

CABLE & WIRELESS ST. KITTS & NEVIS LIMITED

MANAGEMENT REPORT

Condensed Financial Information
September 30, 2024
(Unaudited)

Cayon Street 10
Basseterre, St. Kitts

CABLE & WIRELESS ST. KITTS & NEVIS LIMITED

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GLOSSARY OF DEFINED TERMS

Unless the context requires otherwise, references to “**C&W St. Kitts & Nevis**” and “**our**” in this report refers to Cable & Wireless St. Kitts & Nevis Limited. We have used several other terms in this report, most of which are defined or explained below.

B2B	Business-to-business
C&W West Indies	Cable and Wireless (West Indies) Limited, another subsidiary of Liberty Latin America
IFRS	International Financial Reporting Standards
IFRS Accounting Standards	IFRS Standards, as promulgated by the International Accounting Standards Board
Liberty Latin America	Liberty Latin America Ltd.
XCD	Eastern Caribbean Dollar

CABLE & WIRELESS ST. KITTS & NEVIS LIMITED
MANAGEMENT REPORT
BASIS OF PRESENTATION
(Unaudited)

C&W St. Kitts & Nevis is a 77%-owned subsidiary of C&W West Indies, which is a wholly-owned subsidiary of Liberty Latin America, a registered public company in Bermuda.

On January 31, 2008, C&W St. Kitts & Nevis was listed on the Eastern Caribbean Securities Exchange.

C&W St. Kitts & Nevis is a provider of mobile and fixed telecommunications services in the Federation of St. Kitts & Nevis, operating under a current 15-year non-exclusive telecommunications licensing agreement granted by the Government of the Federation of St. Kitts & Nevis from an effective date of December 11, 2021.

The accompanying condensed financial statement information has been prepared in accordance with IFRS Accounting Standards for interim financial information. Accordingly, the financial statement information does not include all of the information required by IFRS Accounting Standards for complete financial statements. In the opinion of management, the financial statement information reflects all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the results of operations for the interim periods presented. The results of operations for any interim period are not necessarily indicative of results for the full year.

The preparation of the financial statement information in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement information and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are used in accounting for, among other things, expected credit losses, programming and copyright expenses, deferred income taxes and related valuation allowances, loss contingencies, impairment assessments, capitalization of internal costs associated with construction and installation activities, and useful lives of long-lived assets. Actual results could differ from those estimates.

The financial information has been prepared under the historical cost basis. Our functional currency is the XCD. The financial information is presented in XCD and all values are in thousands.

CABLE & WIRELESS ST. KITTS & NEVIS LIMITED
CONDENSED STATEMENTS OF FINANCIAL POSITION
(Unaudited)

	September 30, 2024	December 31, 2023
	XCD in thousands	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,604	\$ 1,780
Trade receivables, net	8,574	9,221
Current notes receivable, net – related-party	111,399	105,056
Current interest receivable, net – related-party	11,885	11,380
Other current receivables – related-party	10,902	8,593
Prepaid expenses	1,882	1,009
Other current assets, net	5,097	2,781
Total current assets	152,343	139,820
Property and equipment, net	75,830	77,585
Other assets	205	472
Total assets	<u>\$ 228,378</u>	<u>\$ 217,877</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 9,049	\$ 11,150
Management fees payable	12,730	11,784
Subscriber deposits	3,118	3,156
Other accrued and current liabilities	11,352	11,940
Total current liabilities	36,249	38,030
Deferred tax liabilities	3,821	5,583
Other Long term tax liabilities	9,214	8,780
Asset Retirement Obligation	1,908	1,908
Other long-term liabilities	1,246	990
Total liabilities	52,438	55,291
Commitments and contingencies		
Equity:		
Accumulated net contributions	31,124	31,124
Accumulated earnings	144,816	131,462
Total equity	175,940	162,586
Total liabilities and equity	<u>\$ 228,378</u>	<u>\$ 217,877</u>

CABLE & WIRELESS ST. KITTS & NEVIS LIMITED
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	XCD in thousands			
Revenue	\$ 19,318	\$ 18,190	\$ 57,726	\$ 55,204
Operating costs and expenses (exclusive of depreciation, shown separately below):				
Programming and other direct costs of services	1,671	1,123	5,001	4,506
Other operating costs and expenses	8,380	9,042	25,300	27,977
Related-party fees and allocations	555	636	1,564	1,824
Depreciation and amortization	2,651	2,500	7,397	7,380
Impairment, restructuring and other operating items, net	1,818	—	2,895	661
	15,075	13,301	42,157	42,348
Operating income	4,243	4,889	15,569	12,856
Non-operating income (expense):				
Interest income – related-party	97	611	520	1,686
Realized and unrealized losses on derivative instruments ..	(490)	—	(490)	(482)
Other expense, net	(7)	(9)	(29)	(89)
	(400)	602	1	1,115
Earnings before income taxes	3,843	5,491	15,570	13,971
Income tax expense	(1,356)	(2,114)	(2,216)	(5,427)
Net comprehensive income	\$ 2,487	\$ 3,377	\$ 13,354	\$ 8,544

CABLE & WIRELESS ST. KITTS & NEVIS LIMITED
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
	2024	2023
XCD in thousands		
Cash flows from operating activities:		
Net comprehensive income	\$ 13,354	\$ 8,544
Adjustments to reconcile net comprehensive income to net cash provided by operating activities:		
Depreciation and amortization	7,397	7,380
Impairments and other non-cash charges, net	2,501	61
Realized and unrealized losses on derivative instruments	490	482
Deferred income tax expense (benefit)	(1,762)	1,892
Changes in operating assets and liabilities, net:		
Trade receivables, net	263	(140)
Interest receivable – related-party	(505)	(1,637)
Other current assets	(11,777)	(587)
Other long-term assets	—	119
Payables and other operating liabilities	7,733	5,569
Other accrued and current liabilities	10,177	11,578
Accrued share-based compensation	195	285
Income taxes paid	(6,703)	(6,085)
Net cash provided by operating activities	<u>21,363</u>	<u>27,461</u>
Cash flows from investing activities:		
Capital expenditures, net	(6,438)	(11,841)
Loans to affiliates and other related parties, net	(13,768)	(15,850)
Net cash used by investing activities	<u>(20,206)</u>	<u>(27,691)</u>
Cash flows from financing activities:		
Payments of principal amounts of finance lease obligations	(325)	(318)
Other financing activities, net	(8)	(23)
Net cash used by financing activities	<u>(333)</u>	<u>(341)</u>
Effect of exchange rate changes on cash and cash equivalents	—	(5)
Net increase (decrease) in cash and cash equivalents	824	(576)
Cash and cash equivalents:		
Beginning of period	1,780	2,705
End of period	<u>\$ 2,604</u>	<u>\$ 2,129</u>

CABLE & WIRELESS ST. KITTS & NEVIS LIMITED

REVENUE BY MAJOR CATEGORY

(Unaudited)

Our revenue by major category set forth in the table below, includes the following categories:

- residential fixed subscription and residential mobile services revenue, which includes amounts received from subscribers for ongoing fixed and airtime services, respectively;
- residential fixed non-subscription revenue, which primarily includes interconnect revenue; and
- B2B service revenue, which primarily includes broadband internet, video, fixed-line telephony, mobile and managed services (including equipment installation contracts) offered to small (including small or home office), medium and large enterprises and, on a wholesale basis, other telecommunication operators.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
XCD in thousands				
Residential revenue:				
Residential fixed revenue:				
Subscription revenue	\$ 4,558	\$ 4,206	\$ 13,619	\$ 12,686
Non-subscription revenue	192	48	573	581
Total residential fixed revenue	4,750	4,254	14,192	13,267
Residential mobile revenue:				
Service revenue	6,502	6,604	19,298	19,388
Interconnect, inbound roaming, equipment sales and other (a)	1,033	960	2,930	3,351
Total residential mobile revenue	7,535	7,564	22,228	22,739
Total residential revenue	12,285	11,818	36,420	36,006
B2B revenue (b)	7,033	6,372	21,306	19,198
Total	\$ 19,318	\$ 18,190	\$ 57,726	\$ 55,204

(a) These amounts include revenue from sales of mobile handsets and other devices to residential mobile customers of \$179 thousand and \$543 thousand during the three and nine months ended September 30, 2024, respectively, and \$305 thousand and \$710 thousand during the three and nine months ended September 30, 2023, respectively.

(b) These amounts include revenue from sales of mobile handsets and other devices to B2B mobile customers of \$55 thousand and \$196 thousand and during the three and nine months ended September 30, 2024, respectively, and \$83 thousand and \$193 thousand during the three and nine months ended September 30, 2023, respectively.

CABLE & WIRELESS ST. KITTS & NEVIS LIMITED
PROGRAMMING AND OTHER DIRECT COSTS OF SERVICES
(Unaudited)

Programming and other direct costs of services include programming and copyright costs, interconnect and access costs, equipment costs, which primarily relate to costs of mobile handsets and other devices, project-related costs and other direct costs related to our operations.

Our programming and other direct costs of services by major category are set forth below.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
XCD in thousands				
Programming and copyright	\$ 251	\$ 207	\$ 950	\$ 704
Interconnect	914	340	2,382	1,778
Equipment	370	659	1,359	1,822
Other	136	(83)	310	202
Total programming and other direct costs	\$ 1,671	\$ 1,123	\$ 5,001	\$ 4,506

CABLE & WIRELESS ST. KITTS & NEVIS LIMITED
OTHER OPERATING COSTS AND EXPENSES
(Unaudited)

Other operating costs and expenses set forth in the table below comprise the following cost categories:

- **Personnel and contract labor-related** costs, which primarily include salary-related and cash bonus expenses, net of capitalizable labor costs, and temporary contract labor costs;
- **Network-related** expenses, which primarily include costs related to network access, system power, core network, and CPE repair, maintenance and test costs;
- **Service-related** costs, which primarily include professional services, information technology-related services, audit, legal and other services;
- **Commercial**, which primarily includes sales and marketing costs, such as advertising, commissions and other sales and marketing-related costs, and customer care costs related to outsourced call centers;
- **Facility, provision and other**, which primarily includes facility-related costs, provision for bad debt expense, operating lease rent expense, bank fees, insurance, vehicle-related, travel and entertainment and other operating-related costs; and
- **Share-based compensation** expense that relates to (i) Liberty Latin America equity awards issued to our employees and (ii) certain bonus-related expenses that are paid in the form of Liberty Latin America equity awards..

Our other operating costs and expenses by major category are set forth below:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	XCD in thousands			
Personnel and contract labor	\$ 1,410	\$ 1,396	\$ 4,240	\$ 4,507
Network-related	1,532	1,645	4,554	5,058
Service-related	616	155	797	515
Commercial	587	307	1,284	1,483
Facility, provision and other	4,181	5,510	14,187	16,129
Share-based compensation expense	54	29	238	285
Total other operating costs and expenses	<u>\$ 8,380</u>	<u>\$ 9,042</u>	<u>\$ 25,300</u>	<u>\$ 27,977</u>