, depreciation and amortization (EBITDA)

In addition to the Group's primary operating company, Cable Bahamas Ltd., we performed a full scope audit of Be Aliv Limited, which was determined to be significant due to risk or size.

- Recognition and Measurement of Revenue

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 Cable Bahamas Ltd., the Group's primary operating company, was classified as a significant component due to risk or size based on its overall contribution to the Group and both entities were subject to a full scope audit.

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	\$2.54 million
How we determined it	Approximately 2.5% of EBITDA.
Rationale for the materiality benchmark applied	We chose EBITDA as the benchmark because, in our view, it is the most relevant benchmark against which the performance of the Group is measured by users, and is a generally accepted benchmark. We chose approximately 2.5% 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 \$127,008, 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 judgement, 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****Recognition and Measurement of Revenue**

Refer to Notes 3(r), 4(e) and 18 to the consolidated financial statements for disclosures of related accounting policies and balances.

The Group's revenue of \$249 million recorded on the consolidated statement of profit or loss and other comprehensive income consists of cable TV, fixed and wireless broadband, fixed-line telephone, mobile and data telephony services, and other ancillary services.

Contracts with customers include both short and long-term contracts. The recognition and measurement of revenue from short-term contracts and long term non-bundled contracts is not subject to significant judgement. However, the revenue streams comprise a large number of low value transactions, multiple products and services with varying pricing structures, and complex billing systems (and related Information Technology (IT) controls).

The recognition and measurement of revenue from long-term bundled contracts involves a number of key judgements and estimates, including the appropriate identification of stand-alone selling prices used to allocate their transaction price.

Due to the complexity and judgement involved, the recognition and measurement of revenue was an area that required significant audit attention and was therefore considered a key audit matter.

Our approach to addressing the matter, included the following procedures amongst others:

- obtaining an understanding of and evaluating the design and implementation of relevant management controls over the revenue process.
- evaluating the overall IT control environment and the IT controls in place, with the assistance of our information technology specialists. This included evaluating the design and testing the operating effectiveness of certain management controls addressing: access to programs and data; new system implementation; program changes; computer operations; customer account set-up; network usage data; restricted access to pricing data; and reliability of system generated reports.
- testing the end-to-end reconciliation from the billing systems to the general ledger and journal entries processed between them.
- evaluating the assumptions used by management to determine the allocation of the transaction price to telecom services and handsets within long-term bundled contracts and testing the stand-alone selling prices on a sample basis.
- obtaining a sample of customer contracts and comparing the contract terms and the approved rates to the revenue systems.
- assessing the adequacy of the Group's disclosures in respect of its accounting policies on revenue recognition.

Other information

Management is responsible for the other information. The other information comprises the Cable Bahamas Ltd. 2026 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. 2026 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 IFRS Accounting 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 judgement 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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

September 29, 2026

CABLE BAHAMAS LTD.**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026***(Expressed in Bahamian dollars)*

ASSETS	2026	2025
	\$	\$
CURRENT ASSETS:		
Cash and cash equivalents	59,309,527	69,089,144
Term deposits	1,220,927	1,215,039
Short-term investments (Note 5)	49,892,501	49,107,089
Trade and other receivables (Note 6)	38,253,814	37,012,042
Prepaid expenses and deposits (Note 7)	10,978,488	8,228,256
Inventory	3,748,653	4,059,411
Contract assets (Note 8)	684,787	690,435
Total current assets	164,088,697	169,401,416
NON-CURRENT ASSETS:		
Property, plant and equipment (Note 9)	291,914,876	308,491,352
Intangible assets (Note 10)	30,614,211	38,672,537
Contract assets (Note 8)	227,589	168,684
Total non-current assets	322,756,676	347,332,573
TOTAL ASSETS	486,845,373	516,733,989

LIABILITIES AND EQUITY

CURRENT LIABILITIES:		
Accounts payable and accrued liabilities (Note 11)	43,924,037	47,019,200
Deferred income	7,360,438	9,670,156
Lease liabilities (Note 12)	4,444,312	1,992,654
Notes payable (Note 13)	6,203,607	29,060,750
Preferred shares (Note 14)	2,023,740	1,604,384
Total current liabilities	63,956,134	89,347,144

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

CABLE BAHAMAS LTD.**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026
(CONTINUED)***(Expressed in Bahamian dollars)*

LIABILITIES AND EQUITY (CONTINUED)	2026	2025
	\$	\$
NON-CURRENT LIABILITIES:		
Subscriber deposits	8,545,981	8,577,585
Asset retirement obligation	1,005,866	778,608
Lease liabilities (Note 12)	52,388,117	52,828,001
Notes payable (Note 13)	10,026,724	13,256,812
Preferred shares (Note 14)	333,293,828	332,984,516
Total non-current liabilities	405,260,516	408,425,522
TOTAL LIABILITIES	469,216,650	497,772,666
EQUITY:		
Equity attributable to owners of the parent:		
Ordinary share capital (Note 15)	30,367,307	30,367,307
Retained earnings	57,295,877	64,553,705
Treasury Shares (Note 16)	(1,977,210)	(3,234,016)
Share-Based Payments Reserve (Note 20)	3,539,736	3,877,531
	89,225,710	95,564,527
Non-controlling interest (Note 24)	(71,596,987)	(76,603,204)
Total equity	17,628,723	18,961,323
TOTAL LIABILITIES AND EQUITY	486,845,373	516,733,989

These consolidated financial statements were approved by the Board of Directors and authorized for issue on September 29, 2026, 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, 2026**
(Expressed in Bahamian dollars)

	2026	2025
	\$	\$
REVENUE (Note 18)	249,487,991	242,173,287
Operating expenses (Note 19)	(146,082,805)	(152,534,813)
Depreciation and amortization (Notes 9, 10)	(60,228,907)	(66,928,888)
Expected credit losses on financial and contract assets (Note 6)	(2,604,187)	(2,623,601)
Fair value gain/ (loss) on short-term investments (Note 5)	4,430	(668,086)
Other income/ (loss)	(1,412,174)	2,528,930
Net gain on disposal of property, plant and equipment	<u>226,913</u>	<u>46,701</u>
OPERATING INCOME	39,391,261	21,993,530
Interest expense (Notes 12, 13)	(6,578,803)	(8,861,485)
Interest income	1,314,072	2,308,076
Dividends on preferred shares (Note 14)	(22,826,168)	(21,589,024)
Net loss on extinguishment of financial liabilities (Note 14)	<u>-</u>	<u>(597,379)</u>
NET AND COMPREHENSIVE INCOME/ (LOSS)	<u>11,300,362</u>	<u>(6,746,282)</u>
<i>Net and comprehensive income (loss) for the year attributable to:</i>		
Owners of the parent	6,294,145	(4,453,977)
Non-controlling interest	<u>5,006,217</u>	<u>(2,292,305)</u>
	<u>11,300,362</u>	<u>(6,746,282)</u>
<i>Earnings per share on profit or loss attributable to owners of the parent (Note 15):</i>		
Basic earnings per share	<u>0.15</u>	<u>(0.10)</u>
Diluted earnings per share	<u>0.14</u>	<u>(0.10)</u>

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

CABLE BAHAMAS LTD.**CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY FOR THE YEAR ENDED JUNE 30, 2026***(Expressed in Bahamian dollars)*

	Attributable to owners of the parent					
	Ordinary Share Capital \$	Retained Earnings \$	Treasury Shares	Share-Based Payments Reserve	Total \$	Non- Controlling Interest \$
						Total Equity \$
Balance at June 30, 2024	30,367,307	75,921,681	(2,413,835)	4,365,724	108,240,877	(74,310,899)
Total net and comprehensive income (loss)	-	(4,453,977)	-	-	(4,453,977)	(2,292,305)
<i>Transactions with owners:</i>						
Net movement in treasury shares (Note 16)	-	-	(820,181)	-	(820,181)	-
Vested share-based options	-	-	-	(26,423)	(26,423)	-
Exercised share-based options	-	-	-	(461,770)	(461,770)	-
Dividends paid on ordinary shares (Note 15)	-	(6,913,999)	-	-	(6,913,999)	-
Total transactions with owners	-	(6,913,999)	(820,181)	(488,193)	(8,222,373)	-
Balance at June 30, 2025	30,367,307	64,553,705	(3,234,016)	3,877,531	95,564,527	(76,603,204)
Total net and comprehensive income (loss)	-	6,294,145	-	-	6,294,145	5,006,217
<i>Transactions with owners:</i>						
Net movement in treasury shares (Note 16)	-	-	890,706	-	890,706	-
Vested share-based options (Note 20)	-	-	-	650,000	650,000	-
Exercised share-based options (Note 20)	-	343,039	366,100	(987,795)	(278,656)	-
Dividends paid on ordinary shares (Note 15)	-	(13,895,012)	-	-	(13,895,012)	-
Total transactions with owners	-	(13,551,973)	1,256,806	(337,795)	(12,632,962)	-
Balance at June 30, 2026	30,367,307	57,295,877	(1,977,210)	3,539,736	89,225,710	(71,596,987)

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

CABLE BAHAMAS LTD.**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026***(Expressed in Bahamian dollars)*

	2026	2025
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit / (loss) for the year	11,300,362	(6,746,282)
Adjustments for:		
Depreciation and amortization	60,228,907	66,928,888
Interest expense	6,578,803	8,861,485
Interest income	(1,314,072)	(2,308,076)
Dividends on preferred shares	22,826,168	21,589,024
(Reversal of cost)/ cost associated with share-based options	650,000	(351,915)
Net gain on disposal of property, plant and equipment	(226,913)	(46,701)
Net loss on extinguishment of debt	-	597,379
Expected credit losses on financial and contract assets	2,604,187	2,623,601
Fair value (gain)/loss on short-term investments	(4,430)	668,086
Realized gain on short-term investments	(1,237,783)	(414,635)
Other income	(116,367)	(836,525)
Operating cash flows before working capital changes	101,288,862	90,564,329
Increase in trade and other receivables	(3,845,959)	(7,589,133)
(Increase)/ Decrease in prepaid expenses and deposits	(2,750,232)	3,175,072
(Decrease)/ Increase in inventory	310,758	(601,751)
(Increase)/ Decrease in contract assets	(53,257)	3,591
Increase in accounts payable and accrued liabilities	93,335	2,537,834
(Decrease)/ Increase in deferred income	(2,309,718)	4,615,369
(Decrease)/ Increase in subscriber deposits	(31,604)	423,333
Net cash from operating activities	92,702,185	93,128,644
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	1,312,223	2,308,385
Proceeds from maturity of term deposits	-	500,000
Placement of term deposits	-	(50,000)
Purchase of short-term investments	(39,353,557)	(71,213,472)
Proceeds from maturities/sales of short-term investments	39,806,319	55,049,857
Purchases of property, plant and equipment	(35,177,254)	(51,229,825)
Payments for intangible assets	(2,070,364)	(2,703,455)
Proceeds from disposal of property, plant and equipment	239,270	477,678
Net cash used in investing activities	(35,243,363)	(66,860,832)

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

CABLE BAHAMAS LTD.**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026
(CONTINUED)***(Expressed in Bahamian dollars)*

	2026	2025
	\$	\$
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of loans	(26,203,607)	(9,060,750)
Repayment of lease liabilities	(848,442)	(1,453,980)
Interest paid	(4,805,478)	(9,073,934)
Purchase of treasury shares	(650,314)	(945,691)
Sale of treasury shares	1,907,120	125,510
Dividends paid on ordinary shares	(13,895,012)	(6,913,999)
Payment of exercised share-based option	(644,756)	(81,510)
Proceeds from preferred shares, net of placement agent fees	-	60,858,355
Dividends paid on preferred shares	(22,097,950)	(19,767,199)
Net cash (used in)/ from financing activities	(67,238,439)	13,686,802
Net (decrease)/ increase in cash and cash equivalents	(9,779,617)	39,954,614
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	69,089,144	29,134,530
CASH AND CASH EQUIVALENTS, END OF YEAR	59,309,527	69,089,144
Cash and cash equivalents comprise:		
Cash on hand and at banks	59,309,527	69,089,144

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

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Expressed in Bahamian dollars)

1. General Information

Cable Bahamas Ltd. (the “Company” or the “Parent”) is incorporated under the laws of The Commonwealth of The Bahamas (“The Bahamas”). The Company 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. The Group is regulated by the Utilities Regulation and Competition Authority (URCA).

As at June 30, 2026, the Group’s wholly-owned subsidiaries that are incorporated and domiciled in The Bahamas include Cable Freeport Ltd. (“Cable Freeport”), Caribbean Crossings Ltd. (“CCL”), Maxil Communications Ltd. (“Maxil”), Systems Resource Group Limited (“SRG”), Smart Term (Bahamas) Limited, Wallflower Services Ltd., REV Media Ltd. and Cable Bahamas Cares Foundation. Trinity Communications Bahamas Ltd. (“Trinity”), a company incorporated in the United States of America, is a wholly-owned subsidiary of CCL.

The Group has a 48.25% shareholding in Be Aliv Limited (“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 (“the Government”). Aliv is incorporated under the laws of The Commonwealth of The Bahamas.

The ordinary shares of the Company are listed and traded on the Bahamas International Securities Exchange (BISX). The Company’s registered office is located at GTC Corporate Services Limited, Sassoon House, Shirley Street and Victoria Avenue, in The Bahamas.

2. Basis of Preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”), and under the historical cost convention, as modified by the revaluation of certain financial assets at fair value through profit or loss. The material 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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Expressed in Bahamian dollars)

2. Basis of Preparation (Continued)

New standards, amendments and interpretations adopted by the Group

Standards, amendments and interpretations to published standards that became effective for the Group's financial year beginning on July 1, 2025 were either not relevant or not significant to the Group's operations and accordingly did not have a material impact on the Group's accounting policies or consolidated financial statements.

Amendments to IAS 21 - Lack of Exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The amendment noted above did not have any material impact on the amounts recognised in current and prior periods and is not expected to significantly affect future periods.

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

Except as disclosed below, the application of new standards, 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 financial period of initial application.

Amendment to IFRS 9 and IFRS 7- Classification and Measurement of Financial Instruments

The IASB has issued targeted amendments to IFRS 9, 'Financial Instruments', and IFRS 7, 'Financial Instruments: Disclosures'. The amendments respond to recent questions arising in practice, and include new requirements not only for financial institutions but also for corporate entities.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

2. Basis of Preparation (Continued)

These new requirements will apply from 1 January 2026, with early application permitted. These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The amendments are effective for the Group's financial year beginning July 1, 2026. Management is currently reviewing the amendments and assessing their potential impact on the Group's financial instruments, electronic payment processes, and consolidated financial statements.

IFRS 18- Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1; introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impact on presentation and disclosure are expected to be pervasive, in particular those related to the statement of profit or loss and providing management-defined performance measures within the financial statements. Management is currently assessing the implications of applying the new standard on the Group's financial statements. The Group will apply the new standard effective from financial year ending June 30, 2028. Retrospective application is required, and so the comparative information for the financial year ending June 30, 2027 will be restated in accordance with IFRS 18.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material 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.

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 assessing 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.

The Group reassesses 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.

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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

a. Basis of consolidation (continued)

The financial information of Aliv is consolidated in these financial statements as the Group owns 48.25% of its ordinary shares and maintains management and board control (Note 24).

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.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Parent and the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Parent 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 (3) 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 receivables are subsequently measured at amortized cost, net of an allowance for expected credit losses (see Note 3k). Trade and other receivables do not carry any interest and are stated at their nominal value.

d. Inventory

Inventory primarily consists of wireless handsets, parts, accessories and communications equipment held for resale. Inventory items are carried at lower of cost and net realizable value, with cost being determined using weighted average cost. All inventory items are transferred to cost of sales accordingly as they are sold and used. The Group maintains inventory valuation reserves for inventory that is slow moving or potentially obsolete, calculated using an inventory aging analysis. Net realizable value represents the estimated selling price of inventories less all estimated costs to make the sale.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

e. Prepaid Expenses and Deposits

Prepaid expenses include advance payments for rent, insurance, regulatory fees and other services to be received in subsequent periods. These are recognized as assets and expensed over the periods to which they relate, typically on a straight-line basis. Deposits include refundable rental and utility deposits and deposits for equipment and network service mobilization. The deposits are carried at cost and are expected to be recovered in full.

f. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. All costs directly associated with putting an asset into service are capitalized. Improvements that extend asset lives, and costs associated with the construction of network infrastructure and data transmission and distribution facilities, including direct labour and materials, are capitalized. Other repairs and maintenance costs are expensed as incurred.

Land and construction in progress are not depreciated. Depreciation on property, plant and equipment (other than right-of-use assets, see Note 3s) is recorded on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Leasehold improvements	Term of the lease
Network Infrastructure Assets	5-40 years
Vehicles	3-7 years
IT, Furniture and Other Equipment	3-10 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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

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

Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use.
- management intends to complete the software and use or sell it.
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits.
- adequate technical, financial, and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Capitalized development costs are amortized from the point at which the asset is ready for use.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customize, and the ongoing fees to obtain access to the cloud provider's application software, are recognized as operating expenses when the services are received.

Some of the costs incurred relate to the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and the recognition criteria for, an intangible asset. These costs are recognized as intangible software assets and amortized over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

h. Impairment of non-financial assets

At each consolidated statement of financial position date, management reviews the carrying amounts of its tangible and intangible assets, including right-of-use 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.

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 consolidated 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 revaluation 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. 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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

k. Financial instruments (continued)

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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

k. Financial instruments (continued)

Classification and measurement of financial assets (continued)

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.

Financial assets as at fair value through profit or loss (FVTPL)

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or fair value through other comprehensive income (FVOCI), debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. *Financial assets as at fair value through profit or loss (FVTPL) (continued)*

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized within other income in the consolidated statement of profit or loss and other comprehensive income to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes unrealized fair value gain or loss, and any dividend or interest earned on the financial asset, and would be included in profit or loss.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

k. Financial instruments (continued)

Impairment of financial and contract 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, and on contract assets. The Group determines a lifetime ECL for trade receivables and contract assets using the simplified approach of IFRS 9: Financial Instruments (IFRS 9). 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. The allowance for ECL 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), inflation rate 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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

k. Financial instruments (continued)

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 debtor.

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, 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. Subsequent recoveries of amounts previously written off are credited against the allowance account.

Financial liabilities

Financial liabilities (including borrowings, notes payable, lease liabilities, and trade and other payables) are classified as and subsequently measured at amortized cost using the effective interest method.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

l. Financial instruments (continued)

Financial liabilities (continued)

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

Derecognition 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.

Modification of financial liabilities

When the Group exchanges with an existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new one. Similarly, the Group accounts for a substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of future cash flows under the new terms, including any fees paid, and discounted using the original effective interest rate is at least ten percent (10%) different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification, and (2) the present value of future cash flows after modification is recognized in profit or loss, as a modification gain or loss in the consolidated statement of profit or loss and other comprehensive income.

m. Accounts payable and accrued liabilities

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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

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 Parent 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. Unless the Group has no additional potential shares outstanding, the diluted EPS will not be higher than the basic EPS.

o. Retirement benefit costs

Employer contributions made to the Group's defined contribution retirement benefit plan are charged as an expense and included in operating expenses in the consolidated statement of profit or loss and other comprehensive income 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 Company provides to key employees through a long-term incentive plan, the option to acquire ordinary shares in the Company. The fair value of the options is determined using the Black-Scholes option pricing model. As the options vest over the term of the plan, an expense is recognized in profit or loss with a corresponding increase in equity.

q. Treasury shares

The Group may purchase its own ordinary shares in the open market. The amounts paid to purchase those shares including trade commissions are recorded as treasury shares, which is a contra-equity account.

r. Related parties

Related parties include key management personnel (senior executive officers and directors), entities that are controlled by these parties, and ordinary shareholders with significant influence.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

s. *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 clear evidence that an arrangement exists.
- The amount of revenue and related cost can be measured reliably.
- It is probable that economic benefit 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 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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

r. Revenue from contracts with customers (continued)

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 (defined as assets with a value of \$5,000 or less). 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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

s. Leases (continued)

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 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 principal portion of 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 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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

t. Taxation

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

The Value Added Tax (“VAT”) Act, as amended, imposes VAT at a rate of 10%. The Group in compliance with this Act, charges its customers VAT through its invoices on all applicable services.

In December 2021, the organization for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two). The Government of The Bahamas in July 2021 signed for the OECD’s Pillar Two framework. As a result, The Government of The Bahamas enacted on November 28, 2024 the Domestic Minimum Top up Tax Act, 2024 (DMTT Act), the DMTT Act implements a domestic minimum top-up tax of 15% effective January 1, 2024 for qualifying multinational entities in The Bahamas. The Group is not within the scope of the OECD Pillar Two Rules or the DMTT Act, as it is not a Multinational Enterprise and does not meet the applicable consolidated revenue threshold. It is therefore considered an excluded entity under the Pillar Two model rules.

u. Tax deposits

Deposits paid to the tax authority with respect to tax matters that are outside the scope of IAS 12 *Income Taxes*, that are in dispute are accounted for within prepaid expense and deposits in the consolidated statement of financial position until the dispute is resolved. Upon resolution of the dispute, the tax authority will be required to either refund the tax deposit to the Group (if the dispute is resolved in the Group’s favor) or use the deposit to settle the Group’s liability (if the dispute is resolved in the tax authority’s favor).

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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

3. Material Accounting Policies (Continued)

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.

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.

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) Estimated useful economic lives of tangible and finite-lived intangible assets

Property, plant and equipment represents 56% (2025: 60%) of the Group's total assets. Intangible assets represent 6% (2025: 7%) 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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

a) Estimated useful economic lives of tangible and finite-lived intangible assets (continued)

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.

Refer to Note 9 for further details of changes made during the current year impacting the estimated useful life of certain components of the Group's property, plant and equipment.

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 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) Impairment of financial assets and contract assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

d) Contingencies

The Group is involved in various claims, tax disputes and legal and regulatory proceedings initiated by various parties seeking monetary damages and other relief. These contingencies represent a potential cost to the business should the final outcomes result in unfavorable decisions against the Group. The Group estimates the amount of a potential loss by analyzing various outcomes and assuming various litigation and settlement strategies, based on information that is available at the time.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

e) 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 relative stand-alone selling prices. The Group applies judgement in both identifying separate elements and allocating consideration between them.

f) Reasonable certainty and determination of lease terms

The lease term is a key determinant of the size of the lease liability and right-of-use asset recognized where the Group acts as lessee. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For 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,
- Indirect cost due to the possibility of an unsustainable reduction in revenue based on the removal of a necessary piece of the service network, or
- The unavailability of suitable alternative sites.

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.

Certain other leases contain extension options that have not been included in the lease liabilities because the Group is not reasonably certain that those options will be exercised. The potential future cash outflows relating to those optional periods are therefore not reflected in the lease liabilities or the contractual maturity analysis. The Group reassesses the lease when a significant event or change in circumstances occurs that is within the Group's control and affects whether it is reasonably certain to exercise or not exercise an option.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

g) Capitalizing direct labor

During its operations, the Group, where applicable, capitalizes certain direct labor costs associated with the acquisition, construction, development, or improvement of the network to property, plant, and equipment. The capitalized amounts are calculated based on allocated time on projects that are capital in nature. Capitalized amounts increase the cost of the asset and result in a higher carrying cost and depreciation expense in future periods.

h) Capitalization of configuration and customization costs in SaaS arrangements

Part of the customization and configuration activities undertaken in implementing SaaS arrangements may entail the development of software code that enhances or modifies, or creates additional capability to the existing on-premise software to enable it to connect with the cloud-based software applications. Judgement is applied in determining whether the additional code meets the definition of, and the recognition criteria for, an intangible asset in IAS 38 *Intangible Assets*.

i) Determination whether configuration and customization services are distinct from the SaaS access

Costs incurred to configure or customize the cloud provider's application software are recognized as operating expenses when the services are received. In a contract where the cloud provider provides both the SaaS configuration and customization, and the SaaS access over the contract term, the management applies judgement to determine whether these services are distinct from each other or not, and therefore, whether the configuration and customization costs incurred are expensed as the software is configured or customized (i.e. upfront), or over the SaaS contract term.

Specifically, where the configuration and customization activities significantly modify or customize the cloud software, these activities are not distinct from the access to the cloud software over the contract term. Judgement has been applied in determining whether the degree of customization and modification of the cloud-based software is significant.

5. Short-Term Investments

The Group holds United States government debt securities and Bahamas Government Registered stock as lower-risk investments, with maturities of one (1) year or less. The business model for managing these financial assets is to hold to trade within the near term rather than to hold to collect.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2026
(Continued)
(Expressed in Bahamian dollars)

5. Short-Term Investments (Continued)

The Group classifies the following financial assets at fair value through profit or loss (FVTPL):

	2026	2025
	\$	\$
Bahamas Government Registered Stock	10,003,958	14,906,440
United States government debt securities	39,888,543	34,200,649
	<u>49,892,501</u>	<u>49,107,089</u>
 Fair value gain/(loss) on investments at FVTPL	 <u>4,430</u>	 <u>(668,086)</u>

6. Trade and Other Receivables

Trade and other receivables comprise the following:

	2026	2025
	\$	\$
Subscribers	29,366,269	27,386,031
Other related party receivable (Note 26)	9,024,007	9,024,007
Other	6,663,196	6,504,808
	<u>45,053,472</u>	<u>42,914,846</u>
Allowance for expected credit losses	<u>(6,799,658)</u>	<u>(5,902,804)</u>
	<u>38,253,814</u>	<u>37,012,042</u>

Trade receivables are non-interest bearing and are generally on payment terms of net 30 to 90 days.

The movement in allowance for expected credit losses is as follows:

	2026	2025
	\$	\$
Balance at the beginning of the year	5,902,804	4,307,470
Amounts written off during the year	(2,089,066)	(1,297,770)
Amounts recovered during the year	381,733	269,503
Allowance recognized in the consolidated statement of profit or loss and other comprehensive income	<u>2,604,187</u>	<u>2,623,601</u>
Balance at the end of the year	<u>6,799,658</u>	<u>5,902,804</u>

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

6. Trade and Other Receivables (Continued)

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. No allowance for expected credit losses has been recognized for other receivables and other related party receivable.

June 30, 2026		Days past due						
Corporate and Government	<30 \$	31-60 \$	61-90 \$	91-120 \$	121-150 \$	151-180 \$	>181 \$	Total \$
Expected credit loss rate	2%	3%	3%	4%	25%	40%	86%	
Estimated total gross carrying amount at default	5,508,732	2,098,622	1,712,989	6,814,575	1,298,707	1,035,188	4,023,331	22,492,144
Lifetime ECL	102,383	53,907	44,041	240,774	326,190	418,098	3,475,427	4,660,820
Residential	<30	31-60	61-90	91-120	121-150	151-180	>181	Total
Expected credit loss rate	8%	37%	41%	85%	99%	100%	100%	
Estimated total gross carrying amount at default	4,411,826	689,455	356,165	213,009	162,136	139,911	901,623	6,874,125
Lifetime ECL	354,280	257,774	145,819	180,030	160,086	139,849	901,000	2,138,838
June 30, 2025		Days past due						
Corporate and Government*	<30 \$	31-60 \$	61-90 \$	91-120 \$	121-150 \$	151-180 \$	>181 \$	Total \$
Expected credit loss rate	5%	5%	6%	8%	8%	20%	79%	
Estimated total gross carrying amount at default	4,832,885	2,227,088	1,698,460	1,359,559	5,229,455	2,155,662	3,908,956	21,412,065
Lifetime ECL	255,567	80,858	100,086	105,042	411,182	428,201	3,072,238	4,453,174
Residential	<30	31-60	61-90	91-120	121-150	151-180	>181	Total
Expected credit loss rate	9%	18%	50%	86%	98%	98%	99%	
Estimated total gross carrying amount at default	3,798,392	1,024,028	362,416	142,776	118,188	106,312	421,854	5,973,966
Lifetime ECL	330,671	180,556	179,884	122,358	115,370	104,081	416,710	1,449,630

*The increase in gross carrying amounts in government receivables is the main driver for the decrease in ECL rates in 2025. For Government, the ECL rate is considered de-minimis.

7. Prepaid Expenses and Deposits

	2026 \$	2025 \$
Deposits	941,896	1,359,187
Government and regulatory fees	4,902,406	3,084,876
Prepaid insurance	645,544	440,068
Support and maintenance contracts	4,324,976	3,294,781
Other	163,666	49,344
	<u>10,978,488</u>	<u>8,228,256</u>

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

7. Prepaid Expenses and Deposits (Continued)

Deposits include \$514,422 (2025: \$514,422) for mobile network expansion. Government and regulatory fees represent amounts paid for communication fees and regulatory fees paid to Utilities Regulation and Competition Authority (“URCA”). Support and maintenance contracts relate to prepayments made to various vendors that support the fixed and mobile networks of the Group.

8. Contract Assets

The table below provides a reconciliation of the change in the contract assets balance. The Group recognizes contract assets on subsidies given to customers in relation to bundled contracts, as well as costs to obtain contracts. Where the right to consideration, from the transfer of products or services to customers extends beyond twelve months, that portion of the contract asset is presented as a non-current asset on the consolidated statement of financial position.

	2026 \$	2025 \$
<i>Contract assets relating to bundled contracts</i>		
Balance as at the beginning of the year	620,397	548,862
Revenue recognized	168,199	348,858
Transferred to trade receivables	(7,672)	(99,768)
Terminations	<u>(177,311)</u>	<u>(177,555)</u>
	603,613	620,397
Allowance for expected credit losses	<u>(25,847)</u>	<u>(25,847)</u>
Balance as at the end of the year	<u>577,766</u>	<u>594,550</u>
<i>Costs to obtain contracts</i>		
Balance as at the beginning of the year	264,569	339,695
Incremental costs of new contracts	477,692	364,503
Amortization included in cost of sales	<u>(407,651)</u>	<u>(439,629)</u>
Balance as at the end of the year	<u>334,610</u>	<u>264,569</u>
	<u>912,376</u>	<u>859,119</u>

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2026
(Continued)
(Expressed in Bahamian dollars)

8. Contract Assets (Continued)

The balance included in contract assets on the consolidated statement of financial position are outlined below:

	2026	2025
	\$	\$
Non-current portion	227,589	168,684
Current portion	684,787	690,435
	<u>912,376</u>	<u>859,119</u>

Movement in contract assets' expected credit loss allowance is as follows:

	2026	2025
	\$	\$
Balance as of the beginning of the year	(25,847)	(233,854)
Write-back adjustment	-	208,007
Balance as of the end of the year	<u>(25,847)</u>	<u>(25,847)</u>

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026

(Continued)

(Expressed in Bahamian dollars)

9. Property, Plant and Equipment

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

	Land & Buildings \$	Network Infrastructure \$	IT, Furniture & Other Equipment \$	Vehicles \$	Construction in Progress \$	Total \$
COST:						
Balance at June 30, 2024	74,179,698	719,287,725	37,364,438	18,159,479	5,355,884	854,347,224
Modifications to right-of-use asset	146,189	-	-	-	-	146,189
Additions	2,730,607	36,810,393	5,732,945	949,333	6,847,262	53,070,540
Transfer of assets	-	1,501,616	(248,987)	5,500	(1,525,855)	(267,726)
Disposals	-	(821,989)	(42,478)	(8,400)	-	(872,867)
Balance at June 30, 2025	77,056,494	756,777,745	42,805,918	19,105,912	10,677,291	906,423,360
Modifications to right-of-use asset	7,585	190,524	-	-	-	198,109
Additions	2,136,753	18,705,232	3,010,707	1,220,084	8,265,211	33,337,987
Transfer of assets	355,786	13,567,303	822,221	58,767	(14,804,077)	-
Disposals	-	-	-	(2,963,330)	-	(2,963,330)
Balance at June 30, 2026	79,556,618	789,240,804	46,638,846	17,421,433	4,138,425	936,996,126
ACCUMULATED DEPRECIATION:						
Balance at June 30, 2024	29,226,929	471,147,461	26,692,401	15,443,602	-	542,510,393
Modifications to right-of-use asset	15,647	-	-	-	-	15,647
Depreciation	2,150,287	48,709,104	4,345,612	829,656	-	56,034,659
Transfer of Assets	-	-	(186,801)	-	-	(186,801)
Disposals	-	(428,610)	(13,280)	-	-	(441,890)
Balance at June 30, 2025	31,392,863	519,427,955	30,837,932	16,273,258	-	597,932,008
Depreciation	2,537,535	41,870,149	4,907,840	784,691	-	50,100,215
Disposals	-	-	-	(2,950,973)	-	(2,950,973)
Balance at June 30, 2026	33,930,398	561,298,104	35,745,772	14,106,976	-	645,081,250
CARRYING VALUE:						
As at June 30, 2026	45,626,220	227,942,700	10,893,074	3,314,457	4,138,425	291,914,876
As at June 30, 2025	45,663,631	237,349,790	11,967,986	2,832,654	10,677,291	308,491,352

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

9. Property, Plant and Equipment (Continued)

At the beginning of the fiscal year 2022, the Group took a decision to transition its fixed distribution network in New Providence from hybrid-fiber coaxial (HFC) to fiber-to-the-home (FTTH), an undertaking which it projected would take four (4) years to complete. In the prior year, the Group made a similar decision to transition its fixed distribution network in Abaco from HFC to FTTH, with the project estimated to take one (1) year and five (5) months to complete. Additionally, the Group undertook an impairment assessment of the cash-generating unit (CGU) to which the HFC assets relate, the result of which was that no impairment loss has been recognized. The Group also reassessed the useful life of the HFC assets to be decommissioned in both New Providence and Abaco to determine whether a prospective change was required to either shorten or extend the useful life in line with the respective project terms. The project terms for New Providence and Abaco were extended by an additional twelve (12) months, resulting in total extensions of two (2) years and one (1) year, respectively. The useful life of the HFC assets in Abaco was required to be reduced to align with the project term, resulting in the recognition of additional depreciation expense of \$1,457,289 (2025: \$1,071,493) for the year ended June 30, 2026.

The calculation of value-in-use involved in the impairment assessment of the CGU is most sensitive to the discount rate assumption. The discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate is derived from the weighted average cost of capital (WACC) of the Company. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

A discount rate exceeding 16% (2025: 14.8%) in the CGU would lead to the recognition of an impairment loss.

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.

	2026	2025
	\$	\$
Property, plant and equipment owned	249,507,574	265,397,458
Right-of-use assets	42,407,302	43,093,894
	<u>291,914,876</u>	<u>308,491,352</u>

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

9. Property, Plant and Equipment (Continued)

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

	Network			
	Land	Commercial Buildings	Infrastructure	Total
	\$	\$	\$	\$
Net carrying amount at				
June 30, 2025	19,818,246	705,722	22,569,926	43,093,894
June 30, 2026	19,863,949	813,563	21,729,790	42,407,302
Depreciation expense for the year ended				
June 30, 2025	610,264	420,114	1,138,921	2,169,299
June 30, 2026	789,709	656,405	1,030,660	2,476,774
Total additions during the year				
June 30, 2025	1,105,674	464,327	809,848	2,379,849
June 30, 2026	835,412	756,661	-	1,592,073
Total disposals during the year				
June 30, 2025	-	-	-	-
June 30, 2026	-	-	-	-

10. Intangible Assets

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

Communications licenses

The Company has an Individual Operating License (“IOL”) and an Individual Spectrum License (“ISL”) issued by URCA 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. The Group has recognized costs required to fully utilize its communications licenses as an intangible asset, amortized over the remaining term of the licenses. Both licenses have a 15-year term and expire on June 29, 2031.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

10. Intangible Assets (Continued)

Aliv has an IOL, authorizing the operation of an electronic communications network and provision of carriage services; and, an ISL, authorizing the use of specific allocations of premium radio spectrum. Both licenses have a term of fifteen years and expire on June 29, 2031.

The Group recognized all costs associated with the issuance of the IOL and ISL to Aliv as an intangible asset. 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 amortized on a straight-line basis over their estimated useful lives, which is five (5) to ten (10) years.

Acquired licenses

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

Intangible assets acquired as a part of the acquisition of SRG included Spectrum and Communications Licenses, collectively the “Acquired Licenses”. The Spectrum license allows SRG to use the Assigned Radio Spectrum in The Bahamas. The Communications License 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. 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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

10. Intangible Assets (Continued)

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

	Communications License	*Software and License	Acquired Licenses	Total
	\$	\$	\$	\$
COST				
Balance at June 30, 2024	72,830,680	28,396,540	19,368,563	120,595,783
Assets acquired	-	2,703,455	-	2,703,455
Transfers/adjustments	-	267,725	-	267,725
Balance at June 30, 2025	72,830,680	31,367,720	19,368,563	123,566,963
Assets acquired	-	2,070,364	-	2,070,364
Balance at June 30, 2026	72,830,680	33,438,084	19,368,563	125,637,327
AMORTIZATION				
Balance at June 30, 2024	42,134,930	14,794,887	16,883,579	73,813,396
Amortization for the year	4,525,879	6,006,793	361,557	10,894,229
Disposals	-	186,801	-	186,801
Balance at June 30, 2025	46,660,809	20,988,481	17,245,136	84,894,426
Amortization for the year	4,286,378	5,766,431	75,883	10,128,692
Balance at June 30, 2026	50,947,187	26,754,912	17,321,019	95,023,118
CARRYING VALUE:				
June 30, 2026	21,883,493	6,683,174	2,047,544	30,614,211
June 30, 2025	26,169,871	10,379,239	2,123,427	38,672,537

*Software and licenses include capitalized development costs representing internally generated intangible assets totaling \$1,865,344 (2025: \$1,623,232). During the year, the Group recognized \$1,786,193 (2025: \$2,191,139) in software and licenses in respect of customization and configuration costs incurred in implementing SaaS arrangements.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

11. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities comprise the following:

	2026 \$	2025 \$
Government and statutory agencies	19,399,270	20,374,526
Trade payables	17,092,500	20,692,764
Other liabilities	3,935,306	3,197,841
Payroll and employee benefits	3,496,961	2,754,069
	<u>43,924,037</u>	<u>47,019,200</u>

In prior years, URCA issued Preliminary Determinations outlining perceived breaches by the Group relating to the non-payment of fees with respect to its operations in Grand Bahama. URCA asserts 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 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 defend this position. At June 30, 2026 and 2025, a provision has been recognized for what the Group considers to be a probable future outflow and included under amounts payable to the Government and statutory agencies.

On November 21, 2022, URCA issued a Final Determination and Order against the Company with respect to certain matters relating to its compliance with quality of service standards in the provision of its pay television services during the period January to December 2021. At June 30, 2026 and 2025, a provision has been recognized for what the Group considers to be a probable future outflow and included under amounts payable to the Government and statutory agencies. The parties are in negotiations to settle the matter.

In addition to the above, 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.

Accounts payable and accrued liabilities are non-interest bearing. Refer to Note 25 for relevant details on the Group's liquidity risk management processes and payment terms.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2026
(Continued)
(Expressed in Bahamian dollars)

12. Lease Liabilities

The lease liabilities corresponding to the right-of-use assets disclosed in Note 9 carry terms ranging from five (5) to forty (40) years from inception and are discounted using the incremental borrowing rate. As at June 30, 2026 and 2025, the balance outstanding included in lease liabilities on the consolidated statement of financial position are outlined below:

	2026	2025
	\$	\$
Non-current portion	52,388,117	52,828,001
Current portion	<u>4,444,312</u>	<u>1,992,654</u>
	<u>56,832,429</u>	<u>54,820,655</u>

Amounts recognized in profit or loss and statement of cash flows related to leases are as follows:

	2026	2025
	\$	\$
Interest expense on lease liabilities	4,719,181	4,559,084
Expense relating to short-term leases	587,240	799,346
Expense relating to low-value leases		-
Cash outflows on lease liabilities:		
Interest paid	3,062,517	5,115,502
Principal paid	848,442	1,453,980

13. Notes Payable and Loans

	2026	2025
	\$	\$
<i>Notes Payable</i>		
Series A: 8.00%; 2026	4,162,000	8,324,000
Series B: 8.50%; 2031	<u>12,249,643</u>	<u>34,291,250</u>
	16,411,643	42,615,250
Unamortized cost	<u>(181,312)</u>	<u>(297,688)</u>
Total notes payable	<u>16,230,331</u>	<u>42,317,562</u>
Non-current portion	10,026,724	13,256,812
Current portion	6,203,607	29,060,750

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2026
(Continued)
(Expressed in Bahamian dollars)

13. Notes Payable and Loans (Continued)

	2026	2025
	\$	\$
Movement in notes payable is as follows:		
Opening balance	42,317,562	51,034,343
Principal payment	(26,203,607)	(9,060,750)
Interest expense	1,859,622	4,302,401
Interest paid	(1,743,246)	(3,958,432)
Closing balance	<u>16,230,331</u>	<u>42,317,562</u>

Series A unsecured notes mature on December 31, 2026, following five (5) equal annual installments commencing on December 31, 2022, with interest payable at the rate of 8.00% per annum. Series B unsecured notes mature on December 31, 2031 following eight (8) equal annual installments commencing on December 31, 2024, with interest payable at the rate of 8.50% per annum. Interest on the notes is payable semi-annually on the last business day in June and December each year.

During July 2025, the Company made an early redemption of \$20,000,000 of Series B unsecured notes. Total principal payments during the year for Series B were \$22,041,607 (2025: \$4,898,750), inclusive of the \$20,000,000 early redemption. Principal payments during the year for Series A were \$4,162,000 (2025: \$4,162,000).

14. Preferred Shares

	2026	2025
	\$	\$
Opening balance	334,588,900	271,311,341
Issued during the year	-	64,000,000
Dividend expense	22,826,168	21,589,024
Dividend paid	(22,097,500)	(19,767,199)
Loss on modification	-	597,379
Transaction costs attributable to new issues	<u>-</u>	<u>(3,141,645)</u>
Closing balance	<u>335,317,568</u>	<u>334,588,900</u>
Preferred shares – current portion	2,023,740	1,604,384
Preferred shares – non-current portion	333,293,828	332,984,516

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

14. Preferred Shares (Continued)

Details of preferred shares authorized, issued and outstanding

Authorized:

120,000 shares par value B\$1,000

25,000,000 shares par value B\$0.01

Issued and outstanding

Series Name	Issued Amount	Par Value	Dividend Rate	Face Value	Maturity Date
2026					
Series Two cumulative redeemable preferred shares	120,000	B\$1000	8.0%	B\$1,000	Oct-34
Series Fifteen cumulative redeemable amortizing preferred shares	128,500	B\$0.01	5.50%	B\$1,000	Jun-32
Series Sixteen cumulative redeemable preferred shares	90,500	B\$0.01	6.00%	B\$1,000	Jun-37
2025					
Series Two cumulative redeemable amortizing preferred shares	120,000	B\$1000	8.0%	B\$1,000	Oct-34
Series Fifteen cumulative redeemable preferred shares	128,500	B\$0.01	5.50%	B\$1,000	Jun-32
Series Sixteen cumulative redeemable preferred shares	90,500	B\$0.01	6.00%	B\$1,000	Jun-37

Preferred shares issued by the Group are unsecured and do not carry voting rights. They pay dividends semi-annually and are ranked ahead of the ordinary shares in the event of liquidation. Proceeds from the issuance of these shares were used to either settle short-term debt commitments or fund capital investments. The preferred shares may be redeemed at the option of the Group with ninety (90) days written notice to the shareholders. As the preferred shares are mandatorily redeemable on a specific date (or in the case of Series Two amortizing preferred shares, specific dates), they are recognized as financial liabilities in the consolidated financial statements.

In the prior year, the Group refinanced and redeemed Series One preferred shares with the issuance of Series Two preferred shares with a dividend rate of 8.00%. Series Two preferred shares mature on October 31, 2034 with redemption occurring in five (5) equal annual installments commencing on October 31, 2030.

The offering of Series Two also resulted in additional gross subscriptions of \$64,000,000 with net proceeds of \$60,858,355 after transaction fees of \$3,141,645.

This transaction was recognized as an extinguishment of an existing financial liability and the recognition of a new financial liability, which led to a loss on extinguishment amounting to \$597,379.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2026
(Continued)
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15. Ordinary Share Capital

Ordinary share capital is comprised of the following:

	2026	2025
Issued and fully paid ordinary shares of no par value	<u>43,887,035</u>	<u>43,887,035</u>
	2026	2025
	\$	\$
Ordinary share capital	<u>30,367,307</u>	<u>30,367,307</u>

The authorized ordinary share capital of the Company is \$20,000,000 comprised of 60,000,000 ordinary shares of no par value.

The number of ordinary shares outstanding as at June 30, 2026 was 43,535,354 (2025: 43,214,593) and the weighted average number of ordinary shares was 43,362,177 (2025: 43,401,239).

Ordinary dividends per share

Dividends of \$0.32 per share (2025: \$0.16 per share) were declared and paid to ordinary shareholders. The amount of dividends declared and paid was adjusted for treasury shares at the time of the declarations of the dividends which in aggregate totaled \$148,839 (2025: \$107,927).

Earnings per share

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

	2026	2025
	\$	\$
Earnings used in calculation of basic and diluted earnings per share on profit or loss - attributable to ordinary equity holders of the Parent	6,294,145	(4,453,977)
Basic earnings per share	0.15	(0.10)
Diluted earnings per share	0.14	(0.10)

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

15. Ordinary Share Capital (Continued)

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

	2026	2025
Weighted average of ordinary shares used in calculation of basic earnings per share	43,362,177	43,401,239
Number of dilutive shares under share option	551,650	-
Weighted average of ordinary shares used in calculation of diluted earnings per share	<u>43,913,827</u>	<u>43,401,239</u>

16. Treasury Shares

Treasury shares are ordinary shares that are held by the Parent in order to enable management's long-term capitalization strategy, in line with the Group's capital risk management structure. The movement in shares during the year is as follows:

	2026	2026	2025	2025
	<u>No. of shares</u>	<u>Dollar value</u>	<u>No. of shares</u>	<u>Dollar value</u>
		\$		\$
Opening balance, beginning of year	672,442	3,234,016	442,625	2,413,835
Acquisition of shares	71,139	284,214	262,417	945,691
Sale or transfer of shares	<u>(391,900)</u>	<u>(1,541,020)</u>	<u>(32,600)</u>	<u>(125,510)</u>
Ending balance, end of the year	<u>351,681</u>	<u>1,977,210</u>	<u>672,442</u>	<u>3,234,016</u>

17. Commitments and Contingent Liabilities

The Group has a facility for corporate credit cards and letters of guarantee in the amount of \$1,250,000 (2025: \$1,250,000) held with its bank. The Group also has a letter of guarantee with a vendor in the amount of \$1,500,000 (2025: \$1,500,000).

The Group has capital commitments of \$4,801,665 (2025: \$1,489,079) in relation to the acquisition of network infrastructure.

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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2026
(Continued)
(Expressed in Bahamian dollars)

18. Revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Revenue by Stream

	2026	2025
	\$	\$
Service Revenue - Prepaid	70,721,487	68,392,524
Service Revenue - Mobile postpaid	25,479,484	23,486,052
Service Revenue – Fixed postpaid	117,703,689	117,617,288
Sale of telecommunication equipment	10,088,189	8,298,483
Equipment rental revenue	9,052,173	9,587,266
Interconnect & Roaming	13,748,247	12,007,554
Other	2,694,722	2,784,120
	<u>249,487,991</u>	<u>242,173,287</u>

Revenue by Customer Type

	2026	2025
	\$	\$
Consumer - Fixed	75,687,435	77,314,072
Consumer - Mobile	94,524,372	90,614,735
Corporate and Government - Fixed	55,763,575	52,255,256
Corporate and Government - Mobile	21,217,466	20,414,996
Other	2,295,143	1,574,228
	<u>249,487,991</u>	<u>242,173,287</u>

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

19. Operating Expenses

Operating expenses consist of the following:

	2026	2025
	\$	\$
Direct costs	26,626,675	25,023,094
Administrative	23,604,678	27,459,914
Commercial and Customer Operations	23,028,221	24,950,791
Programming costs	16,552,795	17,010,910
Network operations	11,146,666	12,216,207
Engineering	29,728,498	26,676,672
Government and regulatory fees	15,395,272	19,197,225
	<u>146,082,805</u>	<u>152,534,813</u>

Direct costs include the cost of inventory sold amounting to \$8,877,986 (2025: \$9,924,798) and voice termination costs paid to other network carriers.

Administrative expenses include the audit fees related to the consolidated financial statements of the Group for the year ended June 30, 2026, amounting to \$332,500 (2025: \$336,000) along with audit fees of \$30,000 (2025: \$40,000) associated with an audit prescribed by the Department of Inland Revenue (DIR). Other fees to the auditor and related network firms for non-assurance services amounted to \$137,000 (2025: \$Nil).

The Group was previously involved in formal disputes with the DIR regarding assessments issued by the DIR for unpaid taxes and fees totaling \$2,313,099. The disputes were settled in the prior year, based on updated legal advice and internal reassessment, to limit further legal and financial risk. The tax deposit which was previously recorded under “Prepaid Expenses and Deposits” was reclassified and expensed under “Government and Regulatory Fees” in the Statement of Comprehensive Income.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2026
(Continued)
(Expressed in Bahamian dollars)

20. Employee Compensation

For the year ended June 30, 2026, employee compensation costs totaled \$50,082,193 (2025: \$45,542,947).

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 percentage of salary for its staff and for executive management. The Group's contributions for the year amounted to \$1,057,739 (2025: \$903,525).

Long-term incentive compensation plan

Aliv operates a long-term incentive plan for its eligible management and employees, using "reference shares" that mirror the fair value of ordinary shares and are settled through cash payments. Reference shares are allocated subject to acceleration, forfeiture, and other conditions, and vest four years from the date of employment. Unpaid awards are forfeited after ten years. The plan aligns participants' interests with Aliv's shareholders by providing compensation tied to the growth in fair value of Aliv's shares above a pre-established threshold. At inception, 100 reference shares equaled one ordinary share. The maximum allocation under the plan is 25,000 reference shares, representing 5% of fully diluted ownership at inception. As at June 30, 2026, all relevant terms and conditions were not yet met or assessed, and accordingly, there has been no recognition of additional compensation expense in relation to the reference shares during the current year (2025: Nil).

	<u>Shares Issued</u>	<u>Shares Vested</u>
Balance as of June 30, 2025	20,915	18,137
Forfeitures	<u>(90)</u>	<u>(90)</u>
Balance as of June 30, 2026	20,825	18,047
	<u>Shares Issued</u>	<u>Shares Vested</u>
Balance as of June 30, 2024	21,900	19,122
Additions	-	-
Forfeitures	<u>(985)</u>	<u>(985)</u>
Balance as of June 30, 2025	<u>20,915</u>	<u>18,137</u>

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

20. Employee Compensation (Continued)

Share-based option plan

The Group has a share-based option plan for key executives of the Group, and under the terms of the plan, the maximum number of shares that may be issued upon the exercise of options shall not exceed 10% of the issued and outstanding shares of the Group and vest equally over four (4) years. Options are granted under the plan for no consideration. The options carry no dividend or voting rights, and they are settled in shares. The expiry date of an option is the tenth anniversary of the award date.

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 as it relates to the options granted during the year included the exercise price of \$3.70, the share price of \$3.70 on the grant date, expected price volatility of the Group's equity shares of 32.21%, dividend yield of the Group's equity shares of 8.65%, the expiry date of the options, and the risk-free interest rate of 4.25%.

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

	Number of share options		Issue date	Exercise price	Fair value at grant date
	2026	2025		\$	\$
Second tranche	769,250	1,167,351	27-Mar-19	2.22	2.22
Third tranche	342,000	367,000	22-Oct-20	2.99	0.88
Fourth tranche	303,750	343,750	16-Nov-21	3.09	1.62
Fifth tranche	530,000	542,500	9-Dec-22	3.95	1.82
Sixth tranche	511,560	526,185	20-Dec-24	3.06	0.43
Seventh tranche	166,256	-	25-Sep-25	3.70	0.41
Total	2,622,816	2,946,786			

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2026
(Continued)
(Expressed in Bahamian dollars)

20. Employee Compensation (Continued)

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

	Movement in number of share-based options		Weighted average exercise price	
	2026	2025	2026	2025
	\$	\$	\$	\$
Outstanding, beginning of year	2,946,786	2,689,451	2.89	2.92
Granted	185,756	560,185	3.70	3.06
Forfeited	(46,625)	(105,250)	3.57	3.46
Exercised	<u>(463,101)</u>	<u>(197,600)</u>	2.32	3.47
Outstanding, end of year	<u>2,622,816</u>	<u>2,946,786</u>	3.03	2.89
Exercisable	1,961,546	2,093,101	2.91	2.71

The total number of share options vested as at June 30, 2026 was 1,961,546 (2025: 2,093,101). The fair value of the share options exercised during the year was \$406,065 (2025: \$461,770). The cumulative fair value of share options vested at June 30, 2026 is \$3,539,736 (2025: \$3,877,531).

21. Related Party Balances and Transactions

Compensation of directors and key management personnel:

	2026	2025
	\$	\$
Short-term benefits	3,227,544	3,349,616
Long-term benefits – share-based plan	246,240	281,450
Post-employment benefits	<u>124,381</u>	<u>106,967</u>
	<u>3,598,165</u>	<u>3,738,033</u>

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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

21. Related Party Balances and Transactions (Continued)

Other balances and transactions with related parties:

	Key Management Personnel	Other Related Parties
	\$	\$
2026		
Balances at the end of the year:		
Accounts payable and accrued liabilities	194	302,018
Notes payable, interest and long-term debt	56,016	-
Preferred shares	20,000	9,450,000
Transactions during the year:		
Revenue	6,429	293,684
Operating expenses	289,006	1,279,687
Dividends on preferred shares	1,735	777,489
	Key Management Personnel	Other Related Parties
	\$	\$
2025		
Balances at the end of the year:		
Accounts payable and accrued liabilities	194	86,862
Notes payable and long-term debt	110,000	-
Preferred shares	20,000	9,450,000
Transactions during the year:		
Revenue	4,874	290,501
Operating expenses	302,241	1,269,252
Dividends on preferred shares	1,735	777,489

The related party amounts within the accounts payable and accrued liabilities, preferred shares, and dividends on preferred shares lines comprise balances and transactions with key management personnel (officers and directors of the Company), business entities closely affiliated with any of those persons and ordinary shareholders with significant influence.

22. 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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

22. Fair Values of Financial Assets and Liabilities (Continued)

In the opinion of management, the estimated fair value of financial assets (the Group's cash, term deposits, and accounts receivable) and financial liabilities (the Group's accounts payable and accrued liabilities, preferred shares, lease liabilities, notes payables, loans, and subscriber deposits) which are not carried at fair value, at the consolidated statement of financial position date were not materially different from their carrying values either due to:

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

Recognized fair value measurements

	Level 1	Level 2	Level 3	Total fair value
2026	\$	\$	\$	\$
Short-term investments	39,888,543	10,003,958	-	49,892,501
2025				
Short-term investments	34,200,649	14,906,440	-	49,107,089

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is as follows:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. The Group holds United States treasury bills which are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Group holds Bahamas Government bonds which are included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Group does not hold any level 3 investments.

The Group recognizes transfers into and out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels for recurring fair value measurements during the year.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

23. 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.

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 or loss represents the profit or loss 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:

2026					
	Cable	ALIV	Segment Totals	Eliminations	Consolidated Totals
	\$	\$	\$	\$	\$
Revenue from external customers	146,434,400	116,972,144	263,406,544	(13,918,553)	249,487,991
Interest expense	2,405,340	15,253,505	17,658,845	(11,080,042)	6,578,803
Depreciation and amortization	40,887,842	21,240,193	62,128,035	(1,899,128)	60,228,907
Reportable segment profit (loss)	227,773	9,673,849	9,901,622	1,398,740	11,300,362
Operating expenses	93,329,019	60,891,039	154,220,058	(8,137,253)	146,082,805
Reportable segment assets	508,485,940	193,058,880	701,544,820	(214,699,447)	486,845,373
Reportable segment liabilities	276,983,024	331,410,543	608,393,567	(139,176,917)	469,216,650
2025					
	Cable	ALIV	Segment Totals	Eliminations	Consolidated Totals
Revenue from external customers	143,953,496	112,352,068	256,305,564	(14,132,277)	242,173,287
Interest expense	2,151,822	19,251,807	21,403,629	(12,542,144)	8,861,485
Depreciation and amortization	46,064,114	23,122,269	69,186,383	(2,257,495)	66,928,888
Reportable segment profit (loss)	(3,679,719)	(4,429,575)	(8,109,294)	1,363,012	(6,746,282)
Operating expenses	95,084,275	65,361,615	160,445,890	(7,911,077)	152,534,813
Reportable segment assets	526,180,944	218,561,544	744,742,488	(228,008,499)	516,733,989
Reportable segment liabilities	282,272,833	366,587,059	648,859,892	(151,087,226)	497,772,666

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

24. Non-Controlling Interest (Continued)

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

A Shareholders Agreement dated July 1, 2016 between the Company and HoldingCo governs the ownership of Aliv. 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 Aliv of \$70,167,306 was provided by HoldingCo and the remaining 48.25% in the amount of \$65,421,691 was provided by the Company.

The movement in non-controlling interest is as follows:

	2026 \$	2025 \$
Balance at beginning of year	(76,603,204)	(74,310,899)
Share of net income (loss) for the year	<u>5,006,217</u>	<u>(2,292,305)</u>
Balance, end of year	<u>(71,596,987)</u>	<u>(76,603,204)</u>

25. 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, liquidity, market (foreign exchange, interest rate, price), capital risks and climate-related 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 its investment in short-term government debt securities. 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 90 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 highquality financial institutions. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

25. Risk Management (Continued)

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 assets, and non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets, and 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. 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	59,309,527	-	1,220,927	-	-	60,530,454	60,530,454
Short-term investments	5,660,000	5,599,063	34,787,813	5,109,375	-	51,156,251	49,892,501
Trade and other receivables	45,053,472	-	-	-	-	45,053,472	38,253,814
Financial assets at June 30, 2026	110,022,999	5,599,063	36,008,740	5,109,375	-	156,740,177	148,676,769

	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	37,688,353	3,359,615	1,293,388	-	-	42,341,356	42,341,355
Preferred shares	-	-	22,097,500	111,464,192	370,054,842	503,616,534	335,317,568
Notes payable	-	-	7,326,620	10,252,673	2,129,089	19,708,382	16,230,331
Lease liabilities	2,501,967	965,378	4,306,775	20,373,674	124,440,046	152,587,840	56,832,429
Financial liabilities at June 30, 2026	40,190,320	4,324,993	35,024,283	142,090,539	496,623,977	718,254,112	450,721,683
Net liquidity gap as at June 30, 2026	69,832,679	1,274,070	984,457	(136,981,164)	(496,623,977)	(561,513,935)	

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

25. Risk Management (Continued)

Liquidity risk (continued)

	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
	\$	\$	\$	\$	\$	\$	\$
Cash and term deposits	69,089,144	-	1,215,039	-	-	70,304,183	70,304,183
Short-term investments	2,497,380	5,492,431	31,770,754	10,556,250	-	50,316,815	49,107,089
Trade and other receivables	42,888,656	-	-	-	-	42,888,656	37,012,042
Financial assets at June 30, 2025	114,475,180	5,492,431	32,985,793	10,556,250	-	163,509,654	156,423,314

	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	20,429,747	5,238,947	3,392,056	-	-	29,060,750	29,060,750
Preferred shares	-	-	22,097,500	88,416,301	415,200,233	525,714,034	334,588,900
Notes payable	20,065,205	-	10,519,907	14,506,779	-	45,091,891	42,317,562
Lease liabilities	1,126,260	811,466	4,161,408	14,797,103	131,756,523	152,652,760	54,820,655
Financial liabilities at June 30, 2025	41,621,212	6,050,413	40,170,871	117,720,183	546,956,756	752,519,435	460,787,867
Net liquidity gap as at June 30, 2025	72,853,968	(557,982)	(7,185,078)	(107,163,933)	(546,956,756)	(589,009,781)	

The Group has adequate liquid assets to cover its liabilities due within the next year. Its significant investments in Property, Plant, and Equipment generate positive cash flow, which supports the repayment of longer-term liabilities, with cash flow improving in years without major capital projects. After the completion of the FTTH rollout in New Providence and Abaco, no further significant investments in PPE of that scale are expected. Additionally, the Group holds preferred shares and notes as part of its long-term financing strategy, offering the flexibility to refinance these instruments and extend their maturities, thereby supporting both short- and medium-term operations and growth.

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.

CABLE BAHAMAS LTD.**Notes to the Consolidated Financial Statements**
For the Year Ended June 30, 2026
(Continued)
*(Expressed in Bahamian dollars)***25. Risk Management (Continued)*****Interest rate risk (continued)******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.

The Group is not materially exposed to interest rate risk as at the year end.

Price risk

The Group's exposure to price risk arises from short-term investments held by the Group and classified in the consolidated statement of financial position as fair value through profit or loss. The Group mitigates this risk by investing in government debt securities which are regarded as conservative, low-risk investments.

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 notes payable, preferred shares and equity attributable to the common equity holders of the Group, comprising issued capital and retained earnings as disclosed in Notes 14 and 15. 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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

25. Risk Management (Continued)

Climate-related risk

The Group acknowledges the increasing impact of climate change on its business operations and financial performance and has considered how climate change risks and opportunities influence the Group's financial reporting, including asset valuations, liabilities, and long-term financial sustainability.

The Group has identified several climate-related risks that could impact its consolidated financial position and performance. Exposure to extreme weather events such as hurricanes could potentially affect business operations, supply chain management and damage infrastructure, significantly affecting the Group's ability to maintain services to its customers.

The Group's response to this risk includes ensuring that adequate insurance is in place, developing strong relationships with vendors for priority during catastrophic events and ensuring back-ups of key systems are maintained.

26. Material Transactions and Agreements

On October 31, 2023, the Company and HoldingCo, acting in their capacity as shareholders of Aliv, entered into a Deed of Contribution (Deed) with Aliv to implement certain measures intended to enhance Aliv's current and future net assets by a sum of \$70 million on a pro rata basis, as further outlined below. The objective of the Deed was to ensure Aliv's solvency. Specifically, the Deed prescribed that:

i. Effective July 1, 2023:

- The conversion of promissory notes, along with all accrued interest, from debt to equity;
- The conversion from debt to equity, or alternatively, the payment to Aliv of contributions of capital by each shareholder, matching the amount of certain payables due and owing by Aliv to its shareholders, which remained outstanding as at June 30, 2023.
- The restructuring of the \$70 million loan granted by the Company to Aliv. The revised terms include removing the compounding of interest on an annual basis, with retroactive effect from December 22, 2020, the original loan date. The interest rate is set at 10% simple interest from the loan date to June 30, 2021, and at 8% simple interest from July 1, 2021, until the loan's maturity date. The principal will be repaid in seven equal annual installments, starting in December 2033. Additionally, the Company reserves the right to repay any or all of the loan prior to its maturity.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements For the Year Ended June 30, 2026 (Continued) (Expressed in Bahamian dollars)

26. Material Transactions and Agreements (Continued)

- During the current year, the Company and Aliv executed the Second Amendment to the Loan Agreement, which formalized the changes to the loan terms that had been effected and accounted for in the prior year pursuant to the Deed of Contribution. The Second Amendment was executed in June 2026 with effect from October 31, 2023. The terms formalized by the Second Amendment included an interest rate of 8.0% per annum on a simple interest basis, revised repayment terms and the removal of the compounding of interest with retroactive effect from the inception of the loan.
 - Effective September 1, 2025, the terms of the loan were further amended pursuant to an amendment executed on March 31, 2026. The amendment reduced the interest rate from 8.0% to 6.5% per annum and revised the repayment terms to require quarterly principal and interest payments in accordance with the agreed amortization schedule. The loan matures on June 30, 2030.
- ii. Renegotiation of the terms of the Master Service Agreement (MSA) dated July 1, 2021 between the Company and Aliv; and
 - iii. Subject to a revaluation of Aliv being completed, the payment of the Shareholders' pro-rata additional contributions of capital in the aggregate sum of \$11,317,000 (the Maximum Aggregate Contribution) over the ensuing two (2) years from the date of the Deed.

During the financial year end 2024, the shareholders effected the following in respect of the Deed:

- a) The Company funded a portion of its capital commitment through the conversion of debt due by Aliv under the MSA, totaling \$8,413,692. In addition, and as specified in the Deed, converted promissory notes due to it by Aliv, along with accrued interest payable, in the aggregate amount of \$12,711,438. The conversions from debt to equity made by the Company were eliminated on consolidation and, therefore, have no impact on the consolidated financial statements.
- b) The \$70 million loan was restructured. The resulting modification gain for Aliv and loss for the Company, along with the loan itself, were eliminated on consolidation, but resulted in an increase in net and comprehensive income (loss) for the year attributable to non-controlling interest.
- c) HoldingCo, became obligated to satisfy its capital contribution requirement under the Deed through creation of a financial obligation to Aliv in the amount of \$9,024,007, which is recognized as a receivable. In addition, HoldingCo converted its promissory notes due from Aliv, together with accrued interest payable, into equity totaling \$13,169,389.

Effective March 31, 2026, the Aliv and the Company executed an Amended and Restated Master Services Agreement, which consolidates the previous amendments to the MSA and incorporates the further amendments agreed pursuant to the Deed of Contribution. The amended and restated MSA includes, among other matters, revised arrangements governing the provision and allocation of shared services between the Company and Aliv.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2026
(Continued)
(Expressed in Bahamian dollars)

27. Subsequent Events

Subsequent to June 30, 2026, the Board of Directors authorized and declared a dividend of \$0.08 per ordinary share of the Company to be paid on September 30, 2026, to shareholders of record as of September 25, 2026.