



**Offer to Exchange Any and All Outstanding 8.0% Subordinated Notes due 2026 Co-Issued by
Digicel Intermediate Holdings Limited and Digicel International Finance Limited
for New Common Shares to Be Issued by Digicel Holdings (Bermuda) Limited**

**Solicitation of Consents
and**

Offer of New Convertible Preferred Shares and New Common Shares to Be Issued by Digicel Holdings (Bermuda) Limited

**Early Tender Date: 5:00 p.m., New York City time, September 11, 2023, unless extended
Expiration Date: 5:00 p.m., New York City time, September 19, 2023, unless extended**

The Exchange Offer (as defined herein) and the Solicitation (as defined herein) will expire at 5:00 p.m., New York City time, on September 19, 2023, unless extended in accordance with applicable law and the terms of the RSA (as defined herein) (such date and time as may be extended, the “Expiration Date”). To be eligible to receive the applicable Total Tender Consideration (as defined herein), Eligible Holders (as defined herein) must validly tender their Existing Notes (as defined herein) at or prior to 5:00 p.m., New York City time, on September 11, 2023, unless extended in accordance with applicable law and the terms of the RSA (such date and time as may be extended, the “Early Tender Date”). Tenders of the Existing Notes may not be withdrawn after 5:00 p.m., New York City time, on September 11, 2023, unless extended in accordance with applicable law and the terms of the RSA (such date and time as may be extended, the “Withdrawal Deadline”), except in certain limited circumstances as set forth herein. Eligible Holders may not deliver a consent in the Solicitation without tendering the Existing Notes in the Exchange Offer. If an Eligible Holder tenders the Existing Notes in the Exchange Offer, such Eligible Holder will be deemed to deliver, with respect to the principal amount of such tendered Existing Notes, (i) its consent to the Proposed Amendments (as defined herein) and (ii) the Instructions (as defined herein).

Exchange Offer

Upon the terms and subject to the conditions set forth in this offering memorandum and consent solicitation statement (as it may be supplemented and amended from time to time, the “offering memorandum”), we are offering to exchange (the “Exchange Offer”) any and all of the outstanding 8.0% Subordinated Notes due 2026 (the “Existing Notes”) co-issued by Digicel Intermediate Holdings Limited (“DIHL”) and Digicel International Finance Limited (“DIFL”), validly tendered (and not validly withdrawn) and accepted for exchange by us for common shares to be issued by Digicel Holdings (Bermuda) Limited (“DHL”), as described in, and for the applicable consideration summarized in, the table below. For Existing Notes validly tendered at or before the Early Tender Date and not validly withdrawn at or before the Withdrawal Deadline, Eligible Holders will be eligible to receive the applicable total tender consideration set out in the table on the cover page of this offering memorandum (the “Total Tender Consideration”), which includes the applicable early tender premium set out in such table (the “Early Tender Premium”). For Existing Notes validly tendered after the Early Tender Date but at or before the Expiration Date, Eligible Holders will be eligible to receive only the applicable tender consideration set out in such table (the “Tender Consideration”). The Existing Notes may be tendered in minimum denominations of \$1.00 and integral multiples of \$1.00 in excess thereof. No Eligible Holder may tender less than all of its Existing Notes in the Exchange Offer.

Consent Solicitation

We are also soliciting consents from Eligible Holders of the Existing Notes to effect the Proposed Amendments (as defined herein) to the Existing Indenture (as defined herein) (the “Solicitation”) upon the terms and subject to the conditions set forth in this offering memorandum to amend the indenture governing the Existing Notes (as amended and supplemented, the “Existing Indenture”) to (i) eliminate substantially all of the covenants, restrictive provisions and events of default and (ii) releasing all of the collateral securing DHL’s guarantee of the Existing Notes (collectively, the “Proposed Covenant Amendments”) and (b) release all of the guarantees of the Existing Notes (the “Proposed Guarantee Release Amendments” and, together with the Proposed Covenant Amendments, the “Proposed Amendments”). After the Withdrawal Deadline and before the Expiration Date, upon receipt of valid consents sufficient to effect the Proposed Covenant Amendments and the Proposed Guarantee Release Amendments, as applicable, DIHL and DIFL and the Trustee will execute and deliver a supplemental indenture relating to the applicable Proposed Amendments with respect to the Existing Indenture immediately giving effect to such Proposed Amendments. The Proposed Amendments to the Existing Indenture are described in this offering memorandum under “The Proposed Amendments.” Eligible Holders may not deliver a consent in the Solicitation without tendering the Existing Notes in the Exchange Offer. For the avoidance of doubt, we are not offering any consideration for delivery of consents in connection with the Solicitation. If an Eligible Holder validly tenders and does not validly withdraw its Existing Notes in the Exchange Offer, such Eligible Holder will be deemed to:

- deliver its consent, with respect to the principal amount of such tendered Existing Notes, to (a) the Proposed Covenant Amendments (as defined herein) to the Existing Indenture, which include, but are not limited to, (i) eliminating substantially all of the covenants, restrictive provisions and events of default and (ii) releasing all of the collateral securing the guarantee

of the Existing Notes by DHL and (b) the Proposed Guarantee Release Amendments (as defined herein) to the Existing Indenture, which include, but are not limited to, releasing all of the guarantees of the Existing Notes; and

- automatically and unconditionally deliver instructions for the Exchange Agent (as defined herein) (the “Attorney-in-Fact”), effective immediately to act as its true and lawful agent, attorney-in-fact and proxy with respect to the Existing Notes solely for the purpose of taking all steps necessary, including executing all documentation necessary, as may be required by applicable law, (a) to cause such tendered Existing Notes to be assigned, transferred and exchanged and (b) in such capacity as true and lawful agent, attorney-in-fact and proxy to irrevocably vote in favor (including, if required, attending a meeting and voting on behalf of such tendered Existing Notes) of a Scheme with respect to such Existing Notes (the “Instructions”), ***with such Instructions to be automatically delivered to the Exchange Agent by the Eligible Holder’s commercial bank, broker, dealer, trust company or other nominee (a “Nominee”) immediately following the tender of such Existing Notes through ATOP (as defined herein) using the Agent/Attorney-in-Fact and Proxy Nominee Instruction Form attached hereto as Exhibit A (the “Nominee Instruction Form”);*** provided, however, that any such Instructions granted by a holder of Existing Notes that is a part to the RSA shall automatically be deemed to be revoked upon the termination of the RSA. For the avoidance of doubt, in connection with the tender of Existing Notes by an Eligible Holder, the submission of the ATOP instruction without the submission by such Eligible Holder’s Nominee of the corresponding Nominee Instruction Form shall not be sufficient to grant the Instructions. In order for a tender of Existing Notes to be valid, a corresponding Nominee Instruction Form must be submitted.

In connection with the Exchange Offer, we are also offering Eligible Holders that tender their Existing Notes in the Exchange Offer the opportunity to subscribe for convertible preferred shares (the “Exit Preferred Shares”) and common shares (the “Subscription DHL Common Shares” and, together with the Exit Preferred Shares, the “New Securities”), each to be issued by DHL (the “New Money Offering”), upon the terms and subject to the conditions set forth in this offering memorandum.

Existing Notes to be Tendered	CUSIP / ISIN Numbers	Aggregate Principal Amount Outstanding ⁽¹⁾	Tender Consideration ⁽²⁾⁽³⁾⁽⁴⁾	Early Tender Premium ⁽⁴⁾	Total Tender Consideration ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾
8.0% Subordinated Notes due 2026 co-issued by DIHL and DIFL (the “Existing Notes”)	25381XAC7 / US25381XAC74; G2770MAC2 / USG2770MAC22	\$250,002,707	<u>New Money Participants:</u> <u>Option 1:</u> (i) its pro rata share of (a) 13.05% of Class A common shares (the “Voting DHL Common Shares”) to be issued by DHL, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Voting DHL Common Shares, and (ii) the Pro Rata Portion (as defined herein) of the Exit Preferred Shares Offering Amount, in the form of Class A convertible preferred shares (the “Voting Exit Preferred Shares”) to be issued by DHL and Subscription DHL Common Shares, in the form of Voting DHL Common Shares <u>Option 2:</u> (i) pro rata share of (a) 13.05% of Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Voting DHL Common Shares, and (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Class B convertible preferred shares (the “Non-Voting Exit Preferred Shares”) to be issued by DHL and Subscription DHL Common Shares, in the form of Voting DHL Common Shares	<u>New Money Participants:</u> <u>Option 1:</u> 0.0000025% of Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes <u>Option 2:</u> 0.0000025% of Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes	<u>New Money Participants:</u> <u>Option 1:</u> (i) pro rata share of (a) 13.05% of Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Voting DHL Common Shares, (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Voting Exit Preferred Shares, and Subscription DHL Common Shares, in the form of Voting DHL Common Shares, and (iii) 0.0000025% of Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes <u>Option 2:</u> (i) pro rata share of (a) 13.05% of Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Voting DHL Common Shares, (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Non-Voting Exit Preferred Shares, and Subscription DHL Common Shares, in the form of Voting DHL Common Shares, and (iii) 0.0000025% of Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

Option 3: (i) pro rata share of (a) 13.05% of Class B common shares (the “Non-Voting DHL Common Shares”) to be issued by DHL, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Non-Voting DHL Common Shares, and (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Voting Exit Preferred Shares, and Subscription DHL Common Shares, in the form of Non-Voting DHL Common Shares

Option 3: 0.0000025% of Non-Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

Option 3: (i) pro rata share of (a) 13.05% Non-Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Non-Voting DHL Common Shares, (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Voting Exit Preferred Shares, and Subscription DHL Common Shares, in the form of Non-Voting DHL Common Shares, and (iii) 0.0000025% of Non-Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

Option 4: (i) pro rata share of (a) 13.05% of Non-Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Non-Voting DHL Common Shares, and (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Non-Voting Exit Preferred Shares, and Subscription DHL Common Shares, in the form of Non-Voting DHL Common Shares

Option 4: 0.0000025% of Non-Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

Option 4: (i) pro rata share of (a) 13.05% Non-Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Non-Voting DHL Common Shares, (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Non-Voting Exit Preferred Shares, and Subscription DHL Common Shares, in the form of Non-Voting DHL Common Shares, and (iii) 0.0000025% of Non-Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

in each case, subject to the payment of the Subscription Price (as defined herein)

in each case, subject to the payment of the Subscription Price

Non-New Money Participants:

Option 5: pro rata share of (i) 13.05% of Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (ii) 21.10% of the Rights Offering Equity Adjustment, in the form of Voting DHL Common Shares

Non-New Money Participants:

Option 5: 0.0000025% of Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

Non-New Money Participants:

Option 5: (i) pro rata share of (a) 13.05% Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Voting DHL Common Shares, and (ii) 0.0000025% of Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

Option 6: pro rata share of (i) 13.05% of Non-Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (ii) 21.10% of the Rights Offering Equity Adjustment, in the form of Non-Voting DHL Common Shares

Option 6: 0.0000025% of Non-Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

Option 6: (i) pro rata share of (a) 13.05% Non-Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Non-Voting DHL Common Shares, and (ii) 0.0000025% of Non-Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

- (1) As of the date of this offering memorandum.
- (2) No payment will be made in respect of accrued interest on the Existing Notes accepted in the Exchange Offer.
- (3) Based on the aggregate principal amount outstanding of the Existing Notes, including accrued and unpaid interest, as of August 15, 2023. References to a percentage of DHL Common Shares refer to a percentage of the total number of DHL Common Shares to be issued upon consummation of the Concurrent Schemes (as defined herein).
- (4) If all Eligible Holders validly tender their Existing Notes by the Early Tender Date, then the aggregate amount of DHL Common Shares issued on account of the Early Tender Premium would be 0.63% of the DHL Common Shares, and the aggregate amount of DHL Common Shares issued on account of the Tender Consideration would be 12.42% of the DHL Common Shares as a result of the dilution by the Early Tender Premium.
- (5) Includes the applicable Early Tender Premium.

The Exchange Offer is conditioned upon the consummation of the Concurrent Transactions (as defined herein) substantially concurrently with the settlement of the Exchange Offer (the “Concurrent Transactions Condition”). The Concurrent Transactions are described in “Description of the Concurrent Transactions.” For details on the conditions to the Exchange Offer, see “Description of the Exchange Offer, Solicitation and Scheme—Conditions to the Exchange Offer and Solicitation.”

Subject to applicable law and the terms of the RSA, the Exchange Offer may be amended, extended, terminated or withdrawn at any time and for any reason, including if any of the conditions described above are not satisfied or waived by the Expiration Date.

Scheme of Arrangement

If we receive valid tenders not validly withdrawn from Eligible Holders holding at least 75% of the outstanding principal amount of the Existing Notes (the “75% Condition”) by the Early Tender Date, DIHL and DIFL expect to propose a scheme of arrangement pursuant to section 99 of the Bermuda Companies Act (the “Bermuda Companies Act”) in respect of the Existing Notes (a “Scheme”), rather than consummate the Exchange Offer. The Scheme would include four classes of creditors, consisting of holders of the Existing Notes, the Existing DIFL Secured Notes (as defined herein), the Existing DIFL Unsecured Notes (as defined herein) and the Existing DIFL Term Loans (as defined herein). The Scheme would be inter-conditional with the Concurrent DL Scheme (as defined herein). The terms of the Scheme with respect to the Existing DIFL Secured Notes, the Existing DIFL Unsecured Notes and the Existing DIFL Term Loans, as well as the Concurrent DL Scheme, are described in “Description of Concurrent Transactions.” We will consummate the Concurrent DIFL Scheme (as defined herein) with respect to the Existing DIFL Secured Notes, the Existing DIFL Unsecured Notes and the Existing DIFL Term Loans if we satisfy the conditions to consummate the Concurrent DIFL Scheme, even if we do not achieve the 75% Condition in this Exchange Offer. If DIHL and DIFL propose a Scheme with respect to the Existing Notes, the Expiration Date (as defined herein) will be extended until the Scheme is consummated. For the avoidance of doubt, we reserve the absolute right, subject to the terms of the RSA, to propose a Scheme with respect to the Existing Notes even if we do not achieve the 75% Condition.

We can provide no assurance that a Scheme, if commenced, can or will be completed. If DIHL and DIFL propose a Scheme with respect to the Existing Notes, the Exchange Offer will not be terminated until the Scheme is consummated. If we propose a Scheme, DHL will not be a Scheme company but will deliver an undertaking to the Supreme Court of Bermuda (the “Bermuda Court”) that it shall take all action necessary to implement the terms of the Scheme, including issuing the New Securities.

If the 75% Condition is not satisfied or DIHL and DIFL propose but do not consummate the Scheme, then, pursuant to the terms of the RSA (including the definition of “Implementation Mechanisms” thereunder), following the effectiveness of the Proposed Covenant Amendments and in connection with the settlement of the Exchange Offer and the consummation of the Concurrent Transactions, we may determine to transfer all of the assets of DIFL and each of the guarantors that guarantees the Existing Notes (each, a “Guarantor” and collectively, the “Guarantors”) to newly created subsidiaries to be indirectly owned by New DHL (as defined below) (collectively, the “Asset Transfers”), none of which will be obligors of the Existing Notes. In addition, all of the collateral securing DHL’s guarantee of the Existing Notes will be released (the “Collateral Release”). Pursuant to the RSA, Eligible Holders of more than 50% of the outstanding principal amount of the Existing Notes have agreed to tender their Existing Notes in the Exchange Offer and deliver their consents to the Proposed Amendments prior to the Early Tender Date (as defined herein). As a result, we expect to receive the requisite consents to enter into a supplemental indenture to the Existing Indenture to give effect to the Proposed Covenant Amendments immediately following the Withdrawal Deadline (as defined herein), which will permit us to effectuate the Asset Transfers and Collateral Release. Following the completion of the Asset Transfers and Collateral Release, the Existing Notes will remain the obligations of DIHL, DIFL and the Guarantors, but DIHL, DIFL and each of the Guarantors will have no valuable assets remaining. If this occurs, Eligible Holders of the Existing Notes that do not tender their Existing Notes likely will not be able to recover any interest or principal on their Existing Notes as a result of the Asset Transfers and Collateral Release. In addition, if the 66 2/3% Condition (as defined herein) is satisfied, but the 75% Condition is not satisfied or DIHL and DIFL do not propose the Scheme, then we will cause each Guarantor to release its guarantee of the Existing Notes. See “Risk Factors—Risks Relating to the Non-Tendering Holders of the Existing Notes—If you are an Eligible Holder of Existing Notes and you do not tender your Existing Notes and the Exchange Offer is consummated, you may ultimately find that the Existing Notes Issuers and the Guarantors could be unable to repay or refinance such non-tendered Existing Notes.” If we effectuate the Asset Transfers and Collateral Release in connection with the settlement of the Exchange Offer and the consummation of the Concurrent Transactions, then, upon consummation of the Concurrent Transactions, (i) the newly created entity to which the assets of DIFL have been transferred (such entity, “New DIFL”) will issue the New DIFL Secured Notes (as defined herein) that will be guaranteed on a senior secured basis by (a) a newly created direct parent of New DIFL (such direct parent of New DIFL, “New DIHL”) and (b) certain subsidiaries of New DIFL, including the newly created subsidiary entities resulting from the Asset Transfers and Collateral Release (collectively, the “New Guarantors”), (ii) Digicel MidCo Limited (“DML”), a newly incorporated entity in Bermuda that will become, on or before the Scheme Closing Date (as defined herein) as part of the Corporate Reorganization, a direct subsidiary of New DHL and the direct parent of New DIHL, will issue the New DML Unsecured Notes (as defined herein) and (iii) a newly created direct parent of DML (such entity, “New DHL”), rather than

DHL, will issue the Exit Preferred Shares and the DHL Common Shares, as described in “Description of the Concurrent Transactions.” If we effectuate the Asset Transfers and Collateral Release, references in the offering memorandum to “DHL” and “Digicel Holdings (Bermuda) Limited” shall also be deemed to refer to New DHL, references to “DIHL” and “Digicel Intermediate Holdings Limited” shall also be deemed to refer to New DIHL and references to “DIFL” and “Digicel International Finance Limited” shall also be deemed to refer to New DIFL, in each case unless context otherwise requires.

The Proposed Covenant Amendments will become effective with respect to the Existing Indenture upon the receipt of consents from Eligible Holders holding the majority of the outstanding aggregate principal amount of the Existing Notes, and the Proposed Guarantee Release Amendments will become effective with respect to the Existing Indenture upon the receipt of consents from Eligible Holders holding 66 2/3% of the outstanding aggregate principal amount of the Existing Notes, in each case even if we do not consummate the Exchange Offer or DIHL and DIFL do not commence a Scheme with respect to the Existing Notes.

New Money Offering

In connection with the Exchange Offer, we are offering Eligible Holders that tender their Existing Notes in the Exchange Offer the opportunity to subscribe for their Pro Rata Portion of (a) up to \$110 million of the Exit Preferred Shares, which amount shall be reduced by any amounts, other than the Interim Distribution (as defined herein), recovered on account of intercompany loans owed by Digicel Group Holdings Limited (“DGHL”) to Digicel Limited (“DL”) or any of DL’s subsidiaries prior to the Funding Notice Date (as defined herein) (such dollar amount of Exit Preferred Shares, as reduced by such recoveries, the “Exit Preferred Shares Offering Amount”) and (b) a number of DHL Common Shares equal to (x) 20% of the DHL Common Shares to be outstanding immediately after consummation of the Scheme and, if applicable, the Concurrent Transactions *multiplied by* (y) a fraction, the numerator of which is the Exit Preferred Shares Offering Amount and the denominator of which is \$110 million (such number of DHL Common Shares rounded down to the nearest whole share, the “Subscription DHL Common Shares” and the number of DHL Common Shares equal to the difference between (i) 20% of the DHL Common Shares to be outstanding immediately after consummation of the Scheme and, if applicable, the Concurrent Transactions and (ii) the Subscription DHL Common Shares, the “Rights Offering Equity Adjustment”). Eligible Holders that tender their Existing Notes in the Exchange Offer may, at the time of their tender, subscribe for their Pro Rata Portion of the Exit Preferred Shares Offering Amount and the Subscription DHL Common Shares by electing Option 1, Option 2, Option 3 or Option 4 (such Eligible Holders that subscribe for their Pro Rata Portion of the Exit Preferred Shares Offering Amount and the Subscription DHL Common Shares, the “New Money Participants”). To be eligible to receive their Pro Rata Portion of the Exit Preferred Shares Offering Amount and the Subscription DHL Common Shares, the New Money Participants must deliver to the Exchange Agent by the Funding Deadline (as defined herein) cash by wire transfer of immediately available funds in an amount equal to the subscription price (the “Subscription Price”) with respect to such New Money Participant’s Pro Rata Portion of the Exit Preferred Shares Offering Amount and the Subscription DHL Common Shares, which Subscription Price shall be equal to such New Money Participant’s Pro Rata Portion *multiplied by* the Exit Preferred Shares Offering Amount. “Pro Rata Portion” means, for any New Money Participant, (x) the aggregate principal amount outstanding of Existing Notes, including accrued and unpaid interest as of August 15, 2023, tendered by such New Money Participant in the Exchange Offer and for which such New Money Participant has elected Option 1, Option 2, Option 3 or Option 4 *divided by* (y) the aggregate principal amount outstanding of Existing Notes and Existing DL Notes (as defined herein), in each case including accrued and unpaid interest as of August 15, 2023. For the avoidance of doubt, Eligible Holders that subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares by electing Option 1, Option 2, Option 3 or Option 4 are subscribing for their Pro Rata Portion of both the Exit Preferred Shares Offering Amount and the Subscription DHL Common Shares. The Exit Preferred Shares and the Subscription DHL Common Shares will be issued on the Settlement Date (as defined herein) as part of the settlement of the Exchange Offer.

At least 15 business days prior to the Settlement Date (the “Funding Notice Date”), the Exchange Agent will deliver to the Nominee of each New Money Participant a notice (the “Funding Notice”) stating the Funding Deadline, the Exit Preferred Shares Offering Amount, the Subscription Price per \$1,000 principal amount of Existing Notes and the wire instruction details for the Subscription Price. Pursuant to the Funding Notice, New Money Participants must deliver to the Exchange Agent cash by wire transfer of immediately available funds in an amount equal to the Subscription Price by 5:00 p.m., New York City time on the date that is 10 business days prior to the Settlement Date (such deadline, as may be extended, the “Funding Deadline”). Each New Money Participant is responsible for ensuring that it or its Nominee that wires the Subscription Price to the Exchange Agent includes the relevant Voluntary Offer Instruction (“VOI”) number (or Euroclear (as defined herein) or Clearstream (as defined herein) reference number) related to the ATOP tender of such Eligible Holder’s Existing Notes in the memo field in such wire so that the Exchange Agent may identify the Eligible Holder submitting payment. See “Description of the Exchange Offer, Scheme and Solicitation—The New Money Offering.” **New Money Participants that fail to deliver all or a portion of the applicable Subscription Price to the Exchange Agent by the Funding Deadline (such Eligible Holder, a “Defaulting Holder”) will not receive any Exit Preferred Shares or Subscription DHL Common Shares in the Exchange Offer and will instead be deemed to have elected Option 5, with respect to any election of Option 1 or Option 2, or deemed to have elected Option 6, with respect to any election of Option 3 or Option 4.** Partial payment of the Subscription Price will be treated as non-payment, and such partial payment will be returned to the Eligible Holder.

New Securities

The Exit Preferred Shares will be issued by DHL and will be senior to any existing or future equity securities of DHL, including with respect to any repayment, redemption, refinancing, distributions, and rights to accretion and in any liquidation, bankruptcy, winding-up, and dissolution. The dividends on the Exit Preferred Shares will be equal to 12% per annum, accruing on a daily basis on the Accreted Liquidation Preference (as defined herein), whether or not declared and paid, and compounded annually in arrears and become part of the Accreted Liquidation Preference of the Exit Preferred Shares to the extent not paid in cash on the applicable dividend payment date; provided that, the dividends on the Exit Preferred Shares will increase by 2% per annum during the continuance of any breach (subject to materiality qualifiers in the case of certain provisions to be agreed under the definitive documentation with respect to the Exit Preferred Shares) of DHL’s obligations, covenants, representations, warranties or agreements under the terms governing the Exit Preferred Shares. The Exit Preferred Shares, to the extent not redeemed in cash, will (i) at DHL’s option, be convertible to DHL Common Shares at any time after the third anniversary of the Settlement Date and (ii) be mandatorily convertible to DHL Common Shares on the fourth anniversary of

the Settlement Date, in each case at a conversion price based on the Accreted Liquidation Preference divided by an equity value of \$400 million (after giving effect to such conversion). In addition, the Exit Preferred Shares will be mandatorily redeemable in cash from time to time with 100% of the gross cash proceeds of repayments of certain intercompany loans, subject to a cap equal to the Exit Preferred Shares Offering Amount; *provided* that DHL may defer such mandatory cash redemption to the extent that DIFL and its subsidiaries are projected in good faith by the board of directors of DHL to have less than \$100 million of unrestricted cash and cash equivalents at any time during the six full calendar months after giving effect to such redemption. There will be two classes of Exit Preferred Shares: Voting Exit Preferred Shares, which will have the right to vote on an as-converted basis with respect to any matter on which holders of the Voting DHL Common Shares are entitled to vote, and Non-Voting Exit Preferred Shares, which will not have any voting rights. The Exit Preferred Shares are described further under “Description of the Exit Preferred Shares.” After the Expiration Date and until the earlier of (i) 15 days before the Scheme Closing Date and (ii) December 15, 2023, the Company may, in its sole discretion, permit holders of Existing Notes to elect to receive Voting Exit Preferred Shares in lieu of Non-Voting Exit Preferred Shares, or Non-Voting Exit Preferred Shares in lieu of Voting Exit Preferred Shares. Holders of Existing Notes that wish to make any such change following the Expiration Date should contact the Exchange Agent, and the Exchange Agent shall relay the request to the Company for review.

The DHL Common Shares will be issued by DHL. Eligible Holders must elect between two classes of DHL Common Shares: Voting DHL Common Shares, which will have voting rights of one vote per share, and Non-Voting DHL Common Shares, which will not have any voting rights. Except with respect to voting rights, the Voting DHL Common Shares and Non-Voting DHL Common Shares will otherwise have identical rights. Holders of Non-Voting DHL Common Shares will not be able to vote with respect to any Non-Voting DHL Common Shares held by them on any matters submitted to DHL shareholder vote under Bermuda law. See “Risk Factors—Risks Relating to the New Securities—Non-Voting Exit Preferred Shares and Non-Voting DHL Common Shares will have no voting rights. As a result, holders of the Non-Voting Exit Preferred Shares and the Non-Voting DHL Common Shares will not have any ability to influence any matters submitted to a vote of the DHL shareholders.” Upon consummation of the Exchange Offer or the Scheme, as applicable, and the Concurrent Transactions, holders of the Voting Exit Preferred Shares will constitute 30.25% of the voting power of DHL, assuming (i) \$121 million of Voting Exit Preferred Shares are issued and outstanding, (ii) no reduction in the Exit Preferred Shares Offering Amount and (iii) all Eligible Holders elect to receive Voting Exit Preferred Shares, and will vote together in a single class with the holders of the DHL Common Shares on an as-converted basis. See “Risk Factors—Risks Relating to the New Securities—The DHL Common Shares may be subject to dilution by shares or other equity awards issued pursuant to the MIP or upon conversion of the Exit Preferred Shares or exercise of the warrants issued pursuant to the Services Agreement (as defined herein). The issuance of additional shares in DHL, including in connection with the foregoing, will dilute other shareholdings and may depress the price of the DHL Common Shares.” The DHL Common Shares are described under “Description of the DHL Common Shares.” We expect to obtain ISINs for the New Securities. After the Expiration Date and until the earlier of (i) 15 days before the Scheme Closing Date and (ii) December 15, 2023, the Company may, in its sole discretion, permit holders of Existing Notes to elect to receive Voting DHL Common Shares in lieu of Non-Voting DHL Common Shares, or Non-Voting DHL Common Shares in lieu of Voting DHL Common Shares. Holders of Existing Notes that wish to make any such change following the Expiration Date should contact the Exchange Agent, and the Exchange Agent shall relay the request to the Company for review.

The New Securities will not be eligible for distribution through DTC and will instead be issued in book-entry form on the register of members of DHL. In order to receive the New Securities, each Eligible Holder must complete and submit an Equity Registration Form attached hereto as Exhibit B (the “Equity Registration Form”), as further described under “Book Entry, Delivery and Form.” The issuance of the New Securities has not been, and will not be, registered with the Securities and Exchange Commission (the “SEC”) under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any other jurisdiction. The New Securities may not be offered or sold in the United States or to any U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See “Transfer Restrictions.”

Holders Eligible to Participate in the Exchange Offer and Solicitation

Only persons holding Existing Notes who certify that they are (i) “qualified institutional buyers” (“QIBs”) within the meaning of Rule 144A under the Securities Act (“Rule 144A”) or (ii) persons outside of the United States that are not “U.S. persons” within the meaning of Regulation S under the Securities Act (“Regulation S”) and that are not acquiring the New Securities for the account or benefit of a U.S. person are authorized to receive and review this offering memorandum and participate in the Exchange Offer (such persons, “Eligible Holders”). References in this offering memorandum to “holders” are to “Eligible Holders” unless otherwise stated or the context otherwise requires. Eligible Holders of Existing Notes that wish to subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares but do not wish to tender their Existing Notes should contact DHL for further instructions.

Restructuring Support Agreement and Backstop Commitment Agreement

Pursuant to a Restructuring Support Agreement dated June 27, 2023 (the “RSA”), certain holders of approximately 52.3% of the aggregate outstanding principal amount of the Existing Notes have committed to tender their Existing Notes in the Exchange Offer prior to the Early Tender Date. In addition, pursuant to the RSA, certain holders of Existing Notes that have signed the RSA will receive an aggregate of 1.32% of DHL Common Shares upon consummation of the Exchange Offer or the Scheme, as applicable.

In addition, certain holders (the “Backstop Parties”) have entered into a Backstop Commitment Agreement dated June 27, 2023 (the “Backstop Commitment Agreement”) pursuant to which, and subject to the terms and conditions therein, each of the Backstop Parties has agreed to, among other things, (i) subscribe for its Pro Rata Portion of the Exit Preferred Shares Offering Amount and the Subscription DHL Common Shares by electing Option 1, Option 2, Option 3 or Option 4 and (ii) purchase the Exit Preferred Shares and Subscription DHL Common Shares in an amount up to its agreed percentage of the Exit Preferred Shares Offering Amount to the extent such amount is not funded by holders of the Existing Notes and the Existing DL Notes, including as a result of failures by a Defaulting Holder to fund by the Funding Deadline (such unfunded amount, the “Shortfall”), in exchange for \$11 million payable in Exit Preferred Shares and 2.0% of DHL Common Shares (the “Backstop Payment”).

Unless otherwise indicated or the context otherwise requires, all references in this offering memorandum to “Digicel Holdings (Bermuda) Limited,” the “Company,” “DHL,” “we,” “our,” “ours,” or “us” or similar terms refer to Digicel Holdings (Bermuda) Limited and its subsidiaries. As used in this offering memorandum, the terms “Digicel Limited” and “DL” refer solely to Digicel Limited, the direct parent of DHL, and not its subsidiaries. We refer to each of DIHL and DIFL as the “Existing Notes Issuer” and together as the “Existing Notes Issuers.” The terms “Digicel Group Holdings Limited” and “DGHL” refer solely to Digicel Group Holdings Limited, the direct parent of DL, and not its subsidiaries. References to “DHL” and “Digicel Holdings (Bermuda) Limited” refer to DHL or New DHL, as the context requires. References to “DIHL” and “Digicel Intermediate Holdings Limited” refer to DIHL or New DIHL, as the context requires. References to “DIFL” and “Digicel International Finance Limited” refer to DIFL or New DIFL, as the context requires. We refer to each of the Voting Exit Preferred Shares and the Non-Voting Exit Preferred Shares as the “Exit Preferred Shares.” We refer to each of the Voting DHL Common Shares and the Non-Voting DHL Common Shares as the “DHL Common Shares.” We refer to the Exit Preferred Shares and the DHL Common Shares, including the Subscription DHL Common Shares, collectively as the “New Securities.”

See “Risk Factors” beginning on page 26 to read about important factors you should consider before you decide to participate in the Exchange Offer and Solicitation.

The date of this offering memorandum is August 21, 2023

The New Securities will only be issued in whole shares. If a tendering Eligible Holder would otherwise be entitled to receive a number of New Securities that is not a whole number of shares, such number of New Securities will be rounded down to the nearest whole share, and such Eligible Holder will receive this rounded number of New Securities, and no additional cash will be paid in lieu of any number of New Securities not received as a result of rounding down.

The Exchange Offer is subject to the satisfaction or waiver of certain conditions set forth in this offering memorandum, including, without limitation, the Concurrent Transactions Condition. The Expiration Date may be extended until the Concurrent Transactions Condition can be satisfied.

Subject to applicable law and the terms of the RSA, and as set forth herein, we expressly reserve the right, in our sole discretion, to extend or amend the Exchange Offer in any respect, in each case without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights, and to terminate the Exchange Offer if any condition to such Exchange Offer is not satisfied or waived by the Expiration Date. We may, at any time prior to the Expiration Date, waive any condition to the Exchange Offer in our sole discretion (including the Concurrent Transactions Condition) without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights, subject to applicable law and the terms of the RSA. If we waive or amend any such condition, we do not expect to extend the Withdrawal Deadline or otherwise reinstate withdrawal rights, subject to applicable law and the terms of the RSA. Subject to applicable law and the terms of the RSA, we may terminate the Exchange Offer if any of the conditions described under “Description of the Exchange Offer, Solicitation and Scheme—Conditions to the Exchange Offer and Solicitation” are not satisfied or waived by the Expiration Date.

In order to tender Existing Notes pursuant to the Exchange Offer, Eligible Holders will be required, at the time of such tender, to certify to us that they (i) have validly tendered and not validly withdrawn any and all Existing Notes beneficially owned by them pursuant to the Exchange Offer, (ii) will not validly withdraw any such tender of any Existing Notes unless they validly withdraw their tender of all such Existing Notes and (iii) shall not take, encourage, assist or support (or procure that any other person take, encourage, assist or support) any action which would, or would reasonably be expected to, breach, be inconsistent with, delay, impede or prevent the implementation or consummation of the Exchange Offer, the Scheme or the Concurrent Transactions. See “Description of the Concurrent Transactions” for a description of the Concurrent Transactions. **To validly tender Existing Notes, such Existing Notes must be actually transferred electronically, pursuant to the procedures for book-entry transfer described herein via The Depository Trust Company (“DTC”) (using DTC’s Automated Exchange Offer Program (“ATOP”) system). Any tender of Existing Notes that does not comply with these provisions could result in the rejection of all tenders of all Existing Notes tendered by such Eligible Holder pursuant to the Exchange Offer.** We reserve the absolute right to waive any defects or irregularities with respect to any such attestation or tender, subject to applicable law and the terms of the RSA. For further details, see “Description of the Exchange Offer, Solicitation and Scheme—Certification of Participation in the Exchange Offer.” **To be eligible to receive the Exit Preferred Shares and the Subscription DHL Common Shares, Eligible Holders must (i) subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares by electing Option 1, Option 2, Option 3 or Option 4 at the time they tender their Existing Notes via ATOP and (ii) deliver cash to the Exchange Agent in an amount equal to the Subscription Price by the Funding Deadline. Any Defaulting Holder will not receive any Exit Preferred Shares or Subscription DHL Common Shares in the Exchange Offer and will instead be deemed to have elected Option 5, with respect to any election of Option 1 or Option 2, or deemed to have elected Option 6, with respect to any election of Option 3 or Option 4. Partial payment of the Subscription Price will be treated as non-payment, and such partial payment will be returned to the Eligible Holder.**

Tenders of Existing Notes pursuant to the Exchange Offer may be validly withdrawn at any time prior to the Withdrawal Deadline but not thereafter. Existing Notes may only be withdrawn from the Exchange Offer if the Eligible Holder also validly withdraws its tender of all other Existing Notes tendered by such Eligible Holder pursuant to the Exchange Offer.

A valid withdrawal of tendered Existing Notes will also constitute the revocation of any election to subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares, the related consents to the Proposed Amendments to the Existing Indenture and the Instructions. The consents to the Proposed Amendments and the Instructions may only be revoked by validly withdrawing the tendered Existing Notes prior to the Withdrawal Deadline. Tenders (including any corresponding election to subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares), consents and the Instructions submitted in the Exchange Offer after the

Withdrawal Deadline will be irrevocable except in the limited circumstances where additional withdrawal rights are required by law.

Upon the terms and subject to the conditions of the Exchange Offer, the settlement date for the Exchange Offer, including the issuance of the Exit Preferred Shares and the Subscription DHL Common Shares in the New Money Offering (the “Settlement Date”), will occur as soon as practicable after the Expiration Date and receipt of funds for the Exit Preferred Shares and the Subscription DHL Common Shares on the Funding Deadline and the Backstop Funding Date; *provided, however*, that If DIHL and DIFL elect to commence a Scheme with respect to the Existing Notes, then the Settlement Date will occur as soon as practicable after the Scheme becomes effective and receipt of funds for the Exit Preferred Shares and the Subscription DHL Common Shares on the Funding Deadline and the Backstop Funding Date.

There is currently no market for the New Securities. Accordingly, we cannot assure you that any active trading market for the New Securities will develop or be maintained. If you do not tender your Existing Notes or if you tender Existing Notes that are not accepted for exchange, they will remain outstanding, unless DIHL and DIFL consummate a Scheme with respect to the Existing Notes, in which case all Existing Notes will be exchanged for DHL Common Shares pursuant to the terms of the Scheme.

If we consummate the Exchange Offer rather than the Scheme, then, pursuant to the terms of the RSA, following the effectiveness of the Proposed Amendments and in connection with the settlement of the Exchange Offer and the consummation of the Concurrent Transactions, we will transfer all of the assets of DIFL and each of the Guarantors to newly created subsidiaries to be indirectly owned by New DHL, none of which will be obligors of the Existing Notes, pursuant to the Asset Transfers. In addition, all of the collateral securing DHL’s guarantee of the Existing Notes will be released pursuant to the Collateral Release. Pursuant to the RSA, Eligible Holders of more than 50% of the outstanding principal amount of the Existing Notes have agreed to tender their Existing Notes in the Exchange Offer and deliver their consents to the Proposed Amendments prior to the Early Tender Date. As a result, we expect to receive the requisite consents to enter into a supplemental indenture to the Existing Indenture to give effect to the Proposed Covenant Amendments immediately following the Withdrawal Deadline, which will permit us to effectuate the Asset Transfers and Collateral Release. Following the completion of the Asset Transfers and Collateral Release, the Existing Notes will remain the obligations of DIHL, DIFL and the Guarantors, but DIHL, DIFL and each of the Guarantors will have no valuable assets remaining. If this occurs, Eligible Holders of the Existing Notes that do not tender their Existing Notes likely will not be able to recover any interest or principal on their Existing Notes as a result of the Asset Transfers and Collateral Release. For a discussion of this and other risks, see “Risk Factors.”

From time to time after completion of the Exchange Offer, we or our affiliates may purchase additional outstanding Existing Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, or we may redeem Existing Notes that are able to be redeemed, pursuant to their terms. Any future purchases, exchanges or redemptions may be on the same terms or on terms that are more or less favorable to holders of Existing Notes than the terms of the Exchange Offer. Any future purchases, exchanges or redemptions by us or our affiliates will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we or our affiliates may choose to pursue in the future.

All of the Existing Notes are held in book entry form through the facilities of DTC and its participants. To tender your Existing Notes for DHL Common Shares, you must instruct your Nominee to further instruct the DTC participant through which your Existing Notes are held to tender your Existing Notes through the DTC ATOP by the Expiration Date to receive the applicable Tender Consideration. See “Description of the Exchange Offer, Solicitation and Scheme.”

NONE OF US, THE EXISTING NOTES ISSUERS, THE TRUSTEE WITH RESPECT TO THE EXISTING NOTES, THE EXCHANGE AGENT OR THE INFORMATION AGENT (AS DEFINED HEREIN), OR ANY AFFILIATE OF ANY OF THEM, MAKES ANY RECOMMENDATION AS TO WHETHER ELIGIBLE HOLDERS OF EXISTING NOTES SHOULD TENDER THEIR EXISTING NOTES FOR THE APPLICABLE TENDER CONSIDERATION IN RESPONSE TO THE TENDER OFFER, SUBSCRIBE FOR THE EXIT PREFERRED SHARES AND THE SUBSCRIPTION DHL COMMON SHARES, CONSENT TO THE PROPOSED AMENDMENTS TO THE EXISTING INDENTURE AND DELIVER THE INSTRUCTIONS.

IMPORTANT INFORMATION

This offering memorandum is confidential. This offering memorandum has been prepared solely for use in connection with the Exchange Offer and Solicitation described in this offering memorandum and is only available to investors who have certified that they are Eligible Holders for the purposes of the Exchange Offer and Solicitation. Eligible Holders are authorized to use this offering memorandum solely for the purpose of considering the tender of Existing Notes pursuant to the Exchange Offer and Solicitation. This offering memorandum is personal to each Eligible Holder and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire securities. Distribution of this offering memorandum to any person other than an Eligible Holder and any person retained to advise such Eligible Holder with respect to its investment decision is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each Eligible Holder, by accepting delivery of this offering memorandum, agrees to the foregoing and to make no photocopies of this offering memorandum.

Only registered holders are entitled to tender Existing Notes. A beneficial owner whose Existing Notes are registered in the name of a Nominee must contact such Nominee if such beneficial owner desires to tender Existing Notes so registered. Beneficial owners should be aware that their Nominee may establish its own earlier deadlines for participation in the Exchange Offer and Solicitation. Accordingly, beneficial owners wishing to participate in the Exchange Offer and Solicitation should contact their Nominee as soon as possible in order to determine the times by which such beneficial owner must take action in order to participate in the Exchange Offer. See “Description of the Exchange Offer, Solicitation and Scheme—Procedures for Tendering.”

We have engaged Epiq Corporate Restructuring, LLC (or its designee or affiliate) to act as the exchange agent (the “Exchange Agent”) and the information agent (the “Information Agent”) for the Exchange Offer.

Questions concerning tender procedures and requests for additional copies of this offering memorandum may be directed to the Information Agent at its address and telephone number on the back cover of this offering memorandum. Beneficial owners of the Existing Notes should also contact their Nominee for assistance regarding the Exchange Offer and Solicitation.

There are no guaranteed delivery provisions provided for in conjunction with the Exchange Offer under the terms of this offering memorandum. Tendering holders must tender their Existing Notes in accordance with the procedures set forth under “Description of the Exchange Offer, Solicitation and Scheme—Procedures for Tendering.”

We have not authorized anyone to provide you with any information other than that contained in this offering memorandum or to which we have referred to you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front of this offering memorandum.

This offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us.

In making any investment decision, prospective investors must rely on their own examination of us and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this offering memorandum, as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the securities under applicable legal investment or similar laws or regulations.

Neither the SEC, any state securities commission nor any other regulatory authority has approved or disapproved the securities, nor have any of the foregoing authorities passed upon or endorsed the merits of the Exchange Offer, the Solicitation or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

The New Securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction pursuant to registration or exemption from registration. In addition, certain transfers of the New Securities shall require the prior consent of the Bermuda Monetary Authority. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this offering memorandum entitled “Transfer Restrictions” and “Risk Factors—Risks Relating to the New Securities—The New Securities are subject to restrictions on transfer.”

Each Eligible Holder must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells notes or possesses or distributes this offering memorandum and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of New Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and none of us nor any of our representatives shall have any responsibility therefor.

Each Eligible Holder receiving this offering memorandum acknowledges that (1) it is an Eligible Holder, (2) it has been afforded an opportunity to request and to review, and it has received, all additional information considered by it to be necessary to verify the accuracy of or to supplement the information in this offering memorandum, (3) this offering memorandum relates to an offering that is exempt from registration under the U.S. Securities Act and may not comply in important respects with SEC rules that would apply to an offering document relating to a public offering of securities and (4) no person has been authorized to give information or to make any representation concerning us, the Exchange Offer, the Solicitation or the New Securities, other than as contained in this offering memorandum in connection with an investor’s examination of us and the terms of the Exchange Offer and the Solicitation.

The consent of the Bermuda Monetary Authority will be required under Bermuda’s Exchange Control Act of 1972 (and its related regulations) for the issue and transfer of the New Securities to and between non-residents of Bermuda for exchange control purposes to the extent any such issue or transfer would result in a holder becoming entitled to hold 10% or more or, where a holder already holds 10% or more, 50% or more of the total voting rights exercisable by all holders of the Voting DHL Common Shares and the Voting Exit Preferred Shares voting together as a single class. In granting such consent the Bermuda Monetary Authority does not accept any responsibility for DL, DHL, DML, DIHL or DIFL’s financial soundness or the correctness of any of the statements made or opinions expressed in this offering memorandum.

NOTICE TO INVESTORS

This offering memorandum does not constitute an offer of, or an invitation to participate in, the Exchange Offer and Solicitation to any person in any jurisdiction in which it would be unlawful to make such offer or invitation or tender offer under applicable securities law or blue sky laws. Each holder must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, exchanges, offers or sells New Securities or Existing Notes or possesses or distributes this offering memorandum and must obtain any consent, approval or permission required by it for the purchase, exchange, offer or sale by it of New Securities and Existing Notes, as the case may be, in connection with the Exchange Offer under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, exchanges, offers or sales in connection with the Exchange Offer, and none of us or any of our representatives shall have any responsibility therefor.

Notice to Investors in the EEA

The New Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the “EEA PRIIPs Regulation”) for offering or selling the New Securities or otherwise making them available to retail investors in the EEA has been or will be prepared and therefore offering or selling the New Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the EEA PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of New Securities in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of New Securities. This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation.

Notice to Investors in the UK

The New Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); or (ii) a customer within the meaning of the provisions of the UK Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the New Securities or otherwise making them available to retail investors in the UK has been or will be prepared and therefore offering or selling the New Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. In the UK, this offering memorandum is for distribution only to (i) persons who are investment professionals falling within Article 19 paragraph 5 of the FSMA, (ii) persons falling within Article 49 paragraph 2 (a) to (d) of the FSMA (e.g., high-net-worth companies, unincorporated associations), or (iii) other persons to whom it may be lawfully communicated in accordance with the FSMA (all such persons falling within the preceding clauses (i)-(iii) together being referred to as “Relevant Persons”). This offering memorandum is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. In the UK, any investment or investment activity to which this offering memorandum relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Notice to Investors in Canada

The New Securities may be offered or sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or

subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the New Securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Exchange Offer and Solicitation.

Notice to Investors in Bermuda

The New Securities may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003, the Exchange Control Act 1972 and the Companies Act 1981 and regulations promulgated thereunder, which regulate the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

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CERTAIN TERMS USED IN THIS OFFERING MEMORANDUM

Unless the context specifically indicates otherwise:

“66 2/3% Condition” has its meaning described in “The Proposed Amendments—The Proposed Guarantee Release Amendments.”

“75% Condition” has its meaning described on the cover of this offering memorandum.

“Accreted Liquidation Preference” has its meaning describe in “Description of the Exit Preferred Shares.”

“Asset Transfers” has its meaning described on the cover of this offering memorandum.

“ATOP” has its meaning described on the cover of this offering memorandum.

“Attorney-in-Fact” has its meaning described on the cover of this offering memorandum.

“Backstop Commitment Agreement” has its meaning described on the cover of this offering memorandum.

“Backstop Payment” has its meaning described on the cover of this offering memorandum.

“Backstop Parties” has its meaning described on the cover of this offering memorandum.

“Bermuda Companies Act” has its meaning described on the cover of this offering memorandum.

“Bermuda Court” has its meaning described on the cover of this offering memorandum.

“Bridge Facilities” refers to the two delayed draw term facilities with commitments in an aggregate principal amount of \$60 million entered into on June 27, 2023.

“Clearstream” refers to Clearstream Banking, S.A.

“Collateral Release” has its meaning described on the cover of this offering memorandum.

“Commitment Payment” has its meaning described in “Description of the Concurrent Transactions.”

“Concurrent DIFL Scheme” has its meaning described in “Description of the Concurrent Transactions.”

“Concurrent DL Scheme” has its meaning described in “Description of the Concurrent Transactions.”

“Concurrent Schemes” has its meaning described in “Description of the Concurrent Transactions.”

“Concurrent Transactions” has its meaning described in “Description of the Concurrent Transactions.”

“Concurrent Transactions Condition” has its meaning described on the cover of this offering memorandum.

“Conyers” refers to Conyers Corporate Services (Bermuda) Limited, DHL’s company secretary.

“Corporate Reorganization” has its meaning described in “Description of the Company—Corporate Reorganization and Group Structure.”

“Defaulting Holder” has its meaning described on the cover of this offering memorandum.

“DGHL” has its meaning described on the cover of this offering memorandum.

“DGHL Convertible Notes” refers to the 7.00% PIK Perpetual Convertible Notes issued by DGHL.

“DGHL Scheme” has its meaning described in “Description of the Concurrent Transactions—DGHL Transactions.”

“DGHL Settlement Agreement” has its meaning described in “Description of the Company—Corporate Reorganization and Group Structure.”

“DGHL Transactions” has its meaning described in “Description of the Concurrent Transactions—DGHL Transactions.”

“DGHL Unsecured Notes” refers to the 8.0% Senior Cash Pay/PIK Notes due 2025 issued by DGHL.

“DHL” has its meaning described on the cover of this offering memorandum.

“DHL Common Shares” has its meaning described on the cover of this offering memorandum.

“DIFL” has its meaning described on the cover of this offering memorandum.

“DIFL Facility” refers, collectively, to the Term A Loan DIFL Facility, the Term B Loan DIFL Facility and the Revolving DIFL Facility.

“DIFL Guarantors” refer to each of the subsidiaries of DIFL that guarantee the DIFL Facility.

“DIHL” has its meaning described on the cover of this offering memorandum.

“DL” has its meaning described on the cover of this offering memorandum.

“DML” has its meaning described on the cover of this offering memorandum.

“DTC” has its meaning described on the cover of this offering memorandum.

“Early Tender Date” has its meaning described on the cover of this offering memorandum.

“Early Tender Premium” has its meaning described on the cover of this offering memorandum.

“ECTEL” refers to the Eastern Caribbean Telecommunications Authority.

“Eligible Holders” has its meaning described on the cover of this offering memorandum.

“Equity Registration Form” refers to the Equity Registration Form attached hereto as Exhibit B.

“Euroclear” refers to Euroclear Bank S.A./N.V., as operator of the Euroclear System.

“Exchange Act” refers to the Securities Exchange Act of 1934, as amended.

“Exchange Agent” has its meaning described on the cover of this offering memorandum.

“Exchange Offer” has its meaning described on the cover of this offering memorandum.

“Existing DIFL Secured Notes” refers to the 8.750% Senior Secured Notes due 2024 co-issued by DIHL and DIFL.

“Existing DIFL Term Loans” refers to the Term B loans under that certain First Lien Credit Agreement dated May 25, 2017 among DHL, as Holdings, DIFL, as Borrower, DIFL US Finance LLC, as Co-Borrower, the lenders party thereto and Citibank, N.A., as Administrative Agent, Issuing Bank and Collateral Agent, as may be amended, modified, supplemented, restated, extended, renewed, refinanced, replaced or substituted from time to time, together with any related agreements or documents (including any security documents and guarantee agreements), as any such agreement or document may be amended, modified, supplemented, restated, extended, renewed, refinanced, replaced or substituted from time to time.

“Existing DIFL Unsecured Notes” refers to the 13.0% Senior Cash Pay/PIK Notes due 2025 co-issued by DIHL and DIFL.

“Existing DL Notes” refers to the 6.750% Senior Notes due 2023 issued by DL.

“Existing DL Notes Commitment Payment” refers to the Commitment Payment to certain holders of the Existing DL Notes.

“Existing Indenture” has its meaning described on the cover of this offering memorandum.

“Existing Notes” has its meaning described on the cover of this offering memorandum.

“Existing Notes Commitment Payment” refers to the Commitment Payment to certain holders of the Existing Notes.

“Exit Preferred Shares” has its meaning described on the cover of this offering memorandum.

“Exit Preferred Shares Offering Amount” has its meaning described on the cover of this offering memorandum.

“Expiration Date” has its meaning described on the cover of this offering memorandum.

“Funding Deadline” has its meaning described on the cover of this offering memorandum.

“Funding Notice” has its meaning described on the cover of this offering memorandum.

“Funding Notice Date” has its meaning described on the cover of this offering memorandum.

“Guarantors” has its meaning described on the cover of this offering memorandum.

“Holding Trust” refers to the trust established for the purposes of holding the New Securities payable upon consummation of the Exchange Offer or the Scheme, as applicable.

“IASB” refers to the International Accounting Standards Board.

“IFRS” refers to the International Financial Reporting Standards.

“Information Agent” has its meaning described on the cover of this offering memorandum.

“Instructions” has its meaning described on the cover of this offering memorandum.

“Interim Distribution” refers to the \$76.5 million paid by DGHL to DIFL and DL pursuant to that certain validation order entered by the Bermuda Court on June 16, 2023 in connection with the winding-up petition against DGHL filed by Solus Long-Term Opportunities Fund Master LP in the Bermuda Court, Matter No. 77 of 2023.

“MIP” refers to the management incentive plan to be in effect upon consummation of the Reorganization Transactions.

“New DHL” has its meaning described on the cover of this offering memorandum.

“New DIFL” has its meaning described on the cover of this offering memorandum.

“New DIFL Credit Facility” refers to a new term facility to be entered into on the Scheme Closing Date.

“New DIFL Credit Facility Closing Date” refers to the date of entry into the New DIFL Credit Facility and issuance of the New DIFL Term Loans.

“New DIFL Secured Notes” refers to the new Senior Secured First Lien Notes due 2027 to be co-issued by DIHL and DIFL upon consummation of the Concurrent Transactions.

“New DIFL Secured Notes Amount” refers to the aggregate principal amount outstanding of the Existing DIFL Secured Notes on the Scheme Closing Date.

“New DIFL Term Loan Amount” refers to an aggregate principal amount equal to the aggregate principal amount outstanding under the Existing DIFL Term Loans as of the New DIFL Credit Facility Closing Date.

“New DIFL Term Loans” refers to the new Term B loans denominated in U.S. dollars to be borrowed by us under the New DIFL Credit Facility.

“New DIHL” has its meaning described on the cover of this offering memorandum.

“New DML Unsecured Notes” refers to the new Senior Unsecured Notes due 2028 to be issued by DML upon consummation of the Concurrent Transactions.

“New DML Unsecured Notes Amount” refers to the aggregate principal amount outstanding of the Existing DIFL Unsecured Notes on the Scheme Closing Date *plus* any accrued and unpaid PIK Interest on the Existing DIFL Unsecured Notes on the Scheme Closing Date.

“New Guarantors” has its meaning described on the cover of this offering memorandum.

“New Money Offering” has its meaning described on the cover of this offering memorandum.

“New Money Participants” has its meaning described on the cover of this offering memorandum.

“New Notes” refers, collectively, to the New DIFL Secured Notes and the New DML Unsecured Notes.

“New Securities” has its meaning described on the cover of this offering memorandum.

“Nominee” has its meaning described on the cover of this offering memorandum.

“Nominee Instruction Form” has its meaning described on the cover of this offering memorandum.

“Non-Voting DHL Common Shares” has its meaning described on the cover of this offering memorandum.

“Non-Voting Exit Preferred Shares” has its meaning described on the cover of this offering memorandum.

“offering memorandum” has its meaning described on the cover of this offering memorandum.

“OUR” refers to the Office of Utilities Regulation, the regulator in Jamaica.

“PFIC” refers to a passive foreign investment company.

“PIK Interest” refers to the payment of interest on an instrument by increasing the outstanding principal amount thereof, or in the case of notes, by issuing additional notes rounded up to the nearest \$1.00.

“Pro Rata Portion” has its meaning described on the cover of this offering memorandum.

“Proposed Amendments” has its meaning described on the cover of this offering memorandum.

“Proposed Covenant Amendments” has its meaning described on the cover of this offering memorandum.

“Proposed Guarantee Release Amendments” has its meaning described on the cover of this offering memorandum.

“Proxy Solicitation” has its meaning described in “Description of the Concurrent Transactions.”

“Regulation S” has its meaning described on the cover of this offering memorandum.

“Reorganization Transactions” has its meaning described in “Description of the Company—Corporate Reorganization and Group Structure.”

“Revolving Credit Loans” refers to the \$100.0 million of revolving credit loans denominated in U.S. dollars.

“Revolving DIFL Facility” refers to the DIFL Facility comprising of the Revolving Credit Loans.

“Rights Offering Equity Adjustment” has its meaning described on the cover of this offering memorandum.

“RSA” has its meaning described on the cover of this offering memorandum.

“Rule 144A” has its meaning described on the cover of this offering memorandum.

“Scheme” has its meaning described on the cover of this offering memorandum.

“Scheme Closing Date” refers to the date on which the New Securities are issued in connection with the consummation of the Reorganization Transactions.

“Scheme Effective Date” refers to the date upon which all of the conditions to the effectiveness of the Scheme has been satisfied.

“SEC” has its meaning described on the cover of this offering memorandum.

“Services Agreement” has its meaning described in “Description of the Concurrent Transactions—Services Agreement.”

“Settlement Date” has its meaning described on the cover of this offering memorandum.

“Shortfall” has its meaning described on the cover of this offering memorandum.

“Solicitation” has its meaning described on the cover of this offering memorandum.

“Strike Price” refers to an enterprise value of \$4 billion.

“Subscription DHL Common Shares” has its meaning described on the cover of this offering memorandum.

“Subscription Price” has its meaning described on the cover of this offering memorandum.

“Telstra Proceeds” refers to the future sale proceeds arising from DGHL’s sale of Digicel Pacific Limited to Telstra Corporation Limited.

“Tender Consideration” has its meaning described on the cover of this offering memorandum.

“Term A Loan DIFL Facility” refer, collectively, to the DIFL Facility comprising of \$236.3 million of Term A loans denominated in U.S. dollars and €33.2 million of Term A loans denominated in euros.

“Term B Loan DIFL Facility” refers to the DIFL Facility comprising of \$955.0 million of Term B loans denominated in U.S. dollars.

“Total Tender Consideration” has its meaning described on the cover of this offering memorandum.

“Trustee” has its meaning described on the cover of this offering memorandum.

“U.S. Securities Act” has its meaning described on the cover of this offering memorandum.

“VOI number” has its meaning described on the cover of this offering memorandum.

“Voting DHL Common Shares” has its meaning described on the cover of this offering memorandum.

“Voting Exit Preferred Shares” has its meaning described on the cover of this offering memorandum.

“we,” “our,” “ours,” “us” or the “Company” has its meaning described on the cover of this offering memorandum.

“Withdrawal Deadline” has its meaning described in “Important Times and Dates.”

“Work Payments” refers to payments to certain holders that signed the RSA to reimburse their financial and legal expenses in recognition of the substantial time and resources that those holders have spent in negotiating and assisting the Company in launching of the Concurrent Schemes.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains various forward-looking statements that reflect management's current views with respect to future events and anticipated financial and operational performance. The words "expect," "estimate," "believe," "project," "anticipate," "should," "intend," "probability," "risk," "may," "target," "goal," "objective" and similar expressions or variations on such expressions are considered forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. These statements appear in a number of places throughout the document, including, without limitation, in "Risk Factors." These statements concern, among other things:

- strategies, outlooks and growth prospects;
- new products and services;
- future plans and potential for future growth;
- trends affecting our financial condition or results of operations;
- liquidity, capital resources and capital expenditure;
- growth in demand for our services;
- economic outlook and industry trends;
- development of our markets;
- the impact of regulatory initiatives and the supervision and regulation of the telecommunications markets in general;
- political instability in the markets in which we operate;
- operating risks including natural disasters;
- outbreaks of disease, such as the COVID-19 pandemic;
- possible renewal of licenses;
- competition in areas of our business; and
- plans to launch new networks, products and services.

Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties; actual results may differ materially as a result of various factors. These factors include, but are not limited to:

- general economic conditions, the fluctuations or devaluations of local currencies, government and regulatory policies and business conditions in the markets served by us and our affiliates and in markets in which we seek to establish operations;
- telecommunications usage levels, including traffic and customer growth;
- competitive forces, including price pressures, technological developments and our ability to retain market share in the face of competition from existing and new market entrants;
- disruption of supplies and services from principal suppliers;

- regulatory developments and changes, including with respect to the level of tariffs, the terms of interconnection, customer access and international settlement arrangements and the outcome of litigation related to regulation and regulatory processes generally;
- the success of business, operating and financial initiatives, the level and timing of the growth and profitability of new initiatives, start-up costs associated with entering new markets and launching new services, subscriber acquisition costs, costs of handsets and other equipment, the successful deployment of new systems and applications to support new initiatives and local conditions;
- the availability, terms and use of capital, the impact of regulatory and competitive developments on capital outlays, the ability to achieve cost savings and realize productivity improvements, and the success of our investments, ventures and alliances;
- retention of key members of our management;
- our ability to complete (a) the Exchange Offer or the Scheme, as applicable, on the terms contemplated in this offering memorandum and (b) the Concurrent Transactions; and
- other factors discussed under “Risk Factors.”

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, as actual results could differ. We undertake no obligation to release publicly the result of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof, including, without limitation, changes in our business or acquisition strategy or planned capital expenditures, or to reflect the occurrence of unanticipated events.

Please note that we provide a cautionary discussion of risks and uncertainties under “Risk Factors” of this offering memorandum. These are factors that we think could cause our actual results to differ materially from expected results. Other factors besides those listed here could also adversely affect us.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

This offering memorandum includes historical consolidated financial statements and certain financial data of DL and DIFL, which is a wholly-owned subsidiary of DIHL and an indirect wholly-owned subsidiary of DL and DHL.

DHL has no material assets, liabilities or operations other than its ownership of DIHL, and DIHL has no material assets, liabilities or operations other than its ownership of DIFL. As a result, the historical consolidated financial statements of DHL and DIHL as of, and for the fiscal years ended, March 31, 2023 and March 31, 2022 are substantially identical to those of DIFL. Therefore, we do not provide financial information with respect to DHL and DIHL as of, and for the fiscal years ended, March 31, 2023 and March 31, 2022 in this offering memorandum. See “Description of the Company—Corporate Reorganization and Group Structure” for a description of the changes to our corporate structure in connection with consummation of the Concurrent Schemes and, if applicable, the Concurrent Transactions.

We report under IFRS as issued by the IASB, and unless otherwise indicated, all financial data and discussions relating thereto in this offering memorandum are based upon financial statements prepared in accordance with IFRS, as issued by the IASB.

Rounding

Certain figures in this offering memorandum, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

Currency

In this offering memorandum, references to “U.S. dollars,” “dollars” or “\$” are to U.S. dollars, references to “J\$” or “Jamaican dollar” are to the Jamaican dollar, references to “HTG” or “Haitian Gourde” are to the Haitian Gourde, references to “TT\$” or “Trinidad and Tobago dollar” are to the Trinidad and Tobago dollar and references to “euro” or “€” are to the euro.

INDUSTRY AND MARKET DATA

This offering memorandum contains historical economic and industry data, and forecasts of such data. This information has been obtained from industry publications, market research and other independent third-party sources. Industry publications generally state that the historical information they provide has been obtained from sources and through methods believed to be reliable, but that they do not guarantee the accuracy and completeness of this information. Similarly, market research, while believed to be reliable, has not been independently verified by the Company. Market and industry statistics are inherently predictive and subject to uncertainty and are not necessarily reflective of actual market or industry conditions. Such statistics are based on market research which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

This offering memorandum also contains information about the markets in which the Company operates and its competitive position within those markets. The Company is not aware of any exhaustive industry or market reports that cover or address the market for its services and products, partially reflecting the unique nature of the markets in which the Company operates. In assembling the data relating to its markets, the Company has relied on information about the Company and its competitors' financial performance and information obtained in connection with public tender processes in which the Company has participated. This information has not been certified by independent experts, and the Company cannot guarantee that a third-party using different methods to assemble, analyze or compile market data would obtain or generate the same results. As a result, potential investors should be aware that the economic and industry data and forecasts and estimates of market data included in this offering memorandum may not be reliable indicators of the Company's future results.

TRADEMARKS

Digicel has proprietary rights to trademarks, service marks and trade names used in this offering memorandum, which are important to its business. Solely for convenience, Digicel has omitted the “®” and “™” designations for such trademarks, but such references are not intended to indicate, in any way, that it will not assert, to the fullest extent under applicable law, its rights or the rights of the applicable licensors to these trademarks, service marks, and trade names. Each trademark, trade name or service mark of any other company appearing in this offering memorandum belongs to its respective holder.

IMPORTANT TIMES AND DATES

Please take note of the following important times and dates in connection with the Exchange Offer and Solicitation. These dates assume no extension of the Withdrawal Deadline or the Expiration Date.

Date	Time and Calendar Date	Event
Launch Date	August 21, 2023	The commencement of the Exchange Offer and Solicitation.
Early Tender Date	5:00 p.m., New York City time, on September 11, 2023, unless extended	<p>The deadline for Eligible Holders to tender Existing Notes in order to be eligible to receive the applicable Total Tender Consideration for Existing Notes accepted for exchange in the Exchange Offer.</p> <p>We reserve the right, subject to the terms of the RSA, to extend the Early Tender Date without extending the Withdrawal Deadline.</p>
Withdrawal Deadline.....	5:00 p.m., New York City time, on September 11, 2023, unless extended	<p>The deadline for Eligible Holders that validly tendered Existing Notes to validly withdraw such Existing Notes. By validly withdrawing the tendered Existing Notes, such Eligible Holder will also be deemed to validly revoke their consent to the Proposed Amendments with respect to such Existing Notes and validly revoke the Instructions, except in certain limited circumstances as set forth herein.</p> <p>After the Withdrawal Deadline and before the Expiration Date, upon receipt of valid consents sufficient to effect the Proposed Covenant Amendments and the Proposed Guarantee Release Amendments, as applicable, DIHL and DIFL and the Trustee will execute and deliver a supplemental indenture relating to the applicable Proposed Amendments with respect to the Existing Indenture immediately giving effect to such Proposed Amendments.</p>
Expiration Date.....	5:00 p.m., New York City time, on September 19, 2023, unless extended	The deadline for Eligible Holders to tender Existing Notes in order to be eligible to receive the applicable Tender Consideration for Existing Notes accepted for exchange in the Exchange Offer and thereby also consent to the Proposed Amendments and deliver the Instructions.
Funding Notice Date.....	No later than 15 business days prior to the Settlement Date	The Exchange Agent will deliver the Funding Notice to the Nominee of each New Money Participant.

Date	Time and Calendar Date	Event
Funding Deadline	5:00 p.m., New York City time, 10 business days prior to the Settlement Date	The deadline by which New Money Participants who are not Backstop Parties must deliver to the Exchange Agent cash by wire transfer of immediately available funds in an amount equal to the Subscription Price. Defaulting Holders will not receive any Exit Preferred Shares or Subscription DHL Common Shares in the Exchange Offer and will instead be deemed to have elected Option 5, with respect to any election of Option 1 or Option 2, or deemed to have elected Option 6, with respect to any election of Option 3 or Option 4. Partial payment of the Subscription Price will be treated as non-payment, and such partial payment will be returned to the Eligible Holder.
Backstop Funding Date ..	5:00 p.m., New York City time, 3 business days prior to the Settlement Date	The deadline for the Backstop Parties to deliver to the Exchange Agent cash by wire transfer of immediately available funds in an amount equal to the Shortfall pursuant to the Backstop Commitment Agreement (which deadline is subject to certain exceptions as set forth in the Backstop Commitment Agreement).
Settlement Date	As soon as practicable after the Expiration Date and receipt of funds on the Funding Deadline and the Backstop Funding Date	<p>For Existing Notes validly tendered after the Early Tender Date (and not validly withdrawn) and accepted for exchange, payment of the applicable Tender Consideration (and payment of the applicable Total Tender Consideration for Existing Notes validly tendered (and not validly withdrawn) prior to the Early Tender Date and accepted for exchange). Issuance of the Exit Preferred Shares and Subscription DHL Common Shares to New Money Participants that are not Defaulting Holders.</p> <p>If DIHL and DIFL elect to commence a Scheme with respect to the Existing Notes, then the Settlement Date will occur promptly after the Scheme becomes effective and receipt of funds for the Exit Preferred Shares and the Subscription DHL Common Shares on the Funding Deadline and the Backstop Funding Date.</p>

SUMMARY OF THE EXCHANGE OFFER AND SOLICITATION

The following is a brief summary of certain terms of the Exchange Offer and Solicitation. It may not contain all the information that is important to you. For additional information regarding the Exchange Offer, Solicitation and the New Securities, see “Description of the Exchange Offer, Solicitation and Scheme,” “Description of the DHL Common Shares” and “Description of the Exit Preferred Shares.” References to “we” in this summary refer to Digicel Holdings (Bermuda) Limited.

Existing Notes	\$250,002,707 aggregate principal amount of 8.0% Subordinated Notes due 2026 co-issued by Digicel Intermediate Holdings Limited and Digicel International Finance Limited.
DHL Common Shares	Common shares to be issued by Digicel Holdings (Bermuda) Limited The DHL Common Shares will not be eligible for distribution through DTC and will instead be issued in book-entry form on the register of members of DHL. In order to receive the DHL Common Shares, each Eligible Holder must complete and submit the Equity Registration Form, as further described under “Book Entry, Delivery and Form.”
Exchange Offer.....	We are offering to exchange any and all of the Existing Notes validly tendered (and not validly withdrawn) and accepted for exchange by us for DHL Common Shares, upon the terms and subject to the conditions set forth in this offering memorandum. Eligible Holders of Existing Notes will be eligible to receive the applicable Total Tender Consideration set forth under “—Total Tender Consideration” below for Existing Notes validly tendered at or before the Early Tender Date and not validly withdrawn at or before the Withdrawal Deadline. For Existing Notes validly tendered after the Early Tender Date and at or before the Expiration Date, Eligible Holders of such Existing Notes will be eligible to receive the applicable Tender Consideration set forth under “—Tender Consideration” below. The applicable Total Tender Consideration includes an applicable Early Tender Premium in an amount set forth under “—Early Tender Premium” below.
The Exit Preferred Shares	Convertible preferred shares to be issued by Digicel Holdings (Bermuda) Limited The Exit Preferred Shares will not be eligible for distribution through DTC and will instead be issued in book-entry form on the register of members of DHL. In order to receive the Exit Preferred Shares, each Eligible Holder must complete and submit the Equity

	Registration Form, as further described under “Book Entry, Delivery and Form.”
New Money Offering	<p>In connection with the Exchange Offer, we are offering Eligible Holders that tender their Existing Notes in the Exchange Offer the opportunity to subscribe for their Pro Rata Portion of (a) the Exit Preferred Shares Offering Amount and (b) the Subscription DHL Common Shares. Eligible Holders that tender their Existing Notes in the Exchange Offer may, at the time of their tender, subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares by electing Option 1, Option 2, Option 3 or Option 4. To be eligible to receive their Pro Rata Portion of Exit Preferred Shares Offering Amount and the Subscription DHL Common Shares, the New Money Participants must deliver to the Exchange Agent by the Funding Deadline cash by wire transfer of immediately available funds in an amount equal to the Subscription Price with respect to such New Money Participant’s Pro Rata Portion of the Exit Preferred Shares Offering Amount and the Subscription DHL Common Shares. See “Description of the Exchange Offer, Solicitation and Scheme—The New Money Offering.” Any Defaulting Holder will not receive any Exit Preferred Shares or Subscription DHL Common Shares and will instead be deemed to have elected Option 5, with respect to any election of Option 1 or Option 2, or deemed to have elected Option 6, with respect to any election of Option 3 or Option 4.</p>
Purpose of the Exchange Offer and the Solicitation	The purpose of the Exchange Offer is to recapitalize certain of DIHL’s and DIFL’s indebtedness. The purpose of the Solicitation is to adopt the Proposed Amendments.
Denomination	The New Securities will only be issued in whole shares. If a tendering Eligible Holder would otherwise be entitled to receive a number of New Securities that is not a whole number of shares, such number of New Securities will be rounded down to the nearest whole share, and such Eligible Holder will receive this rounded number of New Securities, and no additional cash will be paid in lieu of any number of New Securities not received as a result of rounding down.
No Partial Tenders	In order to tender Existing Notes pursuant to the Exchange Offer, Eligible Holders will be required, at the time of such tender, to certify to us that they (i) have validly tendered and not validly withdrawn any and all Existing Notes beneficially owned by them pursuant to the Exchange Offer, (ii) will not validly withdraw any such tender of any Existing Notes unless they validly withdraw their tender of all such Existing

Only Eligible Holders May Participate in the
Exchange Offer and Solicitation

Notes and (iii) shall not take, encourage, assist or support (or procure that any other person take, encourage, assist or support) any action which would, or would reasonably be expected to, breach, be inconsistent with, delay, impede or prevent the implementation or consummation of the Exchange Offer, the Scheme or the Concurrent Transactions.

We will conduct the Exchange Offer and Solicitation in accordance with the applicable requirements of the Exchange Act and the rules and regulations of the SEC thereunder. The distribution of this offering memorandum is limited to those holders of Existing Notes who have certified that they are either QIBs as defined in Rule 144A or persons outside the United States that are not “U.S. persons” within the meaning of Regulation S and are not acquiring the New Securities for the account or benefit of a U.S. person.

Only holders of Existing Notes who have properly completed and submitted the eligibility certification to the Information Agent are authorized to receive and review this offering memorandum (such holders, “Eligible Holders”).

Solicitation.....

We are also soliciting consents from the holders of Existing Notes to amend the Existing Indenture to adopt the Proposed Amendments. Eligible Holders of Existing Notes may deliver their consent to the Proposed Amendments to the Existing Indenture only by tendering Existing Notes in the Exchange Offer and Solicitation. Eligible Holders may not deliver a consent in the Solicitation without tendering Existing Notes in the Exchange Offer. If an Eligible Holder tenders Existing Notes in the Exchange Offer, such Eligible Holder will be deemed to deliver its consent, with respect to the principal amount of such tendered Existing Notes, to the Proposed Amendments.

Proposed Amendments.....

If consents sufficient to effect the Proposed Amendments, which include the Proposed Covenant Amendments and the Proposed Guarantee Release Amendments, are received with respect to Existing Notes, the Existing Indenture will be amended to (i) eliminate substantially all of the covenants, restrictive provisions and events of default in the Existing Notes, (ii) release all of the collateral securing DHL’s guarantee of the Existing Notes and (iii) if the 66 2/3% Condition is satisfied, but the 75% Condition is not satisfied or DIHL and DIFL do not propose the Scheme, release all of the guarantees of the Existing Notes.

After the Withdrawal Deadline and before the Expiration Date, upon receipt of valid consents

	<p>sufficient to effect the Proposed Covenant Amendments and the Proposed Guarantee Release Amendments, as applicable, DIHL and DIFL and the Trustee will execute and deliver a supplemental indenture relating to the applicable Proposed Amendments with respect to the Existing Indenture immediately giving effect to such Proposed Amendments.</p>
Scheme	<p>A scheme of arrangement pursuant to section 99 of the Bermuda Companies Act that will result in the equitization of the outstanding aggregate principal amount of the Existing Notes.</p>
Instructions	<p>By tendering the Existing Notes, such Eligible Holder will be deemed to automatically and unconditionally deliver instructions for the Attorney-in-Fact, effective immediately, to act as its true and lawful agent, attorney-in-fact and proxy with respect to the Existing Notes solely for the purpose of taking all steps necessary, including executing all documents necessary, as may be required by applicable law, (a) to cause such tendered Existing Notes to be assigned, transferred and exchanged and (b) in such capacity as true and lawful agent, attorney-in fact-and proxy, to irrevocably vote in favor (including, if required, attending a meeting and voting on behalf of such tendered Existing Notes) of a Scheme with respect to the principal amount of such Existing Notes, with such Instructions to be automatically delivered to the Exchange Agent by the Eligible Holder's Nominee immediately following the tender of such Existing Notes through ATOP using the Nominee Instruction Form; <i>provided, however</i>, that any such Instructions granted by a holder of Existing Notes that is a part to the RSA shall automatically be deemed to be revoked upon the termination of the RSA. For the avoidance of doubt, in connection with the tender of Existing Notes by an Eligible Holder, the submission of the ATOP instruction without the submission by such Eligible Holder's Nominee of the corresponding Nominee Instruction Form shall not be sufficient to grant the Instructions. In order for a tender of Existing Notes to be valid, a corresponding Nominee Instruction Form must be submitted.</p>
75% Condition.....	<p>The receipt of tenders from Eligible Holders holding at least 75% of the outstanding aggregate principal amount of the Existing Notes validly tendered and not validly withdrawn.</p> <p>If we achieve the 75% Condition with respect to the Existing Notes, DIHL and DIFL expect to propose a Scheme with respect to the Existing Notes rather than consummate the Exchange Offer. For the avoidance of</p>

	doubt, we reserve the absolute right, subject to the terms of the RSA, to propose a Scheme with respect to the Existing Notes even if we do not achieve the 75% Condition.
Early Tender Premium	For Existing Notes validly tendered at or before the Early Tender Date and not validly withdrawn at or before the Withdrawal Deadline, Eligible Holders will be eligible to receive the applicable Total Tender Consideration set out in the table on the cover page of this offering memorandum, which includes the applicable Early Tender Premium set out in such table. If a Exchange Offer is completed, the applicable Early Tender Premium will be paid only to Eligible Holders that validly tender their Existing Notes at or before the Early Tender Date and do not validly withdraw their tenders at or prior to the Withdrawal Deadline and whose Existing Notes are accepted for exchange. Eligible Holders that validly tender their Existing Notes after the Early Tender Date will not be eligible to receive the applicable Early Tender Premium. See “Description of the Exchange Offer, Solicitation and Scheme—Early Tender Premium.”
Tender Consideration	The applicable Tender Consideration is set out in the table on the cover page of this offering memorandum.
Total Tender Consideration	The applicable Total Tender Consideration for Existing Notes tendered at or before the Early Tender Date is set out in the table on the cover page of this offering memorandum, which includes the applicable Early Tender Premium.
Accrued Interest	No payment will be made in respect of accrued interest on Existing Notes accepted in the Exchange Offer.
Early Tender Date	5:00 p.m., New York City time, on September 11, 2023, unless extended.
Expiration Date.....	5:00 p.m., New York City time, on September 19, 2023, unless extended.
Funding Notice Date.....	No later than 15 business days prior to the Settlement Date.
Funding Deadline	Eligible Holders of Existing Notes who validly tendered (and not validly withdrew) their Existing Notes by the Expiration Date and subscribed for the Exit Preferred Shares and the Subscription DHL Common Shares must deliver to the Exchange Agent cash by wire transfer of immediately available funds in an amount equal to the Subscription Price at or prior to 5:00 p.m., New York City time, 10 business days prior to the Settlement Date. Defaulting Holders will not

	<p>receive any Exit Preferred Shares or Subscription DHL Common Shares and will instead be deemed to have elected Option 5, with respect to any election of Option 1 or Option 2, or deemed to have elected Option 6, with respect to any election of Option 3 or Option 4. Partial payment of the Subscription Price will be treated as non-payment, and such partial payment will be returned to the Eligible Holder.</p>
Backstop Funding Date	<p>5:00 p.m., New York City time, 3 business days prior to the Settlement Date pursuant to the Backstop Commitment Agreement (which deadline is subject to certain exceptions as set forth in the Backstop Commitment Agreement).</p>
Settlement Date	<p>Subject to the terms and conditions of the Exchange Offer, the Settlement Date for the Exchange Offer, including the issuance of the Exit Preferred Shares and the Subscription DHL Common Shares in the New Money Offering, will occur as soon as practicable after the Expiration Date and receipt of funds for the Exit Preferred Shares and the Subscription DHL Common Shares on the Funding Deadline and the Backstop Funding Date. The New Securities will not be eligible for distribution through DTC and will instead be issued in book-entry form on the register of members of DHL. In order to receive the New Securities, each Eligible Holder must complete and submit the Equity Registration Form, as further described under “Book Entry, Delivery and Form.”</p> <p>If DIHL and DIFL elect to commence a Scheme with respect to the Existing Notes, then the Settlement Date will occur as soon as practicable after the Scheme becomes effective and receipt of funds for the Exit Preferred Shares and the Subscription DHL Common Shares on the Funding Deadline and the Backstop Funding Date.</p>
Withdrawal of Tenders and Revocation of Consent and Instructions	<p>Tenders of Existing Notes in the Exchange Offer and Solicitation may only be validly withdrawn at any time on or prior to the Withdrawal Deadline except in certain limited circumstances as set forth herein. The Withdrawal Deadline for the Exchange Offer is 5:00 p.m., New York City time, on September 11, 2023, unless extended.</p> <p>A valid withdrawal of tendered Existing Notes will also constitute the revocation of any election to subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares, the related consents to the Proposed Amendments to the Existing Indenture and the Instructions. The consents to the Proposed Amendments and the Instructions may only be revoked by validly withdrawing the tendered</p>

Conditions to the Exchange Offer and Solicitation

Existing Notes prior to the Withdrawal Deadline. Tenders (including any corresponding election to subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares), consents and the Instructions submitted in the Exchange Offer after the Withdrawal Deadline will be irrevocable except in the limited circumstances where additional withdrawal rights are required by law.

See “Description of the Exchange Offer, Solicitation and Scheme—Withdrawal of Tenders and Revocation of Consents and Instructions.”

The Exchange Offer and Solicitation are subject to certain conditions that, subject to applicable law and the terms of the RSA, we may assert or waive, including, without limitation, the Concurrent Transactions Condition. We may at any time prior to the Expiration Date waive any condition with respect to the Exchange Offer and Solicitation in our sole discretion, without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights, subject to applicable law and the terms of the RSA.

In addition, the completion of the Exchange Offer is subject to the satisfaction or waiver of certain other conditions as set forth in this offering memorandum. Subject to the terms of the RSA, the Expiration Date may be extended until the Concurrent Transactions Condition can be satisfied. Subject to applicable law and the terms of the RSA, the Exchange Offer may be amended, extended, terminated or withdrawn at any time and for any reason, including if any of the conditions are not satisfied or waived by the Expiration Date.

See “Description of the Exchange Offer, Solicitation and Scheme—Conditions to the Exchange Offer and Solicitation.”

Termination; Extension; Amendment

We, in our sole discretion, may extend the Early Tender Date, the Withdrawal Deadline and/or the Expiration Date with respect to the Exchange Offer and Solicitation, subject to applicable law and the terms of the RSA. We expressly reserve the right, in our sole discretion and with respect to the Exchange Offer and Solicitation, to: (i) delay accepting the Existing Notes, to extend the Exchange Offer and Solicitation or to terminate the Exchange Offer and Solicitation and not accept the Existing Notes pursuant thereto; (ii) extend the Early Tender Date without extending the Withdrawal Deadline of the Exchange Offer and Solicitation; and (iii) amend, modify or waive in part or whole, at any time, or from time to time, the terms of such Exchange Offer and

Solicitation in any respect, including waiver of any conditions to consummation of such Exchange Offer and Solicitation, in each case without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights, subject to applicable law and the terms of the RSA. In the event that the Exchange Offer is terminated or otherwise not completed prior to its Expiration Date, no consideration will be paid or become payable to holders who have tendered their Existing Notes pursuant to such Exchange Offer. In any such event, Existing Notes previously tendered pursuant to such Exchange Offer will be promptly returned to the tendering holders. See “Description of the Exchange Offer, Solicitation and Scheme—Early Tender Date; Expiration Date; Extensions; Amendments; Termination.”

Procedures for Tendering

If you are an Eligible Holder and wish to participate in the Exchange Offer and Solicitation and your Existing Notes are held by a custodial entity, such as a Nominee, you must instruct that custodial entity to tender your Existing Notes on your behalf pursuant to the procedures of that custodial entity. Please ensure that you contact your custodial entity as soon as possible to give them sufficient time to meet your requested deadline. **Beneficial owners are urged to appropriately instruct their Nominee as soon as possible prior to the Early Tender Date or the Expiration Date, as applicable, in order to allow adequate processing time for their instruction.**

Custodial entities that are participants in DTC must tender Existing Notes through ATOP maintained by DTC. We have not provided guaranteed delivery procedures in conjunction with the Exchange Offer and Solicitation.

In order to tender Existing Notes pursuant to the Exchange Offer, Eligible Holders will be required, at the time of such tender, to certify to us that they (i) have validly tendered and not validly withdrawn any and all Existing Notes beneficially owned by them pursuant to the Exchange Offer, (ii) will not validly withdraw any such tender of any Existing Notes unless they validly withdraw their tender of all such Existing Notes and (iii) shall not take, encourage, assist or support (or procure that any other person take, encourage, assist or support) any action which would, or would reasonably be expected to, breach, be inconsistent with, delay, impede or prevent the implementation or consummation of the Exchange Offer, the Scheme or the Concurrent Transactions. **To validly tender Existing Notes, such Existing Notes must be actually transferred electronically, pursuant to the procedures for book-entry transfer**

described herein via DTC (using DTC’s ATOP system). Any tender of Existing Notes that does not comply with these provisions could result in the rejection of all tenders of all Existing Notes tendered by such Eligible Holder pursuant to the Exchange Offer. We reserve the absolute right to waive any defects or irregularities with respect to any such attestation or tender, subject to applicable law. For further details, see “Description of the Exchange Offer, Solicitation and Scheme—Certification of Participation in the Exchange Offer.” **To be eligible to receive the Exit Preferred Shares and the Subscription DHL Common Shares, Eligible Holders must (i) subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares by electing Option 1, Option 2, Option 3 or Option 4 at the time they tender their Existing Notes via ATOP and (ii) deliver cash to the Exchange Agent in an amount equal to the Subscription Price by the Funding Deadline. Any Defaulting Holder will not receive any Exit Preferred Shares or Subscription DHL Common Shares and will instead be deemed to have elected Option 5, with respect to any election of Option 1 or Option 2, or deemed to have elected Option 6, with respect to any election of Option 3 or Option 4.** Partial payment of the Subscription Price will be treated as non-payment, and such partial payment will be returned to the Eligible Holder.

Consequences of Failure to Tender

If the 75% Condition is not satisfied or DIHL and DIFL propose but do not consummate the Scheme, then, pursuant to the terms of the RSA (including the definition of “Implementation Mechanisms” thereunder), following the effectiveness of the Proposed Amendments and in connection with the settlement of the Exchange Offer and the consummation of the Concurrent Transactions, we may determine to transfer all of the assets of DIFL and each of the Guarantors to newly created subsidiaries to be indirectly owned by New DHL, none of which will be obligors of the Existing Notes, pursuant to the Asset Transfers. In addition, all of the collateral securing DHL’s guarantee of the Existing Notes will be released pursuant to the Collateral Release. Pursuant to the RSA, Eligible Holders of more than 50% of the outstanding principal amount of the Existing Notes have agreed to tender their Existing Notes in the Exchange Offer and deliver their consents to the Proposed Amendments prior to the Early Tender Date. As a result, we expect to receive the requisite consents to enter into a supplemental indenture to the Existing Indenture to give effect to the Proposed Covenant Amendments immediately following the Withdrawal Deadline, which will permit us to effectuate the Asset

Transfers and Collateral Release. Following the completion of the Asset Transfers and Collateral Release, the Existing Notes will remain the obligations of DIHL, DIFL and the Guarantors, but DIHL, DIFL and each of the Guarantors will have no valuable assets remaining. If this occurs, Eligible Holders of the Existing Notes that do not tender their Existing Notes likely will not be able to recover any interest or principal on their Existing Notes as a result of the Asset Transfers and the Collateral Release. In addition, if the 66 2/3% Condition is satisfied, but the 75% Condition is not satisfied or DIHL and DIFL do not propose the Scheme, then we will cause each Guarantor to release its guarantee of the Existing Notes. See “Risk Factors—Risks Relating to the Non-Tendering Holders of the Existing Notes—If you are an Eligible Holder of Existing Notes and you do not tender your Existing Notes and the Exchange Offer is consummated, you may ultimately find that the Existing Notes Issuers and the Guarantors could be unable to repay or refinance such non-tendered Existing Notes.”

If the Proposed Amendments to the Existing Indenture are effected, such amendments will also apply to the Existing Notes not acquired in the Exchange Offer and such Existing Notes will no longer have the benefit of (i) the protection of substantially all of the covenants, restrictive provisions and events of default, (ii) the collateral securing DHL’s guarantee of the Existing Notes and (iii) if the 66 2/3% Condition is satisfied, but the 75% Condition is not satisfied or DIHL and DIFL do not propose the Scheme, the guarantees of the Existing Notes.

The trading market for outstanding Existing Notes not tendered in the Exchange Offer and Solicitation may be more limited than it is at present. Therefore, if your Existing Notes are not tendered and accepted in the Exchange Offer and Solicitation, it may become more difficult for you to sell or transfer your untendered Existing Notes.

If we achieve the 75% Condition with respect to the Existing Notes, DIHL and DIFL expect to commence the Scheme with respect to the Existing Notes and if they are successful in effecting the Scheme, all of the outstanding Existing Notes, including those Existing Notes not tendered in the Exchange Offer, will be exchanged in the Scheme for the Tender Consideration (or the Total Tender Consideration with respect to the Existing Notes tendered prior to the Early Tender Deadline). See “Risk Factors” for a more detailed

	<p>description of this risk and other risks relating to the Exchange Offer and Solicitation.</p> <p>For the avoidance of doubt, subject to the terms of the RSA, we reserve the absolute right to propose a Scheme with respect to the Existing Notes even if we do not achieve the 75% Condition.</p>
Consequences of Failure to Pay All or A Portion of the Applicable Subscription Price	<p>To be eligible to receive the Exit Preferred Shares and the Subscription DHL Common Shares, Eligible Holders must (i) subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares by electing Option 1, Option 2, Option 3 or Option 4 at the time they tender their Existing Notes via ATOP and (ii) deliver cash to the Exchange Agent in an amount equal to the Subscription Price by the Funding Deadline. Any Defaulting Holder will not receive any Exit Preferred Shares or Subscription DHL Common Shares and will instead be deemed to have elected Option 5, with respect to any election of Option 1 or Option 2, or deemed to have elected Option 6, with respect to any election of Option 3 or Option 4. Partial payment of the Subscription Price will be treated as non-payment, and such partial payment will be returned to the Eligible Holder.</p>
Brokerage Fees and Commissions.....	<p>No brokerage fees or commissions are payable by the holders of the Existing Notes to the Exchange Agent or us in connection with the Exchange Offer and Solicitation. If a tendering holder handles the transaction through its broker, dealer, commercial bank, trust company or other institution, that holder may be required to pay brokerage fees or commissions.</p>
Certain U.S. Federal Income Tax Considerations	<p>For a summary of certain U.S. federal income tax considerations of the Exchange Offer and Solicitation, see “Material Bermuda and U.S. Tax Considerations.”</p>
Use of Proceeds	<p>We will not receive any cash proceeds from the issuance of the DHL Common Shares in exchange for the Existing Notes. The Existing Notes tendered in connection with the Exchange Offer will be retired and cancelled and will not be reissued.</p> <p>The proceeds of the issuance of the Exit Preferred Shares and the Subscription DHL Common Shares will be contributed by DHL to DIFL, and DIFL shall use such proceeds for general corporate purposes. See “Use of Proceeds.”</p>
Exchange Agent and Information Agent	<p>Epiq Corporate Restructuring, LLC (or its designee or affiliate) is serving as the Exchange Agent and the Information Agent in connection with the Exchange Offer and Solicitation. The address and telephone</p>

number of Epiq Corporate Restructuring, LLC are listed on the back cover of this offering memorandum.

Further Information

Questions or requests for assistance related to the Exchange Offer and Solicitation or for additional copies of this offering memorandum may be directed to the Information Agent at its telephone number and address listed on the back cover page of this offering memorandum. You may also contact your Nominee for assistance concerning the Exchange Offer and Solicitation. The contact information for the Exchange Agent is set forth on the back cover page of this offering memorandum.

RISK FACTORS

You should carefully consider the following risks, together with other information provided to you in this offering memorandum, in deciding whether to participate in the Exchange Offer and Solicitation. Some of the risks relate to not tendering in the Exchange Offer, tendering in the Exchange Offer, the Scheme and the New Securities and others relate to Digicel's businesses. The occurrence of any of the events discussed below could have a material adverse effect on Digicel's business, results of operations or financial condition. If these events occur, the trading prices of the Existing Notes could decline, the Existing Notes Issuers and/or DHL may not be able to pay all or part of the interest or principal on the Existing Notes, and you may lose all or part of your investment. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.

This offering memorandum contains "forward-looking" statements that involve risks and uncertainties. Digicel's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include those discussed below and elsewhere in this offering memorandum. See "Forward-Looking Statements."

Risks Relating to the Non-Tendering Holders of the Existing Notes

If we achieve the 75% Condition with respect to the Existing Notes, the Existing Notes Issuers expect to propose the Scheme with respect to the Existing Notes and if the Existing Notes Issuers commence the Scheme and are successful in effecting the Scheme, all Existing Notes will be exchanged.

If we achieve the 75% Condition with respect to the Existing Notes, then the Existing Notes Issuers expect to propose the Scheme with respect to the Existing Notes rather than consummate the Exchange Offer. For the avoidance of doubt, subject to the terms of the RSA, we reserve the absolute right to propose a Scheme with respect to the Existing Notes even if we do not achieve the 75% Condition. If the Existing Notes Issuers commence the Scheme with respect to the Existing Notes and are successful in effecting the Scheme, we will be able to exchange the Existing Notes, even Existing Notes held by holders that did not tender their Existing Notes in the Exchange Offer or that voted against the Scheme. Such holders will have their Existing Notes exchanged upon the economic terms laid out in the Scheme. For the avoidance of doubt, non-tendering holders will have their Existing Notes exchanged into Voting DHL Common Shares in the Scheme, and such holders will not receive the applicable Commitment Payment, any Exit Preferred Shares or Subscription DHL Common Shares.

If you are an Eligible Holder of Existing Notes and you do not tender your Existing Notes and the Exchange Offer is consummated, you may ultimately find that the Existing Notes Issuers and the Guarantors could be unable to repay or refinance such non-tendered Existing Notes.

If DIHL and DIFL do not propose the Scheme, or DIHL and DIFL propose but do not consummate the Scheme, then, pursuant to the terms of the RSA, following the effectiveness of the Proposed Covenant Amendments and in connection with the settlement of the Exchange Offer and the consummation of the Concurrent Transactions, we will transfer all of the assets of DIFL and each of the Guarantors to newly created subsidiaries to be indirectly owned by New DHL, none of which will be obligors of the Existing Notes, pursuant to the Asset Transfers. In addition, all of the collateral securing DHL's guarantee of the Existing Notes will be released pursuant to the Collateral Release. Pursuant to the RSA, Eligible Holders of more than 50% of the outstanding principal amount of the Existing Notes have agreed to tender their Existing Notes in the Exchange Offer and deliver their consents to the Proposed Amendments prior to the Early Tender Date. As a result, we expect to receive the requisite consents to enter into a supplemental indenture to the Existing Indenture to give effect to the Proposed Covenant Amendments immediately following the Withdrawal Deadline, which will permit us to effectuate the Asset Transfers and Collateral Release. Following the completion of the Asset Transfers and Collateral Release, the Existing Notes will remain the obligations of DIHL, DIFL and the Guarantors, but DIHL, DIFL and each of the Guarantors will have no valuable assets remaining. If this occurs, Eligible Holders of the Existing Notes that do not tender their Existing Notes will have no recourse to the assets transferred to the newly created subsidiaries. As a result of the Asset Transfers and Collateral Release, the Existing Notes Issuers and the Guarantors may not have sufficient assets to make payments of interest and principal on the Existing Notes, and Eligible Holders likely will not be able to recover any interest or principal on their Existing Notes. In addition, if the 66 2/3% Condition is satisfied, but the 75% Condition is not satisfied or DIHL and DIFL do not propose the Scheme, then we will cause each Guarantor to release its guarantee of the Existing Notes, and Eligible Holders will no longer have recourse to the Guarantors.

The Exchange Offer and Solicitation are expected to result in reduced liquidity for the Existing Notes that are not tendered.

If the 75% Condition is not satisfied and, as a result, DIHL and DIFL do not propose the Scheme, or DIHL and DIFL propose but do not consummate the Scheme, then, pursuant to the terms of the RSA (including the definition of “Implementation Mechanisms” thereunder), following the settlement of the Exchange Offer, the trading market for Existing Notes that are not tendered could become more limited than the existing trading market for the Existing Notes and could cease to exist altogether due to the reduction in the principal amount of such Existing Notes outstanding upon consummation of the Exchange Offer and Solicitation. A more limited trading market might adversely affect the liquidity, market price and price volatility of the Existing Notes. If the market for Existing Notes that are not tendered exists or develops, such Existing Notes may trade at a discount to the price at which they would trade if the principal amount outstanding were not reduced. There can be no assurance that an active market in the Existing Notes will exist, develop or be maintained, or as to the prices at which such Existing Notes may trade, whether or not the Exchange Offer and Solicitation are consummated.

The Proposed Amendments to the Existing Indenture will, if adopted, eliminate protection to remaining holders of Existing Notes.

If the Proposed Amendments to the Existing Indenture are adopted, the Existing Notes will no longer have the benefit of the protection of the covenants and other provisions, including related events of default, eliminated by such Proposed Amendments. The Proposed Amendments would also release all of the collateral securing DHL’s guarantee of the Existing Notes. In addition, if the 66 2/3% Condition is satisfied, but the 75% Condition is not satisfied or DIHL and DIFL do not propose the Scheme, then we will cause each Guarantor to release its guarantee of the Existing Notes, and Eligible Holders will no longer have recourse to the Guarantors. If the Proposed Amendments are adopted, each non-tendering holder of Existing Notes will be bound by the Proposed Amendments even though such holder did not consent to them. The elimination of the covenants and other provisions in the Existing Indenture contemplated by the Proposed Amendments would, among other things, permit the Existing Notes Issuers to take actions that could increase the credit risk associated with the Existing Notes, including the actions described under “—If you are an Eligible Holder of Existing Notes and you do not tender your Existing Notes and the Exchange Offer is consummated, you may ultimately find that the Existing Notes Issuers and the Guarantors could be unable to repay or refinance such non-tendered Existing Notes,” and might adversely affect the liquidity or market price of the Existing Notes or otherwise be adverse to the interests of the holders of such Existing Notes. See “The Proposed Amendments.”

The Existing Notes Issuers cannot assure holders of Existing Notes that existing rating agency ratings for the Existing Notes will be maintained.

The Existing Notes Issuers cannot assure holders of Existing Notes that as a result of the Exchange Offer or otherwise, one or more rating agencies, including Fitch Ratings Inc. or Moody’s Investors Service, Inc., would not take action to downgrade or negatively comment upon their respective ratings on the Existing Notes, either as a result of the Exchange Offer or Digicel’s capital structure after giving effect to the Exchange Offer. Any downgrades or negative comments would likely adversely affect the market price of the Existing Notes.

Risks Relating to the Exchange Offer and Solicitation

The consideration to be received in the Exchange Offer and Solicitation does not reflect any valuation of the Existing Notes or the New Securities and is subject to market volatility, and none of us, the Existing Notes Issuers, the Trustee, the Exchange Agent or the Information Agent makes any recommendation that any Eligible Holder participate in the Exchange Offer and Solicitation.

We have made no determination that the consideration to be received in the Exchange Offer and Solicitation represents a fair valuation of either the Existing Notes or the New Securities. We have not obtained a fairness opinion from any financial advisor about the fairness to us or you of the consideration to be received by Eligible Holders that tender their Existing Notes.

None of us, the Existing Notes Issuers, the Trustee, the Exchange Agent, or the Information Agent, or any affiliate of any of them, makes any recommendation as to whether Eligible Holders of the Existing Notes should exchange their Existing Notes for New Securities in response to the Exchange Offer and Solicitation. Eligible Holders should consult their own tax, accounting, financial and legal advisors regarding the suitability for themselves of the tax, accounting, financial, legal or other consequences of participating or refraining to tender their Existing Notes.

The consummation of the Exchange Offer and Solicitation may not occur, or we may modify the terms of the Exchange Offer and Solicitation without providing withdrawal rights.

The Exchange Offer is subject to the satisfaction of certain conditions, including, without limitation, the Concurrent Transactions Condition and that nothing has occurred or may occur that would or might, in the judgment of the Existing Notes Issuers or us, be expected to prohibit, prevent, restrict or delay the Exchange Offer and Solicitation or impair the Existing Notes Issuers or us from realizing the anticipated benefits of the Exchange Offer and Solicitation.

The satisfaction of the Concurrent Transactions Condition is contingent upon certain required approvals by relevant government authorities in certain of the jurisdictions in which we operate. Although we have agreed to use reasonable efforts to obtain required governmental approvals in the applicable jurisdictions, there can be no assurance that the required approvals will be obtained and no assurance that the Concurrent Transactions Condition will be satisfied. As a condition to the approval of the Concurrent Transactions, these governmental authorities may also impose requirements, limitations or costs, require divestitures or place restrictions on the conduct of our business, which could materially and adversely affect our business and results of operations following the consummation of the Concurrent Transactions and the Exchange Offer. Furthermore, if approval would be required from the Federal Communication Commission of the United States and such approval is not likely to be received by the Settlement Date, then we may proceed to complete the Concurrent Transactions without such approval, and an entity owned by Mr. Denis O'Brien will retain any assets that may not be transferred in absence of such approval and shall continue to own and preserve such assets in the ordinary course of business until such approval is received.

We may amend the Exchange Offer, including the conditions thereto subject to applicable law and the terms of the RSA. Depending on the materiality of the change, we may not be required to extend the Early Tender Date, Expiration Date or Withdrawal Deadline with respect to the Exchange Offer following the announcement of such change. If we waive or amend any such conditions to the Exchange Offer, we do not expect to extend the Withdrawal Deadline or otherwise reinstate withdrawal rights, subject to applicable law and the terms of the RSA.

In addition, subject to the terms of the RSA, we may terminate the Exchange Offer if any of the conditions are not satisfied or waived by the Expiration Date. If the Exchange Offer is not completed or is delayed, the market price of the Existing Notes may decline, to the extent that the current market price reflects an assumption that the Exchange Offer has been or will be completed.

Even if the Exchange Offer and Solicitation are completed, they may not be completed on the schedule described in this offering memorandum. Accordingly, Eligible Holders participating in the Exchange Offer and Solicitation may have to wait longer than expected to receive the applicable Tender Consideration or the applicable Total Tender Consideration, as the case may be, during which time those Eligible Holders will not be able to effect transfers of their Existing Notes tendered that are not validly withdrawn.

Late deliveries of Existing Notes or any other failure to comply with the terms and conditions of the Exchange Offer and Solicitation could prevent a holder from tendering its Existing Notes. Moreover, if you tender your Existing Notes after the Early Tender Date, and your Existing Notes are accepted for exchange, you will only receive the applicable Tender Consideration.

Holders of Existing Notes are responsible for complying with all the procedures of the Exchange Offer and Solicitation. The issuance of New Securities for Existing Notes will only occur upon proper completion of the procedures described in this offering memorandum under "Description of the Exchange Offer, Solicitation and Scheme." Therefore, holders of Existing Notes who wish to exchange them for New Securities should allow sufficient time for timely completion of the exchange procedures. Additionally, Eligible Holders that validly tender their Existing Notes after the Early Tender Date and whose Existing Notes are accepted for exchange will only receive the applicable Tender Consideration. Neither we nor the Exchange Agent are obligated to extend the Exchange Offer and Solicitation or notify you of any failure to follow the proper procedures.

You should not tender any Existing Notes that you do not wish to have accepted for exchange.

Existing Notes tendered in the Exchange Offer may be validly withdrawn at any time prior to the Withdrawal Deadline (unless extended in our sole discretion or as set forth herein), but not thereafter. After the Withdrawal Deadline, Existing Notes tendered prior to the Expiration Date (whether tendered prior to, at, or after the Withdrawal Deadline) will be irrevocable, except where additional withdrawal rights are required by law.

Subject to compliance with applicable law, we may waive any condition of the Exchange Offer, without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights. As a result, holders may not be able to withdraw any of their previously tendered Existing Notes following any such waiver of a condition.

We or the Existing Notes Issuers may repurchase any Existing Notes that are not tendered in the Exchange Offer on terms that are more or less favorable to the holders of the Existing Notes than the terms of the Exchange Offer.

Although neither we nor the Existing Notes Issuers currently intend to do so, we, the Existing Notes Issuers or our respective affiliates may, to the extent permitted by applicable law and the restrictive covenants governing our or their indebtedness, after the Expiration Date, acquire Existing Notes that are not tendered and accepted in the Exchange Offer and Solicitation through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemption or otherwise, upon such terms and at such prices as the Existing Notes Issuers or we may determine, which with respect to the Existing Notes may be more or less favorable to holders than the terms of the Exchange Offer. There can be no assurance as to which, if any, of these alternatives or combinations thereof that we, the Existing Notes Issuers or our respective affiliates may choose to pursue in the future.

Defaulting Holders will not be eligible to receive any Exit Preferred Shares or Subscription DHL Common Shares.

Eligible Holders that tender Existing Notes in the Exchange Offer and subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares by electing Option 1, Option 2, Option 3 or Option 4 will be required to deliver to the Exchange Agent by the Funding Deadline cash by wire transfer of immediately available funds in an amount equal to the Subscription Price in order to receive the Exit Preferred Shares and Subscription DHL Common Shares. Defaulting Holders will not receive any Exit Preferred Shares and Subscription DHL Common Shares and will instead be deemed to have elected Option 5, with respect to any election of Option 1 or Option 2, or deemed to have elected Option 6, with respect to any election of Option 3 or Option 4. Partial payment of the Subscription Price will be treated as non-payment, and such partial payment will be returned to the Eligible Holder.

Risks Relating to the Scheme

Even if the Existing Notes Issuers propose the Scheme, there is no assurance that the Bermuda Court will sanction the Scheme or sanction the Scheme upon the terms and conditions presented. If the Existing Notes Issuers propose the Scheme with respect to the Existing Notes, you may be prevented from trading your Existing Notes until the Scheme has been completed or terminated. We cannot provide you any assurance as to how long the Bermuda Court may take to sanction the Scheme, if at all.

The Scheme will require the consent of holders of the outstanding Existing Notes representing in aggregate a majority in number of holders and at least 75% by value of the Existing Notes present and voting at a court-ordered meeting held to consider, and if thought fit, approve the Scheme. In addition, because the Existing Notes Issuers expect to propose a Scheme that includes three additional classes of creditors, the Scheme will also require the consent of holders representing a majority in number and at least 75% by value of each of the Existing DIFL Term Loans, the Existing DIFL Secured Notes and the Existing DIFL Unsecured Notes present and voting at a court-ordered meeting. There can be no assurance that the Existing Notes Issuers will obtain the requisite votes at the court-ordered meeting to approve the Scheme. In addition, the Scheme is conditioned on the Concurrent DL Scheme, which will require the consent of holders representing a majority in number and at least 75% by value of the Existing DL Notes present and voting at a court-ordered meeting for the Concurrent DL Scheme. If the Concurrent DL Scheme fails to obtain the requisite consents or the Bermuda Court declines to sanction the Concurrent DL Scheme, then the Scheme will not be consummated.

If the Existing Notes Issuers obtain the requisite votes at the court-ordered meeting to approve the Scheme, the Existing Notes Issuers will then apply, by way of petition, to the Bermuda Court for an order sanctioning the Scheme, at the hearing of which petition the Bermuda Court will sanction the Scheme if it is satisfied that the requisite voting thresholds of each class of creditor have been met, the correct procedures have been followed, the proposed arrangements are fair and reasonable and that there are no other reasons why the Scheme should not be approved. Assuming the Bermuda Court sanctions the Scheme and upon filing the order of the Bermuda Court sanctioning the Scheme with the Registrar of Companies in Bermuda, all holders of Existing Notes (whether or not they voted in favor of the Scheme), and subject to the satisfaction of any conditions precedent thereunder, will be compelled under the terms of the order of the Bermuda Court sanctioning the Scheme to exchange all of their Existing Notes under the terms of the Scheme for DHL Common Shares. The Existing Notes Issuers anticipate obtaining recognition of the Scheme under Chapter 15 of the U.S. Bankruptcy Code, which would cause the Scheme

(and their effect on the Existing Notes) to become effective and binding on Eligible Holders of Existing Notes under U.S. law. By tendering the Existing Notes, such Eligible Holder will be deemed to automatically and unconditionally deliver the Instructions with respect to the principal amount of such validly tendered Existing Notes.

Even if the Existing Notes Issuers decide to propose the Scheme with respect to the Existing Notes, there can be no assurance that the Bermuda Court will sanction the Scheme or sanction the Scheme upon the terms and conditions presented. Furthermore, even if the Scheme is approved at the court-ordered meeting of Scheme Creditors, it is possible for a person with an interest in the Scheme (whether an Eligible Holder of the Existing Notes or otherwise) to object to the Scheme and to attend or be represented at the sanction hearing in order to make submissions that the Scheme should not be approved and to appeal against the granting of the sanction order. Any such objections or appeal will delay or possibly prevent the implementation of the Scheme.

If the Existing Notes Issuers are able to consummate the Scheme with respect to the Existing Notes, you will not receive the DHL Common Shares until the sanction order is filed with the Registrar of Companies in Bermuda and any conditions specified in the Scheme are satisfied, which may include recognition of the Scheme under Chapter 15 of the U.S. Bankruptcy Code and certain required governmental approvals in certain jurisdictions in which we operate. If the Existing Notes Issuers decide to propose the Scheme with respect to the Existing Notes, the Exchange Offer will not be terminated until the Scheme is consummated. We cannot provide any assurance as to how long the Bermuda Court may take to issue the sanction order or how long it would take to obtain recognition of the Scheme under Chapter 15 of the U.S. Bankruptcy Code, and you may be prohibited from trading the Existing Notes you hold for an indefinite period of time.

If we are unsuccessful in effecting the Scheme with respect to the Existing Notes for any reason, pursuant to the terms of the RSA, we may still elect to consummate the Exchange Offer and Solicitation, subject to the terms of the RSA. In such event, we will transfer all of the assets of DIFL and each of the Guarantors to newly created subsidiaries to be indirectly owned by New DHL, none of which will be obligors of the Existing Notes, pursuant to the Asset Transfers. In addition, all of the collateral securing DHL's guarantee of the Existing Notes will be released pursuant to the Collateral Release. Pursuant to the RSA, Eligible Holders of more than 50% of the outstanding principal amount of the Existing Notes have agreed to tender their Existing Notes in the Exchange Offer and deliver their consents to the Proposed Amendments prior to the Early Tender Date. As a result, we expect to receive the requisite consents to enter into a supplemental indenture to the Existing Indenture to give effect to the Proposed Covenant Amendments immediately following the Withdrawal Deadline, which will permit us to effectuate the Asset Transfers and Collateral Release. Following the completion of the Asset Transfers and Collateral Release, the Existing Notes will remain the obligations of DIHL, DIFL and the Guarantors, but DIHL, DIFL and each of the Guarantors will have no valuable assets remaining. If this occurs, Eligible Holders of the Existing Notes that do not tender their Existing Notes will have no recourse to the assets transferred to the newly created subsidiaries owned by DHL. As a result of the Asset Transfers and the Collateral Release, the Existing Notes Issuers and the Guarantors may not have sufficient assets to make payments of interest and principal on the Existing Notes, and Eligible Holders likely will not be able to recover any interest or principal on their Existing Notes. In addition, if the 66 2/3% Condition is satisfied, but the 75% Condition is not satisfied or DIHL and DIFL do not propose the Scheme, then we will cause each Guarantor to release its guarantee of the Existing Notes, and Eligible Holders will no longer have recourse to the Guarantors. See “—Risks Relating to the Non-Tendering Holders of the Existing Notes.”

Furthermore, instead of effectuating the Exchange Offer and Solicitation to implement the Asset Transfers discussed above, pursuant to the terms of the RSA, we may determine to pursue other alternative mechanisms to restructure our indebtedness, including commencing bankruptcy cases under chapter 11 of the U.S. Bankruptcy Code. For more information, please refer to the RSA which is incorporated by reference herein, in particular the definition of “Implementation Mechanisms” thereunder.

In order to consummate the Scheme, we must obtain certain governmental approvals, and if such approvals are delayed or not granted, consummation of the Scheme may be delayed or prevented.

Consummation of the Scheme is conditioned upon certain required approvals by relevant government authorities in certain jurisdictions in which we operate, including with respect to anti-trust and foreign direct investment. Although we have agreed to use reasonable efforts to obtain required governmental approvals, there can be no assurance that the required approvals will be obtained and no assurance that the Scheme will be consummated. As a condition to the approval of the Scheme, these governmental authorities also may impose requirements, limitations or costs, require divestitures or place restrictions on the conduct of our business, which could materially and adversely affect our business and results of operations following the consummation of the Scheme. Furthermore, if approval would be required from the Federal Communication Commission of the United States and such approval

is not likely to be received by December 19, 2023, then, the Company may proceed to complete the Scheme without such approval, and an entity owned by Mr. Denis O'Brien will retain any assets that may not be transferred in absence of such approval and shall continue to own and preserve such assets in the ordinary course of business until such approval is received. In such case, all of the benefit and burden of such assets will be passed through to, and be borne by, the Company until such approval is received and the assets are transferred to the Company.

The Existing Notes Issuers may not receive recognition of the Scheme in the United States or other countries.

If the Scheme is proposed with respect to the Existing Notes, even though the Scheme may be successful in Bermuda, there remains a risk that such effects would not be recognized in other countries. Although we have received advice that it is likely that the effects of the Scheme will be recognized in the United States upon the Chapter 15 recognition order being made, we cannot confirm whether other countries will recognize the Scheme. In the event the Scheme is not recognized in other places, holders of the Existing Notes would not be prevented from trying to enforce their rights against the Existing Notes Issuers in applicable courts. In parallel, if the Existing Notes Issuers elect to consummate the Scheme with respect to the Existing Notes and are successful obtaining an order from the Bermuda Court sanctioning the Scheme, the Existing Notes Issuers will file a recognition of the Scheme in the United States pursuant to Chapter 15 of the U.S. Bankruptcy Code.

Adverse publicity relating to the Reorganization Transactions may adversely affect the Digicel Group's customer and supplier relationships and/or the market perception of the Group's business.

Adverse publicity relating to the Reorganization Transactions may negatively impact on the Digicel Group's customer and supplier relationships (including financial and insurance institutions) and/or the market perception of its business.

Existing suppliers may also choose not to do business with the Digicel Group, may demand quicker payment terms and/or may not extend normal trade credit. The Digicel Group may find it difficult to obtain new or alternative suppliers.

Counterparties may assert that implementation of the Scheme breaches certain of the Digicel Group's contractual obligations or licenses.

There is a risk that counterparties assert that the proposal or the implementation of the Scheme, or taking any steps required to implement the Scheme, may constitute a breach of the Digicel Group's obligations under one or more agreements or licenses. The consequences of such a breach may include the termination of such agreement, asserted acceleration of claims against the Digicel Group or termination of such license, which may negatively affect the results of operations and financial condition of the Digicel Group.

Risks Relating to the New Securities

The value of the New Securities may fluctuate significantly.

The value of the New Securities may, in addition to being affected by DHL's actual or forecast operating results, fluctuate significantly as a result of a large number of factors, some specific to DHL and its operations and some which may affect the telecommunications industry generally and which are outside DHL's control, including, among others:

- general economic conditions, the fluctuations or devaluations of local currencies, government and regulatory policies and business conditions in the markets served by us and our affiliates and in markets in which we seek to establish operations;
- telecommunications usage levels, including traffic and customer growth;
- competitive forces, including price pressures, technological developments and our ability to retain market share in the face of competition from existing and new market entrants;
- regulatory developments and changes, including with respect to the level of tariffs, the terms of interconnection, customer access and international settlement arrangements and the outcome of litigation related to regulation and regulatory processes generally;

- the success of business, operating and financial initiatives, the level and timing of the growth and profitability of new initiatives, start-up costs associated with entering new markets and launching new services, subscriber acquisition costs, costs of handsets and other equipment, the successful deployment of new systems and applications to support new initiatives and local conditions; and
- the availability, terms and use of capital, the impact of regulatory and competitive developments on capital outlays, the ability to achieve cost savings and realize productivity improvements, and the success of our investments, ventures and alliances.

Any of these factors could result in a decline in the market price of the New Securities. In general, Eligible Holders should be aware that the value of an investment in the New Securities may go down as well as up. DHL can give no assurance that the market price of New Securities will not decline below the implied price of the New Securities issued pursuant to the Exchange Offer or the Scheme, as applicable.

The New Securities will be unlisted and an active trading market for the New Securities may not develop.

Upon completion of the Exchange Offer or the Scheme, as applicable, the New Securities will not be listed on any stock exchange, and DHL has no current intention to list its shares. As a result, DHL will not be subject to any listing rules and regulatory regimes established by a stock exchange, including any corporate governance disclosure requirements, beyond those to which DHL is already subject.

There has been no prior trading market for the New Securities; prior to the completion of the Exchange Offer or the Scheme, as applicable, all of the DHL Common Shares have previously been held by DL. There can be no assurance that an active trading market for New Securities will develop or be maintained. As a result, the realization of an investment by a shareholder in DHL given DHL's status as an unlisted company is likely to be more difficult than the realization of an investment in a company whose shares are listed on a stock exchange. The New Securities may therefore be difficult to sell compared to the shares of companies with more liquid trading markets and the share price may be subject to greater fluctuations than might otherwise be the case.

The New Securities are subject to restrictions on transfer.

The issuance of the New Securities has not been, and will not be, registered with the SEC under the U.S. Securities Act or the securities laws of any other jurisdiction. You may not offer the New Securities in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws, or pursuant to an effective registration statement. Furthermore, the New Securities are subject to certain restrictions on transfer under Bermuda law. It is your obligation to ensure that your offers and sales of the New Securities within the United States and other countries comply with applicable laws. See "Transfer Restrictions." In addition, the transfer of the New Securities to any competitor is subject to the consent of DHL's board of directors. See "Description of the DHL Common Shares."

Holders of the Existing Notes may be required to satisfy additional conditions under the Exchange Offer or the Scheme, as applicable, to receive the New Securities under the Exchange Offer or the Scheme, as applicable.

The New Securities issued as part of the Exchange Offer or the Scheme, as applicable, will not be eligible for distribution through DTC and will instead be issued in book-entry form on the register of members of DHL. In order to receive the New Securities, Eligible Holders must provide certain registration details to DHL's company secretary, Conyers Corporate Services (Bermuda) Limited, as described under "Book Entry, Delivery and Form."

Shareholders may earn a negative or no return on their investment in DHL.

DHL faces significant competition, and DHL's results of operations and financial condition are dependent on its performance in the markets in which it operates. There can be no assurance that DHL will pay dividends in the future nor as to the level of future dividends, if any. A dividend may never be paid and at present there is no expectation that DHL will pay dividends in the near future.

DHL's ability to pay dividends will also depend on applicable laws and the level of distributions, if any, received from its subsidiaries. DHL's subsidiaries will have no obligation, contingent or otherwise, to make any funds available for DHL to make distributions, and their ability to make distributions to DHL will be subject to, among other things, the availability of profits or funds, applicable laws, such as foreign exchange control and other

local laws, and other limits imposed on the ability of companies to make distributions. Certain subsidiaries of DHL will also be parties to the New DIFL Credit Facility (as defined herein) and the indentures governing the New Notes, which impose substantial restrictions on the certain subsidiaries of DHL's ability to make distributions to DHL. Any distribution will be subject to the satisfaction of certain financial conditions set forth in the New DIFL Credit Facility and the indentures governing the New Notes, and the ability of the certain subsidiaries of DHL to comply with such conditions may be affected by events that are beyond their control.

The DHL Common Shares will be subject to dilution by shares or other equity awards to the extent issued pursuant to the MIP, upon conversion of the Exit Preferred Shares, upon exercise of the warrants issued pursuant to the Services Agreement and/or the issuance of additional equity by DHL in the future. The issuance of additional shares in DHL, including in connection with the foregoing, will dilute other shareholdings and may depress the price of the DHL Common Shares.

The DHL Common Shares may be subject to dilution. For example, the Exit Preferred Shares will (i) at DHL's option, be convertible into DHL Common Shares at any time after the third anniversary of the Scheme Closing Date and (ii) be mandatorily convertible to DHL Common Shares on the fourth anniversary of the Scheme Closing Date, in each case at a conversion price based on the Accreted Liquidation Preference of the Exit Preferred Shares at the time of such conversion divided by an equity value of \$400 million (after giving effect to such conversion). Any conversion of the Exit Preferred Shares into DHL Common Shares would significantly dilute the DHL Common Shares. In addition, holders of the Voting Exit Preferred Shares will vote together in a single class with holders of the Voting DHL Common Shares on an as-converted basis in respect of all matters requiring a shareholder vote, which will act to dilute the voting and control rights of holders of the Voting DHL Common Shares. Upon consummation of the Exchange Offer or the Scheme, as applicable, and the Concurrent Transactions, holders of the Voting Exit Preferred Shares will constitute 30.25% of the voting power of DHL, assuming (i) \$121 million of Voting Exit Preferred Shares are issued and outstanding, (ii) no reduction in the Exit Preferred Shares Offering Amount and (iii) all Eligible Holders elect to receive Voting Exit Preferred Common Shares, and holders of the Voting DHL Common Shares would constitute only the remaining 69.75% of the voting power of DHL.

DHL may also issue additional shares or equity awards pursuant to incentive and compensation plans and agreements. Pursuant to the Services Agreement, Mr. Denis O'Brien will receive warrants to purchase 10% of the DHL Common Shares outstanding immediately after the Reorganization Transaction, which warrants may be exercised for six years after the Scheme Closing Date to purchase DHL Common Shares at an equity valuation for DHL and its subsidiaries based upon the Strike Price, and the Strike Price shall be denominated as a per share dollar amount based on a common equity value of \$1.1 billion. Further, on or after the effective date of the Concurrent Schemes, DHL expects to establish a management incentive plan, which shall provide for the issuance of, at the discretion of DHL's board of directors, equity and/or equity-based awards of up to 5% of the DHL Common Shares outstanding immediately after the Reorganization Transaction. In addition, DHL may seek to raise equity financing in the future and issue additional shares or convertible equity securities. Future offerings or issuances of equity securities or securities convertible into equity would dilute the holdings of DHL's shareholders, which may adversely affect the market price of the DHL Common Shares and could impair DHL's ability to raise capital through future sales of equity securities.

Changes in taxation legislation or interpretation of tax legislation could have a material adverse effect on DHL.

Changes in tax laws, including any tax laws of Bermuda, could adversely affect DHL's tax position, including DHL's effective tax rate or tax payments. In addition, there cannot be certainty that the relevant tax authorities are in agreement with DHL's interpretation of applicable tax laws. If DHL's tax positions are challenged by relevant tax authorities, the imposition of additional taxes could increase DHL's effective tax rate and have a negative effect on DHL's business, financial condition and results of operations. The occurrence of any of the foregoing tax risks could have a material adverse effect on DHL's business, financial condition and results of operations.

Non-Voting Exit Preferred Shares and Non-Voting DHL Common Shares will have no voting rights. As a result, holders of the Non-Voting Exit Preferred Shares and the Non-Voting DHL Common Shares will not have any ability to influence any matters submitted to a vote of the DHL shareholders.

Non-Voting Exit Preferred Shares and Non-Voting DHL Common Shares will have no voting rights. As a result, all matters submitted to the DHL shareholders, including the election of directors and the approval of

significant corporate transactions, will be decided by the vote of holders of the Voting DHL Common Shares and holders of the Voting Exit Preferred Shares, who will vote on all matters submitted to shareholder vote on an as-converted basis. Holders of Non-Voting Exit Preferred Shares and Non-Voting DHL Common Shares will have no ability to influence corporate matters put to a shareholder vote. Further, other shareholders of DHL may take actions that could involve risks to, or that may not be aligned with interests of, holders of Non-Voting Exit Preferred Shares and Non-Voting DHL Common Shares. In addition, the lack of voting rights may result in a lower or more volatile price for holders of the Non-Voting Exit Preferred Shares and the Non-Voting DHL Common Shares.

Following the consummation of the Exchange Offer or the Scheme, as applicable, DHL will have major shareholders that will be able to exercise significant influence over matters requiring shareholder approval, including the election of directors and significant corporate transactions.

Immediately following the completion of the Exchange Offer or the Scheme, as applicable, it is expected that certain holders will become significant holders of New Securities and will be able to exercise a degree of influence over matters requiring shareholder approval, including the election of directors, amendments to our and our subsidiaries' constitutive documents, certain significant corporate transactions and the general strategic direction of DHL and its subsidiaries, and their interests may not in all cases align with your interests. The concentration of ownership may have the effect of delaying or deterring a change in control of DHL, could deprive investors of an opportunity to receive a premium for their New Securities as part of a sale of DHL and might affect the value of the New Securities. Any of the major shareholders may sell all or part of their holdings of New Securities in the future. Any such sale may adversely affect the value of the New Securities.

The New Securities are subject to drag-along, tag-along and pre-emption rights, and certain holders of the New Securities will have approval rights.

Holders, or groups of holders, of DHL Common Shares that exceed certain ownership threshold percentages of the New Securities will have certain approval or other rights that will give them outsized influence over DHL's affairs. Holders of 60% or more of the DHL Common Shares will have drag-along rights to require a sale of DHL without the approval of other shareholders and, as a result, a shareholder may be forced to sell its DHL Common Shares without consenting to such a transaction. The exercise of such rights could force other shareholders to liquidate their DHL Common Shares at a specified price, which could be undesirable or below what such shareholders may otherwise be able to sell. In addition, any holder of DHL Common Shares will have customary tag-along rights in relation to a transfer or series of related transfers of 25% or more of the DHL Common Shares by a holder or group of holders of DHL Common Shares acting in concert, including on the same terms and the same per-share consideration as such transferring holder or group of holders of DHL Common Shares acting in concert. Such rights may make it more difficult for any shareholder to execute a transfer of 25% or more of the DHL Common Shares. Approval of holders of at least 60% of the DHL Common Shares will be required for (a) material changes to DHL's or its subsidiaries' organizational documents; (b) changes to the size of the board of directors of DHL; (c) merger, consolidation, reorganization or other business combination involving DHL or its significant subsidiaries; (d) material acquisitions or dispositions; (e) any fundamental change in the scope of the business of DHL and its subsidiaries and (f) entry by DHL into any liquidation, winding up or voluntary bankruptcy. Non-pro rata redemptions, recapitalizations, reclassifications or repurchases of DHL's equity interests will require the approval of 70% of holders of the DHL Common Shares. These approval requirements may reduce DHL's flexibility in conducting its operations and could prevent DHL from taking actions that it believes would be in the best interests of its business. DHL may not be able to obtain such approval when requested, or at all, which may impede its ability to engage in transactions that would benefit many of its shareholders. In addition, Mr. Denis O'Brien and holders of 5% or more of the DHL Common Shares will have pre-emptive rights in connection with any issuance of DHL Common Shares. These approval rights, tag-along rights and pre-emptive rights may make DHL less desirable for an acquisition, which could reduce the liquidity of the DHL Common Shares. See "Description of the DHL Common Shares."

An investment in DHL is speculative and carries a considerable degree of risk.

An investment in DHL is highly speculative, involves a considerable degree of risk and is suitable only for persons or entities which have substantial financial means and who can afford to hold their ownership interests for an indefinite amount of time.

There could be adverse tax consequences for our U.S. shareholders if we are a passive foreign investment company.

U.S. shareholders of passive foreign investment companies are subject to potentially adverse U.S. federal income tax consequences. In general, a non-U.S. corporation is a PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income; or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Cash is a passive asset for these purposes.

Based on the expected composition of our income and assets we do not believe that we were a PFIC for our taxable year ended March 31, 2023, and we do not expect to be a PFIC in the foreseeable future. However, our PFIC status is a factual determination that is made on an annual basis. Because our PFIC status for any taxable year will depend on the manner in which we operate our business, the composition of our income and assets and the value of our assets from time to time, there can be no assurance that we will not be a PFIC for any taxable year.

If we are a PFIC for any taxable year during which a U.S. investor owned New Securities, such U.S. investor would be subject to certain adverse U.S. federal income tax consequences as discussed under “Material Bermuda and U.S. Tax Considerations.” Investors should consult their own tax advisors regarding all aspects of the application of the PFIC rules to our New Securities.

DHL is a Bermuda company and it may be difficult for you to enforce judgments against it or its directors and executive officers.

DHL is a Bermuda exempted company. As a result, the rights of holders of New Securities will be governed by Bermuda law and DHL’s memorandum of association and bye-laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. We expect that certain of DHL’s directors will not be residents of the United States, and a substantial portion of DHL’s assets are located outside the United States. As a result, it may be difficult for investors to effect service of process on those persons in the United States or to enforce in the United States judgments obtained in U.S. courts against DHL or those persons based on the civil liability provisions of the U.S. securities laws. It is doubtful whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against DHL or its directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against DHL or its directors or officers under the securities laws of other jurisdictions. See “Service of Process and Enforcement of Judgments.”

DHL’s bye-laws restrict shareholders from bringing legal action against its officers and directors.

DHL’s bye-laws contain a broad waiver by its shareholders of any claim or right of action, both individually and on its behalf, against any of its officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the officer or director. This waiver limits the right of shareholders to assert claims against DHL’s officers and directors unless the act or failure to act involves fraud or dishonesty.

Risks Relating to Digicel’s Business, Technology and Competition

We have previously undergone corporate restructurings in connection with our indebtedness.

We have previously undergone corporate restructurings in connection with our indebtedness. We may be unable to meet future debt service obligations out of current revenues and may have to rely, in part, on additional financing in order to do so. In the past, we have carried out debt restructuring transactions in connection with our inability to repay or service our indebtedness. In the future, we may again be unable to service our debt and may not be able to access sources of funding and may seek or be required to restructure our then outstanding debt thereby adversely impacting the market value and liquidity of the New Securities.

We face significant competition in each of the markets in which we operate and competitive pressures could have a material adverse impact on our business.

We face competition from established and new competitors in each of the geographic markets and businesses in which we operate. The nature and level of the competition we face varies for each of the products and services we offer. Our competitors include, but are not limited to, mobile, fixed-line, cable TV and broadband, subsea fiber and terrestrial fiber providers and ICT service providers.

In some of the markets in which we operate, our competitors may have more advanced technology, greater coverage areas, or both. Moreover, some of our competitors have more extensive engineering, marketing, personnel and capital resources. The level of competition is influenced by the continuous and swift technological advances that characterize the industry, the regulatory developments that affect competition and alliances between market participants. For example, number portability is currently implemented in many of the markets in which we operate, and we expect that this will be implemented in several other markets over the coming years (including Barbados, Curaçao, Antigua, Turks and Caicos Islands and Guyana). The mobile telecommunications operators in each market compete for customers principally on the basis of services offered, price, marketing skills, quality and reliability of service and coverage area. Increased competition may result in pricing pressure, reduced margins and profitability, increased customer churn and the loss of revenue and market share. Price competition is especially significant on voice and short messaging services, which are largely commoditized, as the ability to differentiate these services among operators is limited. In the year ended March 31, 2023, 29% of our total revenue was generated from mobile voice. While our revenue from mobile data has increased in recent years, there is uncertainty as to whether the future growth in such services will be sufficient to replace any declines in mobile voice services.

Liberty Global plc is currently our principal competitor in many of the markets in which we operate. We also face a variety of other international, regional and local competitors in many of the markets in which we operate. Consolidation within the telecommunications sector in the markets in which we operate could result in, among other things, competitors with greater scale operating aggressively in these markets. In addition, in many of our markets, we compete against operators that are owned, partially owned or formerly owned by the local government or by the incumbent fixed-line provider, which may provide these competitors with competitive advantages not available to us, including greater economies of scale, the ability to offer bundles of services and subsidies of the mobile business with profits generated by the fixed-line business.

Additional licenses may be awarded in our markets (especially in those markets with only two providers), which could increase competition. For instance, in Barbados, a new mobile entrant, KW Telecommunications Inc., was recently issued a mobile license and is expected to launch in 2023. In Trinidad and Tobago, the government conducted a process for the awarding of a third mobile license in 2014. However, that process has stalled with no clear reason given by the regulator. It is also unclear how that process to award a third mobile license will proceed, if at all. In Jamaica, the government has granted a mobile license to Rock Mobile, which is expected to launch in 2023. In the French West Indies, a license was awarded on November 22, 2016 to a fourth mobile operator, Iliad Group (which operates under the “Free” brand), which has operations on mainland France and other markets. It launched commercial operations in the French West Indies in May 2022. Guyana, following liberalization of the telecommunications sector in October 2020, issued licenses to two additional operators, namely, E Networks, and Green Gibraltar. Finally, in Curaçao two potential competitors are either in the concession application process or preparing the application, and at least one of the applicants is considered likely to launch in the near future.

In addition, new competitors, such as cable companies that are able to leverage their existing networks to provide voice and data services, may enter the telecommunications markets and we may face additional competition from other communications technologies that are being or may be developed in the future. Those technologies include the provision of broadband satellite services by satellite with operators such as StarLink already seeking authorizations in the region, including in Trinidad and Tobago.

More generally, the rapid development of new technologies, services and products could impact our business as a wide variety of potential new competitors, including other telecommunications operators, cable operators and internet companies, enter the market. For example, the growth in internet connectivity has led to new entrants offering Voice Over Internet Protocol, or “VoIP,” services or audio or video content services delivered over the internet (referred to as “Over-The-Top” or “OTT” services), which provide additional competitive risks to aspects of our business. Such operators could displace the services we provide in wireless communication by using our customers’ internet access (which we may or may not provide) to enable the provision of voice calls and instant

messaging services directly to our customers. The growth in internet connectivity will also likely enable the provision of content which may constitute an alternative to content provided by our mobile applications or cable TV services.

If we fail to compete effectively, or if aggressive competitive behavior by our competitors in pricing services or acquiring new customers would result in our not being able to maintain or increase our market share, that would have a material adverse effect on our revenue and results of operations and could result in a downgrade of our credit ratings, which could restrict our access to the capital markets. Both a material adverse effect on our revenue or results of operations and restricted access to the capital markets could have a negative effect on our liquidity.

Currency fluctuations or devaluations could reduce the amount of profit and assets that we are able to report.

Our revenue is predominantly denominated in local currencies, such as the Jamaican dollar, the Haitian gourde, the Trinidad and Tobago dollar, the Eastern Caribbean dollar, the Bermuda dollar, the Cayman Islands dollar, the Barbadian dollar, the Aruban florin, and other local currencies, while the majority of our long-term debt liabilities are denominated in U.S. dollars. Although the value of the Barbadian dollar, the Eastern Caribbean dollar, the Aruban florin, the Netherlands Antilles guilder (Curaçao), the Cayman Islands dollar and the Bermuda dollar are fixed to the U.S. dollar, we cannot provide any assurance that this will continue. On June 1, 2018, the Government of Barbados announced the suspension of interest and amortization payments due on its debts owed to external commercial creditors as part of a debt restructuring plan. While certain public commentary suggested that the Government of Barbados may devalue the Barbados dollar as part of this exercise, no such action has been taken to date. The Jamaican dollar, the Haitian gourde, the euro, the Guyanese dollar and the Trinidad and Tobago dollar fluctuate freely against the U.S. dollar, and any adverse fluctuations in these currencies may have an adverse impact on our earnings, assets or cash flows. The currencies of certain markets in which we operate can fluctuate significantly against the U.S. dollar. For example, for the year ended March 31, 2023, the average exchange rate of the Haitian Gourde, Euro and the Surinamese Dollar into the U.S. dollar depreciated in value by 31.5%, 4.4% and 37.5%, respectively, as compared to the average exchange rate for the year ended March 31, 2022. For the year ended March 31, 2023, 16% of our revenue was denominated in the Jamaican dollar, 16% of our revenue was denominated in the Trinidad and Tobago dollar, 7% of our revenue was denominated in the euro and 15% of our revenue was denominated in the Haitian gourde. A significant decrease in the value of a local currency relative to the U.S. dollar could have a material adverse effect on our results of operations and financial condition.

We seek to reduce our foreign exchange exposure arising from transactions through a policy of matching, as much as possible, assets and liabilities. Our ability to reduce our foreign currency exchange exposure is limited by our ability to borrow in local currency and enter into commercial contracts denominated in U.S. Dollars. We cannot assure you that in the future we will be able to fund our capital expenditure needs as well as reduce our foreign exchange exposure by borrowing in local currency. As a result, our exposure to market fluctuations or devaluations would be exacerbated.

Most of our subsidiaries receive revenue that is denominated in the local currency. The imposition of foreign exchange controls or the inability or delay in converting local currency to foreign currencies may have an adverse impact on our business and financial condition.

Most of our subsidiaries receive substantially all of their revenue in the currency of the markets in which we operate. We expect to derive substantially all of our revenue through funds generated by the operating subsidiaries and, therefore, we will rely on the ability of the operating subsidiaries to transfer funds to us. There are foreign exchange controls in some of the countries in which we operate, which could significantly restrict the ability of these subsidiaries to pay interest and dividends and repay loans by exporting cash, instruments of credit or securities in foreign currencies, although we have experienced no material difficulty in obtaining permits to allow our subsidiaries to export cash to us. There can be no assurances, however, that this will continue to be the case. In particular, our businesses in Barbados and Trinidad and Tobago are subject to foreign exchange controls that could restrict our ability to convert local currencies and repatriate funds. For example, the Surinamese government has in the past imposed certain foreign exchange restrictions that require the Surinamese dollar to only be exchanged into foreign currency at prescribed rates with the Central Bank of Suriname. Similarly, the Central Bank of Curaçao has in the past suspended the issuance of foreign exchange licenses resulting from any transfers abroad. There can be no assurance that these foreign exchange controls will not be re-imposed. In addition, where such circumstances persist, it is possible that the governments of such countries may look to devalue the currency. Further, a few countries in

which we operate restrict the export of cash in local currencies. There can be no assurance that additional foreign exchange control restrictions will not be introduced in the future or that our ability to receive funds from our subsidiaries will not subsequently be restricted.

We are dependent upon interconnection agreements, transmission agreements, leased line agreements and roaming agreements.

We are dependent upon access to networks which are primarily controlled by the incumbent operators (many of which are current or former government-owned public telecommunications operators or competing fixed and/or wireless telephone operators). For example, we have voice interconnection agreements with Liberty Global (our primary competitor in many of our markets) in many of the Caribbean markets in which we and Liberty Global both operate. We also generally have interconnection agreements with other fixed and wireless providers in each of the markets in which we operate. In some markets, existing interconnection agreements may have expired, but those expired interconnection agreements typically roll over on an ongoing basis in accordance with their express terms and industry practice.

Significant delays may also be faced when negotiating new agreements, or renewing expired agreements. This is largely due to extensive commercial and technical negotiations that must take place in the case of new agreements, or in the case of renewals, due to termination rates that require amendment whether by agreement or through regulatory intervention, or due to changes that may be required following amendments made to mandated reference interconnection offer documents in some of our markets.

Our failure to enter into or maintain acceptable interconnection agreements with fixed-line and other wireless service providers in each of the markets in which we currently operate or will operate in the future could prevent our subscribers from calling the subscribers of fixed-line and other wireless service providers in a particular market, which could restrict the growth of the wireless services in any such market and may have a material adverse effect on our business and results of operations. Any failure or delay on the part of these telecommunication service providers in fulfilling their contractual or statutory obligations for a prolonged period of time could have a material adverse impact on cash flow available to our subsidiaries and us and, as a result, could adversely affect our business, results of operations or financial condition. Furthermore, we have received an increasing number of requests for interconnection from small locally domiciled carriers with domestic and/or international licenses. In most of our markets there is a legal requirement to interconnect with other licensed carriers. Since these carriers have no or a very limited number of local subscribers, they could aggressively start to compete for incoming international calls by undercutting our rates. This could materially reduce our revenue on incoming international minutes.

In addition, our results of operations are affected by the cost of transmission and leased lines to effect interconnection or in the provision of services generally to subscribers. There can be no assurance that we will be able to maintain transmission or leased line agreements on appropriate terms to maintain or grow our business. The increased usage of data services will require increased transmission capacity both within our markets and also in and out of our markets, primarily to the United States. There can be no assurance that we will be able to maintain or increase transmission capacity on appropriate terms to maintain or grow our business.

Regulators in all of our markets have reduced, or are expected to consider reducing, interconnection rates. Because we are often one of the larger suppliers of telecommunications services in the countries in which we operate, and as such, typically a net recipient of interconnect payments, this could have the effect of materially reducing our revenue.

Roaming is an important feature to many of our subscribers. Subscribers can only access another telecommunications provider's wireless network if that other provider allows them to roam on its network. We rely on agreements with other wireless providers to provide roaming capability for our subscribers. For many of our customers the geographic scope of coverage and the rates we charge for roaming are factors when selecting a wireless service provider. Roaming rates are regulated in the French West Indies under European Union regulation (e.g., "roam-like-at-home" legislation, which was extended for 10 more years in April 2022) and may in the future be subject to regulatory review in our other markets. Such a review is underway by the ECTEL, which regulates five of our markets (St. Lucia, St. Vincent and the Grenadines, Grenada, St. Kitts and Nevis and Commonwealth of Dominica) and is expected to result in some regulation and/or controls on prices for mobile roaming among these markets. In addition, in Jamaica the regulator, the OUR, has adopted a determination that requires that customer spending on post-pay roaming be subject to a cap so as to avoid "bill shock."

Separately, the Caribbean Community has facilitated a review of roaming charges which led to discussions with Digicel and Flow culminating in the reduction and levelling of roaming charges throughout the Caribbean. On February 22, 2022, Flow and Digicel signed The Declaration of St. George's-Towards the Reducing of Intra-Caricom Roaming Charges with the effect of significant savings for customers on an average of 70% on their roaming charges. In addition, the quality of service that our customers have when roaming may be inferior to the quality of service that we provide our customers, and our customers may not be able to use the advanced features that they enjoy when making calls on their home networks. Some of our competitors may be able to obtain lower roaming rates or more favorable roaming arrangements because of their affiliation with, or ownership by, other wireless service providers. Any perceived or actual differences in the quality of service, extent of roaming capability or cost of roaming as compared to our competitors may result in a loss of subscribers, which could have a material adverse effect on our business and results of operations.

Our mobile applications and Cable TV use content provided by third parties. We may have difficulty securing such content and as a result, such content may not be accepted or widely used by our customers.

We acquire rights to certain services for use by our Mobile and Cable TV subscribers. We make long-term commitments relating to these rights in advance even though we cannot predict the popularity of the services or ratings the programming will generate. License fees may be negotiated for a number of years and may include provisions which require that we must still pay part of the fees even if the service supplied is no longer popular.

The success of our Cable TV services depends on our ability to access an attractive selection of television programming from content providers. The ability to provide movies, sports and other popular programming is a major factor that attracts customers to Cable TV services. We may not be able to obtain sufficient high-quality programming from third-party producers for our Cable TV services on satisfactory terms or at all in order to offer compelling Cable TV services, which could result in reduced demand for, and lower revenue and profitability from, our cable services. In addition, many OTT operators are increasingly licensing content or developing their own proprietary content, which may result in content being either more expensive for us to license or being unavailable to us, which could result in more limited or less attractive content being available on our Cable TV services, or our customers choosing to purchase such OTT services instead of our Cable TV services.

Further, we have mainly acquired the businesses that provide our Cable TV services rather than developed these services in-house. There is a risk that if certain personnel in the acquired businesses leave their positions, our management team will not have the required skills to negotiate satisfactory contracts relating to such content, which would impact the competitiveness of our offering. In certain cases, the businesses we acquired may not have satisfactory contracts in place with the owners of such content which could complicate any ongoing or future contractual negotiations or lead to disputes with such parties including claims for copyright infringement.

The commercial success of applications or content also depends on the quality and acceptance of other competing applications or content released into the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time results from mobile data use, and our Cable TV & Broadband (now branded as "Digicel +") business fluctuates primarily with the acceptance of such services by the public, which is difficult to predict. A shortfall, now or in the future, in the expected popularity of the various services for which we have acquired rights could lead to a fluctuation in our results of operations.

Our ability to maintain and to expand our telecommunications networks may be affected by disruption of supplies and services from our principal suppliers.

We rely on a limited number of leading international and domestic communications equipment manufacturers to provide network and communications equipment and technical support. The key suppliers of equipment for our existing networks are Huawei, Ericsson, ZTE and Alcatel. The key supplier of our handsets and accessories is Facey Telecom Commodity Company Limited, a distribution business that operates in regions including the Caribbean and Central America, with whom we have no affiliation or other relationship other than with respect to the supply and distribution of our products. Facey Telecom Commodity Company Limited supplies our retail channel with handsets from, among others, Apple, Alcatel, Microsoft, ZTE, Samsung, LG and Huawei, which currently account for substantially all of the handsets and accessories supplied to us. We do not have operational or financial control over our key suppliers, and we have limited influence with respect to the manner in which they conduct their businesses.

We believe there are a number of alternative suppliers of handsets and accessories available to us. Our agreement with Facey Telecom Commodity Company Limited allows for the contract to be terminated by us or by Facey Telecom Commodity Company Limited upon four months' written notice, and we believe that we would be able to locate an alternative supplier or wholesale distributor within that notice period, although we may suffer some disruptions or incur increased costs as a result. In the event that we issue a notice of termination under our Facey Telecom Commodity Company Limited contract, we are required to purchase any remaining inventory that we have ordered from Facey Telecom Commodity Company Limited at their acquisition price and make such payment within 14 days of the date of termination.

In February 2017, we entered into a multi-year agreement with ZTE to provide certain equipment to us as part of our global network transformation program. In April 2018, ZTE was subject to a denial order issued by the U.S. Department of Commerce Bureau of Industry and Security. This had a material impact on ZTE's operations and caused disruptions to our network upgrade and operating activities. In July 2018, the denial order was lifted and ZTE resumed the transfer of the remaining equipment to us. This transfer was completed in October 2018. We are also working with other equipment providers as part of our network modernization process.

If we are unable to obtain adequate alternative supplies of equipment or services in a timely manner or on acceptable commercial terms, or if there are significant increases in the cost of these supplies, our ability to maintain and expand our telecommunications networks may be materially and adversely affected.

Substantially all of our customers receive services from us on a prepaid basis and therefore we are exposed to higher risk of customer churn.

Prepaid customers, those customers that purchase credit in advance of service use, represented approximately 88% of our subscribers at March 31, 2023. Prepaid customers do not sign fixed term service contracts, which makes our customer base more susceptible to switching wireless service providers. Termination of our services by subscribers is referred to as churn. In addition, many of our subscribers are first time users of wireless telecommunications services, who have a tendency to migrate between service providers more frequently than established users. To the extent our competitors offer incentives to our subscribers to switch wireless service providers, through subsidizing or giving away handsets or other promotions, the risk of churn will increase. In addition, in some of the markets in which we operate, we may offer subscriber identity module only promotions, where there is no subsidized handset or similar incentive provided to customers, and in some cases this could lead to higher churn as the cost of acquiring a new or additional subscriber identity module may be lower for customers. Further, many of the markets in which we operate have started to consider whether or not to implement number portability, which, if implemented, may negatively impact our churn. Our inability to retain existing prepaid customers and manage churn levels could have a material adverse effect on our business and results of operations. For the years ended March 31, 2023 and March 31, 2022, our average levels of monthly churn were 4% and 4%, respectively.

Our markets are characterized by rapid technological change, which could render our products obsolete and cause us to make substantial expenditures to replace our products.

The Mobile and Cable TV & Broadband businesses that we operate are capital intensive with significant capital expenditures required to add customers to our network. Our Business Solutions (now branded as "Digicel Business") business leverages our existing network infrastructure supported by the rollout of FTTB networks in targeted areas. As new technologies develop, equipment may need to be replaced or upgraded or a network may need to be rebuilt in whole or in part, at substantial cost to us, to remain competitive. For example, increased demand for bandwidth-intensive multimedia services will require us to upgrade our mobile networks to newer technologies that provide increased bandwidth and speed leading to a higher network cost per subscriber than in the past. We have launched LTE technology in all of our markets. In addition, we have acquired and are developing cable and fiber networks to expand our Cable TV & Broadband and Business Solutions businesses. Our customers expect that we will regularly introduce increasingly sophisticated telecommunications services which may require us to upgrade our networks and incur significant capital expenditures. We cannot assure you that unforeseen technological developments will not render our services unpopular with customers or obsolete. For example, for many years a majority of our smartphone subscribers had Blackberry handsets, but the general decline in Blackberry popularity led to customers switching to alternative devices such as Android smartphones. In addition, to the extent our equipment or systems become obsolete, we may be required to recognize an impairment charge to such assets, which may have a material adverse effect on our business and results of operations.

If we cannot successfully develop and manage our networks, we will be unable to expand our subscriber base and could lose market share and revenue.

Our ability to increase our subscriber base depends upon the success of the expansion and management of our networks. The build-out of our networks is subject to risks and uncertainties that could delay the introduction of service in some areas and increase the cost of network construction. We lease most of the sites on which our cellular communications towers are located. Any failure or delay in securing the renewal of these leases on favorable terms could have a material adverse effect on our results of operations. In addition, in the French West Indies, the roll-out, operation and maintenance of our Radio Access Network is performed through a joint venture with Illiad and as such is not under our sole control. To the extent we fail to expand our network on a timely basis, we could experience difficulty in maintaining or expanding our subscriber base as our network or spectrum position may not be able to adequately support our existing or new subscribers. In addition, our ability to manage our business successfully is dependent upon our ability to implement sufficient operational resources and infrastructure. The failure or breakdown of key components of our infrastructure in the future, including our billing systems, could have a material negative effect on our profits and results of operations. Expansion may cause us difficulty in obtaining adequate managerial and operational resources and restrict our ability to successfully expand its operations.

Expansion may cause us difficulty in obtaining adequate managerial and operational resources and restrict our ability to successfully expand our operations.

Our continued expansion has placed, and we expect will continue to place, a significant strain on our management and operations and financial resources. In addition, as we seek to diversify our product portfolio to include a variety of Business Solutions, Cable TV and content services, we will need to expand our managerial and operational resources. Management of growth and diversification will require, among other things:

- stringent control of network build-out and other costs;
- continued development of financial and management controls and information technology systems;
- expansion of internal controls;
- hiring and training of new and existing personnel;
- greater regulatory compliance demands; and
- coordination among our logistical, technical, accounting and finance personnel.

The expansion of our product portfolio could prove costly, time-consuming and divert our management's attention from other day-to-day business matters.

Our success will depend, in part, on our ability to continue to attract, retain and motivate qualified personnel. Competition for personnel in our markets is intense due to the small number of qualified individuals. Our failure to successfully manage our growth and personnel needs could have a material negative effect on our business and results of operations.

There can be no assurance that our initiatives to drive growth in mobile data revenues and develop additional revenue streams will be successful, which could have a material adverse effect on our business, financial conditions and results of operations.

In recent years, we have experienced declines in financial and operational metrics like revenue, ARPU and Adjusted EBITDA as the telecom industry undergoes significant change, including a decline in voice usage. To counteract these declines, we have adopted various initiatives to drive growth in mobile data revenues and develop additional revenue streams. For example, we took certain tariff rebalancing actions, which have resulted in lower data revenues in the short-term but are targeted at stimulating subscriber retention, higher data usage and, ultimately, increased data revenues in the longer term. In addition, we are focused on developing our Business Solutions services, expanding our Cable TV & Broadband businesses, for example, by launching FTTH and FTTB networks in additional markets and launching Prime Bundles in our Mobile business. There can be no assurance that these initiatives will be successful, which could have a material adverse effect on our business, financial condition and results of operations.

There can be no assurance that the planned deleveraging of our business will be successful, which could have a material adverse effect on our business, financial condition, and results of operations.

The Exchange Offer or the Scheme, as applicable, and the Concurrent Transactions will deleverage our consolidated balance sheet, and we intend to continue to deleverage our consolidated balance sheet through a combination of cost savings, EBITDA growth and other initiatives (which may include selling assets or raising equity). There can be no assurance that such deleveraging initiatives will work, and we may have to evaluate other potential transactions to deleverage our balance sheet and manage our liquidity.

Some of the locations of the operations of our subsidiaries expose us to the risk of significant disruptions of service should a natural catastrophe occur at or in the vicinity of such locations and the effects of extreme weather conditions, including as a result of global climate change, could negatively affect our business.

Some of our operating subsidiaries' operations, such as billing systems, dealer management and commission handling, data warehousing, short messaging services, roaming reconciliation and network operating centers, have been centralized in central hubs. Such services are provided by our operations at the central hubs to the operating subsidiaries under service agreements negotiated on an arm's-length basis. Although some of these operations have already been duplicated locally in each subsidiary and other operations will likely be duplicated for contingency purposes, a natural disaster affecting our central hubs, or a deterioration in the financial viability of our operations at such locations, could cause interruptions in, or termination of, services provided by our operations to the operating subsidiaries. As part of the "Digicel 2030" Transformation Program, we increased reliance on such central hubs and accordingly there are less local duplication of such services. It would be time-consuming and difficult to find a replacement service provider for such operations and any such events would have a material adverse impact on our business and operations and those of our subsidiaries.

In addition, extreme weather conditions or natural disasters—for example, the damaging impact of Hurricanes Irma and Maria on a number of markets in September 2017, the volcanic eruptions in Saint Vincent and the Grenadines more recently in April 2021, and severe tropical storms and rain events, which hampered and slowed down the recovery phase of the network operations—could again negatively affect our business. In particular, global climate change may increase the frequency and severity of adverse weather conditions, such as hurricanes, floods and other climatic events, which may interrupt or curtail our operations, or our customers' operations, cause supply disruptions, result in a loss of revenue and damage to our equipment and facilities and negatively impact the economic health of the regions in which we operate.

Any expansion into new markets or new lines of business might not be successful.

As part of our ongoing business strategy, we regularly consider expanding into new geographic markets and into new lines of business through the acquisition of third parties or organic growth. For example, we have recently completed several acquisitions as part of our evolution into an integrated provider of Mobile, Business Solutions, Cable TV & Broadband and other related products and services. There are substantial risks associated with such efforts, including risks that (i) revenue from such activities might not be sufficient to offset the development, regulatory and other implementation costs, (ii) competing products and services and shifting market preferences might affect the profitability of such activities and (iii) our internal controls might be inadequate to manage the risks associated with new activities. Furthermore, it is possible that our unfamiliarity with new markets or lines of business might adversely affect the success of such actions. If any such expansions into new geographic or product markets are not successful, there could be a material negative effect on our business and results of operations.

Our current operations and our expansion plans have significant capital expenditure requirements and if we are unable to acquire such additional capital in a timely manner or at terms commercially acceptable to us, our business may be adversely affected.

We expect that the continuing expansion and development of our business will continue to require significant capital, which we may be unable to obtain on acceptable terms, or at all, to fund our capital expenditures and operating expenses, including working capital needs. We incurred capital expenditures in cash of \$256.0 million and \$274.0 million in the years ended March 31, 2023 and March 31, 2022, respectively.

Our capital requirements may vary materially from those currently planned if, for example, our revenue does not reach expected levels or we have to incur unforeseen capital expenditures and make investments to maintain our competitive position. If this is the case, we may require additional financing sooner than anticipated, or we may have

to delay or abandon some or all of our development and expansion plans or otherwise forego market opportunities. We may not be able to obtain future equity or debt financing on favorable terms, if at all. Future borrowing instruments such as credit facilities and lease agreements are likely to contain restrictive covenants and may require us to pledge assets as security for borrowings under those facilities or agreements. In addition, we and our subsidiaries are all party to debt instruments that impose significant limitations on our and our subsidiaries' ability to raise additional debt financing.

Our operations are subject to various operating risks including breakdowns of equipment, interruption of supplies and services and natural disasters, and resulting losses may cause a material adverse impact on our business and operations.

We use a wireless network in each of our markets and a microwave backbone system. In addition, we use cable and fiber networks in certain of our markets. The continued operation of our networks involves many risks, including the breakdown of transmission equipment, the failure of billing and other core network software systems, the interruption of required power supplies and the effect of hurricanes and other natural disasters common in the Caribbean. For example, in September 2017, Hurricanes Irma and Maria crossed the Caribbean causing damage to a number of countries and territories (including Anguilla, Barbuda, the British Virgin Islands, Commonwealth of Dominica, the Dominican Republic, Haiti, Puerto Rico, Saint Martin, St Maarten and the U.S. Virgin Islands) and certain of our assets. Although facilities in each of our markets contain certain redundancies and back-up mechanisms, there can be no assurance that any such breakdown or failures would not prevent the affected facility from performing. In addition, the outbreak of COVID-19 or a similar outbreak in the regions in which we operate could adversely impact the operation of our network infrastructure. Any insurance maintained to protect against certain of these operating risks may not be adequate to cover lost revenue or increased expenses. Breakdown or failure of equipment and/or systems in any of our markets may significantly reduce our revenue or increase our costs and adversely impact our business and results of operations.

The COVID-19 pandemic has caused and may continue to cause a material adverse impact on our business and operations.

Our business, operations and financial performance have been negatively impacted by the COVID-19 pandemic and related public health responses. The pandemic and related public and private sector policies and initiatives to reduce the transmission of COVID-19, such as the imposition of travel restrictions, the closure of hotels and resorts, the promotion of social distancing and the adoption of work-from-home and online learning by companies and institutions, have adversely affected demand for our communications services, with the most severe impact in markets that are the most dependent on tourism. In addition, any further resurgences in COVID-19 and the related initiatives imposed to stem these resurgences may result in supply chain disruption, including certain critical vendor services, which could have an adverse impact on our ability to serve our customers. If any of our suppliers face significant business disruptions as a result of COVID-19 or a similar outbreak, our business and financial condition could be materially adversely impacted, including from any disruption to critical vendor services or loss of business. In addition, countries have sought and may in the future seek new or increased revenue sources due to fiscal deficits that resulted from measures taken to mitigate the adverse economic impacts of COVID-19, such as, among other things, imposing new taxes on the products and services we provide.

Potential acquisitions or other strategic investments may require us to incur substantial additional debt and integrate new technologies, operations and services and we may not be able to execute our acquisition strategy successfully.

We regularly consider opportunities to expand our business in the Caribbean, Central America and other regions through acquisition of licenses, mergers and acquisitions, joint ventures or other forms of strategic investment in other wireless operators. Any strategic investment we pursue may cause us to incur substantial additional indebtedness to finance the investment or, in the case of an acquisition, to assume the indebtedness of the entities that are acquired.

In addition, we may not be able to obtain the requisite regulatory approvals to consummate such transactions. For example, we agreed in 2012 to sell our El Salvador business to America Movil but the required regulatory approval was not obtained and the sale of the El Salvador business did not proceed. Furthermore, obtaining governmental approvals may cause delays in the consummation of a sale or impose additional costs associated with such transactions, and we would be subject to business uncertainties while the sale is pending. By way of further

example, the Fair Trading Commission in Jamaica challenged our acquisition of the Claro Jamaica business from America Movil in 2012, claiming that the acquisition would lessen competition in the market. The court of first instance ruled against us on certain preliminary points in May 2012, which ruling was appealed. The Court of Appeal of Jamaica reversed the decision made at first instance and ruled in our favor. The Fair Trading Commission filed a limited appeal on certain points of law with the Privy Council, and in August 2017, the Privy Council found in favor of the Fair Trading Commission but with no effect on the closing of the transaction.

Furthermore, we may encounter difficulties in integrating acquired operations with our own operations, including the financial information of the acquired operations, as a result of a range of factors including different technologies, services or service offerings. These actions could prove costly or time-consuming or divert our management's attention from other business matters. Our business strategy includes pursuing new license opportunities in markets in which we do not operate, and we expect that other wireless telecommunications operators, including some of our existing competitors, have or will obtain licenses in some of the markets where we are seeking licenses. The competition to obtain or renew licenses is increasingly intense. As such, we may have to pay substantial license fees and/or spectrum allocation fees in certain markets, as well as meet specified network build-out requirements. We cannot assure you that we will be successful in obtaining any further wireless telecommunications licenses. If we obtain more licenses, we may need to seek future funding through additional borrowings or equity offerings, and we cannot assure you that such funding will be obtained on satisfactory terms or at all. We would likely face significant competition from incumbents and may not be successful in these launches.

We rely on key management personnel, and our inability to retain our current personnel or attract other talented professionals may have an adverse impact on our business.

Our success to date has been influenced by the abilities and telecommunications operating experience of our senior management team, including Mr. Denis O'Brien and others. If we lose the services of one or more of our executive officers or key employees or if one or more of them decides to join a competitor, we may find it difficult to find replacements with similar knowledge and experience, especially in relation to our business. As a result, our business, results of operations and financial condition could be adversely affected. Our future success will depend on our continued ability to attract, retain and motivate skilled employees and other senior management personnel. If we are unable to attract skilled professionals, or fail to integrate them into our organization or retain them after we have invested resources in their training, our ability to compete and our operations will be affected. In addition, some members of our senior management team are not parties to non-compete agreements covering the entire Caribbean and Central American markets. Therefore, a loss of key management personnel may have a material adverse effect on us.

Currently, Mr. Denis O'Brien, Digicel's founder and Chairman of the DGHL board of directors, owns substantially all of DGHL's shares, and DGHL in turn indirectly owns all of our shares. Following the consummation of the Reorganization Transactions, he will own a significantly smaller percentage of our shares. While Mr. Denis O'Brien is expected to remain on our board of directors and we expect to enter into the Services Agreement with Mr. Denis O'Brien for him to, among other things, provide services to us in a manner consistent with (i) his current role as Executive Chairman of DL's board of directors and (ii) current and past practices, Mr. Denis O'Brien may allocate his time among his other business activities and we may not benefit from his knowledge and expertise regarding our business and industry to the same extent as before.

We and our parent entities are party to a number of arrangements with affiliates, and some of them may not be on an arm's-length basis.

We and our parent entities are party to a number of arrangements with affiliates controlled by Mr. Denis O'Brien, the Digicel's founder and Chairman of DGHL's board of directors.

We and our parent entities may enter into additional related party transactions in the future. We cannot assure you that the consideration in these transactions would not be different and more favorable to us were they conducted with an unaffiliated third-party.

Although we currently exercise management control over all of our subsidiaries, we own less than 100% in certain companies and this ownership structure carries certain risks. Disagreements or unfavorable terms in the

shareholders agreements governing such subsidiaries could adversely affect our operations or affect our ability to cause our subsidiaries to pay us dividends.

In nine of our markets, operations are partly owned by local investors holding minority positions ranging from 1% to 49%. We may also make new acquisitions or investments whereby we will hold less than 100% in these companies. Owning such majority interests carries certain risks, including:

- conflicts between the policies or objectives adopted by our partners and those adopted by us or non-compliance by such partner with the policies or objectives adopted by us, particularly regarding insurance coverage and sanctions compliance;
- reputational risks from associating with our partners;
- disagreement with our partners over the performance of their obligations;
- disputes as to the scope of each party's responsibilities;
- financial difficulties encountered by our partners affecting their ability to perform their obligations;
- financial or other obligations of joint ventures, which may be (partially or wholly) guaranteed by us in certain locations;
- approval requirements imposed by shareholder agreements with certain investors may limit our flexibility and ability to implement strategies and tactics that we believe are in our best interests;
- our ability to withdraw funds, including dividends, from those subsidiaries depends on receiving the consent of the other investors; and
- the requirement to purchase the equity interest of partners.

These and other risks may result in a deadlock situation and an inability to distribute profits or make further necessary investments.

Our forecasts and plans for these operations assume that our local partners will fulfill their obligations to contribute capital. If any of our local partners fail to observe their commitments, it is possible that the affected subsidiary would not be able to operate in accordance with our business plans or that we would have to increase the level of our investment to give effect to these plans.

While the precise terms of the arrangements vary, our operations may be affected if disagreements develop with our local partners. Any disagreements with the minority shareholders in our subsidiaries may have an adverse effect on our business and results of operations. In addition, in some cases, we may receive less information on the business activities of these companies than it would on one of our wholly-owned subsidiaries and we will typically not have full control over the companies' conduct of business as certain topics are reserved matters for which decision making requires unanimity of the joint venture participants. Rights of minority shareholders may negatively affect our ability to control certain subsidiaries. If such conflicts or problems arise, they could have a material adverse effect on our business, financial condition and results of operations.

We operate in some markets that are considered politically and economically unstable, which could negatively affect our operations.

We currently have interests in wireless telecommunications operations in 25 markets in the Caribbean region and one in Central America. We are subject to government regulation in each market. The governments in these markets differ widely with respect to structure, constitution and stability and some of these countries lack mature legal and regulatory systems. Recent political, security and economic changes have resulted in political and regulatory uncertainty in certain countries in which we operate. Some of these countries have experienced political, security and economic instability in the recent past and may experience instability in the future. Furthermore, certain countries in which we operate, such as Haiti, or in which we may operate in the future, face significant challenges relating to lack, or poor condition, of physical infrastructure, including transportation, electricity generation and transmission.

For example:

- Haiti has experienced significant instability, which may continue. Conditions in Haiti were exacerbated by the earthquake in January 2010, which caused extensive damage in the country's capital, Port-au-Prince, and surrounding areas and, more recently, cholera, hurricanes and civil unrest arising from poor economic conditions (including fuel shortages) and political uncertainty. Haiti's long-term recovery is dependent on foreign aid, which may not be sufficient to address the country's needs, and this could adversely affect our business. More recently, civil unrest and political uncertainty has been exacerbated, which has led, on multiple occasions, to violent unrest and popular uprisings. Economic activity has deteriorated, which has impacted adversely on our operations. Following the Haitian government's removal of fuel subsidies in September 2022, fuel prices have increased significantly, further exacerbating civil unrest, violence and disruption to economic activity. Barricades have been erected systematically on all major routes across the country, severely impacting our operations. In particular, we have faced difficulties in refueling sites and keeping towers operational. We are prioritizing highly utilized sites, but we have experienced, and expect to continue to experience, significant disruptions to our services in Haiti. We expect further significant negative impacts to our operations and financial performance as a result of the instability in Haiti. In addition, inflation in Haiti has increased and the exchange rate has continued its depreciation relative to the U.S. dollar, further impacting our results of operations. The Haitian gourde depreciated by 31.5% relative to the U.S. dollar in the year ended March 31, 2023, which affected our revenue for the year ended March 31, 2023, and has continued to depreciate significantly relative to the U.S. dollar since March 31, 2023.
- Jamaica has historically had very high public debt to GDP ratios, with public debt previously hovering around 123% of GDP. In the past, it has suffered credit ratings downgrades by Standard & Poor's and Moody's and has had difficulties servicing its public debt. While Jamaica's public debt has improved and there have been a number of upgrades to its credit rating, there is no assurance that the situation will not deteriorate or that credit rating downgrades will not occur again in the future. The IMF has previously noted that significant social reforms still need to be implemented to ensure the future sustainability of public finances. There are no assurances that these reforms will be implemented successfully, which may cause public debt to rise again in the future.
- The Government of Barbados has in the past completed restructurings of its sovereign debt. There can be no assurances that the sovereign debt situation in Barbados will not deteriorate again in the future, which may lead to future sovereign debt restructurings.

These challenges could interrupt our operations and could have a material adverse impact on our ability to maintain and grow our business.

Potential inflation in local economies may affect some customers' ability to pay for our subsidiaries' services, and it may also adversely affect the stability of the communications market in those areas.

Our operations are dependent upon the economies of the markets in which we have interests. These markets are in countries with economies in various stages of development or structural reform, some of which are subject to rapid fluctuations in terms of consumer prices, employment levels, GDP and interest and foreign exchange rates. We may be subject to such fluctuation in the local economies and to the effect of such fluctuations on the ability of customers to pay for our subsidiaries' services. In addition, these fluctuations may affect the ability of the market to support our existing wireless telephone interests or any growth in wireless telephone operations. It is also possible that a period of significant inflation in any of our markets could adversely affect our costs and financial condition.

We may be affected by fluctuations in interest rates, which may have an adverse impact on our business and financial condition.

Our existing debt consists, in part, of U.S. dollar-denominated variable rate instruments based on the SOFR. Changes in interest rates are driven by market conditions, the interest rate policies of various governments and central banks, and other circumstances beyond our control. Any future increase in the SOFR or the bond funding rate will increase our cost of debt financing, resulting in an increased use of cash flow from operating activities to service our indebtedness. Such an increase could adversely affect our results of operations and financial condition.

Some of our customers depend on remittances from family members living overseas. Laws, regulations or events that limit such remittances may adversely affect our operations.

Many of the countries in which we have operations depend on remittances from emigrants as a source of foreign currency. Many of our customers depend on such remittances as either a primary or secondary source of income. Any circumstance, law, regulation or event that restricts, reduces or prevents these remittances may have an adverse effect on our operations.

We collect, store, use and otherwise process personal and sensitive data and our systems may be the target of potential cyber-attacks and other security breaches that could have significant negative consequences.

We collect, store, use and otherwise process personal data, including customer data, particularly through our mobile applications, such as for mobile financial services and business solutions. Our data processing activities are increasingly subject to privacy and data protection laws in the various jurisdictions in which we operate, such as the European Union General Data Protection Regulation in the French West Indies. Regulatory authorities in some of the markets in which we operate have the right to audit us and impose substantial fines if they find we have not complied with applicable laws and regulations and adequately protected personal data.

Although we take precautions to protect our and our customers' data in accordance with applicable privacy and data protection requirements, we are exposed to a range of cybersecurity and other information security threats in our businesses, and these threats, which continue to become increasingly frequent, sophisticated and diversified, include an increased number of cyber extortion and ransomware attacks. These threats may come from a variety of sources, including organized criminal groups, terrorists, nation states, nation-state supported actors and others. Security breaches and other threats including cyber-attacks, computer hacking attacks, computer viruses, worms or other destructive or disruptive software, phishing attacks, ransomware attacks, process breakdowns and denial of service or information attacks could cause a degradation or disruption of our services, damage to our properties, equipment and data, or unauthorized disclosure of our or our employees', customers' or shareholders' personal or confidential information. We have experienced breaches of our systems in the past and may experience new breaches in the future. Our security measures may also be breached due to employee malfeasance or error, and outside parties may attempt to fraudulently induce our employees or customers to disclose personal or sensitive information or otherwise gain access to our data or our employees', customers' or shareholders' data, including information subject to data protection laws and regulations. In addition, as we share certain information with our resellers and other third-party partners, such information is vulnerable to unauthorized access through the systems of these third parties. The risk of these systems-related events and security breaches occurring has intensified, in part because we maintain certain information necessary to conduct our businesses in digital form stored on servers connected to the internet.

While we develop and maintain systems and processes designed to prevent systems-related events and security breaches from occurring, the development and maintenance of these systems and processes are costly and require ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. Despite our efforts, there can be no assurance that unauthorized access and security breaches will not occur in the future. In addition, because the techniques used to obtain unauthorized access to systems, disable or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, we may not be able to anticipate or detect these techniques or implement adequate preventive measures. Further, we may experience delays in developing and deploying remedial measures designed to address any identified vulnerabilities. As cyber threats continually evolve, we may be required to devote substantial additional resources to modify or enhance our systems and processes.

Any security breach or unauthorized access, including a ransom-style cyber-attack or similar incident that impedes our ability to use or access our information systems for an extended period of time, or any violation of applicable privacy and data protection laws or regulations, could cause significant legal and financial exposure, including lost revenue due to business interruption, increased expenditures on security measures, litigation, monetary damages, regulatory enforcement actions, fines or other penalties. In addition, we may be subject to regulatory or contractual obligations to notify individuals, regulatory authorities or others of security breaches involving certain types of data. Such mandatory disclosures are costly, could lead to negative publicity, may cause our customers to lose confidence in the effectiveness of our security measures and could require us to expend significant capital and other resources to respond to and/or alleviate problems caused by the actual or perceived

security breach. Any concerns about our privacy practices or the effectiveness of our security measures, even if unfounded, could damage our reputation and cause us to lose customers.

Most of the countries in which we operate do not have universal service obligations; however, if such obligations were introduced, the profitability of our operations could be negatively impacted.

In certain of the countries in which we operate, the access to telecommunications services may differ widely between urban and rural areas. When such services are available in rural areas, they are usually at significantly higher cost to providers than in urban areas, due to lower population density and access challenges due to lack of basic infrastructure, in particular roads and electricity. The purpose of universal service obligations is to provide access to persons in non-urban and isolated areas to telecommunications services by infrastructure build-out through subsidies at fair, reasonable and affordable rates. Currently we are subject to such universal service contribution obligations in some of our markets, which involves the imposition of levies on telecommunications operators to contribute to the development of infrastructure in such areas. It is possible that further markets in which we operate will introduce universal service contribution obligations in the future, which could have a negative impact on our profitability.

In August 2015, the government of Trinidad and Tobago approved Universal Service Regulations, which had been pending since 2013. These regulations establish the Universal Service framework and require operators to pay fees into a Universal Service fund. The fees are calculated at 0.5% of gross revenues for domestic telecommunications services and at 1% for international telecommunications services. The regulator in Trinidad and Tobago commenced levying the Universal Service fee on operators at the end of 2016.

In September 2016, ECTEL (the regulator for St. Lucia, St. Vincent and the Grenadines, Grenada, St. Kitts and Nevis and Commonwealth of Dominica) approved regulations that allows a phased increase in Universal Service Fund contributions from 1% of gross turnover to 2% of gross turnover over a period of three years. In January 2017, this increase became effective in St. Vincent and the Grenadines. In November 2016, this increase became effective in Grenada. The proposed regulation has not yet been adopted in the other markets of St. Lucia, St. Kitts and Nevis and Commonwealth of Dominica.

Our brands are subject to reputational risks.

The brands under which we sell our products and services, including the Digicel brand, are well-recognized brands across the geographic markets in which we operate. Our brands represent a material and valuable asset. Although we try to manage our brands, we cannot guarantee that our brands will not be damaged by circumstances that are outside our control or by third parties such as hackers, sporees, or interfaces with our clients, such as subcontractors' employees or sales forces, with a resulting negative impact on our activities. A failure on our part to protect our image, reputation and the brands under which we market our products and services may have a material adverse effect on our business and results of operations.

We may incur significant costs from wireless fraud, which could negatively affect our operating results.

We may incur costs and revenue losses associated with the unauthorized use of our networks, including administrative and capital costs associated with the unpaid use of our networks as well as with detecting, monitoring and reducing the incidences of fraud. Fraud also impacts interconnect costs, capacity costs, administrative costs and payments to other carriers for unbillable fraudulent roaming charges.

The current concerns about the actual or perceived health risks relating to electromagnetic and radio frequency emissions, as well as the attendant publicity or possible resultant litigation, may have a negative effect on our financial condition or the results of our operations.

Media and other reports have suggested that electromagnetic and radio frequency emissions from mobile telephone handsets and base stations may cause health problems, including cancer. There is also some concern that these emissions may interfere with the operation of certain electronic equipment, including automobile braking and steering systems. The actual or perceived risks relating to mobile communications devices and base stations, or press reports about these risks, could adversely affect us, including by reducing our subscriber growth rate, subscriber base or average use per subscriber. Actual or perceived risks of mobile handsets or base stations could make it difficult to find attractive sites for mobile base stations or cell towers and reduce our growth rates, customer base and average usage per customer.

Our business is subject to litigation and legal claims that could materially adversely affect it.

We are subject to, and may become a party to, a variety of litigation or other claims and suits that arise from time to time in the conduct of our business. Our business is subject to the risk of litigation involving current and former employees, clients, vendor partners, suppliers, competitors, government agencies or others through private actions, class actions, whistleblower claims, administrative proceedings, regulatory actions or other litigation. While we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable.

Risks Relating to Legislative and Regulatory Matters

The telecommunications operations market is heavily regulated and changes in regulation could adversely affect us.

The licensing, construction, ownership and operation of telecommunications networks and the grant, maintenance and renewal of telecommunications licenses, as well as radio frequency allocations and interconnection arrangements and other attendant matters relating to our operations are regulated by different governmental authorities in each of the markets that we serve. In addition, such matters and certain other aspects of telecommunications operations, including, for instance, rates charged to customers, carriage of international traffic, international settlement rates, interconnection charges or quality of service provision, may also be subject to regulation in each of the markets we serve. Changes in the regulation of our activities, such as increased or decreased regulation affecting retail or wholesale pricing, the terms of interconnect arrangements with other fixed-line telephone or mobile operators, or requirements for increased capital investments, could have a material adverse effect upon our business and results of operations.

Mobile termination rates and other network interconnect rates are generally regulated. In many of the markets in which we operate such rates are regulated, and regulators are following the global trend towards decreasing rates with a move towards regulating the setting of interconnection rates based on the putative cost of providing such interconnection services.

An example would be the significant decline in mobile termination rates applicable to our operations in the French West Indies. On November 2, 2010, the French regulator, the Autorité de Régulation des Communications Électroniques et des Postes, implemented mandatory phased reductions on maximum mobile voice termination rates of 38% on January 1, 2011, 38% on January 1, 2012, 60% on January 1, 2013, 22% on January 1, 2015 and a further 3% on January 1, 2017. In April 2020, the European Union published an act imposing new phased reductions on these rates of 5% on May 1, 2021, 21% on January 1, 2022, 27% on January 1, 2023 and 50% on January 1, 2024. Likewise, regulation (EU) n° 531/2012 on roaming on public mobile communications networks within the EU, which was to expire on June 30, 2022, has been renewed for another 10 years. In Jamaica, the regulator reduced the mobile termination rates in 2021 to J\$76 effective October 1, 2021 and to J\$69 effective December 1, 2021 for a period of five years. In El Salvador, in August 2011, the regulator introduced a 12.5% reduction in mobile termination rates and also introduced further reductions of 11.9%, 14.8%, 21.6% and 12.5% in 2012, 2013, 2014 and 2015, respectively. There have been no further reductions since 2016. In Anguilla, the regulator introduced decreased interconnection rates in October 2012 that has, over a phased period, decreased the mobile termination rates by approximately 66%. In Barbados, the Fair Trading Commission published a decision in March 2015, effective in August 2015, which reduced mobile termination rates by approximately 80% over a two-year period. In May 2018, the ECTEL markets advised of the completion of a process to review mobile termination rates, which resulted in a reduction in the wholesale rate for mobile termination of up to 50% in the first year and up to 95% over a three-year period commencing in June 2018.

The regulators in Trinidad and Tobago and Guyana have also launched regulatory consultation processes aimed at determining new cost-based termination rates, which could ultimately involve reductions in mobile termination rates. In Trinidad and Tobago, the regulator has also established maximum incoming international termination rates that can be charged to other local operators. We cannot predict which countries will in fact reduce interconnection rates, when these rates will be reduced or the level by which they will be reduced. It is likely that interconnect rates will be under pressure to be reduced when the interconnection agreements in any of our other markets are due to be re-negotiated or amended. As noted above, mobile termination rates have already been significantly reduced in Jamaica, Haiti, El Salvador and the French West Indies. These processes and any other rate changes or changes to key financial metrics brought about through the imposition of regulatory measures could adversely affect us.

We also typically require other governmental permits, including permits for the construction and operation of cell sites in each of the markets that we serve. Obtaining such permits may be difficult, which could delay launches of, or improvements to, our networks. In addition, some of the smaller markets in which we operate, including Anguilla, Antigua and Barbuda, the Cayman Islands, Grenada, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines, require foreign-controlled companies to obtain permission from governmental officials to lease or own real property. We have not obtained any such permissions. We could be required to make payments to obtain such permissions, or be required to find new leases. We currently do not expect any such costs to be material.

A number of regulators have commenced an examination of roaming services. These include Trinidad and Tobago and markets regulated by ECTEL (the regulator for St. Lucia, St. Vincent and the Grenadines, Grenada, St. Kitts and Nevis and Commonwealth of Dominica). These reviews may result in obligations being imposed on us relating to price transparency, caps on roaming spend and/or price controls.

In 2018, the regulator in Trinidad and Tobago initiated a market review process for the wholesale fixed and mobile termination markets and the retail fixed and mobile markets. In December 2021, the regulator issued a request for information with a view to assessing whether any of the mobile operators are dominant. In the event that we are found to exercise significant market power, we may be subject to additional regulation, including possible price regulation of retail tariffs.

In 2022, regulators in the British Virgin Islands, Turks and Caicos Islands and Cayman Islands have indicated a market review process may be imminent to assess operators' dominance or significant market power status, and the outcome of such reviews may lead to price regulation.

Regulation of the Internet is evolving, and unfavorable changes or failures by us to comply with these laws and regulations could substantially harm our business and results of operations.

In certain of our markets, the laws and regulations governing use of the Internet are evolving. Any such existing and future laws or regulations may impede the growth of the Internet or other online services in such markets or otherwise adversely affect our operations. These laws and regulations could relate to the services being provided, user privacy, data protection, pricing, quality of service, content, copyright, distribution, electronic contracts and other communications, consumer protection, universal service obligations and Internet access.

In addition, it may not be clear how existing laws governing matters such as intellectual property ownership and personal privacy apply to the Internet in our markets. Any changes in the applicable law and regulations relating to these matters may negatively impact our business.

A number of governments are introducing general data protection and privacy laws and regulations and failures by us to comply with these laws and regulations could substantially harm our business and results of operations.

Our operations in the French West Indies are subject to the EU General Data Protection Regulation, which came into force in May 2018, relating to the protection of natural persons with regard to the processing of personal data and the free movement of personal data. This regulation, which imposes strict obligations in case of personal data processing, directly applies to our subsidiaries located in the French territories but also impacts the relationships with Digicel companies and our providers because of the scope of protection of this regulation, especially with regards to transfers of personal data to third countries where an adequate level of protection is considered as not ensured. This framework also provides for significant fines for any non-compliance with the terms of the legislation.

A Data Protection Law came into force in the Cayman Islands in September 2019. This imposes similar obligations to those which apply under the EU General Data Protection Regulation in the French West Indies. Data protection laws are also in force, or will shortly be brought into force, in Aruba, British Virgin Islands, Barbados, Bermuda, Bonaire, Curaçao, Cayman Island, Montserrat, St. Kitts & Nevis, St. Lucia, and laws making some provision for data protection are in force in the majority of our operating territories, including Trinidad and Tobago. In addition, and also influenced by the EU General Data Protection Regulation framework, Jamaica has adopted data protection laws that are awaiting promulgation. Furthermore, other governments in the markets in which we operate have also signaled their intention to introduce data protection legislation. Depending on the provisions of such legislation, it may result in additional direct costs for us in our initial compliance with that legislation and/or it may have operational impacts on the conduct of our business, including to the direct marketing of our services.

We could be subject to unexpected political, economic or legal developments that impact telecommunications regulations, particularly in countries where the regulatory regimes are less well-established.

The regulatory regimes in most of the countries in which we operate are generally less well-established than in developed countries where meaningful regulation in the telecommunication industry has existed for a longer time. As a result, our operations could be subject to unexpected political, economic or legal developments that impact telecommunications regulation, which could adversely impact our business. There can be no assurance that the laws or administrative practices relating to taxation (including the current position as to withholding taxes on interest or dividends from the subsidiaries and tax concessions in certain operations), foreign exchange, export controls or otherwise in these or other jurisdictions will not change. The number of regulatory measures that our operations are subject to may also increase or become more onerous in these countries as these countries reform their telecommunications laws. Some countries such as Bonaire, Curaçao, Jamaica, Barbados, Trinidad and Tobago, Guyana, Suriname, St. Lucia, St. Vincent and the Grenadines, Grenada, Commonwealth of Dominica, Antigua, Barbuda, British Virgin Islands, and Turks and Caicos Islands have announced plans to reform, or are in the process of reforming, their telecommunications laws. Any changes in the applicable law and regulatory framework relating to our activities may negatively impact our business.

For example, in Jamaica, the regulator designated our Jamaica operation and our other mobile competitor as dominant public voice carriers. As a result, we became subject to more regulation in Jamaica, in particular in relation to interconnection rates. For example, the Jamaican regulator, the OUR, imposed regulated prices for mobile termination through the imposition of new mobile termination rates at the end of May 2013 following its cost model consultation process. As a result, mobile termination rates were set at J\$1.1 (approximately one U.S. cent). This rate was revised in 2021 to J\$0.76 effective October 2021 and to J\$0.69 effective December 1, 2021 for a period of five years. The actions taken by the OUR were facilitated by the introduction of a new telecommunications policy which resulted in a comprehensive update to the applicable Telecommunications legislation. While the new government had previously indicated that new legislation would have to go through proper consultation and debate before being considered for a vote, in May 2012, the Jamaican parliament approved a new bill to amend the Telecommunication Act without any consultation with the industry. This bill was passed by Parliament as “emergency legislation,” which legislation significantly increased the powers of the OUR, including the ability to set interim termination rates and interim retail price caps; award damages to third parties; conduct search and seizure of an operator’s premises and property without the need for a court order; request any information that the OUR deems to be of interest; disclose information that is currently considered to be confidential and set termination rates based on specified cost accounting principles. These extended powers granted to the OUR by the passing of this emergency legislation in 2012 may have a material adverse impact on our retail and wholesale revenue and generally our operations in Jamaica. In addition, the government of Jamaica introduced two new taxes on the telecommunications sector in July 2012 and, in February 2013 made these subject to a general consumption tax. See “—We may be subject to further taxes or fees imposed by various governmental entities.” In addition, our competitors are often state-owned or have ties with the government. As such, they may receive financial support from the state, and be subject to less onerous regulations than we are.

In 2020, in Turks and Caicos Island, the Minister for Telecommunications insisted that all operators must meet the Belonger Status requirement mandated under the Telecommunications Ordinance. This is a requirement whereby businesses in Turks and Caicos Islands must have no less than 51% local ownership/shareholding. While Digicel previously enjoyed an exemption from such a requirement, in March 2022 the Minister indicated that in respect of Digicel’s renewed license, Digicel’s exemption from Belonger Status is to be limited to three years, which if followed through could see Digicel being forced to divest in order to comply with local control requirements.

In some of our markets, we may not be granted the licenses we apply for in order to provide our products, such as Cable TV & Broadband. Our licenses and frequency allocations are subject to ongoing review which may result in modification, early termination, revocation or non-renewal.

We may not be granted the licenses we apply for in order to provide the products we may wish to offer, or we may experience delays in obtaining such license. For example, our application for authorization for a fixed license in Guyana has been pending since 2020, and, even if we obtain authorization for a fixed license, the regulator may impose onerous conditions on us in connection with such authorization. In addition, the continued existence and terms of wireless telecommunications licenses and frequency allocations are subject to ongoing review and, in some cases, to modification or early termination or revocation. For example, such a review process is currently underway in the British Virgin Islands and Turks and Caicos Islands. While we would not expect to be required to cease

operations in any market at the end of the term of our business arrangement, license or permit, we cannot assure you that business arrangements or licenses will be renewed on equivalent or satisfactory economic terms, or at all. For example, in Aruba, our license was renewed in January 2013; however, the renewal is subject to onerous conditions such as requirements to install equipment in Aruba that is currently operated out of a central location outside of Aruba, thus increasing our capital expenditure. Further, in Aruba, the current mobile concession is expiring on January 5, 2023 and Digicel has been in the renewal process since April 2022, but progress with the regulator is slow. Our licenses expire at various times between now and 2046. Upon termination or revocation, the license may revert to the government or local telecommunications agency without, in some cases any, or adequate, compensation to us.

In addition, we have faced and may continue to face the possibility of enforcement actions, penalties or censure for unauthorized spectrum use. For example, the regulator in Guyana began judicial enforcement action in 2021 concerning our use of certain 700MHz spectrum, which led to its vacation by agreement in late October 2021, together with the assignment of new, and reduced, 700 MHz spectrum to Digicel. In January 2022, the regulator confirmed that it also requires Digicel to vacate a portion of 850MHz spectrum that was not assigned to Digicel. In November 2020, U-Mobile (Cellular) Inc. was charged an unpaid regulatory license fee of over \$9 million, but we have since objected to this fee on the basis that it is discriminatory. Discussions with the government are ongoing. Further, in British Virgin Islands, Digicel used unauthorized AWS spectrum between July 2020 until January 2022, due to network pressure and constraints, and degradation of quality of services to customers brought on due to the impact of the COVID-19 pandemic. As a result, Digicel is likely to be fined. In Aruba and Curaçao, spectrum frequencies were awarded to Digicel but the local regulators failed to send invoices to Digicel, in the case of Aruba, for a period of ten years. In Aruba this led to disputes over spectrum invoices in 2020 for the invoiced periods that were past the statute of limitations, which is five years locally. In August 2022, the regulator informed Digicel that it had failed to raise an invoice for spectrum charges for several years and is now seeking to recover US\$2,452,247 in respect of four years of charges. These enforcement actions could affect our ability to render all our services as they are currently provided and have a negative impact on our results.

Certain disputes with regulators, competitors or customers could adversely affect us if they are not resolved in our favor.

We are party to certain disputes, including anti-trust disputes, with regulators, competitors or customers from time to time that could have a material adverse effect on our business and results of operations.

Operators that are determined to be “dominant” may be subject to additional regulation, and in particular, additional regulation on interconnection charges, retail rates or wholesale rates. For example, the Telecommunications Appeal Tribunal, set up under Section 61 of the Jamaica Telecommunications Act 2004 to hear appeals by persons aggrieved by any decision of the OUR, confirmed on May 31, 2010 an earlier OUR determination that all mobile operators in Jamaica are declared dominant. As a result, mobile operators in Jamaica, including us, are subject to more regulation, including an obligation to issue a Reference Interconnect Offer that includes rates which need to be approved by the regulator. The OUR launched its cost calculation consultation in 2012 and issued its final determination on May 31, 2013 in which it established that Jamaican mobile termination rates shall be set at J\$1.1 (approximately one U.S. cent) with effect from July 1, 2013. This rate was revised in 2021 to J\$0.76 effective October 2021 and to J\$0.69 effective December 1, 2021 for a period of five years.

The Regulatory Authority of Bermuda has completed an electronic telecommunications market review on September 1, 2020, which designates Digicel and BTC as significant market power holders of fixed voice, internet and business connectivity at retail and wholesale markets, and ultimately imposed regulatory restrictions, including but not limited to, accounting separation, wholesale access obligations, requirements to publish certain KPIs and more importantly retail pricing restrictions on broadband markets. These remedies could have significant adverse operational and financial consequences, including on our revenue in Bermuda. Digicel and another operator, One Communications, separately initiated appeal proceedings against the market review decision by the Regulatory Authority of Bermuda and we are waiting for the appeal to be heard before the Bermuda Court.

We currently use the Jamaican Mobile Country Code and Mobile Network Code (a technical routing number not dialed by customers), also known as the Home Network Identity Code in many of the markets in which we operate, including Jamaica. This practice has been disputed by some regulators and some of our competitors. In September 2008, the International Telecommunication Union approved Annex E to Recommendation E.212 (International Identification Plan for Mobile Terminals and Mobile Users), which states that in the event that both

regulators agree that an operator can use a Home Network Identity Code extra-territorially, each of the regulators will notify the International Telecommunication Union. Should it become necessary in any jurisdiction to obtain regulatory approval to use a Home Network Identity Code extra-territorially, we will then undertake this exercise. If required to do so, we believe that we could obtain such approvals without adversely affecting our business or operations. However, if we are unable to do so, we would incur costs to change the Home Network Identity Code to the relevant market-specific Home Network Identity Code. We have carried out one such exercise in the British Virgin Islands with minimal customer impact. The regulator in Turks and Caicos has indicated its intention to withdraw previously granted permission to use the Jamaican Home Network Identity Code in Turks and Caicos and Digicel has lodged a formal appeal in relation to the process adopted by the regulator.

In addition, on February 6, 2019, Unigestion, one of our Haitian subsidiaries, was served notice of a class action in the United States alleging that it had participated in unlawful arrangements relating to the imposition of government levies in Haiti. The plaintiffs allege that the defendants' collection of levies charged on international incoming calls and money transfers on behalf of the Haitian Government was unlawful. The Court granted the defendants' the motion to dismiss on March 11, 2021. The plaintiffs filed their appellate brief on June 1, 2021 to the Second Circuit Court of Appeals and a decision is pending.

In Aruba, Digicel requested a fixed concession and an international landing rights concession in 2016. Both concession applications were rejected. Subsequently Digicel initiated administrative proceedings against Aruba for unjustified refusal of the concessions. After five years of various administrative procedures, in June 2021, the minister with responsibility for telecommunications issued a fixed concession to Digicel. This concession contains onerous conditions. As a result, Digicel has appealed those terms while continuing to pursue a separate procedure concerning cable landing rights. Both processes are ongoing during which time Digicel is largely blocked out from competing in fixed telecommunications.

Finally, Digicel continues to operate in markets where the regulatory system (as is common with more developed markets such as the European Union) does not make any provision requiring OTT providers to make a contribution to the costs of network usage that they drive. While bodies such as the Caribbean Telecommunications Union have begun to consider these issues, so far, there are no legislative proposals on the horizon intended to address this market failure.

We may be subject to further taxes or fees imposed by various governmental entities.

The telecommunications sector is seen by many governments as a highly profitable sector, and in an effort to increase revenue for the state, governments may impose new fees, taxes or levies directed at this sector.

In August 2015, the government of Trinidad and Tobago approved Universal Service Regulations which came into effect in 2016 which impose fees calculated at 0.5% of gross revenues for domestic telecommunications services and at 1% for international telecommunications services.

In November 2015, the Minister of Finance in Barbados introduced a special VAT rate on mobile phone services that is 4.5% higher than the standard rate of VAT.

In September 2016, ECTEL (the regulator for St. Lucia, St. Vincent and the Grenadines, Grenada, St. Kitts and Nevis and Commonwealth of Dominica) approved regulation that allows a phased increase in Universal Service Fund contributions from 1% of gross turnover to 2% of gross turnover over a period of three years. In January 2017, this increase became effective in St. Vincent and the Grenadines. In November 2016, this increase became effective in Grenada. The proposed regulation has not yet been adopted in the other markets of St. Lucia, St. Kitts and Nevis and Commonwealth of Dominica.

In October 2016, the regulator in British Virgin Islands announced the activation of provisions within the Telecommunications Act that would result in the imposition of an industry levy. The regulator raised an industry levy and is claiming \$1.68 million and \$1.58 million from Digicel with respect to the 2019/2020 period and the 2020/2021 period, respectively. Payment of both of these amounts (to which interest may be applied) has been stayed pending the outcome of a judicial review by Digicel and other operators to the 2019/2020 levy, which was heard in July 2021. While the 2019/2020 levy was struck down by the court (and the reasoning would also invalidate the 2020/2021 levy), the Telecommunications and Regulatory Commission has filed its notice to appeal against the decision of the court.

In 2016, the government of St Vincent and the Grenadines introduced a 2% levy on international calls originated in St Vincent and the Grenadines to fund a Zero Hunger Trust Fund. In 2017, this was extended to cover inbound international calls and data.

In October 2017, the government of Trinidad and Tobago increased the rate of corporate income tax from 25% to 30% and this increase impacts our accounting from the year ended March 31, 2018 onwards.

In July 2018, the government of Aruba increased the rate of sales tax from 3.5% to 6.0%. The additional tax was largely passed on to customers in Aruba. However, as there is no credit in Aruba for sales tax on operating costs, the effect of the increase in the rate of sales tax was to increase the operating costs of the business in Aruba by the amount of the increase in the rate of the sales tax.

In October 2018, the government of Barbados increased the rate of corporate income tax from 25% to 30%. This had retrospective effect for the accounting for the year ended 31 March 2018.

In January 2019, the government of Antigua and Barbuda announced its intention to introduce a 10% tax on the profits of certain businesses in Antigua and Barbuda, including the telecommunications operators in Antigua and Barbuda. We have made representations to the government of Antigua and Barbuda requesting that this new tax should not be introduced. Effective from March 1, 2019 onwards, the government of Antigua and Barbuda introduced a new tax of US\$0.05 on incoming international calls effective which is levied on overseas carriers sending calls to Antigua and Barbuda and collected from them by local operators.

In October 2021 the government of Guyana raised a levy on Digicel in respect of the mobile license that had been previously granted to Digicel and which was superseded by a new license granted to Digicel in October 2020 when further market liberalization occurred. The demand for payment covers the years 2013-2020 and amounts to US\$9.2 million in total. No demand for payments of those levy amounts had been previously been made by the Government of Guyana.

In its 2022 budget, the government of Barbados introduced a one-time 15% COVID-19 contribution levy on domestic businesses in certain sectors, which includes the telecommunications sector, among other tax changes. Specifically, companies that generated income of more than BBD\$5 million must pay 15% of their 2020 and 2021 net income to the Barbados tax authority.

Regulators and governments in many countries have explored, and periodically continue to explore, the possibility of introducing taxes applicable to the telecommunications sector or increasing existing universal service fund levies on the telecommunications sector. The imposition of these taxes and fees, and any other additional taxes and fees, in our markets could negatively impact our results of operations.

We are subject to taxes in the countries in which we operate, which may reduce amounts we receive from our operations or may increase our tax costs.

Tax returns from previous years may be scrutinized by the local tax authorities and there is a risk that unidentified issues or exposures might arise. Many of the countries in which we operate have increasingly turned to new taxes, as well as aggressive interpretations of current tax laws, as a method of increasing revenue. In addition, the provisions of new tax laws may prohibit us from passing these taxes on to our local customers. Consequently, these taxes may reduce the amount of earnings that we can generate from our services. If these or other tax assessments are ultimately resolved unfavorably to us, this could reduce amounts we receive from our operations or may increase our tax costs.

DL, DML, DIHL and certain of our Bermuda subsidiaries may be required to increase their presence in Bermuda to satisfy its economic substance rules, which could create additional costs, expenses and complexities for our business.

Following assessment of its tax measures by the European Union Code of Conduct Group, Bermuda was included in a list of jurisdictions which are required by the European Union to address concerns of the European Union Code of Conduct Group relating to the demonstration of economic substance. Bermuda and other listed jurisdictions were listed specifically under Criterion 2.2 of the assessment which relates to tax regimes that are capable of facilitating offshore structures which attract profits without real economic activity. Criterion 2.2 applies when the standard code assessment under Criterion 2.1 cannot be applied because of the absence of a corporate tax

system or because the jurisdiction applies a nominal corporate tax rate equal to zero or almost zero. Bermuda does not, at present, have a corporate tax system.

To assist in implementing appropriate substance requirements, the European Union Code of Conduct Group published a technical scoping paper in June 2018. The scoping paper set out the three key steps for implementing substance requirements: (i) identify the “relevant activities,” (ii) impose substance requirements and (iii) ensure there are enforcement provisions in place. In addition, the scoping paper identified relevant activities as including (as a minimum) the following industry sectors which will fall within the scope of the proposed substance rules: banking, insurance, fund management, financing, leasing, headquarter regimes, holding entity, shipping and intellectual property.

On December 31, 2018, the Bermuda Government implemented legislation which brought substance requirements into force with effect from January 1, 2019 for newly incorporated entities and July 1, 2019 for currently existing entities that carry on a relevant activity.

As a result of the introduction of such legislation, DL, DML, DIHL, DIFL and certain of our subsidiaries may be required to increase their economic substance in Bermuda, which could include being directed and managed in Bermuda, having an adequate level of qualified employees in Bermuda, incurring an adequate level of annual expenditure in Bermuda, maintaining physical offices and premises in Bermuda and performing core income-generating activities in Bermuda, or alternatively migrate the company to an onshore jurisdiction with a corporate tax regime. The costs of compliance associated with the foregoing requirements, and any penalties for deemed non-compliance under Bermuda law, could have a material adverse effect on our financial condition and results of operations.

We are subject to various anti-corruption laws and regulations.

We are subject to various anti-corruption laws and regulations that prohibit improper payments or offers of payments to foreign governments and their officials for the purpose of obtaining or retaining business. We have business in countries and regions that are less developed and are generally recognized as potentially more corrupt business environments. Accordingly, we have developed specific internal policies and procedures relating to the prevention of such payments and the reporting of such activities both internally and, where required, to the appropriate external authorities. However, our operations in such markets create the risk of unauthorized payments or offers of payments by one of our employees or agents that could be in violation of various anti-corruption laws, and there is a risk that in certain instances our internal policies and procedures may not be adequate. If we or any of our employees or agents is found to have violated any of these anti-corruption laws and regulations, it could have a material adverse effect on our business, brand, reputation, financial condition and results of operations.

Our agreement with a company controlled by Mr. Denis O’Brien on the use of Digicel trademarks outside of our current markets may adversely affect our reputation and limit our ability to expand into other regions.

In 2007, Digicel Caribbean Limited, one of our subsidiaries, entered into a trademark coexistence agreement with Seedeck Limited, a company controlled by Mr. Denis O’Brien. Pursuant to the coexistence agreement, Seedeck Limited may use the Digicel trademarks outside of North America, Central America, South America, the Caribbean, Bermuda and the Bahamas, and we may not use the Digicel trademarks in these regions absent the entry into separate license agreements. We cannot assure you that we would be able to enter into such agreements on satisfactory terms or at all. This could limit our future growth, and the restrictions imposed by the coexistence agreement may adversely affect our ability to expand our operations, use our brand and compete effectively. In addition, notwithstanding that such agreement provides that neither party is permitted to do any act which may be detrimental to the reputation or value of the Digicel trademarks, Seedeck Limited could use the Digicel trademarks in a manner that adversely affects our reputation.

Our agreement with Digicel Pacific Limited allowing Digicel Pacific Limited to use the Digicel brand and other ancillary brands and trademarks in certain Pacific territories may lead to customer confusion and adversely affect our reputation.

In July 2022, DGHL entered into a trademark coexistence agreement with Digicel Pacific Limited in connection with its sale of its Pacific operations to Telstra Corporation Limited. Pursuant to the trademark coexistence agreement, Digicel Pacific Limited and its affiliates may use, in certain Pacific territories, the Digicel brand and other ancillary brands (e.g., “Loop” and “PlayGo”) and trademarks we also use in the markets in which we operate.

The trademark coexistence agreement restricts us from using these brands and trademarks in the certain Pacific territories, limiting our ability to market our products and services in or expand into this region. The trademark coexistence agreement provides that Digicel Pacific Limited may terminate such agreement in the event of certain insolvency events that result in Mr. Denis O'Brien or certain related parties no longer controlling Digicel Limited, Digicel Caribbean Limited or their successors.

While the trademark coexistence agreement requires Digicel Pacific Limited to comply with certain brand guidelines established by us, and to incorporate regional and country differentiators in any uses of "Digicel," Digicel Pacific Limited could use the Digicel brand or other ancillary brands or trademarks in a manner that harms our brands and trademarks and our reputation, notwithstanding that under the agreement, Digicel Pacific Limited is not permitted to take actions that are likely to reflect unfavorably on us or our affiliates or our brands or trademarks. In addition, Digicel Pacific Limited's use of brands and trademarks that are the same as or similar to those that we use, even in different markets, could lead current or potential customers to erroneously believe that we are affiliated with Digicel Pacific Limited, and any negative publicity incurred by Digicel Pacific Limited could also adversely affect our reputation and cause us to lose customers.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the DHL Common Shares in exchange for the Existing Notes. The Existing Notes tendered in connection with the Exchange Offer will be retired and cancelled and will not be reissued.

The proceeds of the issuance of the Exit Preferred Shares and the Subscription DHL Common Shares will be contributed by DHL to DIFL, and DIFL shall use such proceeds for general corporate purposes.

DESCRIPTION OF THE COMPANY

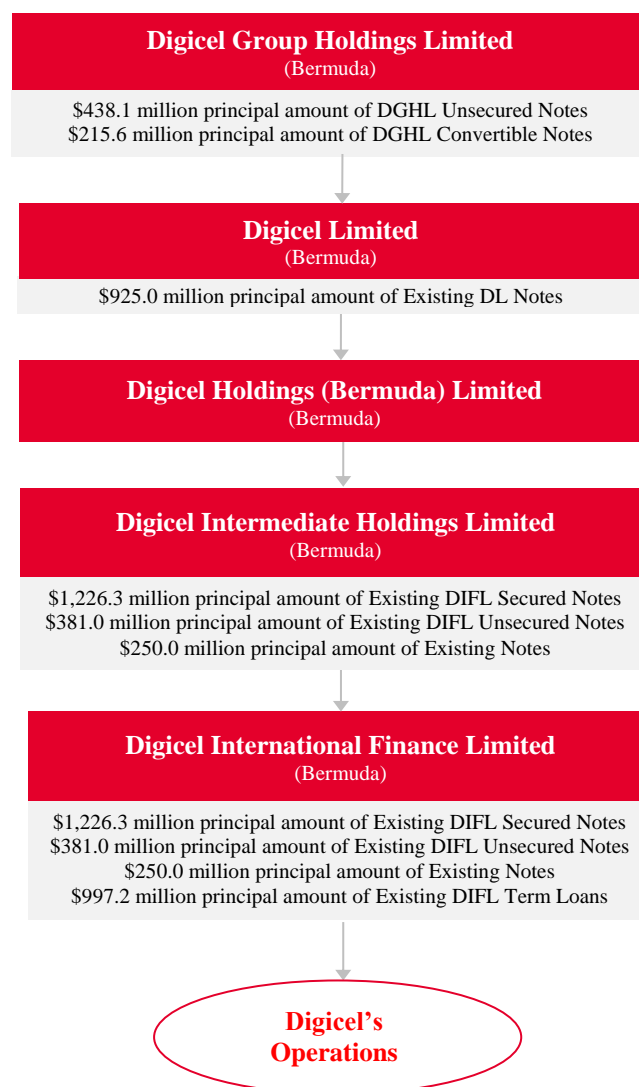
The Company is a leading provider of communications services in the Caribbean region. The Company provides a comprehensive range of mobile communications, Business Solutions, Cable TV & Broadband and other related products and services to retail, corporate (including small and medium-sized enterprises) and government customers. As of March 31, 2023, the Company provided mobile communications services to 9.8 million subscribers in 25 markets in the Caribbean, with an aggregate population of approximately 25.6 million people.

Digicel Limited is an exempted company, incorporated with limited liability under the laws of Bermuda on October 16, 2000, with its registered office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Digicel Holdings (Bermuda) Limited is an exempted company, incorporated with limited liability under the laws of Bermuda on December 17, 2004, with its registered office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Digicel MidCo Limited is an exempted company, incorporated with limited liability under the laws of Bermuda on July 27, 2023, with its registered office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Digicel Intermediate Holdings Limited is an exempted company, incorporated with limited liability under the laws of Bermuda on May 21, 2020, with its registered office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Digicel International Finance Limited was redomiciled by continuance from St. Lucia to Bermuda on July 11, 2023, and is an exempted company with limited liability registered under the laws of Bermuda, with its registered office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Our head office is located at 14 Ocean Boulevard, Kingston, Jamaica, W.I., and our telephone number is +1 (876) 511-5000. Our website is www.digicelgroup.com. Information in or connected to our website is not part of this offering memorandum.

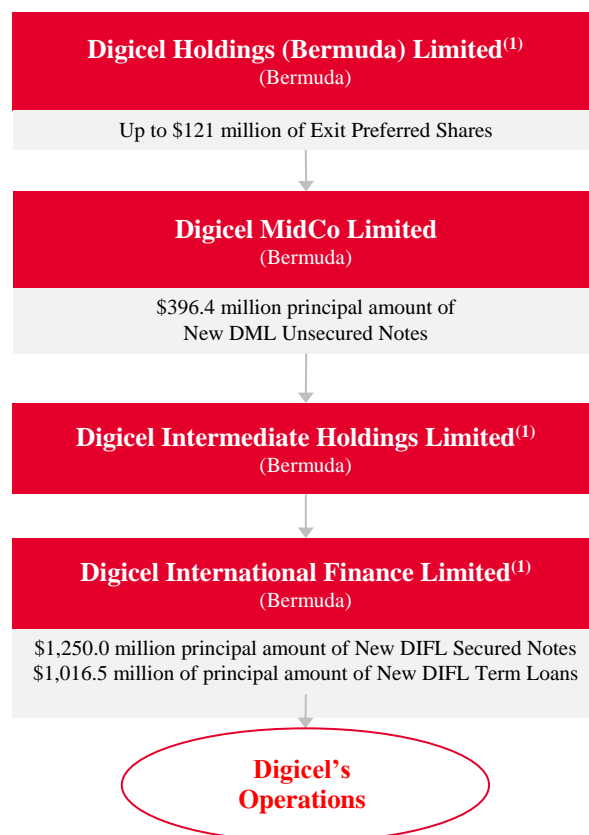
Corporate Reorganization and Group Structure

On the Settlement Date and in connection with consummation of the Exchange Offer or the Scheme, as applicable, and the Concurrent Transactions: (1) DHL will transfer all of its interests in DIHL to DML; (2) DL will transfer to DHL all of its assets; (3) DHL will use the Gross Proceeds to purchase (at a price equal to fair market value) from DIHL and DIFL (i) any intercompany claims owed to DIHL or DIFL by DGHL and (ii) any rights to distributions pursuant to an intercreditor agreement to be entered into by and among holders of the DGHL Unsecured Notes and the DGHL Convertibles Notes, DL, DIFL and Mr. Denis O'Brien and any rights to distributions pursuant to the settlement agreement in respect of the intercompany claims between DGHL, DL and DIFL (the "DGHL Settlement Agreement"); and (4) DHL shall contribute to DIFL (i) any Gross Proceeds remaining after the purchases contemplated in the previous step and (ii) any assets previously received from DL (steps (1) through (4) collectively, the "Corporate Reorganization"). Following the consummation of the Corporate Reorganization, DL will no longer hold any equity interests in DHL. We refer to (i) the consummation of the Exchange Offer or the Scheme, as applicable, and the Concurrent Transactions, (ii) the Corporate Reorganization and (iii) entry into the Services Agreement, including the issuance of DHL Common Shares and warrants pursuant to such agreement, collectively as the "Reorganization Transactions."

The chart below depicts DGHL's simplified corporate structure before giving effect to the Reorganization Transactions. This chart is for illustrative purposes only and does not represent all legal entities that are direct and indirect subsidiaries of DGHL. Amounts outstanding are as of March 31, 2023.



The chart below depicts DHL's simplified corporate structure after giving effect to the Reorganization Transactions as if they had been consummated on March 31, 2023 and assumes no reduction in the Exit Preferred Shares Offering Amount. This chart is for illustrative purposes only and does not represent all legal entities that are direct and indirect subsidiaries of DHL.



(1) If we do not include the holders of the Existing Notes in the Concurrent DIFL Scheme and instead effectuate the Asset Transfers and Collateral Release and consummate the Concurrent Transactions with respect to the Existing Notes, then Digicel Holdings (Bermuda) Limited, Digicel Intermediate Holdings Limited and Digicel International Finance Limited shall instead refer to New DHL, New DIHL and New DIFL, respectively.

CAPITALIZATION

The following table sets forth our consolidated capitalization at March 31, 2023:

- on an actual basis for DL; and
- on an as adjusted basis for each of DHL and its subsidiaries, DML and its subsidiaries and DIFL and its subsidiaries to give effect to the following transactions as if they had been consummated on March 31, 2023 (which amounts remain subject to change based upon the actual Scheme Closing Date): (i) the Concurrent Schemes such that (a) the Existing DIFL Term Loans are exchanged for \$997.2 million aggregate principal amount of New DIFL Term Loans, (b) the Existing DIFL Secured Notes are exchanged for \$1,226.3 million aggregate principal amount of the New DIFL Secured Notes, (c) the Existing DIFL Unsecured Notes are exchanged for \$388.8 million aggregate principal amount of New DML Unsecured Notes, (d) the Existing Notes are exchanged (assuming 75% of the outstanding principal amount of the Existing Notes are tendered in the Exchange Offer and we include the Existing Notes in the Concurrent DIFL Scheme) for 13.05%¹ of the DHL Common Shares and (e) the Existing DL Notes are exchanged for 48.78%² of the DHL Common Shares; (ii) the payment of the following Work Payments pursuant to the RSA: (a) \$19.3 million of New DIFL Term Loans to certain lenders under the Existing DIFL Term Loans (assuming all such lenders elect to receive their Work Payment in the form of New DIFL Term Loans), (b) \$23.7 million of New DIFL Secured Notes to certain holders of the Existing DIFL Secured Notes (assuming all such holders elect to receive their Work Payment in the form of New DIFL Secured Notes), (c) \$7.6 million of New DML Unsecured Notes to certain holders of the Existing DIFL Unsecured Notes, (d) 4.87% of the DHL Common Shares to certain holders of the Existing DL Notes and (e) 1.30% of the DHL Common Shares to certain holders of the Existing Notes; (iii) the issuance by DHL, assuming no reduction in the Exit Preferred Shares Offering Amount, of (a) \$121.0 million of Exit Preferred Shares which includes \$11.0 million of Exit Preferred Shares on account of the Backstop Payment, (b) 20% of the DHL Common Shares as Subscription DHL Common Shares and (c) 2.0% of the DHL Common Shares on account of the Backstop Payment; (iv) the issuance of 10.00% of the DHL Common Shares to Mr. Denis O'Brien pursuant to the Services Agreement; (v) the Corporate Reorganization and (vi) the estimated fees and expenses relating to the foregoing.

You should read this table together with our consolidated financial statements and related notes included elsewhere in this offering memorandum.

	As of March 31, 2023			
	Actual for Digicel Limited and subsidiaries	As Adjusted for Digicel Holdings (Bermuda) Limited and subsidiaries ⁽¹⁾	As Adjusted for Digicel MidCo Limited and subsidiaries	As Adjusted for Digicel International Finance Limited and subsidiaries ⁽¹⁾
	(in millions of U.S. dollars)			
Cash and Cash Equivalents	\$ 165.7	\$ 199.8	\$ 199.8	\$ 199.8
Current Liabilities:				
Existing DL Notes	925.0	—	—	—
Existing DIFL Term Loans	10.5	—	—	—
Other Short-Term Debt.....	55.2	55.2	55.2	55.2
Accrued Finance Costs	89.1	—	—	—
Total Short-Term Debt	1,079.8	55.2	55.2	55.2
Non-Current Liabilities and Equity:				
<i>Digicel MidCo Limited</i>				
New DML Unsecured Notes	—	396.4	396.4	—
<i>Digicel International Finance Limited</i>				
Existing DIFL Secured Notes.....	1,226.3	—	—	—

¹ Based on the aggregate principal amount outstanding of Existing Notes, including accrued and unpaid interest, as of August 15, 2023, and the Existing Notes Commitment Payment.

² Based on the aggregate principal amount outstanding of Existing DL Notes, including accrued and unpaid interest, as of August 15, 2023, and Existing DL Notes Commitment Payment.

As of March 31, 2023				
	Actual for Digicel Limited and subsidiaries	As Adjusted for Digicel Holdings (Bermuda) Limited and subsidiaries ⁽¹⁾	As Adjusted for Digicel MidCo Limited and subsidiaries	As Adjusted for Digicel International Finance Limited and subsidiaries ⁽¹⁾
	(in millions of U.S. dollars)			
Existing DIFL Term Loans	986.7	—	—	—
Existing DIFL Unsecured Notes	381.0	—	—	—
Existing Notes	250.0	—	—	—
New DIFL Term Loans	—	1,016.5	1,016.5	1,016.5
New DIFL Secured Notes	—	1,250.0	1,250.0	1,250.0
Other				
Other Long-Term Debt ⁽²⁾	406.7	406.7	406.7	406.7
Accrued Finance Costs	7.8	—	—	—
Deferred Finance Costs	(6.6)	—	—	—
Total Long-Term Debt	3,251.9	3,069.5	3,069.5	2,673.1
Shareholders' Equity:				
Preference Equity	—	121.0	—	—
Share Capital	0.0	0.0	0.0	10.0
Equity Compensation Reserve	191.6	114.6	114.6	114.6
Foreign Exchange Translation Reserve	(474.9)	(463.9)	(463.9)	(463.9)
Minority Interest	51.2	51.2	51.2	51.2
Retained Earnings	(2,278.9)	(1,053.2)	(1,042.2)	(1,042.2)
Total Shareholder's Equity	(2,511.0)	(1,230.3)	(1,340.3)	(1,330.3)
Total Non-Current Liabilities and Equity	740.9	1,839.3	1,729.3	1,342.8
Total Capitalization	1,986.4	1,894.4	1,784.4	1,398.0

- (1) If we do not include the holders of the Existing Notes in the Concurrent DIFL Scheme and instead effectuate the Asset Transfers and Collateral Release and consummate the Exchange Offer with respect to the Existing Notes, then Digicel Holdings (Bermuda) Limited and Digicel International Finance Limited shall instead refer to New DHL and New DIFL, respectively.
- (2) Other Long-Term Debt is gross debt before deferred financing fees and consists of \$265.7 million in respect of leases arising under IFRS16, \$115.0 million in respect of license fees of certain operating markets and \$26.0 million of certain other long-term debt with respect to DL and its subsidiaries. Other Long-Term Debt consists of \$287.5 million in respect of leases arising under IFRS16, \$115.0 million in respect of license fees of certain operating markets and \$0.2 million of certain other long-term debt with respect to DIHL, DML, and DIFL and their respective subsidiaries.

DESCRIPTION OF OTHER INDEBTEDNESS

The following is a brief discussion of the indebtedness of DL and its subsidiaries.

Digicel International Finance Limited Senior Secured Debt

DIFL Facility

On May 25, 2017, DIFL entered into the DIFL Facility comprising:

- \$236.3 million of Term A loans denominated in U.S. dollars and €33.2 million of Term A loans denominated in euros;
- \$955.0 million of Term B loans denominated in U.S. dollars; and
- \$100.0 million of revolving credit loans denominated in U.S. dollars.

The Term A Loan Facility and the Term B Loan Facility were drawn in full on May 25, 2017 and the net proceeds were applied on closing to prepay in full the principal and accrued interest on the following facilities:

- DIFL's senior secured facilities outstanding at that time (approximately \$836.0 million as of March 31, 2017); and
- by way of the application of certain distributions to parent entities of DIFL, DL's \$250 million of 7.000% Notes due 2020 and Digicel Pacific Limited's \$80 million senior secured loan.

The remaining net proceeds were used for general corporate purposes.

On January 29, 2018, DIFL entered into an amendment to the DIFL Facility to increase the principal amount of the Term B loans thereunder by \$100.0 million to approximately \$1,052.6 million and to reduce the interest rate margin on all of the Term B loans as described below. The net proceeds of the Existing DIFL Term Loans, which have terms and provisions identical to those applicable to the initial Term B loans incurred under the DIFL Facility, were used to repay Revolving Credit Loans outstanding under the DIFL Facility. During March and April 2018, those Revolving Credit Loans were borrowed in full.

On February 26, 2019, DIFL entered into an amendment to the DIFL Facility to increase the maximum total debt to Adjusted EBITDA (as defined in the DIFL Facility) financial maintenance ratio from 4.5x to 5.0x. On March 15, 2019, DIFL used the net proceeds from the issuance of the Existing DIFL Secured Notes of \$594 million to repay all amounts drawn under the Revolving DIFL Facility, to repay all of DIFL's Term A loans and to pay related fees and expenses.

All term loans denominated in U.S. dollars accrue interest at an Alternate Base Rate as the base rate since LIBOR for all interest periods was discontinued in respect of U.S. dollar denominated loans on June 30, 2023. The Alternate Base Rate is the highest of (a) the Federal Funds Effective Rate plus 0.50%, (b) LIBOR plus 1.00%, (c) the Prime Rate, and (d) solely with respect to Existing DIFL Term Loans, 2.00%.

The Term B loans initially had an interest rate, depending on the election, equal to an Alternate Base Rate plus a margin of 2.75% or LIBOR (with a LIBOR floor of 1.00%) plus a margin of 3.75%. After giving effect to the January 29, 2018 amendment described above, the interest rate margin on all of the Existing DIFL Term Loans was reduced from, in the case of Alternate Base Rate loans, 2.75% per annum to 2.25% per annum and in the case of LIBOR loans, 3.75% per annum (with a LIBOR floor of 1.0%) to 3.25% per annum (with a LIBOR floor of 0.0%). The Existing DIFL Term Loans have a tenor of seven years and are repayable with equal quarterly instalments of 0.25% commencing on March 30, 2018 with the balance due in full on May 25, 2024.

The Revolving Credit Loans have an interest rate, depending on the election, equal to an Alternate Base Rate plus a margin of 2.50% or LIBOR plus a margin of 3.50%. They have a tenor of three years and can be drawn and repaid by DIFL as required during that period.

The DIFL Facility is secured by guarantees from and security over the shares and assets of DIFL and DIFL's subsidiaries whose aggregate EBITDA and assets (in each case calculated in accordance with the credit agreement governing the DIFL Facility) represent not less than 80% of DIFL's consolidated EBITDA and not less than 85% of DIFL's total assets.

DIFL is subject to customary affirmative and negative covenants under the DIFL Facility, including restrictions on investments, debt, liens, acquisitions and restricted payments, and financial maintenance covenants, consisting of a maximum total debt to EBITDA ratio and a maximum senior secured debt to EBITDA ratio. Under the total debt to EBITDA ratio, the ratio of total debt to EBITDA (for the four most recent fiscal quarters) cannot exceed 5.0 to 1.0. The ratio of total senior secured debt to EBITDA cannot exceed 3.0 to 1.0. The limitation on restricted payments (such as dividends or other distributions) is subject to various carve outs which, amongst other things, permit distributions to fund debt service on the notes issued by DGL and DL so long as no default or potential default has occurred (or giving pro forma effect thereto, would occur).

The DIFL Facility documentation also includes customary yield protection and indemnification provisions.

Subject to customary exceptions, DIFL is required under certain circumstances to prepay amounts owed under the DIFL Facility, including (1) percentages of excess cash flow (net of certain amounts), (2) net proceeds from dispositions of assets (including casualty proceeds) in excess of specified thresholds (subject to reinvestment rights) and (3) net proceeds from the issuance or incurrence of certain debt. DIFL may, at its discretion, prepay amounts owed under the DIFL Facility, subject to funding breakage costs and minimum prepayment thresholds.

The DIFL Facility contains certain customary events of default relating to, among other things, nonpayment of principal or interest, breaches of representations, warranties and covenants, cross-default to other material debt, insolvency, material judgments, changes of control and material adverse effects.

As of March 31, 2023, \$997.2 million in aggregate principal amount was outstanding under the Existing DIFL Term Loans. Upon consummation of the Concurrent Transactions, the Existing DIFL Term Loans will be exchanged for an aggregate principal amount of New DIFL Term Loans in an amount equal to the New DIFL Term Loan Amount *minus* the aggregate principal amount of New DIFL Term Loans issued on account of the Commitment Payment to certain lenders under the Existing DIFL Term Loans as further described in "Description of the Concurrent Transactions." Certain terms of the New DIFL Term Loans are described below under "—New DIFL Credit Facility."

Bridge Facilities

On June 27, 2023, we entered into the Bridge Facilities, which provided commitments for an aggregate principal amount of \$60 million (split between two tranches of \$36 million and \$24 million respectively, for each Bridge Facility). Once drawn, the Bridge Facilities shall accrue interest at 9% paid monthly in cash with the balance under the Bridge Facilities due 180 days after their establishment. The Borrower shall have the ability to extend such maturity by 90 additional days, with the consent of the majority of the lenders providing the loans under the Bridge Facilities and upon the satisfaction of certain conditions. The Bridge Facilities rank *pari passu* with the existing loans under the DIFL Facility and are guaranteed by the same subsidiaries of DIFL and secured by the same collateral as the existing loans under the DIFL Facility.

The Bridge Facilities are subject to (i) the same affirmative and negative covenants as the DIFL Facility and (ii) additional affirmative and negative covenants further restricting investments, debt, liens, acquisitions and restricted payments. The Bridge Facilities are also subject to the same prepayment obligations as the DIFL Facility (with such prepayments being made on a *ratable* basis), plus an additional obligation to prepay amounts under the Bridge Facilities if, subject to limited exceptions, upon receipt of cash, property or other proceeds in respect of (i) any loan owed to DL or any of its subsidiaries by DGHL or any of its subsidiaries or (ii) any sale of equity of DIHL or any of its subsidiaries to DGHL or any of its subsidiaries (other than DIHL or any of its subsidiaries).

New DIFL Credit Facility

On the Scheme Effective Date, we will enter into the New DIFL Credit Facility under which the New DIFL Term Loans in a principal amount equal to the New DIFL Term Loan Amount *plus* the aggregate principal amount of New DIFL Term Loans issued on account of the applicable Work Payments to certain lenders under the Existing

DIFL Term Loans will be borrowed by us. Upon entry into the New DIFL Credit Facility and issuance of the New DIFL Term Loans, all obligations under the Existing DIFL Term Loans will be deemed repaid and satisfied in full.

At our election, all New DIFL Term Loans will accrue interest based on either SOFR or an Alternate Base Rate as the base rate. The Alternate Base Rate will be the highest of (a) the Federal Funds Effective Rate plus 0.50%, (b) SOFR plus 1.00%, and (c) the Prime Rate. The New DIFL Term Loans will have a per annum rate, depending on the foregoing election, of SOFR or Alternate Base Rate, plus a margin set to ensure interest rate parity between the New DIFL Term Loans and the New DIFL Secured Notes as of the fifth business day before the New DIFL Credit Facility Closing Date based on swap rate(s) of applicable duration at such time, which is payable in cash. In addition, for each interest period, PIK Interest shall be paid by increasing the principal of the outstanding New DIFL Term Loans. PIK Interest on the New DIFL Term Loans will accrue at a rate per annum of (i) 1.50% from the New DIFL Credit Facility Closing Date to the day prior to the first anniversary thereof, (ii) 2.25% from the first anniversary of the New DIFL Credit Facility Closing Date to the day prior to the second anniversary thereof and (iii) 3.00% from the second anniversary of the New DIFL Credit Facility Closing Date and thereafter; provided that, at DIFL's election, DIFL may pay all interest for any interest period in cash; provided further that, if cash interest is being paid under the New DML Unsecured Notes during an interest period, all interest on the New DIFL Term Loans for such interest period shall be payable in cash.

The New DIFL Term Loans will mature on May 25, 2027, with all loans due and payable in full on such date. DIFL is not required to make any amortization payments with respect to the New DIFL Term Loans. Outstanding New DIFL Term Loans are voluntarily prepayable, without premium or penalty.

The obligations of DIFL under the New DIFL Credit Facility will be guaranteed by certain of DIFL's subsidiaries and will be secured by substantially all of the assets (subject to certain exceptions) of DIFL and the subsidiary guarantors, including but not limited to pledges of and first priority perfected security interests over the shares and assets of DIFL and its subsidiaries, subject to certain customary exceptions and exclusions to be set forth in the definitive documentation of the New DIFL Credit Facility.

Certain of the affirmative covenants, negative covenants and amendment and waiver provisions under the New DIFL Credit Facility will be different and generally more restrictive than the affirmative covenants, negative covenants and amendment and waiver provisions contained in the DIFL Facility. Subject to the foregoing, the New DIFL Credit Facility will contain customary affirmative and negative covenants which, among other things, will include restrictions on investments, acquisitions, debt, liens, dispositions, restricted payments and restricted debt payments, in each case, subject to certain exceptions and exclusions to be set forth in the definitive documentation of the New DIFL Credit Facility. The New DIFL Credit Facility will also include customary events of default relating to, among other things, nonpayment of principal or interest, breaches of representations, warranties and covenants, cross-default to other material debt, insolvency, material judgments and changes of control. The New DIFL Credit Facility will not contain a financial covenant.

Subject to customary exceptions, we will be required under certain circumstances to prepay amounts owed under the New DIFL Credit Facility, including without limitation (i) percentages of excess cash flow (net of certain amounts and subject to DIHL and its Subsidiaries having unrestricted cash of no less than \$300 million), (ii) net proceeds from dispositions of assets (including casualty proceeds) in excess of specified thresholds (subject to limited reinvestment rights) and (iii) net proceeds from the issuance or incurrence of certain debt. We may, at our discretion, prepay amounts owed under the New DIFL Credit Facility on a ratable basis, subject to minimum prepayment thresholds and certain other conditions to be specified in the definitive documentation.

Existing DIFL Secured Notes

On March 15, 2019, DIHL and DIFL co-issued \$600 million in aggregate principal amount of the Existing DIFL Secured Notes, guaranteed on a senior secured basis by the DIFL Guarantors.

On June 23, 2020, DIFL completed an exchange offer, in which DIFL exchanged approximately \$1.3 billion of DL's then-existing 6.00% Notes due 2021 for (x) approximately \$626.3 million of additional Existing DIFL Secured Notes, (y) approximately \$317.2 million of the Existing DIFL Unsecured Notes and (z) approximately \$250.0 million of the Existing Notes.

Interest on the Existing DIFL Secured Notes accrues at a rate of 8.750% per year and is payable semi-annually in arrears in May 15 and November 15 of each year. The Existing DIFL Secured Notes will mature on May 25,

2024. The Existing DIFL Secured Notes are general secured obligations of DIHL, DIFL and the DIFL Guarantors, secured by a first priority lien on the assets of DIHL, DIFL and the DIFL Guarantors that secure the DIFL Facility. The Existing DIFL Secured Notes are effectively senior to all of DIHL's, DIFL's and the DIFL Guarantors' existing and future indebtedness that is unsecured or secured by junior liens, in each case to the extent of the value of the assets of DIHL, DIFL and the DIFL Guarantors that secure the DIFL Facility. As of March 31, 2023, \$1,226.3 million in aggregate principal amount of the Existing DIFL Secured Notes was outstanding.

DIHL or DIFL may redeem all or a portion of the Existing DIFL Secured Notes, plus accrued and unpaid interest, if any, to the redemption date, at the prices set forth in the Existing DIFL Secured Notes. If certain change of control events occur, holders of the Existing DIFL Secured Notes have the right to require DIHL and DIFL to repurchase the Existing DIFL Secured Notes at 101% of their principal amount, plus accrued and unpaid interest, if any, and any other amounts.

The indenture governing the Existing DIFL Secured Notes, among other things, restricts DIFL's ability and the ability of certain of its subsidiaries to incur additional indebtedness and issue preferred stock, pay dividends, make investments or certain other restricted payments, create liens, engage in sale leaseback transactions, guarantee debt and engage in amalgamations, mergers, consolidations and certain sales or leases of its properties and assets.

Upon consummation of the Concurrent Transactions, the Existing DIFL Secured Notes will be exchanged for an aggregate principal amount of New DIFL Secured Notes in an amount equal to the New DIFL Secured Notes Amount *minus* the aggregate principal amount of New DIFL Secured Notes issued on account of the Commitment Payment to certain holders of the Existing DIFL Secured Notes as further described in "Description of the Concurrent Transactions."

New DIFL Secured Notes

The New DIFL Secured Notes will be co-issued by DIHL and DIFL and will mature on May 25, 2027. Each New DIFL Secured Note will bear cash interest at a rate per annum equal to 9.0% semi-annually from the date of issuance of such notes. In addition, for each interest period, PIK Interest in addition to the cash interest shall be paid by increasing the principal of the outstanding New DIFL Secured Notes or by issuing additional New DIFL Secured Notes (rounded up to the nearest \$1.00). PIK Interest on the New DIFL Secured Notes will accrue at a rate per annum of (i) 1.50% from the Scheme Closing Date to the day prior to the first anniversary thereof, (ii) 2.25% from the first anniversary of the Scheme Closing Date to the day prior to the second anniversary thereof and (iii) 3.00% from the second anniversary of the Scheme Closing Date and thereafter; provided that, at DIFL's election, DIFL may pay all interest for any interest period in cash; provided further that if DIFL pays cash interest under the New DML Unsecured Notes for a given interest period, all interest on the New DIFL Secured Notes for such interest period shall be payable in cash. The New DIFL Secured Notes will be guaranteed, jointly and severally, by each of the subsidiaries of DIFL that guarantee the New DIFL Term Loans, and will be secured by first-priority liens on substantially all of the tangible and intangible assets, now owned or hereafter acquired, of DIHL, DIFL and the DIFL Guarantors that are pledged to secure the New DIFL Term Loans. The New DIFL Secured Notes will be secured obligations of DIHL, DIFL and the DIFL Guarantors, be effectively senior to all existing and future unsecured indebtedness of DIHL, DIFL and the DIFL Guarantors to the extent of the value of the collateral securing the New DIFL Secured Notes, rank equally in right of payment with all existing and future secured and unsubordinated indebtedness of DIHL, DIFL and the DIFL Guarantors (including the New DIFL Term Loans) and be structurally subordinated to all debt and other liabilities of DIFL's subsidiaries that do not guarantee such notes.

DIFL will be able to redeem all or a portion of the New DIFL Secured Notes, plus accrued and unpaid interest, if any, to the redemption date, at the prices set forth in the New DIFL Secured Notes. If certain change of control events occur, holders of the New DIFL Secured Notes will have the right to require DIHL and DIFL to repurchase the New DIFL Secured Notes at 101% of their principal amount, plus accrued and unpaid interest, if any, and any other amounts.

The indenture governing the New DIFL Secured Notes, among other things, will restrict DIFL's ability and the ability of certain of its subsidiaries to incur additional indebtedness and issue preferred stock, pay dividends, make investments or certain other restricted payments, create liens, engage in sale leaseback transactions, guarantee debt and engage in amalgamations, mergers, consolidations and certain sales or leases of its properties and assets.

Other Senior Secured Facilities

Digicel (Trinidad & Tobago) Limited

On September 3, 2018, Digicel (Trinidad & Tobago) Limited entered into a €5.0 million credit facility with First Caribbean International Bank (Trinidad & Tobago) Limited. The loan has a tenor of two years and is repayable in 24 equal monthly installments with the last installment due in September 2020. The interest rate is EURIBOR plus a margin of 3.00% per annum. The facility is secured by a charge over Trinidad & Tobago dollars in an amount equal to 110% of the outstanding principal amount of the applicable drawdown. This facility was repaid in full during year ended March 31, 2021.

On July 12, 2019, Digicel (Trinidad & Tobago) Limited entered into a \$5.0 million credit facility with RBC Royal Bank (Trinidad & Tobago) Limited. The loan has a tenor of three years and is repayable in 36 equal monthly installments with the last installment due in June 2022. The interest rate is the Royal Bank US Prime Rate minus a margin of 1.00% per annum (4.50% in aggregate). The facility is secured by a charge over Trinidad & Tobago dollars in an amount equal to 110% of the outstanding principal amount of the applicable drawdown. This facility was repaid in full during the year ended March 31, 2022.

Other

Certain of our subsidiaries have other senior secured facilities. These facilities were in place in entities acquired by Digicel, including IDOM Technologies. The amount outstanding under these facilities as of March 31, 2023 was \$0.6 million. These facilities are denominated in euro, have interest rates ranging from 2.83% to 3.30% and mature at various stages up to January 2025.

Digicel International Finance Limited Notes

Existing DIFL Unsecured Notes

As part of the exchange offer completed on June 23, 2020, DIHL and DIFL co-issued approximately \$317.2 million in aggregate principal amount of the Existing DIFL Unsecured Notes, guaranteed on a senior unsecured basis by each of the DIFL Guarantors.

Cash interest on the Existing DIFL Unsecured Notes accrues at a rate of 6.0% per year and is payable semi-annually in arrears in June 15 and December 15 of each year. In addition, PIK Interest on the Existing DIFL Unsecured Notes accrues at a rate of 7.0% per year and is payable semi-annually in arrears in June 15 and December 15 of each year. The Existing DIFL Unsecured Notes will mature on December 31, 2025. The Existing DIFL Unsecured Notes are general unsecured unsubordinated obligations of DIFL, DIHL and the DIFL Guarantors, and rank equal in right of payment with all of DIHL's, DIFL's and the DIFL Guarantors' existing and future unsecured unsubordinated obligations. As of March 31, 2023, approximately \$381.0 million in aggregate principal amount of the Existing DIFL Unsecured Notes was outstanding.

DIHL or DIFL may redeem all or a portion of the Existing DIFL Unsecured Notes, plus accrued and unpaid interest, if any, to the redemption date, at the prices set forth in the Existing DIFL Unsecured Notes. If certain change of control events occur, holders of the Existing DIFL Unsecured Notes have the right to require DIHL and DIFL to repurchase the Existing DIFL Unsecured Notes at 101% of their principal amount, plus accrued and unpaid interest, if any, and any other amounts.

The indenture governing the Existing DIFL Unsecured Notes, among other things, restricts DIFL's ability and the ability of certain of its subsidiaries to incur additional indebtedness and issue preferred stock, pay dividends, make investments or certain other restricted payments, create liens, engage in sale leaseback transactions, guarantee debt and engage in amalgamations, mergers, consolidations and certain sales or leases of its properties and assets.

Upon consummation of the Concurrent Transactions, the Existing DIFL Unsecured Notes will be exchanged for an aggregate principal amount of New DML Unsecured Notes equal to the New DML Unsecured Notes Amount *minus* the aggregate principal amount of New DML Unsecured Notes issued on account of the Commitment Payment to certain holders of the Existing DIFL Unsecured Notes as further described in "Description of the Concurrent Transactions."

New DML Unsecured Notes

The New DML Unsecured Notes will be issued by DML and will mature on November 25, 2028. Each New DML Unsecured Note will bear PIK Interest semi-annually at a rate per annum equal to (i) 10.50% from the Scheme Closing Date to the day prior to the second anniversary of the Scheme Closing Date and (ii) 11.0% from the second anniversary of the Scheme Closing Date and thereafter; provided that, from and after the second anniversary of the Closing Date, at DML's election, DML may pay all interest for any interest period in cash at a rate per annum of 10.50%, provided that DML has satisfied certain financial conditions. The New DML Unsecured Notes will be unsecured obligations of DML, be effectively subordinated to all existing and future secured indebtedness of DML and its subsidiaries (including the New DIFL Term Loans and the New DIFL Secured Notes) to the extent of the value of the collateral securing such indebtedness, rank equally in right of payment with all existing and future unsubordinated indebtedness of DML and be structurally subordinated to all debt and other liabilities of DML's subsidiaries (including the New DIFL Term Loans and the New DIFL Secured Notes).

DML will be able to redeem all or a portion of the Existing DIFL Unsecured Notes, plus accrued and unpaid interest, if any, to the redemption date, at the prices set forth in the New DML Unsecured Notes. If certain change of control events occur, holders of the New DML Unsecured Notes have the right to require DML to repurchase the Existing DIFL Unsecured Notes at 100% of their principal amount, plus accrued and unpaid interest, if any, and any other amounts.

The indenture governing the New DML Unsecured Notes, among other things, will restrict DML's ability and the ability of certain of its subsidiaries to incur additional indebtedness and issue preferred stock, pay dividends, make investments or certain other restricted payments, create liens, engage in sale leaseback transactions, guarantee debt and engage in amalgamations, mergers, consolidations and certain sales or leases of its properties and assets.

Existing Notes

As part of the exchange offer completed on June 23, 2020, DIHL and DIFL co-issued approximately \$250.0 million of the Existing Notes, guaranteed on an unsecured and subordinated basis by the Guarantors that are subsidiaries of DIFL (the "Subsidiary Guarantors"). In addition, the Existing Notes are guaranteed on a senior secured basis by DHL. DHL's guarantee of the Existing Notes is secured by certain intercompany promissory notes pledged by certain non-guarantor subsidiaries of DIFL in favor of DHL.

Interest on the Existing Notes accrues at a rate of 8.0% per year and is payable semi-annually in arrears in June 15 and December 15 of each year. The Existing Notes will mature on December 31, 2026. The Existing Notes are general unsecured obligations of DIFL, DIHL and the Guarantors, and are subordinated in right of payment with all of DIHL's, DIFL's and the Guarantors' existing and future senior debt obligations in accordance with the subordination provisions of the Existing Indenture. As of March 31, 2023, approximately \$250.0 million in aggregate principal amount of the Existing Notes was outstanding.

DIHL or DIFL may redeem all or a portion of the Existing Notes, plus accrued and unpaid interest, if any, to the redemption date, at the prices set forth in the Existing Notes. If certain change of control events occur, holders of the Existing Notes have the right to require DIHL and DIFL to repurchase the Existing Notes at 101% of their principal amount, plus accrued and unpaid interest, if any, and any other amounts.

The Existing Indenture, among other things, restricts DIFL's ability and the ability of certain of its subsidiaries to incur additional indebtedness and issue preferred stock, pay dividends, make investments or certain other restricted payments, create liens, engage in sale leaseback transactions, guarantee debt and engage in amalgamations, mergers, consolidations and certain sales or leases of its properties and assets.

If we include the Existing Notes in the Concurrent DIFL Scheme, then, upon consummation of the Concurrent DIFL Scheme, the Existing Notes will be exchanged for 13.05%³ of the DHL Common Shares and 21.10%⁴ of the

³ Based on the aggregate principal amount outstanding of Existing Notes, including accrued and unpaid interest, as of August 15, 2023, and the Existing Notes Commitment Payment.

⁴ Based on the aggregate principal amount outstanding of Existing Notes, including accrued and unpaid interest, as of August 15, 2023.

Rights Offering Equity Adjustment (subject to dilution by the Existing DIFL Subordinated Notes Commitment Payment).

The Existing Notes are subject to the Exchange Offer and Solicitation. See “Description of the Exchange Offer, Solicitation and Scheme.”

DL Senior Notes

Existing DL Notes

On March 3, 2015, Digicel Limited issued \$925 million in aggregate principal amount of the Existing DL Notes.

Interest on the Existing DL Notes accrues at the rate of 6.750% per year and is payable semi-annually in arrears on March 1 and September 1 of each year. The Existing DL Notes matured on March 1, 2023. The Existing DL Notes are DL’s general unsecured unsubordinated obligations and rank equal in right of payment with all of DL’s existing and future unsecured unsubordinated obligations. As of March 31, 2023, \$925.0 million in aggregate principal amount of the Existing DL Notes was outstanding.

DL may redeem all or a portion of the Existing DL Notes, plus accrued and unpaid interest, if any, to the redemption date, at the prices set forth in the Existing DL Notes. If certain change of control events occur, holders of the Existing DL Notes have the right to require DL to repurchase the Existing DL Notes at 101% of their principal amount, plus accrued and unpaid interest, if any, and any other amounts.

The indenture governing the Existing DL Notes, among other things, restricts DL’s ability and the ability of certain of its subsidiaries to incur additional indebtedness and issue preferred stock, pay dividends, make investments or certain other restricted payments, create liens, engage in sale-leaseback transactions, guarantee debt and engage in amalgamations, mergers, consolidations and certain sales or leases of its properties and assets.

The Existing DL Notes are guaranteed on a subordinated basis by DHL, DIHL, DIFL and the Subsidiary Guarantors.

DL entered into a fourth supplemental indenture dated February 27, 2023 among DL, the guarantors party thereto and the Trustee, a fifth supplemental indenture dated March 30, 2023 among DL, the guarantors party thereto and the Trustee, a sixth supplemental indenture dated April 28, 2023 among DL, the guarantors party thereto and the Trustee and a seventh supplemental indenture dated May 26, 2023 among DL, the guarantors party thereto and the Trustee, to amend the indenture governing the Existing DL Notes to provide for a grace period, which period was extended to 180 days upon DL entering into the RSA, before a default in the payment of interest, certain additional amounts, principal or premium with respect to the Existing DL Notes constitutes an “Event of Default” as defined in the indenture governing the Existing DL Notes.

Upon consummation of the Concurrent Transactions, the Existing DL Notes will be exchanged for 48.78%⁵ of the DHL Common Shares (subject to dilution by the Existing DL Notes Commitment Payment) and 78.90%⁶ of the Rights Offering Equity Adjustment, as further described in “Description of the Concurrent Transactions.”

Operational Financing

Our operational financing is funded from our cash flows. Most of the cell sites across all of our markets are subject to operating leases, with contract lengths greater than five years in most cases.

⁵ Based on the aggregate principal amount outstanding of Existing DL Notes, including accrued and unpaid interest, as of August 15, 2023, and the Existing DL Notes Commitment Payment.

⁶ Based on the aggregate principal amount outstanding of Existing DL Notes, including accrued and unpaid interest, as of August 15, 2023.

DESCRIPTION OF THE EXCHANGE OFFER, SOLICITATION AND SCHEME

The Exchange Offer

Upon the terms and subject to the conditions set forth in this offering memorandum, we are offering to exchange any and all of the Existing Notes validly tendered (and not validly withdrawn) and accepted for exchange by us for DHL Common Shares. For Existing Notes validly tendered at or before the Early Tender Date and not validly withdrawn at or before the Withdrawal Deadline, Eligible Holders of Existing Notes will be eligible to receive the applicable Total Tender Consideration, which includes the Early Tender Premium, set forth under “—Early Tender Premium” below. For Existing Notes validly tendered after the Early Tender Date but at or before the Expiration Date, Eligible Holders of such Existing Notes will be eligible to receive only the applicable Tender Consideration set forth under “—Tender Consideration” below.

Our obligation to accept Existing Notes that are validly tendered is subject to the satisfaction or waiver of the conditions described under “—Conditions to the Exchange Offer and Solicitation,” including, without limitation, the Concurrent Transactions Condition. The Expiration Date may be extended until the Concurrent Transactions Condition can be satisfied.

The Exchange Offer is conditioned upon the consummation of the Concurrent Transactions substantially concurrently with the settlement of the Exchange Offer. The Concurrent Transactions are described in “Description of the Concurrent Transactions.” For details on the conditions to the Exchange Offer, see “—Conditions to the Exchange Offer and Solicitation.”

Subject to applicable law and the terms of the RSA, the Exchange Offer may be amended, extended, terminated or withdrawn at any time and for any reason, including if any of the conditions described above are not satisfied or waived by the Expiration Date.

The Consent Solicitation

Concurrently with making the Exchange Offer, upon the terms and subject to the conditions set forth in this offering memorandum, we are also soliciting consents from holders of the Existing Notes to amend the Existing Indenture to effect (a) the Proposed Covenant Amendments, which would (i) eliminate substantially all of the covenants, restrictive provisions and events of default and (ii) release all of the collateral securing DHL’s guarantee of the Existing Notes and (b) the Proposed Guarantee Release Amendments, which would, if the 66 2/3% Condition is satisfied, but the 75% Condition is not satisfied or DIHL and DIFL do not propose the Scheme, release all of the guarantees of the Existing Notes. The Proposed Covenant Amendments and the Proposed Guarantee Release Amendments are described in more detail under “The Proposed Amendments.” If the Proposed Covenant Amendments and the Proposed Guarantee Release Amendments, as applicable, are approved with respect to the Existing Indenture and effected, they will be binding on all holders of the Existing Notes, including those who do not deliver their consent to the Proposed Amendments and do not tender their Existing Notes in the Exchange Offer.

In addition, if an Eligible Holder validly tenders and does not validly withdraw its Existing Notes in the Exchange Offer, such Eligible Holder will be deemed to automatically and unconditionally deliver instructions for the Attorney-in-Fact, effective immediately, to act as its true and lawful agent, attorney-in-fact and proxy with respect to the Existing Notes solely for the purpose of taking all steps necessary, including executing all documentation necessary, as may be required by applicable law, (a) to cause such tendered Existing Notes to be assigned, transferred and exchanged and (b) in such capacity as true and lawful agent, attorney-in-fact and proxy, to irrevocably vote in favor (including, if required, attending a meeting and voting on behalf of such tendered Existing Notes) of a Scheme with respect to the principal amount of such Existing Notes, with such Instructions to be automatically delivered to the Exchange Agent by the Eligible Holder’s Nominee immediately following the tender of such Existing Notes through ATOP using the Nominee Instruction Form; *provided, however*, that any such Instructions granted by a holder of Existing Notes that is a part to the RSA shall automatically be deemed to be revoked upon the termination of the RSA. For the avoidance of doubt, in connection with the tender of Existing Notes by an Eligible Holder, the submission of the ATOP instruction without the submission by such Eligible Holder’s Nominee of the corresponding Nominee Instruction Form shall not be sufficient to grant the Instructions. In order for a tender of Existing Notes to be valid, a corresponding Nominee Instruction Form must be submitted.

If (i) the Exchange Offer is terminated or withdrawn and DIHL and DIFL have not announced their intention to promptly commence a Scheme with respect to the Existing Notes, (ii) DIHL and DIFL have announced their intention to promptly commence a Scheme with respect to the Existing Notes but do not commence the Scheme

within 20 business days of such announcement or (iii) DIHL and DIFL commence but does not consummate a Scheme with respect to the Existing Notes, the Proposed Amendments to the Existing Indenture will cease to be effective with respect to the Existing Notes, and the Existing Notes will be subject to the same terms and conditions as existed before the Exchange Offer was made. Eligible Holders may not deliver a consent in the Solicitation without tendering Existing Notes in the Exchange Offer. If an Eligible Holder tenders Existing Notes in the Exchange Offer, such Eligible Holder will be deemed to deliver its consent, with respect to the principal amount of such tendered Existing Notes, to the Proposed Amendments with respect to such Existing Notes.

The Proposed Amendments constitute a single proposal with respect to the Existing Indenture and a consenting and tendering holder of Existing Notes must consent to the adoption of the Proposed Amendments with respect to such Existing Notes in their entirety and may not consent selectively with respect to any Proposed Amendments.

The Existing Notes may be tendered, and consents may be delivered, only in principal amounts equal to minimum denominations of \$1.00 and integral multiples of \$1.00 in excess thereof. No Eligible Holder may tender less than all of its Existing Notes in the Exchange Offer. No alternative, conditional irregular or contingent tenders will be accepted.

Tendered Existing Notes may be withdrawn and consents may be revoked before the Withdrawal Deadline, but Existing Notes may not be withdrawn and consents may not be revoked at or after the Withdrawal Deadline, even if we otherwise extend the Exchange Offer and Solicitation beyond the Expiration Date, except in certain limited circumstances where additional withdrawal rights are required by law. Consents given in connection with the tender of the Existing Notes cannot be revoked without withdrawing the Existing Notes, and tendered Existing Notes cannot be withdrawn without also revoking the consent related to the Existing Notes. Satisfaction of the 75% Condition in respect of the Existing Notes in advance of the Withdrawal Deadline of the Exchange Offer will not result in any change in the terms of the Exchange Offer, and Eligible Holders will continue to be able to withdraw their Existing Notes and thereby revoke their consents until the Withdrawal Deadline.

Scheme of Arrangement

In addition, if an Eligible Holder validly tenders and does not validly withdraw its Existing Notes in the Exchange Offer, such Eligible Holder will be deemed to automatically and unconditionally deliver instructions for the Attorney-in-Fact, effective immediately, to act as its true and lawful agent, attorney-in-fact and proxy with respect to the Existing Notes solely for the purpose of taking all steps necessary, including executing all documentation necessary, as may be required by applicable law, (a) to cause such tendered Existing Notes to be assigned, transferred and exchanged and (b) in such capacity as true and lawful agent, attorney-in-fact and proxy, to irrevocably vote in favor (including, if required, attending a meeting and voting on behalf of such tendered Existing Notes) of a Scheme with respect to the principal amount of such Existing Notes, with such Instructions to be automatically delivered to the Exchange Agent by the Eligible Holder's Nominee immediately following the tender of such Existing Notes through ATOP using the Nominee Instruction Form; *provided, however*, that any such Instructions granted by a holder of Existing Notes that is a part to the RSA shall automatically be deemed to be revoked upon the termination of the RSA. For the avoidance of doubt, in connection with the tender of Existing Notes by an Eligible Holder, the submission of the ATOP instruction without the submission by such Eligible Holder's Nominee of the corresponding Nominee Instruction Form shall not be sufficient to grant the Instructions. In order for a tender of Existing Notes to be valid, a corresponding Nominee Instruction Form must be submitted.

If we achieve the 75% Condition with respect to the Existing Notes, DIHL and DIFL expect to propose and vote such Existing Notes in favor of a Scheme. The Scheme would include four classes of creditors, consisting of holders of the Existing Notes, the Existing DIFL Secured Notes, the Existing DIFL Unsecured Notes and the Existing DIFL Term Loans. The terms of the Scheme with respect to the Existing DIFL Secured Notes, the Existing DIFL Unsecured Notes and the Existing DIFL Term Loans are described in "Description of Concurrent Transactions." For the avoidance of doubt, we reserve the absolute right, subject to the terms of the RSA, to propose a Scheme with respect to the Existing Notes even if we do not achieve the 75% Condition.

If we decide to propose a Scheme with respect to the Existing Notes, we will make an application to the Bermuda Court to request an order directing us to convene a meeting of the holders of the Existing Notes to consider and vote upon the Scheme, which is a Bermuda scheme of arrangement pursuant to Section 99 of the Bermuda Companies Act, as amended. Pursuant to the Scheme, DIHL and DIFL would, if the applicable voting thresholds are met at the meeting of scheme creditors (i.e., a majority in number representing 75% in value of the aggregate principal amount outstanding of the Existing Notes, the Existing DIFL Secured Notes, the Existing DIFL Unsecured

Notes and the Existing DIFL Term Loans) and the Scheme is sanctioned by the Bermuda Court, be authorized by the Bermuda Court to exchange all outstanding Existing Notes, even Existing Notes of holders who tendered but validly withdrew such Existing Notes and holders who did not tender such Existing Notes as part of the Exchange Offer, for the DHL Common Shares, in each case, pursuant to the Scheme. However, even if we do propose the Scheme, we cannot provide any assurance that the Bermuda Court will sanction the Scheme or sanction the Scheme upon the terms and conditions we present.

We can provide no assurance that a Scheme, if commenced, can or will be completed. If DIHL and DIFL propose a Scheme with respect to the Existing Notes, the Exchange Offer will not be terminated until the Scheme is consummated. If we propose a Scheme, DHL will not be a Scheme company but will deliver an undertaking to the Bermuda Court that it shall take all action necessary to implement the terms of the Scheme, including issuing the New Securities.

If the 75% Condition is not satisfied or DIHL and DIFL propose but do not consummate the Scheme, then, pursuant to the terms of the RSA (including the definition of “Implementation Mechanisms” thereunder), following the effectiveness of the Proposed Covenant Amendments and in connection with the settlement of the Exchange Offer and the consummation of the Concurrent Transactions, we may determine to transfer all of the assets of DIFL and each of the Guarantors to newly created subsidiaries to be indirectly owned by New DHL, none of which will be obligors of the Existing Notes, pursuant to the Asset Transfers. In addition, all of the collateral securing DHL’s guarantee of the Existing Notes will be released pursuant to the Collateral Release. Pursuant to the RSA, holders of more than 50% of the outstanding principal amount of the Existing Notes have agreed to tender their Existing Notes in the Exchange Offer and deliver their consents to the Proposed Amendments prior to the Early Tender Date. As a result, we expect to receive the requisite consents to enter into a supplemental indenture to the Existing Indenture to give effect to the Proposed Covenant Amendments immediately following the Withdrawal Deadline, which will permit us to effectuate the Asset Transfers and Collateral Release. Following the completion of the Asset Transfers and Collateral Release, the Existing Notes will remain the obligations of DIHL, DIFL and the Guarantors, but DIHL, DIFL and each of the Guarantors will have no valuable assets remaining. If this occurs, Eligible Holders of the Existing Notes that do not tender their Existing Notes likely will not be able to recover any interest or principal on their Existing Notes as a result of the Asset Transfers and Collateral Release. In addition, if the 66 2/3% Condition is satisfied, but the 75% Condition is not satisfied or DIHL and DIFL do not propose the Scheme, then we will cause each Guarantor to release its guarantee of the Existing Notes. See “Risk Factors—Risks Relating to the Non-Tendering Holders of the Existing Notes—If you are an Eligible Holder of Existing Notes and you do not tender your Existing Notes and the Exchange Offer is consummated, you may ultimately find that the Existing Notes Issuers and the Guarantors could be unable to repay or refinance such non-tendered Existing Notes.” If we effectuate the Asset Transfers and Collateral Release in connection with the settlement of the Exchange Offer and the consummation of the Concurrent Transactions, then, upon consummation of the Concurrent Transactions, (i) New DIFL (rather than DIFL) will issue the New DIFL Secured Notes and the New DIFL Term Loans that will each be guaranteed on a senior secured basis by (a) New DIHL (rather than DIHL) and (b) certain subsidiaries of New DIFL, including the New Guarantors, (ii) DML, a direct subsidiary of New DHL and the direct parent of New DIHL, will issue the New DML Unsecured Notes and (iii) New DHL (rather than DHL) will issue the Exit Preferred Shares and the DHL Common Shares, as described in “Description of the Concurrent Transactions.” If we effectuate the Asset Transfers and Collateral Release, references in the offering memorandum to “DHL” and “Digicel Holdings (Bermuda) Limited” shall refer to New DHL, references to “DIHL” and “Digicel Intermediate Holdings Limited” shall refer to New DIHL and references to “DIFL” and “Digicel International Finance Limited” shall refer to New DIFL, in each case unless context otherwise requires.

The New Money Offering

In connection with the Exchange Offer, we are also offering Eligible Holders that tender their Existing Notes in the Exchange Offer the opportunity to subscribe for their Pro Rata Portion of (a) the Exit Preferred Shares Offering Amount and (b) the Subscription DHL Common Shares. Eligible Holders that tender their Existing Notes in the Exchange Offer may, at the time of their tender, subscribe for their Pro Rata Portion of the Exit Preferred Shares Offering Amount and the Subscription DHL Common Shares by electing Option 1, Option 2, Option 3 or Option 4. To be eligible to receive their Pro Rata Portion of Exit Preferred Shares Offering Amount and the Subscription DHL Common Shares, the New Money Participants must deliver to the Exchange Agent by the Funding Deadline cash by wire transfer of immediately available funds in an amount equal to the Subscription Price with respect to such New Money Participant’s Pro Rata Portion of the Exit Preferred Shares Offering Amount and the Subscription DHL

Common Shares, which Subscription Price shall be equal to such New Money Participant's Pro Rata Portion *multiplied by* the Exit Preferred Shares Offering Amount. For the avoidance of doubt, Eligible Holders that subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares by electing Option 1 or Option 2 are subscribing for their Pro Rata Portion of both the Exit Preferred Shares Offering Amount and the Subscription DHL Common Shares. The Exit Preferred Shares and the Subscription DHL Common Shares will be issued on the Settlement Date as part of the settlement of the Exchange Offer.

On the Funding Notice Date, the Exchange Agent will deliver to the Nominee of each New Money Participant the Funding Notice stating the Funding Deadline, the Exit Preferred Shares Offering Amount, the Subscription Price per \$1,000 principal amount of Existing Notes and the wire instruction details for the Subscription Price. Pursuant to the Funding Notice, New Money Participants must deliver to the Exchange Agent cash by wire transfer of immediately available funds in an amount equal to the Subscription Price by the Funding Deadline. Each New Money Participant is responsible for ensuring that it or its Nominee that wires the Subscription Price to the Exchange Agent includes the relevant VOI number (or Euroclear or Clearstream reference number) related to the ATOP tender of such Eligible Holder's Existing Notes in the memo field in such wire so that the Exchange Agent may identify the Eligible Holder submitting payment. Defaulting Holders will not receive any Exit Preferred Shares or Subscription DHL Common Shares in the Exchange Offer and will instead be deemed to have elected Option 5, with respect to any election of Option 1 or Option 2, or deemed to have elected Option 6, with respect to any election of Option 3 or Option 4. Partial payment of the Subscription Price will be treated as non-payment, and such partial payment will be returned to the Eligible Holder.

New Securities

The Exit Preferred Shares will be issued by DHL and will be senior to any existing or future equity securities of DHL, including with respect to any repayment, redemption, refinancing, distributions, and rights to accretion and in any liquidation, bankruptcy, winding-up, and dissolution. The dividends on the Exit Preferred Shares will be equal to 12% per annum, accruing on a daily basis on the Accreted Liquidation Preference, whether or not declared and paid, and compounded annually in arrears and become part of the Accreted Liquidation Preference of the Exit Preferred Shares to the extent not paid in cash on the applicable dividend payment date; provided that, the dividends on the Exit Preferred Shares will increase by 2% per annum during the continuance of any breach (subject to materiality qualifiers in the case of certain provisions to be agreed under the definitive documentation with respect to the Exit Preferred Shares) of DHL's obligations, covenants, representations, warranties or agreements under the terms governing the Exit Preferred Shares. The Exit Preferred Shares, to the extent not redeemed in cash, will (i) at DHL's option, be convertible to DHL Common Shares at any time after the third anniversary of the Settlement Date and (ii) be mandatorily convertible to DHL Common Shares on the fourth anniversary of the Settlement Date, in each case at a conversion price based on the Accreted Liquidation Preference divided by an equity value of \$400 million (after giving effect to such conversion). In addition, the Exit Preferred Shares will be mandatorily redeemable in cash from time to time with 100% of the gross cash proceeds of repayments of certain intercompany loans, subject to a cap equal to the Exit Preferred Shares Offering Amount; provided that DHL may defer such mandatory cash redemption to the extent that DIFL and its subsidiaries are projected in good faith by the board of directors of DHL to have less than \$100 million of unrestricted cash and cash equivalents at any time during the six full calendar months after giving effect to such redemption. There will be two classes of Exit Preferred Shares: Voting Exit Preferred Shares, which will have the right to vote on an as-converted basis with respect to any matter on which holders of the Voting DHL Common Shares are entitled to vote, and Non-Voting Exit Preferred Shares, which will not have any voting rights. The Exit Preferred Shares are described further under "Description of the Exit Preferred Shares." After the Expiration Date and until the earlier of (i) 15 days before the Scheme Closing Date and (ii) December 15, 2023, the Company may, in its sole discretion, permit holders of Existing Notes to elect to receive Voting Exit Preferred Shares in lieu of Non-Voting Exit Preferred Shares, or Non-Voting Exit Preferred Shares in lieu of Voting Exit Preferred Shares. Holders of Existing Notes that wish to make any such change following the Expiration Date should contact the Exchange Agent, and the Exchange Agent shall relay the request to the Company for review.

The DHL Common Shares will be issued by DHL. There will be two classes of DHL Common Shares: Voting DHL Common Shares, which will have voting rights of one vote per share, and Non-Voting DHL Common Shares, which will not have any voting rights. Except with respect to voting rights, the Voting DHL Common Shares and Non-Voting DHL Common Shares will otherwise have identical rights. Holders of Non-Voting DHL Common Shares will not be able to vote with respect to any Non-Voting DHL Common Shares held by them on any matters submitted to DHL shareholder vote under Bermuda law. See "Risk Factors—Risks Relating to the New Securities—

Non-Voting Exit Preferred Shares and Non-Voting DHL Common Shares will have no voting rights. As a result, holders of the Non-Voting Exit Preferred Shares and the Non-Voting DHL Common Shares will not have any ability to influence any matters submitted to a vote of the DHL shareholders.” Upon consummation of the Exchange Offer or the Scheme, as applicable, and the Concurrent Transactions, holders of the Voting Exit Preferred Shares will constitute 30.25% of the voting power of DHL, assuming (i) \$121 million of Voting Exit Preferred Shares are issued and outstanding, (ii) no reduction in the Exit Preferred Shares Offering Amount and all (iii) Eligible Holders elect to receive Voting Exit Preferred Shares, and will vote together in a single class with the holders of the DHL Common Shares on an as-converted basis. See “Risk Factors—Risks Relating to the New Securities—The DHL Common Shares may be subject to dilution by shares or other equity awards issued pursuant to the MIP or upon conversion of the Exit Preferred Shares or exercise of the warrants issued pursuant to the Services Agreement (as defined herein). The issuance of additional shares in DHL, including in connection with the foregoing, will dilute other shareholdings and may depress the price of the DHL Common Shares.” The DHL Common Shares are described under “Description of the DHL Common Shares.” After the Expiration Date and until the earlier of (i) 15 days before the Scheme Closing Date and (ii) December 15, 2023, the Company may, in its sole discretion, permit holders of Existing Notes to elect to receive Voting DHL Common Shares in lieu of Non-Voting DHL Common Shares, or Non-Voting DHL Common Shares in lieu of Voting DHL Common Shares. Holders of Existing Notes that wish to make any such change following the Expiration Date should contact the Exchange Agent, and the Exchange Agent shall relay the request to the Company for review.

The New Securities will not be eligible for distribution through DTC and will instead be issued in book-entry form on the register of members of DHL. In order to receive the New Securities, each Eligible Holder must complete and submit the Equity Registration Form, as further described under “Book Entry, Delivery and Form.” The issuance of the New Securities has not been, and will not be, registered with the SEC under the U.S. Securities Act, or the securities laws of any other jurisdiction. The New Securities may not be offered or sold in the United States or to any U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See “Transfer Restrictions.”

Holders Eligible to Participate in the Exchange Offer and Solicitation

We will conduct the Exchange Offer and Solicitation in accordance with the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations of the SEC thereunder. The distribution of this offering memorandum is limited to those holders of Existing Notes who have certified that they are either QIBs as defined in Rule 144A or persons outside the United States that are not “U.S. persons” within the meaning of Regulation S and that are not acquiring the New Securities for the account or benefit of a U.S. person.

Only holders of Existing Notes who have properly completed and submitted the eligibility certification to the Information Agent are authorized to receive and review this offering memorandum. Eligible Holders of Existing Notes that wish to subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares but do not wish to tender their Existing Notes should contact DHL for further instructions.

Restructuring Support Agreement and Backstop Commitment Agreement

Pursuant to the RSA, certain holders of approximately 52.3% of the aggregate outstanding principal amount of the Existing Notes have committed to tender their Existing Notes in the Exchange Offer prior to the Early Tender Date. In addition, pursuant to the RSA, certain holders of Existing Notes that have signed the RSA will receive an aggregate of 1.32% of DHL Common Shares upon consummation of the Exchange Offer or the Scheme, as applicable.

In addition, the Backstop Parties have entered into the Backstop Commitment Agreement pursuant to which, and subject to the terms and conditions therein, each of the Backstop Parties has agreed to, among other things, (i) subscribe for its Pro Rata Portion of the Exit Preferred Shares Offering Amount and the Subscription DHL Common Shares by electing Option 1, Option 2, Option 3 or Option 4 and (ii) purchase the Exit Preferred Shares and Subscription DHL Common Shares in an amount up to its agreed percentage of the Shortfall, in exchange for the Backstop Payment.

The New Securities will only be issued in whole shares. If, pursuant to the Exchange Offer, a tendering Eligible Holder would otherwise be entitled to receive a number of New Securities that is not a whole number of shares, such number of number of New Securities will be rounded down to the nearest whole share, and such Eligible Holder will receive this rounded number of New Securities and no additional cash will be paid in lieu of any number of New Securities not received as a result of rounding down.

No Partial Tenders

In order to tender Existing Notes pursuant to the Exchange Offer, Eligible Holders will be required, at the time of such tender, to certify to us that they (i) have validly tendered and not validly withdrawn any and all Existing Notes beneficially owned by them pursuant to the Exchange Offer, (ii) will not validly withdraw any such tender of any Existing Notes unless they validly withdraw their tender of all such Existing Notes and (iii) shall not take, encourage, assist or support (or procure that any other person take, encourage, assist or support) any action which would, or would reasonably be expected to, breach, be inconsistent with, delay, impede or prevent the implementation or consummation of the Exchange Offer, Scheme or the Concurrent Transactions. **To validly tender Existing Notes, such Existing Notes must be actually transferred electronically, pursuant to the procedures for book-entry transfer described herein via DTC (using DTC's ATOP system).** Any tender of Existing Notes that does not comply with these provisions could result in the rejection of all tenders of all Existing Notes tendered by such Eligible Holder pursuant to the Exchange Offer. We reserve the absolute right to waive any defects or irregularities with respect to any such attestation or tender, subject to applicable law and the terms of the RSA. For further details, see "—Certification of Participation in the Exchange Offer." **To be eligible to receive the Exit Preferred Shares and the Subscription DHL Common Shares, Eligible Holders must (i) subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares by electing Option 1, Option 2, Option 3 or Option 4 at the time they tender their Existing Notes via ATOP and (ii) deliver cash to the Exchange Agent in an amount equal to the Subscription Price by the Funding Deadline. Any Defaulting Holder will not receive any Exit Preferred Shares or Subscription DHL Common Shares and will instead be deemed to have elected Option 5, with respect to any election of Option 1 or Option 2, or deemed to have elected Option 6, with respect to any election of Option 3 or Option 4.** Partial payment of the Subscription Price will be treated as non-payment, and such partial payment will be returned to the Eligible Holder.

Early Tender Premium

For Existing Notes validly tendered at or before the Early Tender Date and not validly withdrawn at or before the Withdrawal Deadline, Eligible Holders of such Existing Notes will be eligible to receive the applicable Total Tender Consideration set out in the table below, which includes the applicable Early Tender Premium. For Existing Notes validly tendered after the Early Tender Date and at or before the Expiration Date, Eligible Holders of such Existing Notes will be eligible to receive only the applicable Tender Consideration set out in the table below, which does not include the applicable Early Tender Premium.

The following table sets forth the applicable Tender Consideration, Early Tender Premium and Total Tender Consideration for the Existing Notes:

Existing Notes to be Tendered	CUSIP / ISIN Numbers	Aggregate Principal Amount Outstanding⁽¹⁾	Tender Consideration⁽²⁾⁽³⁾⁽⁴⁾	Early Tender Premium⁽⁴⁾	Total Tender Consideration⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾
Existing Notes	25381XAC7 / US25381XAC74; G2770MAC2 / USG2770MAC22	\$250,002,707	<u>New Money Participants:</u>	<u>New Money Participants:</u>	<u>New Money Participants:</u>
			<u>Option 1:</u> (i) pro rata share of (a) 13.05% of Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Voting DHL Common Shares, and (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Voting Exit Preferred Shares, and Subscription DHL Common Shares, in the form of Voting DHL Common Shares	<u>Option 1:</u> 0.0000025% of Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes	<u>Option 1:</u> (i) pro rata share of (a) 13.05% of Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Voting DHL Common Shares, (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Voting Exit Preferred Shares, and Subscription DHL Common Shares, in the form of Voting DHL Common Shares, and (iii) 0.0000025% of Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes
			<u>Option 2:</u> (i) pro rata share of (a) 13.05% of Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Voting DHL Common Shares, and (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Non-Voting Exit Preferred Shares and Subscription DHL Common Shares, in the form of Voting DHL Common Shares	<u>Option 2:</u> 0.0000025% of Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes	<u>Option 2:</u> (i) pro rata share of (a) 13.05% of Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Voting DHL Common Shares, (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Non-Voting Exit Preferred Shares, and Subscription DHL Common Shares, in the form of Voting DHL Common Shares, and (iii) 0.0000025% of Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes
			<u>Option 3:</u> (i) pro rata share of (a) 13.05% of Non-Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Equity Rights Offering Adjustment, in the form of Non-Voting DHL Common Shares, and (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Voting Exit Preferred Shares, and Subscription DHL Common Shares, in the form of Non-Voting DHL Common Shares	<u>Option 3:</u> 0.0000025% of Non-Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes	<u>Option 3:</u> (i) pro rata share of (a) 13.05% Non-Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Non-Voting DHL Common Shares, (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Voting Exit Preferred Shares, and Subscription DHL Common Shares, in the form of Non-Voting DHL Common Shares, and (iii) 0.0000025% of Non-Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

Option 4: (i) pro rata share of (a) 13.05% of Non-Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Equity Rights Offering Adjustment, in the form of Non-Voting DHL Common Shares, and (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Non-Voting Exit Preferred Shares, and Subscription DHL Common Shares, in the form of Non-Voting DHL Common Shares

in each case, subject to the payment of the Subscription Price (as defined herein)

Option 4: 0.0000025% of Non-Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

Option 4: (i) pro rata share of (a) 13.05% Non-Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Non-Voting DHL Common Shares, (ii) the Pro Rata Portion of the Exit Preferred Shares Offering Amount, in the form of Non-Voting Exit Preferred Shares, and Subscription DHL Common Shares, in the form of Non-Voting DHL Common Shares, and (iii) 0.0000025% of Non-Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

in each case, subject to the payment of the Subscription Price

Non-New Money Participants:

Option 5: pro rata share of (i) 13.05% of Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (ii) 21.10% of the Rights Offering Equity Adjustment, in the form of Voting DHL Common Shares

Non-New Money Participants:

Option 5: 0.0000025% of Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

Non-New Money Participants:

Option 5: (i) pro rata share of (a) 13.05% Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Voting DHL Common Shares, and (ii) 0.0000025% of Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

Option 6: pro rata share of (i) 13.05% of Non-Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (ii) 21.10% of the Rights Offering Equity Adjustment, in the form of Non-Voting DHL Common Shares

Option 6: 0.0000025% of Non-Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

Option 6: (i) pro rata share of (a) 13.05% Non-Voting DHL Common Shares, subject to dilution by the Early Tender Premium, and (b) 21.10% of the Rights Offering Equity Adjustment, in the form of Non-Voting DHL Common Shares, and 0.0000025% of Non-Voting DHL Common Shares per \$1,000 principal amount of the Existing Notes

- (1) As of the date of this offering memorandum.
- (2) No payment will be made in respect of accrued interest on the Existing Notes accepted in the Exchange Offer.
- (3) Based on the aggregate principal amount of the Existing Notes, including accrued and unpaid interest, as of August 15, 2023. References to a percentage of DHL Common Shares refer to a percentage of the total number of DHL Common Shares to be issued upon consummation of the Concurrent Schemes.
- (4) If all Eligible Holders validly tender their Existing Notes by the Early Tender Date, then the aggregate amount of DHL Common Shares issued on account of the Early Tender Premium would be 0.63% of the DHL Common Shares, and the aggregate amount of DHL Common Shares issued on account of the Tender Consideration would be 12.42% of the DHL Common Shares as a result of the dilution by the Early Tender Premium.
- (5) Includes the applicable Early Tender Premium.

Tender Consideration

For Existing Notes validly tendered at or before the Expiration Date and not validly withdrawn at or before the Withdrawal Deadline, Eligible Holders of such Existing Notes will be eligible to receive the applicable Tender Consideration set out in the table above.

Accrued Interest

No payment will be made in respect of accrued interest on Existing Notes accepted in the Exchange Offer. If we propose a Scheme, the Scheme is expected to provide that, for U.S. federal income tax purposes, the aggregate consideration to be distributed to U.S. Holders (as defined below in “Material Bermuda and U.S. Tax Considerations”) shall be allocated first to the principal amount of the Existing Notes (as determined for U.S. federal income tax purposes), with any excess allocated to unpaid interest that accrued on these notes, if any.

Early Tender Date; Expiration Date; Extensions; Amendments; Termination

The Early Tender Date for the Exchange Offer and Solicitation is 5:00 p.m., New York City time, on September 11, 2023, subject to our right to extend that time and date in our sole discretion (which right is subject to applicable law and the terms of the RSA), in which case the Early Tender Date means the latest time and date to which the Early Tender Date for such Exchange Offer and Solicitation is extended. The Expiration Date for the Exchange Offer and Solicitation is 5:00 p.m., New York City time, on September 19, 2023, subject to our right to extend that time and date in our sole discretion (which right is subject to applicable law and the terms of the RSA), in which case the Expiration Date for such Exchange Offer means the latest time and date to which such Exchange Offer and Solicitation are extended. To extend the Expiration Date of the Exchange Offer and Solicitation, we will notify the Exchange Agent and will make a public announcement thereof before 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. During any extension of the Early Tender Date or the Expiration Date of the Exchange Offer and Solicitation, all Existing Notes previously tendered in the extended Exchange Offer will remain subject to such Exchange Offer and may be accepted for exchange by us.

Subject to applicable law and the terms of the RSA, we expressly reserve the right, in our sole discretion and with respect to the Exchange Offer, to:

- delay accepting the Existing Notes, to extend the Exchange Offer and Solicitation or to terminate the Exchange Offer and Solicitation and not accept the Existing Notes pursuant thereto;
- extend the Early Tender Date without extending the Withdrawal Deadline of the Exchange Offer and Solicitation; and
- amend, modify or waive in part or whole, at any time, or from time to time, the terms of the Exchange Offer and Solicitation in any respect, including waiver of any conditions to consummation of such Exchange Offer and Solicitation,

in each case without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights, subject to applicable law and the terms of the RSA.

If we exercise any such right, we will give written notice thereof to the Exchange Agent and will make a public announcement thereof as promptly as practicable. Without limiting the manner in which we may choose to make a public announcement of any extension, amendment or termination of the Exchange Offer and Solicitation, we will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release. The minimum period during which the Exchange Offer and Solicitation will remain open following material changes in the terms of such Exchange Offer and Solicitation or in the information concerning the Exchange Offer and Solicitation will depend upon the facts and circumstances of such change, including the relative materiality of the changes. In accordance with Rule 14e-1 under the Exchange Act, if we elect to change the consideration offered or the percentage of Existing Notes sought (other than pursuant to the formulas set forth herein), the Exchange Offer and Solicitation will remain open for a minimum ten business-day period from the date that the notice of such change is first published or sent to Eligible Holders. If the terms of the Exchange Offer and Solicitation are amended in a manner determined by us to constitute a material change adversely affecting any Eligible Holder, we will promptly disclose any such amendment in a manner reasonably calculated to inform Eligible Holders of such amendment, and we will extend such Exchange Offer and Solicitation for a time period that we deem appropriate, depending upon the significance of the amendment and the manner of disclosure to Eligible Holders, if such Exchange Offer and Solicitation would otherwise expire during such time period. Any extension, amendment, waiver or change of the Exchange Offer and Solicitation will not result in the reinstatement of any withdrawal or revocation rights if those rights had previously expired, except as required by applicable law.

In the event that the Exchange Offer is terminated or otherwise not completed prior to its Expiration Date, no consideration will be paid or become payable to holders who have tendered Existing Notes pursuant to such

Exchange Offer. In any such event, Existing Notes previously tendered pursuant to such Exchange Offer will be promptly returned to the tendering holders.

Funding Notice Date; Funding Deadline

The Funding Notice Date is no later than 15 business days prior to the Settlement Date, on which the Exchange Agent will deliver the Funding Notice to the Nominee of each New Money Participant. The Funding Deadline is 5:00 p.m., New York City time, 10 business days prior to the Settlement Date.

Settlement Date

Subject to the terms and conditions of the Exchange Offer, the Settlement Date for the Exchange Offer, including the issuance of the Exit Preferred Shares and the Subscription DHL Common Shares in the New Money Offering, will occur as soon as practicable after the Expiration Date and receipt of funds for the Exit Preferred Shares and the Subscription DHL Common Shares on the Funding Deadline and the Backstop Funding Date.

If DIHL and DIFL elect to commence a Scheme with respect to the Existing Notes, then the Settlement Date will occur as soon as practicable after the Scheme becomes effective and receipt of funds for the Exit Preferred Shares and the Subscription DHL Common Shares on the Funding Deadline and the Backstop Funding Date.

Conditions to the Exchange Offer and Solicitation

Our obligation to accept the Existing Notes validly tendered pursuant to the Exchange Offer is subject to the Concurrent Transactions Condition. We reserve the right to waive the Concurrent Transactions Condition, without extending the Withdrawal Deadline of the Exchange Offer or otherwise reinstating withdrawal rights, subject to applicable law and the terms of the RSA.

If we achieve the 75% Condition with respect to the Existing Notes, DIHL and DIFL expect to propose the Scheme with respect to the Existing Notes rather than consummate the Exchange Offer. For the avoidance of doubt, we reserve the absolute right, subject to the terms of the RSA, to propose a Scheme with respect to the Existing Notes even if we do not achieve the 75% Condition.

Subject to the terms of the RSA, notwithstanding any other provisions of the Exchange Offer and Solicitation, or any extension of the Exchange Offer and Solicitation, we will not be required to accept the Existing Notes, issue the New Securities, or enter into any amendment to the Existing Indenture, and we may, in our sole discretion, terminate the Exchange Offer and Solicitation or, at our option, modify, extend or otherwise amend the Exchange Offer and Solicitation if any of the following conditions have not been satisfied or waived prior to the Expiration Date:

- no action or event shall have occurred, been threatened, or may occur, and no statute, rule, regulation, judgment, order, stay, decree or injunction shall have been issued, promulgated, enacted, entered, enforced or deemed to be applicable to the Exchange Offer, the purchase of Existing Notes for the New Securities under the Exchange Offer or the Solicitation by or before any court or governmental regulatory or administrative agency, authority, instrumentality or tribunal, including, without limitation, taxing authorities, that either:
 - challenges the making of the Exchange Offer, the exchange of Existing Notes for the New Securities under the Exchange Offer or the Solicitation or might, directly or indirectly, be expected to prohibit, prevent, restrict or delay consummation of, or might otherwise adversely affect in any manner, the Exchange Offer, the exchange of Existing Notes for the New Securities under such Exchange Offer or the Solicitation; or
 - in our reasonable judgment, could materially adversely affect our or each of our subsidiaries' business, condition (financial or otherwise), income, operations, properties, assets, liabilities or prospects or impair the contemplated benefits to us of the Exchange Offer, the exchange of Existing Notes for the New Securities under the Exchange Offer or the Solicitation; and
- there shall not have occurred (a) any general suspension of or limitation on trading in securities in the United States securities or financial markets, whether or not mandatory, (b) any material adverse change in the price of the Existing Notes, (c) a material impairment in the general trading market for debt securities in the United States, (d) a declaration of a banking moratorium or any suspension of payments in respect of

banks by federal or state authorities in the United States, whether or not mandatory, (e) a material escalation or commencement of a war, armed hostilities, a terrorist act or other national or international calamity directly or indirectly relating to the United States, if the effect of any such event, in our reasonable judgment, makes it impracticable or inadvisable to proceed with the Exchange Offer or Solicitation, (f) any limitation, whether or not mandatory, by any governmental authority on, or other event in our reasonable judgment, having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the United States, (g) any material adverse change in the securities or financial markets in the United States generally or (h) in the case of any of the foregoing existing at the time of the commencement of the Exchange Offer and Solicitation, a material acceleration or worsening thereof.

The foregoing conditions are for our sole benefit and may be waived by us, in whole or in part, in our sole discretion, subject to applicable law and the terms of the RSA, prior to the Expiration Date of the Exchange Offer and Solicitation. Any determination made by us concerning an event, development or circumstance described or referred to above will be conclusive and binding.

If any of the foregoing conditions are not satisfied, we may, in our sole discretion, at any time prior to, or on, the Expiration Date of the Exchange Offer and Solicitation, without extending the Withdrawal Deadline of such Exchange Offer and Solicitation or otherwise reinstating withdrawal rights, subject to applicable law and the terms of the RSA:

- terminate such Exchange Offer and Solicitation and return all tendered Existing Notes to the respective tendering holders;
- modify, extend or otherwise amend such Exchange Offer and Solicitation and retain all tendered Existing Notes until the Expiration Date, as extended, subject, however, to any withdrawal rights of holders;
- accept all Existing Notes tendered and not previously validly withdrawn, but not waive the unsatisfied conditions with respect to such Solicitation or adopt the Proposed Amendments; or
- waive the unsatisfied conditions with respect to such Exchange Offer and Solicitation and accept all Existing Notes tendered and not previously validly withdrawn.

In addition, subject to applicable law and the terms of the RSA, we may in our absolute discretion terminate the Exchange Offer and Solicitation and the New Money Offering for any other reason or for no reason.

Treatment of Existing Notes Not Tendered in the Exchange Offer and Solicitation

If the 75% Condition is not satisfied or DIHL and DIFL propose but do not consummate the Scheme, then, pursuant to the terms of the RSA (including the definition of “Implementation Mechanisms” thereunder), following the effectiveness of the Proposed Covenant Amendments and in connection with the settlement of the Exchange Offer and the consummation of the Concurrent Transactions, we may determine to transfer all of the assets of DIFL and each of the Guarantors to newly created subsidiaries to be indirectly owned by New DHL, none of which will be obligors of the Existing Notes, pursuant to the Asset Transfers. In addition, all of the collateral securing DHL’s guarantee of the Existing Notes will be released pursuant to the Collateral Release. Pursuant to the RSA, Eligible Holders of more than 50% of the outstanding principal amount of the Existing Notes have agreed to tender their Existing Notes in the Exchange Offer and deliver their consents to the Proposed Amendments prior to the Early Tender Date. As a result, we expect to receive the requisite consents to enter into a supplemental indenture to the Existing Indenture to give effect to the Proposed Covenant Amendments immediately following the Withdrawal Deadline, which will permit us to effectuate the Asset Transfers and Collateral Release. Following the completion of the Asset Transfers and Collateral Release, the Existing Notes will remain the obligations of DIHL, DIFL and the Guarantors, but DIHL, DIFL and each of the Guarantors will have no valuable assets remaining. If this occurs, Eligible Holders of the Existing Notes that do not tender their Existing Notes likely will not be able to recover any interest or principal on their Existing Notes as a result of the Asset Transfers and Collateral Release. In addition, if the 66 2/3% Condition is satisfied, but the 75% Condition is not satisfied or DIHL and DIFL do not propose the Scheme, then we will cause each Guarantor to release its guarantee of the Existing Notes. See “Risk Factors—Risks Relating to the Non-Tendering Holders of the Existing Notes—If you are an Eligible Holder of Existing Notes and you do not tender your Existing Notes and the Exchange Offer is consummated, you may ultimately find that the Existing Notes Issuers and the Guarantors could be unable to repay or refinance such non-tendered Existing Notes.

If the Proposed Amendments to the Existing Indenture are adopted, the amendments will also apply to all Existing Notes not acquired in the Exchange Offer, and those Existing Notes will no longer have the benefit of (i)

the protection of substantially all of the covenants, restrictive provisions and events of default, (ii) the collateral securing DHL's guarantee of the Existing Notes and (iii), if the 66 2/3% Condition is satisfied, but the 75% Condition is not satisfied or DIHL and DIFL do not propose the Scheme, the guarantees of the Existing Notes.

From time to time before or after the Expiration Date, we or our affiliates may acquire the Existing Notes that are not tendered and accepted in the Exchange Offer and Solicitation through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemption or otherwise, upon such terms and at such prices as we may determine (or as may be provided for in the Existing Indenture governing the Existing Notes), which with respect to the Existing Notes may be more or less than the applicable consideration to be received by participating Eligible Holders in the Exchange Offer and Solicitation and, in either case, could be for cash or other consideration. There can be no assurance as to which, if any, of these alternatives or combinations thereof we or our affiliates may choose to pursue in the future. See "Risk Factors."

If we achieve the 75% Condition with respect to the Existing Notes and DIHL and DIFL are successful in consummating the Scheme with respect to such Existing Notes, we will exchange all Existing Notes from Eligible Holders for the DHL Common Shares. This will include Existing Notes from Eligible Holders that did not tender their Existing Notes as part of the Exchange Offer.

Effect of Tender

Any tender by an Eligible Holder, and our subsequent acceptance of that tender, of Existing Notes will constitute a binding agreement between that Eligible Holder and us upon the terms and subject to the conditions of the Exchange Offer and Solicitation described in this offering memorandum. The participation in the Exchange Offer and Solicitation by a tendering Eligible Holder will constitute the agreement by that Eligible Holder to deliver (i) good and marketable title to the tendered Existing Notes, free and clear of any and all liens, restrictions, charges, pledges, security interests, encumbrances or rights of any kind of third parties, (ii) an automatic consent to the Proposed Amendments to the Existing Indenture, as described under "The Proposed Amendments" and (iii) the Instructions.

Representations, Warranties and Covenants of Holders of Existing Notes

Upon the tender of Existing Notes through the ATOP procedures, pursuant to an agent's message (as described under "—Book-Entry Delivery Procedures for Tendering Existing Notes Held with DTC"), an Eligible Holder, or the beneficial holder of Existing Notes on behalf of which the holder has tendered, will, subject to that holder's ability to withdraw its tender, and subject to the terms and conditions of the Exchange Offer and Solicitation generally, be deemed, among other things, to:

- irrevocably sell, assign and transfer to or upon our order or the order of our nominee all right, title and interest in and to, and any and all claims in respect of or arising or having arisen as a result of the holder's status as a holder of, all Existing Notes tendered thereby, such that thereafter the holder shall have no contractual or other rights or claims in law or equity against us or any fiduciary, trustee, fiscal agent or other person connected with the Existing Notes arising under, from or in connection with those Existing Notes;
- consent to the adoption of the Proposed Amendments with respect to the Existing Indenture, as described under "The Proposed Amendments";
- deliver the Instructions;
- waive any and all rights with respect to the Existing Notes tendered thereby, including, without limitation, any existing or past defaults and their consequences in respect of those Existing Notes; and
- release and discharge us and the trustee with respect to the Existing Indenture from any and all claims that the holder may have, now or in the future, arising out of or related to the Existing Notes tendered thereby, including, without limitation, any claims that the holder is entitled to receive additional principal or interest payments with respect to the Existing Notes tendered thereby, other than as otherwise expressly provided in this offering memorandum, or to participate in any redemption or defeasance of the Existing Notes tendered thereby.

In addition, each holder of Existing Notes tendered in the Exchange Offer and Solicitation upon the tender of Existing Notes through the ATOP procedures will be deemed to represent, warrant and agree that:

- it has received this offering memorandum;

- it is the beneficial owner (as defined herein) of, or a duly authorized representative of one or more beneficial owners of, the Existing Notes tendered thereby;
- the Existing Notes being tendered thereby were owned as of the date of tender, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and we will acquire good, indefeasible and unencumbered title to those Existing Notes, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind, when we accept the same;
- it will not sell, pledge, hypothecate or otherwise encumber or transfer Existing Notes tendered thereby from the date of its tender (other than to us as contemplated hereby), and any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;
- it is an Eligible Holder, or, in the event that it is acting on behalf of a beneficial owner of the Existing Notes tendered thereby, it has received a written certification from that beneficial owner, dated as of a specific date on or since the close of that beneficial owner's most recent fiscal year, to the effect that that beneficial owner is an Eligible Holder, and is acquiring the New Securities for its own account or for a discretionary account or accounts on behalf of one or more Eligible Holders as to which it has been instructed;
- it (i) has validly tendered and not validly withdrawn any and all Existing Notes beneficially owned by it pursuant to the Exchange Offer (ii) will not validly withdraw any such tender of any Existing Notes unless it validly withdraws its tender of all such Existing Notes and (iii) shall not take, encourage, assist or support (or procure that any other person take, encourage, assist or support) any action which would, or would reasonably be expected to, breach, be inconsistent with, delay, impede or prevent the implementation or consummation of the Exchange Offer, Scheme or the Concurrent Transactions;
- it is otherwise a person to whom it is lawful to make available this offering memorandum or to make the Exchange Offer and Solicitation in accordance with applicable laws (including the transfer restrictions set out in this offering memorandum);
- it has had access to such financial and other information and has been afforded the opportunity to ask such questions of representatives of us and receive answers thereto, as it deems necessary in connection with its decision to participate in the Exchange Offer and Solicitation and, if applicable, subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares;
- it acknowledges that we and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and warranties made by its tender of Existing Notes through the ATOP procedures, are, at any time prior to the consummation of the Exchange Offer and Solicitation, no longer accurate, it shall promptly notify us;
- if it is acquiring the New Securities as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account;
- in evaluating the Exchange Offer and Solicitation and in making its decision whether to participate in the Exchange Offer and Solicitation by the tender of Existing Notes, it has made its own independent appraisal of the matters referred to in this offering memorandum and in any related communications; and
- the tender of Existing Notes shall constitute an undertaking to execute any further documents and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions described or referred to in this offering memorandum.

Each holder of Existing Notes that tenders in the Exchange Offer will also be deemed to represent, warrant and agree to the terms described under "Transfer Restrictions."

The representations, warranties and agreements of a holder tendering Existing Notes will be deemed to be repeated and reconfirmed on and as of the Expiration Date and the Settlement Date. For purposes of this offering memorandum, the "beneficial owner" of any Existing Notes means any holder that exercises investment discretion with respect to those Existing Notes.

Absence of Appraisal and Dissenters' Rights

Holders of the Existing Notes do not have any appraisal or dissenters' rights in connection with the Exchange Offer and Solicitation.

Acceptance of Existing Notes for Exchange and Delivery of Consideration

If the conditions to the Exchange Offer are satisfied or waived, and we do not otherwise terminate such Exchange Offer and Solicitation for any reason, we will accept for exchange (subject to the tender acceptance structure described herein) at the Settlement Date, after we receive agent's messages with respect to any and all of the Existing Notes accepted pursuant to such Exchange Offer, the Existing Notes to be exchanged by notifying the Exchange Agent of our acceptance thereof.

We will be deemed to accept Existing Notes that have been validly tendered by Eligible Holders and that have not been validly withdrawn as provided in this offering memorandum when, and if, we give oral or written notice of acceptance to the Exchange Agent.

The New Securities will not be eligible for distribution through DTC and will instead be issued in book-entry form on the register of members of DHL. In order to receive the New Securities, each Eligible Holder must complete and submit the Equity Registration Form, as further described under "Book Entry, Delivery and Form."

If, for any reason, acceptance for exchange of tendered Existing Notes, or issuance of the New Securities as consideration for validly tendered Existing Notes, pursuant to the Exchange Offer is delayed, or we are unable to accept tendered Existing Notes as consideration or to issue the New Securities as consideration for validly tendered Existing Notes pursuant to the Exchange Offer, then the Exchange Agent may, nevertheless, on behalf of us, retain the tendered Existing Notes, without prejudice to our rights described under "—Early Tender Date; Expiration Date; Extensions; Amendments; Termination," and "—Conditions to the Exchange Offer and Solicitation" above and "—Withdrawal of Tenders and Revocation of Consents and Instructions" below, but subject to Rule 14e-1 under the Exchange Act, which requires that we pay the consideration offered or return the Existing Notes tendered promptly after the termination or withdrawal of the Exchange Offer, and the tendered Existing Notes may not be withdrawn.

Under no circumstances will any interest be payable because of any delay by the Exchange Agent or DTC in the transmission of funds to the holders of accepted Existing Notes or otherwise.

Procedures for Tendering

If you wish to participate in the Exchange Offer and Solicitation and your Existing Notes are held by a custodial entity such as a Nominee, you must instruct that custodial entity to tender your Existing Notes on your behalf pursuant to the procedures of that custodial entity. Please ensure you contact your custodial entity as soon as possible to give them sufficient time to meet your requested deadline.

To participate in the Exchange Offer and Solicitation, your custodial entity must comply with the ATOP procedures for book-entry transfer described below on or prior to the Expiration Date or, in order to receive the applicable Early Tender Premium, on or prior to the Early Tender Date.

In addition, your custodial entity must deliver a Nominee Instruction Form. For the avoidance of doubt, in connection with the tender of Existing Notes by an Eligible Holder, the submission of the ATOP instruction without the submission by such Eligible Holder's Nominee of the corresponding Nominee Instruction Form shall not be sufficient to grant the Instructions. In order for a tender of Existing Notes to be valid, a corresponding Nominee Instruction Form must be submitted.

It is anticipated that the Exchange Offer and Solicitation will be eligible for ATOP with respect to book-entry notes held through DTC. In the case of book-entry transfer, an agent's message and any other required documents must be transmitted to and received by the Exchange Agent on or prior to the Expiration Date or, in order to receive the applicable Early Tender Premium, on or prior to the Early Tender Date. Existing Notes will not be deemed to have been tendered until agent's message is received by the Exchange Agent. There are not any guaranteed delivery procedures applicable to the Exchange Offer and Solicitation under the terms of this offering memorandum or other materials provided herewith.

Book-Entry Delivery Procedures for Tendering Existing Notes Held with DTC

If you wish to tender Existing Notes held on your behalf by a nominee with DTC, you must instruct your nominee to tender all Existing Notes you wish to be tendered in the Exchange Offer and Solicitation into the

Exchange Agent's account at DTC on or prior to the Expiration Date or, in order to receive the applicable Early Tender Premium, on or prior to the Early Tender Date.

Any financial institution that is a DTC participant must tender Existing Notes by effecting a book-entry transfer of Existing Notes to be tendered in the Exchange Offer and Solicitation into the account of the Exchange Agent at DTC by electronically transmitting its acceptance of the Exchange Offer and Solicitation through the ATOP procedures for transfer. DTC will then verify the acceptance, execute a book-entry delivery to the Exchange Agent's account at DTC and send an agent's message to the Exchange Agent. An "agent's message" is a message, transmitted by DTC to, and received by, the Exchange Agent and forming part of a book-entry confirmation, which states that DTC has received an express acknowledgement from an organization that participates in DTC, tendering Existing Notes that the participant has received and agrees to be bound by the terms described in this offering memorandum, and that we may enforce the agreement against the participant.

Determination of Validity of Tenders

All questions as to the validity, form, eligibility, including time of receipt, and acceptance and withdrawal of tendered Existing Notes will be determined by us in our absolute discretion, which determination will be final and binding. We reserve the absolute right to reject any and all tendered Existing Notes determined by us not to be in proper form or not to be tendered properly or any tendered Existing Notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right to waive, in our absolute discretion, any defects, irregularities or conditions of tender as to particular Existing Notes, whether or not waived in the case of other Existing Notes. Our interpretation of the terms and conditions of the Exchange Offer and Solicitation will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Existing Notes must be cured within the time we determine. Although we intend to notify holders of defects or irregularities with respect to tenders of Existing Notes, none of us, the Exchange Agent, the Information Agent, or any other person will be under any duty to give that notification or shall incur any liability for failure to give that notification. Tenders of Existing Notes, consents to the Proposed Amendments and the Instructions with respect to such Existing Notes will not be deemed to have been made until any defects or irregularities therein have been cured or waived.

Certification of Participation in the Exchange Offer

In order to tender Existing Notes pursuant to the Exchange Offer, Eligible Holders will be required to certify to us via DTC's ATOP system to the following statement at the time of their tender of Existing Notes:

"The tendering Eligible Holder (i) has validly tendered and not validly withdrawn any and all Existing Notes beneficially owned by it pursuant to the Exchange Offer, (ii) will not validly withdraw any such tender of any Existing Notes unless it validly withdraws its tender of all such Existing Notes and (iii) shall not take, encourage, assist or support (or procure that any other person take, encourage, assist or support) any action which would, or would reasonably be expected to, breach, be inconsistent with, delay, impede or prevent the implementation or consummation of the Exchange Offer, the Scheme or the Concurrent Transactions."

We retain the right to request any such additional documentation from Eligible Holders tendering Existing Notes to verify such attestation. In the event an Eligible Holder tenders its Existing Notes but does not deliver such attestations or additional requested documents, prior to the relevant date, such Existing Notes will not be accepted, and could result in the rejection of all tenders of all Existing Notes tendered by such Eligible Holder pursuant to the Exchange Offer. We may request the proof for each tender as part of our request for additional documentation. We reserve the absolute right to waive any defects or irregularities with respect to any such attestation, tender or supporting documentation, subject to applicable law and the terms of the RSA.

Withdrawal of Tenders and Revocation of Consents and Instructions

Tenders of Existing Notes in the Exchange Offer and Solicitation may only be validly withdrawn at any time on or prior to the Withdrawal Deadline except in certain limited circumstances as set forth herein. We may extend, in our sole discretion, the Early Tender Date or the Expiration Date with respect to the Exchange Offer, in each case without extending the Withdrawal Deadline (except as set forth below) or otherwise reinstating withdrawal rights, subject to applicable law and the terms of the RSA.

A valid withdrawal of tendered Existing Notes will also constitute the revocation of any election to subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares, the related consents to the Proposed Amendments to the Existing Indenture and the Instructions. The consents to the Proposed Amendments and the Instructions may only be revoked by validly withdrawing the tendered Existing Notes prior to the Withdrawal Deadline. Tenders (including any corresponding election to subscribe for the Exit Preferred Shares and the

Subscription DHL Common Shares), consents and the Instructions submitted in the Exchange Offer after the Withdrawal Deadline will be irrevocable except in the limited circumstances where additional withdrawal rights are required by law.

If we achieve the 75% Condition with respect to the Existing Notes, DIHL and DIFL expect to propose the Scheme with respect to the Existing Notes rather than consummate the Exchange Offer. For the avoidance of doubt, we reserve the absolute right to propose a Scheme with respect to the Existing Notes even if we do not achieve the 75% Condition.

Existing Notes may only be withdrawn from the Exchange Offer if the Eligible Holder also validly withdraws its tender of all other Existing Notes tendered by such Eligible Holder pursuant to the Exchange Offer.

For a withdrawal of a tender to be effective, a “request message” must be properly transmitted through ATOP prior to the Withdrawal Deadline.

Withdrawal of tenders of Existing Notes may not be rescinded, and the Existing Notes validly withdrawn will thereafter be deemed not to have been validly tendered for purposes of the Exchange Offer and Solicitation. Validly withdrawn Existing Notes may, however, be re-tendered by again following one of the procedures described in “— Procedures for Tendering” above on or prior to the Expiration Date or, in order to receive the applicable Early Tender Premium, on or prior to the Early Tender Date.

Exchange Agent; Information Agent

Epiq Corporate Restructuring, LLC (or its designee or affiliate) has been appointed as the Exchange Agent and the Information Agent for the Exchange Offer and Solicitation. All correspondence in connection with the Exchange Offer and Solicitation should be sent or delivered by each Eligible Holder of Existing Notes, or a beneficial owner’s Nominee, to the Exchange Agent at the address listed on the back cover page of this offering memorandum. Questions concerning tender procedures and requests for additional copies of this offering memorandum should be directed to the Information Agent at the address and telephone number listed on the back cover page of this offering memorandum. Eligible Holders of Existing Notes may also contact their Nominee for assistance concerning the Exchange Offer and Solicitation. We will pay the Exchange Agent and the Information Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses.

Other Fees and Expenses

We will bear the expenses of soliciting tenders of the Existing Notes. Solicitations of Eligible Holders may be made by mail, e-mail, facsimile transmission, telephone or in person by the Information Agent and Exchange Agent as well as by our officers and other employees and those of our affiliates. No additional compensation will be paid to any officers or employees who engage in soliciting tenders and consents.

Tendering Eligible Holders of Existing Notes accepted in the Exchange Offer and Solicitation will not be obligated to pay brokerage commissions or fees to us, the Exchange Agent or the Information Agent or, except as set forth below, to pay transfer taxes with respect to the tender of their Existing Notes. If, however, a tendering Eligible Holder handles the transaction through its broker, dealer, commercial bank, trust company or other institution, that Eligible Holder may be required to pay brokerage fees or commissions.

Transfer Taxes

We will pay any transfer taxes in connection with the tender of Existing Notes in the Exchange Offer and Solicitation unless you instruct us to issue the New Securities, or request that Existing Notes not tendered or accepted in the Exchange Offer and Solicitation be returned to a person other than the tendering Eligible Holder. In those cases, you will be responsible for the payment of any applicable transfer taxes.

NONE OF US, THE EXISTING NOTES ISSUERS, THE TRUSTEE WITH RESPECT TO THE EXISTING NOTES, THE EXCHANGE AGENT OR THE INFORMATION AGENT OR ANY AFFILIATE OF ANY OF THEM, MAKES ANY RECOMMENDATION AS TO WHETHER ELIGIBLE HOLDERS OF EXISTING NOTES SHOULD TENDER THEIR EXISTING NOTES FOR THE APPLICABLE TENDER CONSIDERATION IN RESPONSE TO THE TENDER OFFER, SUBSCRIBE FOR THE EXIT PREFERRED SHARES AND THE SUBSCRIPTION DHL COMMON SHARES, CONSENT TO THE PROPOSED AMENDMENTS TO THE EXISTING INDENTURE AND DELIVER THE INSTRUCTIONS.

THE PROPOSED AMENDMENTS

The following summarizes the Proposed Amendments, which includes both the Proposed Covenant Amendments and the Proposed Guarantee Release Amendments, for which consents are being sought pursuant to the Solicitation with respect to the Existing Indenture. The summary of the provisions of the Existing Indenture affected by the Proposed Amendments set forth below is qualified in its entirety by reference to the full and complete terms in the Existing Indenture, copies of which are available upon request without charge from the Information Agent or us. Capitalized terms used in the summary below but not defined in this offering memorandum have the meanings given to them in the Existing Indenture. The Proposed Covenant Amendments would eliminate substantially all of the restrictive covenants, events of default and related provisions contained in the Existing Indenture. The Proposed Guarantee Release Amendments would release each of the guarantees of the Existing Notes and eliminate the related provisions contained in the Existing Indenture.

The Proposed Amendments constitute a single proposal with respect to the Existing Indenture, and a tendering and consenting Eligible Holder must consent to the Proposed Amendments as an entirety with respect to the Existing Indenture and may not consent selectively with respect to any of the Proposed Amendments. If the Proposed Amendments become effective with respect to the Existing Indenture, the holders of any untendered Existing Notes of will be bound thereby. After the Withdrawal Deadline and before the Expiration Date, upon receipt of valid consents sufficient to effect the Proposed Covenant Amendments and the Proposed Guarantee Release Amendments, as applicable, DIHL, DIFL and the Trustee will execute and deliver a supplemental indenture relating to the applicable Proposed Amendments with respect to the Existing Indenture immediately giving effect to such Proposed Amendments.

The valid tender of Existing Notes by an Eligible Holder pursuant to the Exchange Offer and Solicitation will be deemed to constitute the giving of a consent by such Eligible Holder to the Proposed Amendments of the Existing Indenture. We are not soliciting and will not accept consents from Eligible Holders that are not tendering their Existing Notes pursuant to the Exchange Offer and the Solicitation.

The Proposed Covenant Amendments

Pursuant to the terms of the Existing Indenture, the Proposed Covenant Amendments set forth below require the written consent of Eligible Holders of a majority in aggregate principal amount of the outstanding Existing Notes issued under the Existing Indenture.

The Proposed Covenant Amendments will, in substance, eliminate the following provisions of the Existing Indenture, except as otherwise provided below:

- Section 4.02 (Corporate Existence);
- Section 4.03 (Maintenance of Properties);
- Section 4.04 (Insurance);
- Section 4.05 (Statement as to Compliance);
- Section 4.06 (Limitation on Debt);
- Section 4.07 (Limitation on Liens);
- Section 4.08 (Limitation on Restricted Payments);
- Section 4.09 (Limitation on Sale of Certain Assets);
- Section 4.10 (Limitation on Transactions with Affiliates);
- Section 4.11 (Purchase of Notes upon a Change of Control);
- Section 4.13 (Debt Incurrence Offer);

- Section 4.14 (Limitation on Sale and Lease-Back Transactions);
- Section 4.15 (Limitation on Guarantees of Debt by Restricted Subsidiaries);
- Section 4.16 (Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries);
- Section 4.18 (Payment of Taxes and Other Claims);
- Section 4.19 (Excess Amount Offer);
- Section 4.20 (Procedures for Excess Proceeds Offer, Debt Incurrence Officer and Excess Amount Offer);
- Section 4.21 (Reports);
- Section 4.22 (Springing Guarantee);
- Section 4.23 (Further Instruments and Acts);
- Section 5.01 (Consolidation, Merger and Sale of Assets);
- Section 6.01(a)(i) (interest payment event of default);
- Section 6.01(a)(ii) (principal payment event of default);
- Section 6.01(a)(iii) (failure to comply with covenants);
- Section 6.01(a)(iv) (default under certain debt instruments);
- Section 6.01(a)(v) (guarantee no longer in force and effect or enforceable);
- Section 6.01(a)(vi) (judgment in excess of \$50 million against the Company or any significant subsidiary);
- Section 6.01(a)(vii) (involuntary bankruptcy event of default); and
- Section 6.01(a)(viii) (voluntary bankruptcy event of default).

In addition, the Proposed Covenant Amendments to the Existing Indenture will release all the liens on the collateral securing DHL's guarantee of the Existing Notes.

The Proposed Covenant Amendments will also delete those definitions from the Existing Indenture that are used only in provisions that would be eliminated as a result of the elimination of the foregoing provisions. Any and all references in the Existing Indenture to the deleted sections or provisions referred to above will also be deleted in their entirety. Any provision contained in the Existing Notes that relates to any provision of the Existing Indenture, as amended, shall likewise be amended so that any such provision contained in the Existing Notes will conform to and be consistent with any provision of the Existing Indenture, as amended.

The Proposed Guarantee Release Amendments

Pursuant to the terms of the Existing Indenture, the Proposed Guarantee Release Amendments set forth below require the written consent of Eligible Holders of at least 66 2/3% in principal amount of the outstanding Existing Notes issued under the Existing Indenture (the "66 2/3% Condition").

The Proposed Guarantee Release Amendments will (i) release each of the guarantees of the Existing Notes and (ii) eliminate the entirety of Article Ten of the Existing Indenture.

The Proposed Guarantee Release Amendments will also delete those definitions from the Existing Indenture that are used only in provisions that would be eliminated as a result of the elimination of Article Ten. Any and all references in the Existing Indenture to the deleted Article Ten or sections or provisions referred to therein will also be deleted in their entirety. Any provision contained in the Existing Notes that relates to any provision of the Existing Indenture, as

amended, shall likewise be amended so that any such provision contained in the Existing Notes will conform to and be consistent with any provision of the Existing Indenture, as amended.

DESCRIPTION OF THE DHL COMMON SHARES

General

Digicel Holdings (Bermuda) Limited is an exempted company incorporated under the laws of Bermuda. As used in this “Description of the DHL Common Shares,” “DHL,” “we,” “us” and “our” refer to Digicel Holdings (Bermuda) Limited or, if we do not include the Existing DIFL Subordinated Notes as a separate class in the DIFL Scheme and, subject to the RSA, instead consummate the Concurrent Transactions with respect to the Existing DIFL Subordinated Notes, New DHL. We are registered with the Registrar of Companies in Bermuda under registration number 36253. We were incorporated on December 17, 2004. Our registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Terms used but not capitalized herein shall have the meanings ascribed to such terms in the Solicitation Statement to which this description is attached.

The objects of our business are unrestricted, and we have the capacity of a natural person. We can therefore undertake activities without restriction on our capacity.

Since our incorporation and outside of the transactions contemplated by the Reorganization Transactions, there have been no material changes to our share capital or mergers, amalgamations or consolidations of us. Similarly, outside of the proceedings contemplated by the Reorganization Transactions, there have been no bankruptcy, receivership or similar proceedings with respect to us.

Share Capital

Our authorized share capital of \$12,000 consists of 12,000 DHL Common Shares. Following the consummation of the Reorganization Transactions, our authorized share capital will consist of 150,000,000 DHL Common Shares designated as Class A common shares or Class B common shares and 24,000,000 Exit Preferred Shares designated as Class A convertible preferred shares or Class B convertible preferred shares. All of our issued and outstanding DHL Common Shares are fully paid. Pursuant to our bye-laws, our board of directors is authorized to issue any of our authorized but unissued shares. There are no limitations on the right of non-Bermudians or non-residents of Bermuda to hold or vote our shares, provided that, in general terms and unless a general permission applied, consent of the Controller of Foreign Exchange of the Bermuda Monetary Authority would need to be obtained before any issuance or transfer of our shares would result in a person holding 10% or more of the voting shares (having held nil or less than 10% of the voting shares beforehand) or holds more than 50% of the voting shares (having held between 10% and 50% beforehand).

DHL Common Shares

Holders of the DHL Common Shares have no pre-emptive, redemption, conversion or sinking fund rights (subject to the preemptive rights of (i) Mr. Denis O’Brien with respect to his Class A common shares (and any entity controlled by Mr. Denis O’Brien and established for bona fide estate planning purposes, a “Permitted Transferee”), as described below, and (ii) each other shareholder of 5% or more of the fully diluted DHL Common Shares (described below)). Holders of the Voting DHL Common Shares are entitled to one vote per share on all matters submitted to a vote of holders of the DHL Common Shares. Unless a different majority is required by law or by our bye-laws, resolutions to be approved by holders of the DHL Common Shares require approval by a simple majority of votes cast at a meeting at which a quorum is present.

Persons receiving the DHL Common Shares in the Reorganization Transactions may elect to have all or any portion of their DHL Common Shares designated as non-voting. Non-Voting DHL Common Shares comprise a separate class of DHL Common Shares designated as Class B common shares in our bye-laws. Voting DHL Common Shares are designated as Class A common shares in our bye-laws. Non-Voting DHL Common Shares have all the rights of Voting DHL Common Shares save for voting rights.

In the event of our liquidation, dissolution or winding up, holders of the DHL Common Shares are entitled to share equally and ratably in our assets, if any, remaining after the payment of all of our debts and liabilities.

Our bye-laws provide that Mr. Denis O’Brien and each other shareholder holding 5% or more of the fully diluted DHL Common Shares will have preemptive rights on a pro rata basis in connection with any issuance of any of our Voting DHL Common Shares, any other new DHL Common Shares or any other equity or equity-like

securities by us or any of our subsidiaries, with customary mop-up rights for fully subscribing shareholders if any other shareholder does not elect to acquire its full share, subject to certain customary exceptions. Shareholders shall have the right to assign preemptive rights to an affiliate (excluding portfolio companies affiliated with such shareholders, other than Permitted Transferees). We shall be permitted to issue securities without first complying with the preemptive rights provisions so long as we promptly subsequently offer shareholders the ability to purchase securities, by issuing additional securities, facilitating a secondary sale of previously issued securities or otherwise, that would have the effect of allowing any such participating shareholders to purchase the amount of securities they would have been entitled to purchase had we issued all such securities in compliance with the preemptive rights provisions.

Dividend and Other Distribution Rights

Under Bermuda law, a company may not declare or pay dividends, or make a distribution out of Contributed Surplus (as defined below), if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due or (ii) the realizable value of its assets would thereby be less than its liabilities. “Contributed Surplus” is defined for purposes of Section 54 of the Companies Act 1981 of Bermuda (the “Companies Act”) to include the proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to the company. Under our bye-laws, each DHL Common Share is entitled to dividends if, as and when dividends are declared by our board of directors, subject to the payment of dividends on our Exit Preferred Shares.

Variation of Rights

If at any time we have more than one class of shares, the rights attaching to any class, unless otherwise provided for by the terms of issue of the relevant class, may be varied either: (i) with the consent in writing of the holders of 66% of the issued shares of that class or (ii) with the sanction of a resolution passed by a majority of the votes cast at a general meeting of the relevant class of members at which a quorum consisting of at least two persons holding or representing one-third of the issued shares of the relevant class is present. Our bye-laws specify that the creation or issue of shares ranking equally with existing shares will not, unless expressly provided by the terms of issue of existing shares, vary the rights attached to existing shares.

Transfer of Shares

Our board of directors may refuse to recognize an instrument of transfer of a share unless it is accompanied by the relevant share certificate (if a share certificate has been issued) and such other evidence of the transferor’s right to make the transfer as our board of directors shall reasonably require. Our board shall refuse to register a transfer (i) unless all applicable consents, authorizations and permissions of any governmental body, agency or regulatory body in Bermuda have been obtained or (ii) if the transfer would, if effected, require us to register any security under the U.S. Securities Exchange Act of 1934, violate applicable securities laws, or otherwise violate the terms of our organizational documents. If our board refuses to register a transfer of any share, the secretary shall, within 10 business days after the date on which the transfer was lodged with us, send to the transferor and transferee a notice of the refusal. Subject to these restrictions, a holder of the DHL Common Shares may transfer the title to all or any of its DHL Common Shares by completing a form of transfer in the form set out in our bye-laws (or as near thereto as circumstances admit) or in such other common form as our board of directors may accept. The instrument of transfer must be signed by the transferor and transferee, although in the case of a fully paid share our board of directors may accept the instrument signed only by the transferor.

Transfers of any DHL Common Shares to competitors, including industry competitors and certain third-party private equity and financial purchasers (“Competitors”), are subject to the consent of our board of directors.

Our bye-laws provide for any holder of the DHL Common Shares holding, or group of holders of the DHL Common Shares collectively holding, more than 60% of our fully diluted DHL Common Shares (the “Drag-Along Sellers”) to have drag-along rights to effect a sale of us to an unaffiliated third party by a sale of all or substantially all of our and our subsidiaries’ assets or sale of a majority of our fully diluted DHL Common Shares (whether by merger, share or unit exchange, recapitalization, sale or contribution of equity or other business combination transaction or purchase of beneficial ownership) (a “Company Sale”) without the approval of the other shareholders (the “Minority Sellers”) and with no appraisal rights, subject to customary protections for such other shareholders and subject to the statutory protections contained in Part VII of the Companies Act (as described in “Amalgamations

and Mergers” below) if the Company Sale is an amalgamation or merger of us pursuant thereto (the “Drag-Along Right”). The Drag-Along Right shall not apply to Mr. Denis O’Brien’s or his Permitted Transferee’s DHL Common Shares for a period of two years from the Closing Date unless the minimum equity value of the DHL Common Shares is at least US\$400 million. All holders of the DHL Common Shares in a Company Sale will be entitled to receive transaction consideration in the same form and the same per-share consideration as the consideration received by the majority holders of the DHL Common Shares. In connection with any Company Sale, each Minority Seller (i) will only be required to make (a) individual fundamental representations and warranties as to the unencumbered title to its equity interests and the power, authority and legal right to transfer such equity interests and the absence of any adverse claim with respect to such equity interests, as well as customary representations with respect to organization, capacity, the absence of certain conflicts and the lack of any brokerage, finder’s or other fee being payable based on arrangements made by such equityholder and (b) their pro rata share of any of our representations and warranties; (ii) will not be responsible for individual customary fundamental representations and warranties of any other person or entity (other than us or our subsidiaries) and (iii) will not be required to agree to any restrictive covenants other than customary confidentiality undertakings.

Our bye-laws provide for holders of the DHL Common Shares to have customary tag-along rights in relation to a transfer or series of related transfers of 25% or more of the fully diluted DHL Common Shares by a holder or group of holders of the DHL Common Shares acting in concert, including on the same terms and the same per-share consideration as such transferring holder or group of holders of the DHL Common Shares acting in concert.

Meetings of Shareholders

Under Bermuda law, a company is required to convene at least one general meeting of members each calendar year, which we refer to as the annual general meeting. Bermuda law permits the members to waive the requirement to hold an annual general meeting by resolution (either for a specific year or a period of time or indefinitely). Bermuda law provides that a special general meeting of members may be called by the board of directors of a company and must be called upon the request of members holding 10% or more of the paid-up capital of the company carrying the right to vote at general meetings. Bermuda law also requires that members be given at least five clear calendar days’ advance notice of a general meeting, but the accidental omission to give notice to any person does not invalidate the proceedings at a meeting. Our bye-laws provide that our president or chairman (if any) or any two directors or any director and the secretary or board of directors may convene an annual general meeting and our president or chairman (if any) or any two directors or any director and the secretary or board of directors may convene a special general meeting. Under our bye-laws, at least five clear calendar days’ notice of an annual general meeting or five clear calendar days’ notice of a special general meeting must be given to each member entitled to vote at such meeting. This notice requirement is subject to the ability to hold such meetings on shorter notice if such notice is agreed: (i) in the case of an annual general meeting, by all of the members entitled to attend and vote at such meeting or (ii) in the case of a special general meeting, by a majority in number of the members entitled to attend and vote at the meeting holding 95% or more in nominal value of the shares entitled to vote at such meeting.

Access to Books and Records and Dissemination of Information

Members of the general public have a right to inspect the public documents of a company available at the office of the Registrar of Companies in Bermuda. These documents include a company’s memorandum of association, including its objects and powers, and certain alterations to the memorandum of association. The members have the additional right to inspect the bye-laws of the company, minutes of general meetings and the company’s audited financial statements, which must be presented in the annual general meeting. The register of members of a company is also open to inspection by members of the company and by members of the general public without charge. The register of members is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of members for not more than thirty days in a year). A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Companies Act, establish a branch register outside of Bermuda. A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge. Bermuda law does not, however, provide a general right for members of the company to inspect or obtain copies of any other corporate records.

Our bye-laws provide for holders of at least 1% of our fully diluted DHL Common Shares to have customary information rights (“Information Rights”) to the information provided to the holders of the New DIFL Term Loans.

The Information Rights shall be subject to customary exceptions to protect confidential and proprietary DHL information from disclosure to the public and Competitors. For the avoidance of doubt, the Information Rights are in addition to any information provided to the directors who may be our shareholders.

Election and Removal of Directors⁷

Our bye-laws provide that our board of directors shall consist of 9 directors, composed of:

- Mr. Denis O'Brien as a non-executive director, subject to the terms and conditions set forth in the Services Agreement, until the date that is the third (3rd) anniversary of the Closing Date (such date, the "DOB Stepdown Date"). Upon the occurrence of the DOB Stepdown Date, Mr. Denis O'Brien (or a Permitted Transferee) will have the right to designate one (1) member of our Board (whether himself or another individual) for so long as Mr. Denis O'Brien (or such Permitted Transferee) continues to own 5% of the fully diluted DHL Common Shares (the "DOB Director");
- Our chief executive officer (the "CEO");
- Four (4) directors selected by PGIM, Inc. ("PGIM") and/or its affiliates (the "PGIM Directors"); provided, that (i) at such time as PGIM owns less than [30]% but more than [22.5]% of the fully diluted DHL Common Shares, PGIM shall have the right to appoint three (3) PGIM Directors, (ii) at such time as PGIM owns less than [22.5]% but more than [15]% of the fully diluted DHL Common Shares, PGIM shall have the right to appoint two (2) PGIM Directors, (iii) if PGIM owns less than [15]% but more than [10]% of the fully diluted DHL Common Shares, PGIM shall have the right to appoint one (1) PGIM Director and (iv) if PGIM owns less than [10]% of the fully diluted DHL Common Shares, PGIM shall have no right to appoint PGIM Directors; provided, further, that in no event shall there be more than 1 PGIM Director who is/are employee(s) of PGIM or any affiliate thereof;
- So long as Contrarian Capital Management, L.L.C. ("Contrarian") owns at least [15]% of the fully diluted DHL Common Shares, two (2) directors selected by Contrarian and/or its affiliates (the "Contrarian Directors"); provided, that (a) at such time as Contrarian owns less than [15]% but more than [10]% of the fully diluted DHL Common Shares, Contrarian shall have the right to appoint one (1) Contrarian Director and (b) if Contrarian owns less than [10]% of the fully diluted DHL Common Shares, Contrarian shall have no right to appoint Contrarian Directors; provided, further that in no event shall there be more than 1 Contrarian Director who is an employee of Contrarian or any affiliate thereof; and
- Remaining directors selected by the holders of our DHL Common Shares (the "At Large Directors"); provided, that any holder of our DHL Common Shares that has the right to designate a director to our board of directors shall not be entitled to vote on the At Large Director(s); provided, further, that to the extent PGIM and/or Contrarian does not own exactly [30]%, [22.5]%, [15]% or [10]% of the fully diluted DHL Common Shares, as applicable, then PGIM and/or Contrarian, as applicable, shall be entitled to vote its excess percentage ownership above such applicable percentage threshold (if any) on the At Large Director(s) (e.g., if PGIM owns [48]% of the fully diluted DHL Common Shares, PGIM would have the right to appoint four directors and vote [18]% of its fully diluted DHL Common Shares (i.e., the excess of PGIM's [30]% director appointment threshold) for At Large Directors.

PGIM and Contrarian shall have the right, subject to the other restrictions set forth herein, to transfer their director designation rights to a transferee of at least [10]% of the fully diluted DHL Common Shares, with such transferee's designation right being subject to the terms and restrictions on such right applicable to PGIM or Contrarian, as applicable.

Directors shall hold office for such term as the shareholders appointing them may determine or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

⁷ Note that PGIM, Contrarian and GoldenTree Asset Management LP (collectively, the "PCG Ad Hoc Group") may update the percentages contained in brackets in this section and/or other terms prior to the Closing.

If at any time a vacancy is created on our board of directors by reason of the death, removal or resignation of any DOB Director, PGIM Director, Contrarian Director or At Large Director, a designee shall be appointed to fill such vacancy by such person(s) entitled to appoint such director. For the avoidance of doubt, such directors may only be removed by the applicable person(s) entitled to remove such director.

Any changes to the size of our board of directors requires the affirmative vote of at least 60% of our fully diluted DHL Common Shares.

The chairman of our board of directors (the “Chairman”) will be designated by PGIM and/or its affiliates for so long as PGIM and/or its affiliates own at least [40]% of the fully diluted DHL Common Shares, and PGIM and/or its affiliates will have the right to remove the Chairman. Following the resignation or removal of the Chairman, the chairman of our board of directors shall be designated (i) by PGIM and/or its affiliates for so long as PGIM owns at least 45% of the fully diluted DHL Common Shares and (ii) at such time as PGIM and/or its affiliates owns less than 45% of the fully diluted DHL Common Shares, by a simple majority of the PGIM Directors, Contrarian Director, At Large Directors and Mr. Denis O’Brien or the DOB Director, as applicable.

Each member of the PCG Ad Hoc Group shall be entitled to appoint one (1) observer to our board of directors so long as it owns at least 5% of the fully diluted DHL Common Shares; provided, however, to the extent a member of the PCG Ad Hoc Group has the right to appoint a director to our board of directors and that director is an employee of the applicable member of the PCG Ad Hoc Group or its affiliates, then to the extent such employee director is in attendance at a meeting of our board of directors, the PCG Ad Hoc Group member will not be entitled to have an observer in attendance at such meeting.

Services Agreement Dilution Protections

On the Closing Date, Mr. Denis O’Brien shall be issued Class A common shares representing 10% of the fully diluted DHL Common Shares as of the Closing Date pursuant to the Services Agreement (the “**Services Agreement New Equity**”); *provided*, that the Services Agreement New Equity shall not be diluted by the issuance of any new money equity (“**New Money Equity**”) issued from the Closing Date through September 30, 2024 only if all of the Anti-Dilution Conditions (as defined and described in the Services Agreement Term Sheet annexed to the Restructuring Term Sheet (as defined in the RSA) as Exhibit E) are met.

If DHL’s board of directors approves the issuance of any New Money Equity, such New Money Equity is issued prior to September 30, 2024, and the Anti-Dilution Conditions are all satisfied, then the additional Class A common shares shall be issued to Mr. Denis O’Brien in an amount to ensure that the Services Agreement New Equity is not diluted by the issuance of such New Money Equity. In the event that any Anti-Dilution Condition is not satisfied, the Service Agreement New Equity shall be diluted by any New Money Equity; provided, that if any Anti-Dilution Condition is not satisfied and there is any New Money Equity issued prior to September 30, 2024 with a pre-money equity valuation of less than \$400 million, then the Services Agreement New Equity shall receive anti-dilution protection such that the Service Agreement New Money Equity shall only be diluted to the extent the Services Agreement New Equity would have been diluted if the New Money was issued with a pre-money equity valuation of \$400 million. For the avoidance of doubt, if any Anti-Dilution Condition is not satisfied and New Money Equity is issued prior to September 30, 2024 at a pre-money equity valuation of at least \$400 million, the Service Agreement New Equity shall be fully diluted by any such New Money Equity. For the avoidance of doubt, the anti-dilution protections for the Services Agreement New Equity described in the paragraph shall only apply up to and including September 30, 2024.

In addition to the dilution protections described above, the Services Agreement New Equity shall have anti-dilution protection such that the dilution on the Services Agreement New Equity shall be limited to the dilution the Services Agreement New Equity would have suffered had the conversion price for the Exit Preferred Shares been based on the Accreted Liquidation Preference and an equity valuation equal to the sum of (i) \$400 million and (ii) the gross amount of cash funded at the closing to purchase Rights Offering Units (as defined in the Restructuring Term Sheet), not to exceed \$175 million (for the avoidance of doubt, which amount shall exclude any Exit Preferred Shares consisting of Premium Shares (as defined in the Backstop Commitment Agreement)) rather than a conversion price based upon the Accreted Liquidation Preference and an equity valuation equal to \$400 million; provided, further that so long as the gross amount of cash funded at the closing to purchase Rights Offering Units is \$111 million or less, then the Services Agreement New Equity shall have additional anti-dilution protection such that the dilution on the Services Agreement New Equity as a result of the conversion of the Exit Preferred Shares shall be

limited to the dilution the Services Agreement New Equity would have suffered if the Exit Preferred Shares converted into a maximum of 30.4% of the equity of the reorganized Company.

Terms of the anti-dilution protections afforded to the Services Agreement New Equity, shall not be amended without the consent of Mr. Denis O'Brien.

Proceedings of Board of Directors

Our bye-laws provide that our business is to be managed and conducted by our board of directors, and the votes of a simple majority of the directors present at a duly convened meeting of the board at which a quorum is present will be sufficient to approve all matters except as otherwise expressly set forth herein or as may be agreed to by the PCG Ad Hoc Group prior to Closing. Bermuda law permits individual and corporate directors, and there is no requirement in our bye-laws or Bermuda law that directors hold any of our shares. There is also no requirement in our bye-laws or Bermuda law that our directors must retire at a certain age. Meetings of our board of directors will require a quorum of at least two-thirds (2/3) of the members of our board of directors.

A director who discloses a direct or indirect interest in any contract or arrangement with us as required by Bermuda law will be entitled to vote in respect of any such contract or arrangement in which he or she is interested subject to disclosing that interest; provided, however, that entering into or amending related party transaction with any interested director (including the CEO if the CEO is on our board of directors) will require approval of a majority or other applicable voting threshold of the disinterested directors.

Indemnification of Directors and Officers

Section 98 of the Companies Act ("Section 98") provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favor or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to Section 281 of the Companies Act.

Our bye-laws provide that we shall indemnify our officers and directors in respect of their actions and omissions, except in respect of their fraud or dishonesty, and that we shall advance funds to our officers and directors for expenses incurred in their defense upon receipt of an undertaking to repay the funds if any allegation of fraud or dishonesty is finally determined by a court of competent jurisdiction. Our bye-laws provide that the members waive all claims or rights of action that they might have, individually or in right of the company, against any of the company's directors or officers for any act or failure to act in the performance of such director's or officer's duties, except in respect of any fraud or dishonesty of such director or officer. Section 98A of the Companies Act permits us to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not we may otherwise indemnify such officer or director.

Amendment of Memorandum of Association and Bye-laws

Our bye-laws provide that our memorandum of association may be amended only by a resolution of our board of directors and by a resolution passed at a general meeting of members. Our bye-laws provide that no bye-law shall be rescinded, altered or amended, and no new bye-law shall be made, unless it shall have been approved by a resolution of our board of directors and by a resolution of our members. Material amendments or modifications to, or waivers or restatements of, our memorandum of association or bye-laws, or any other of our or our subsidiaries' organizational documents, require a resolution passed by the affirmative vote of the holders of at least 60% of our fully diluted DHL Common Shares. Any such amendment that would change Mr. Denis O'Brien's right to appoint a director or otherwise have a material and disproportionately adverse effect on Mr. Denis O'Brien relative to the other shareholders requires his prior written consent. Amendments to our memorandum of association or bye-laws that would circumvent or otherwise modify the provisions described in "Election and Removal of Directors," "Proceedings of Board of Directors," "Minority Protections," "Access to Books and Records and Dissemination of Information" and "Transfer of Shares" will, for a number of years to be agreed to by the PCG Ad Hoc Group prior

to the Closing, require the affirmative vote of a percentage of the fully diluted DHL Common Shares to be agreed to by the PCG Ad Hoc Group prior to the Closing.

Under Bermuda law, the holders of an aggregate of not less than 20% in par value of a company's issued share capital or any class thereof have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the memorandum of association adopted by members at any general meeting, other than an amendment that alters or reduces a company's share capital as provided in the Companies Act. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Supreme Court of Bermuda. An application for an annulment of an amendment of the memorandum of association must be made within 21 days after the date on which the resolution altering the company's memorandum of association is passed and may be made on behalf of persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No application may be made by members voting in favor of the amendment.

Amalgamations and Mergers

The Companies Act allows amalgamation or merger by a statutory process set out in Part VII of the Companies Act. Pursuant to these provisions, the amalgamation or merger of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation or merger agreement to be approved by the company's board of directors and by its members. Unless the company's bye-laws provide otherwise, the approval of 75% of the members voting at such meeting is required to approve the amalgamation or merger agreement, and the quorum for such meeting must be two or more persons holding or representing more than one-third of the issued shares of the company. However, our bye-laws provide that the approval of at least 60% of the fully diluted DHL Common Shares is required for an amalgamation or merger, or any other consolidation, reorganization or business combination involving us or our significant subsidiaries.

Each of our shares has a statutory right to vote in respect of an amalgamation or merger whether or not it otherwise carries the right to vote in our bye-laws. The holders of shares of a class of shares are entitled to vote separately as a class in respect of an amalgamation or merger if the amalgamation agreement or merger agreement contains a provision which would constitute a variation of the rights attaching to any such class of shares.

Under Bermuda law, in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a member of the Bermuda company who did not vote in favor of the amalgamation or merger and who is not satisfied that fair value has been offered for such member's shares may, within one month of notice of the members' meeting, apply to the Supreme Court of Bermuda to appraise the fair value of those shares.

Shareholder Suits

Class actions and derivative actions are generally not available to members under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a member to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority members or, for instance, where an act requires the approval of a greater percentage of the company's members than that which actually approved it. When the affairs of a company are being conducted in a manner that is oppressive or prejudicial to the interests of some part of the members, one or more members may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any members by other members or by the company.

Capitalization of Profits and Reserves

Pursuant to our bye-laws, our board of directors may (i) capitalize any part of the amount of our share premium or other reserve accounts or any amount credited to our profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata (except in connection with the conversion of shares) to the members or (ii) capitalize any sum standing to the credit of a reserve account or sums otherwise available for dividend or distribution by paying up in full, partly paid or nil paid shares of those members who would have been entitled to such sums if they were distributed by way of dividend or distribution.

Minority Protections

Our bye-laws provide that certain fundamental actions, including but not limited to non-pro rata redemptions, recapitalizations, reclassifications or repurchases of our equity interests, shall require the approval of the holders of at least 70% of the fully diluted DHL Common Shares.

Our bye-laws provide that the following actions shall require the approval of the holders of at least 60% of the fully diluted DHL Common Shares:

- (a) any material amendments or modifications to, or waivers or restatements of, our or our subsidiaries' constitutional or organizational documents;
- (b) any changes to the size of our board;
- (c) any merger, amalgamation, consolidation, reorganization or other business combination involving us or our significant subsidiaries;
- (d) any material (to us and our subsidiaries taken as a whole) acquisitions or dispositions;
- (e) any fundamental change in the scope of the business of us and our subsidiaries; or
- (f) entry into any liquidation, winding up or voluntary bankruptcy proceedings or similar proceedings in respect of us and/or our significant subsidiaries

Registration Rights

Our shareholders shall have customary registration rights following an initial public offering with respect to their registrable DHL Common Shares to be set forth in a registration rights agreement, including customary shelf registration and shelf take down rights, and customary piggyback registration rights for holders of at least 1% or more of the fully diluted DHL Common Shares. Holders of at least 5% or more of the fully diluted DHL Common Shares shall have customary demand registration rights.

Corporate Opportunities

In order to address potential conflicts of interest between us and our shareholders or directors, our bye-laws contain provisions regulating and defining the conduct of our affairs as they may involve our shareholders and directors, and our powers, rights, duties and liabilities and those of our officers, directors and shareholders in connection with our relationship with our shareholders. In general, these provisions recognize that we and our shareholders may engage in the same or similar business activities and lines of business, have an interest in the same areas of corporate opportunities and that we and our shareholders will continue to have contractual and business relations with each other, including service of officers and directors of our shareholders serving as our directors.

Our bye-laws provide that our shareholders and directors and officers will have no duty to refrain from:

- engaging in the same or similar business activities or lines of business as us,
- doing business with any of our clients or customers, or
- employing or otherwise engaging any of our officers or employees.

However, this does not apply to Mr. Denis O'Brien or shareholders that are employed by us, in each case, during the time that Mr. Denis O'Brien or such shareholder remains a service provider to us, it being understood that Mr. Denis O'Brien shall be deemed a service provider during the period from the Closing Date to three years following such Closing Date.

Our bye-laws provide that neither our directors or officers or our shareholders nor any officer or director of our shareholders, except as described in the following paragraph, will be liable to us or our shareholders for breach of any fiduciary duty by reason of any such activities. Our bye-laws provide that our shareholders and our directors and officers are not under any duty to present any corporate opportunity to us which may be a corporate opportunity for them and for us, and our shareholders and our directors and officers will not be liable to us or our shareholders for

breach of any fiduciary duty by reason of the fact that they pursue or acquires that corporate opportunity for itself, directs that corporate opportunity to another person or does not present that corporate opportunity to us.

For purposes of the bye-laws, “corporate opportunities” include business opportunities that we are financially able to undertake, that are, from their nature, in our lines of business, are of practical advantage to us and are ones in which we have an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of our shareholders or their officers or directors will be brought into conflict with our self-interest.

DESCRIPTION OF THE EXIT PREFERRED SHARES

The following is a summary of certain provisions of Digicel Holdings (Bermuda) Limited's bye-laws for its Exit Preferred Shares. As used in this "Description of the Exit Preferred Shares," "DHL," "we," "us," and "our" refer to Digicel Holdings (Bermuda) Limited or, if we do not include the Existing DIFL Subordinated Notes as a separate class in the DIFL Scheme, subject to the RSA and instead consummate the Concurrent Transactions with respect to the Existing DIFL Subordinates Notes, New DHL. The following summary of the terms of the Exit Preferred Shares does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of our bye-laws. Terms used but not capitalized herein shall have the meanings ascribed to such terms in the Solicitation Statement to which this description is attached.

General

Under our bye-laws, as amended, our board of directors by resolution may establish one or more series of preferred shares having the number of shares, designations, relative voting rights, dividend rates, liquidation and other rights, preferences, powers and limitations as may be fixed by our board of directors and as may be permitted by Bermuda law. We currently have no preferred shares issued and no capital shares that are senior to or on parity with the Exit Preferred Shares. At the Closing Date, we will designate and issue a number of shares of Exit Preferred Shares with an aggregate initial liquidation preference equal to (x) the Exit Preferred Shares Offering Amount, plus (y) \$11 million on account of the Backstop Payment (such aggregate liquidation preference in respect of the Exit Preferred Shares issued on the Closing Date, the "Exit Preferred Shares Initial Liquidation Preference"), and subject to accretion and adjustment as provided herein. In addition, after the Closing Date, we may at our option issue up to \$50 million aggregate initial liquidation preference of additional Exit Preferred Shares pursuant to an uncommitted accordion on terms substantially similar to the Exit Preferred Shares issued on the Closing Date.

When issued, the Exit Preferred Shares, and any DHL Common Shares issued upon the conversion of the Exit Preferred Shares, will be fully paid and non-assessable. Holders of the Exit Preferred Shares will have no preemptive or preferential right to purchase or subscribe for additional shares, obligations, warrants or other securities of us of any class, other than the right to receive DHL Common Shares issued upon the conversion of any Exit Preferred Shares as described below in "Mandatory Conversion."

The Exit Preferred Shares are subject to Mandatory Conversion, as described below in "—Mandatory Conversion," and Mandatory Redemption, as described below in "—Mandatory Redemption."

"Cash Cap Condition" shall mean the condition that the aggregate amount of cash redemptions in respect of and cash payments to redeem the Exit Preferred Shares has not exceeded the amount equal to the Exit Preferred Shares Offering Amount.

Ranking

The Exit Preferred Shares will rank senior to any of our existing or future equity securities, including with respect to any repayment, redemption, refinancing, distributions, and rights to accretion and in any liquidation, bankruptcy, winding-up, and dissolution of us.

While any Exit Preferred Shares are issued and outstanding, we may not authorize or issue any shares or other equity interests (including any options or warrants to subscribe for shares or other equity interests, or any securities convertible into shares or other equity interests) senior or equal in priority to the Exit Preferred Shares (other than the uncommitted \$50 million accordion). Without the consent of any holder of the Exit Preferred Shares, however, we may authorize, increase the authorized amount of, or issue any class or series of, equity securities that rank junior to the Exit Preferred Shares.

Dividends

Each Exit Preferred Share shall accrue, on a daily basis whether or not declared and paid, cumulative cash dividends at the rate per annum of 12% on the Accreted Liquidation Preference (as defined below) of such Exit Preferred Share. Such dividends shall compound annually in arrears to the extent not paid in cash ("Compounded Dividends"). Such rate will be increased by 2% per annum during the continuance of any breach (subject to materiality qualifiers in the case of certain provisions to be agreed) of any of our obligations, covenants, representations, warranties, or agreements under the definitive documentation with respect to the Exit Preferred

Shares. Holders of record of the Exit Preferred Shares will be entitled to receive such accumulated and unpaid dividends, including Compounded Dividends, at any time in cash, when, as and if declared by our board of directors, out of funds legally available for payment and subject to the Cash Cap Condition. “Accreted Liquidation Preference” means, for any Exit Preferred Shares as of any date of determination, the sum of (i) the Exit Preferred Shares Initial Liquidation Preference of such Exit Preferred Shares, plus (ii) the aggregate unpaid Compounded Dividends with respect to such Exit Preferred Shares, plus, (iii) any accrued, unpaid and un-compounded dividends, whether or not declared, with respect to such Exit Preferred Shares, if any, as of such date of determination.

As long as any Exit Preferred Shares are issued (and remain outstanding), no dividends or other distributions may be declared, made or paid, or set apart for payment, upon any junior equity securities, nor may any junior equity securities be redeemed, purchased or otherwise acquired for any consideration (or any money paid to or made available for a sinking fund for the redemption of any junior shares) by us or on our behalf. Holders of the Exit Preferred Shares will not be entitled to any dividend, whether payable in cash, property or shares, in excess of full cumulative dividends (except, for the avoidance of doubt, in their capacity as holders of DHL Common Shares upon conversion of the Exit Preferred Shares).

Our ability to declare and pay dividends and make other distributions with respect to our capital shares, including the Exit Preferred Shares, may be limited by, among other things, the terms of our existing and future indebtedness, the Cash Cap Condition and applicable Bermuda law. Pursuant to Bermuda law, a company may not declare or pay dividends, or make distributions out of the Contributed Surplus (as defined below), if there are reasonable grounds for believing that (1) the company is, or would after the payment be, unable to pay its liabilities as they become due or (2) the realizable value of its assets would thereby be less than its liabilities. “Contributed Surplus” is defined for purposes of Section 54 of the Bermuda Companies Act to include the proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to the company.

Covenants

DHL shall not incur or guarantee any debt or liens, make investments (other than loans to DIFL as expressly provided in “—Mandatory Conversion” and “—Mandatory Redemption”) or asset sales, or issue any shares or other equity interests (including any options or warrants to subscribe for shares or other equity interests, or any securities convertible into shares or other equity interests) senior or equal in priority to the Exit Preferred Shares (other than the uncommitted \$50 million accordion), or issue any dividends on any shares or other equity interests junior in priority to the Exit Preferred Shares.

Until the Cash Cap Condition is satisfied, DHL (i) shall preserve, pursue the collection of, and maximize the value of the Specified Intercompany Loans (as defined below) for the benefit of the holders of the Exit Preferred Shares and (ii) shall not amend, modify, settle, or otherwise dispose of the Specified Intercompany Loans without the consent of holders of a majority of the shares of the Exit Preferred Shares.

The definitive documentation of the New DIFL Credit Facility and the New DIFL Secured Notes Indenture shall provide that, after the Cash Cap Condition has been satisfied, it shall be an event of default if DHL does not promptly contribute or cause to be contributed to DIFL all proceeds received by DHL in respect of the Specified Intercompany Loans.

In addition, DHL, DL, DIHL, and their respective direct and indirect subsidiaries will be subject to restrictions on, among other things, investments, dividends and certain other payments, asset sales, and the incurrence of debt and liens, in each case consistent with the New DML Unsecured Notes in the case of DHL, DL, and DIHL, and consistent with the New DIFL Term Loans in the case of DHL’s other indirect subsidiaries. The scope of the covenants will be agreed to in DHL’s bye-laws.

Method of Payment of Dividends

Dividends on the Exit Preferred Shares are payable in cash.

Liquidation Preference

In the event of our voluntary or involuntary liquidation, winding-up or dissolution, each holder of the Exit Preferred Shares will be entitled to receive and to be paid out of our assets available for distribution to our

shareholders, before any payment or distribution is made to holders of junior equity securities (including DHL Common Shares), the Accreted Liquidation Preference per share, plus accumulated and unpaid dividends on the shares to the date fixed for liquidation, winding-up or dissolution. If, upon our voluntary or involuntary liquidation, winding-up or dissolution, the amounts payable with respect to the Accreted Liquidation Preference of the Exit Preferred Shares and all parity shares are not paid in full, holders of the Exit Preferred Shares and the parity shares will share equally and ratably in any distribution of our assets in proportion to the full Accreted Liquidation Preference to which they are entitled. After payment of the full amount of the liquidation preference and accumulated and unpaid dividends to which they are entitled, holders of any Exit Preferred Shares will have no right or claim to any of our remaining assets on account of their ownership of the Exit Preferred Shares.

Until the Cash Cap Condition is satisfied, we shall preserve, pursue the collection of, and maximize the value of the intercompany loans owed by DGHL to DL or DL's subsidiaries or other rights or claims that DL or DL's subsidiaries have in respect of the Future DPL Sale Proceeds and any remaining assets of DGHL, and any other rights or claims that DL or DL's subsidiaries have against DGHL under the DGHL Settlement Agreement or otherwise outstanding as of the Scheme Closing Date after giving effect to the Concurrent Transactions (collectively, the "Specified Intercompany Loans") for the benefit of the holders of the Exit Preferred Shares, and, subject to the deferral provisions described below under "—Mandatory Redemption," apply 100% of the gross cash proceeds of Specified Intercompany Loans (other than, for the avoidance of doubt, amounts that are required to be paid to Mr. Denis O'Brien ("DOB") pursuant to the Services Agreement ("DOB True-Up")) immediately upon receipt, to the Mandatory Redemption of the Exit Preferred Shares, to the extent such redemption complies with the Cash Cap Condition.

Voting Rights

Exit Preferred Shares will be issued either as Class A or Class B. Holders of Class A Exit Preferred Shares will have voting rights on an as-converted basis *pari passu* with holders of Voting DHL Common Shares. Holders of Class B Exit Preferred Shares will have no voting rights.

No Maturity

The Exit Preferred Shares have no maturity date, and will remain outstanding unless mandatorily converted by us, or mandatorily redeemed by us, each as described under "—Mandatory Conversion" and "—Mandatory Redemption" below.

Mandatory Conversion

At any time after the third anniversary of the Closing Date until the date immediately prior to the fourth anniversary of the Closing Date, we may, at our option, elect to cause all outstanding Exit Preferred Shares to, without any further action by DHL or holders of Exit Preferred Shares or DHL Common Shares, be converted into DHL Common Shares at a conversion price based on the Accreted Liquidation Preference divided by a \$400 million equity value of us (after giving effect to such conversion). Subject to the preceding sentence, on the fourth anniversary of the Closing Date all outstanding Exit Preferred Shares shall automatically be converted into DHL Common Shares at a conversion price based on the Accreted Liquidation Preference divided by a \$400 million equity value of us (after giving effect to such conversion) (the "Mandatory Conversion").

On and after the Mandatory Conversion of the Exit Preferred Shares, dividends will cease to accrue on the Exit Preferred Shares called for Mandatory Conversion, and all rights of holders of such Exit Preferred Shares will terminate, except for the right to receive DHL Common Shares issuable upon conversion thereof.

Mandatory Redemption

The Exit Preferred Shares will be mandatorily redeemable (subject to the "Declined Redemptions" (as defined below)) by us in cash at the Accreted Liquidation Preference thereon from time to time with 100% of the gross cash proceeds of Specified Intercompany Loans (other than, for the avoidance of doubt, amounts that are both required to be and actually funded to pay for the DOB True-Up in accordance with the Services Agreement), immediately upon receipt (including, for the avoidance of doubt, any such gross cash proceeds received by us or any of our subsidiaries prior to the Closing Date) to the extent such redemption complies with the Cash Cap Condition (the "Mandatory Redemption").

The requirement to make any such Mandatory Redemption shall be subject to applicable Bermuda law and deferred to the extent and only for so long as DIFL and its subsidiaries are projected in good faith by our board of directors to have less than \$100 million of aggregate liquidity within six full calendar months after giving effect to such redemption (the “Below-Minimum Liquidity Condition”), and such gross cash proceeds shall not be used by us prior to the time that such determination is made by our board of directors. In the event of any such deferral, we shall use all such deferred proceeds (the “Deferred Proceeds”) to make an unsecured loan, subordinated in right of payment to the New DIFL Term Loans and New DIFL Secured Notes, to DIFL (each, a “Subordinated Intercompany Loan”). Such Subordinated Intercompany Loans shall not bear interest or original issue discount or other fees. No later than ten business days after the last day of each fiscal quarter, our board of directors shall project in good faith the aggregate liquidity of DIFL and its subsidiaries for the following six full calendar months, and to the extent the Below-Minimum Liquidity Condition would be satisfied at any time during such six-month period, any Subordinated Intercompany Loan (excluding any amounts that have been outstanding for longer than 12 full calendar months at such time, unless the New DIFL Term Loans and New DIFL Secured Notes are no longer outstanding) shall become immediately due and payable, and we shall immediately (subject to the terms of Declined Redemptions (as defined below)) use the proceeds of the repayment of such Subordinated Intercompany Loans to redeem in cash the Exit Preferred Shares.

Unless both the Cash Cap Condition has been satisfied and any New DIFL Term Loans or New DIFL Secured Notes are then outstanding, upon a Change of Control (as defined below) occurring (i) prior to the third anniversary of the Closing Date, all holders of the Exit Preferred Shares shall receive in cash their Accreted Liquidation Preference; and (ii) on or after the third anniversary of the Closing Date, all holders of the Exit Preferred Shares shall receive in cash the greater of (a) the fair market value in cash of the consideration they would receive as holders of DHL Common Shares on an as-converted basis from the occurrence of such Change of Control and (b) the Accreted Liquidation Preference.

Upon the satisfaction of the Cash Cap Condition, DHL shall transfer the Specified Intercompany Loans to DIFL.

“Change of Control” shall have the meaning assigned to such term in the New DIFL Credit Facility, with appropriate modifications and in any event to include DHL ceasing to own, directly or indirectly, 100% of the equity interests of DIHL, DML and DIFL.

If DHL is required to redeem the Exit Preferred Shares in cash, it shall provide holders of the Exit Preferred Shares (including, in the case of clauses (a) and (b) below, via a posting to a “public-side” data room open to all holders of the Exit Preferred Shares) a notice of redemption including (a) the amount of such redemption, (b) the date of such redemption, and (c) reasonably detailed projections and calculations demonstrating that the Below-Minimum Liquidity Condition is not satisfied, no less than five business days prior to the date of such redemption.

Any holder of the Exit Preferred Shares may, by notice to DHL at least two business days (with an email to DHL’s legal advisors being sufficient), decline all or a portion of its share of such redemption (such amounts, together with any amounts waived pursuant to the immediately succeeding paragraph, the “Declined Redemptions”).

Holders of a majority of the shares of the Exit Preferred Shares may waive the requirement to make all or any portion of any such required redemption.

Declined Redemptions shall be deemed to be Deferred Proceeds and loaned to DIFL as set forth above.

Under Bermuda law, we may not lawfully redeem preference shares (including the Exit Preferred Shares) if on the date redemption is to be effected there are reasonable grounds for believing that we are, or after the redemption would be, unable to pay our liabilities as they become due. In addition, if the redemption price is to be paid out of funds otherwise available for dividends or distributions, no redemption may be made if the realizable value of our assets would thereby be less than the aggregate of our liabilities. Preference shares (including the Exit Preferred Shares) may not be redeemed except out of the capital paid up thereon, out of funds of ours that would otherwise be available for dividends or distributions or out of the proceeds of a new issue of shares made for the purpose of the redemption. The premium, if any, payable on redemption must be provided for out of funds of ours that would otherwise be available for dividend or distribution or out of our share premium account before the Exit Preferred Shares are redeemed or purchased.

No Fractional Shares

No fractional DHL Common Shares or securities representing fractional DHL Common Shares will be delivered (i) upon conversion or redemption of the Exit Preferred Shares or (ii) in respect of dividend payments on the Exit Preferred Shares. Instead, we will deliver a cash payment to each holder that would otherwise be entitled to a fractional share based on the closing sale price of DHL Common Shares on the relevant conversion date.

Recapitalizations, Reclassifications and Changes of DHL Common Shares

In the case of:

- any recapitalization, reclassification or change of DHL Common Shares (other than changes resulting from a subdivision, consolidation or combination);
- any consolidation, merger, amalgamation or combination involving us;
- any sale, lease or other transfer to a third party of the consolidated assets of us and our subsidiaries substantially as an entirety;
- any scheme of arrangement; or
- any statutory share exchange;

in each case, as a result of which DHL Common Shares are converted into, or exchanged for, shares, other securities, other property or assets (including cash or any combination thereof) (any such transaction or event, a “Reorganization Event”), then, at and after the effective time of the Reorganization Event, the right to convert each Exit Preferred Share into DHL Common Shares will be changed into a right to convert such share into the kind and amount of shares, other securities or other property or assets (including cash or any combination thereof) that a holder of a number of DHL Common Shares equal to the conversion rate immediately prior to such Reorganization Event would have owned or been entitled to receive upon such Reorganization Event (such shares, securities or other property or assets, “reference property”). In the event holders of DHL Common Shares have the opportunity to elect the form of consideration to be received in such Reorganization Event, the reference property into which the Exit Preferred Shares will be convertible will be deemed to be the weighted average of the types and amounts of consideration received by the holders of DHL Common Shares that affirmatively make such an election. Our by-laws provide that we may not become a party to any such Reorganization Event unless its terms are consistent with the foregoing. No adjustment to the conversion rate will be made for any Reorganization Event to the extent shares, securities or other property or assets become the reference property for the Exit Preferred Shares.

Throughout this section, if DHL Common Shares have been replaced by reference property as a result of any such Reorganization Event, references to DHL Common Shares are intended to refer to such reference property.

Transfer of Shares

Our board of directors may refuse to recognize an instrument of transfer of a share unless it is accompanied by the relevant share certificate (if a share certificate has been issued) and such other evidence of the transferor’s right to make the transfer as our board of directors shall reasonably require. Our board shall refuse to register a transfer (i) unless all applicable consents, authorisations and permissions of any governmental body, agency or regulatory body in Bermuda have been obtained, or (ii) if the transfer would, if effected, require us to register any security under the U.S. Securities Exchange Act of 1934, violate applicable securities laws, or otherwise violate the terms of our organizational documents. If our board refuses to register a transfer of any share the secretary shall, within ten business days after the date on which the transfer was lodged with us, send to the transferor and transferee notice of the refusal. Subject to these restrictions, a holder of the Exit Preferred Shares may transfer the title to all or any of its Exit Preferred Shares by completing a form of transfer in the form set out in our bye-laws (or as near thereto as circumstances admit) or in such other common form as our board of directors may accept. The instrument of transfer must be signed by the transferor and transferee, although in the case of a fully paid share our board of directors may accept the instrument signed only by the transferor.

Transfers of any Exit Preferred Shares to competitors, including industry competitors and certain third-party private equity and financial purchasers, are subject to the consent of our board of directors.

DESCRIPTION OF THE CONCURRENT TRANSACTIONS

Pursuant to the RSA, we expect to effectuate a comprehensive transaction to address the funded indebtedness of DL, DIHL and DIFL, which will be implemented through the transactions contemplated by this offering memorandum and the Concurrent Transactions described below.

On August 21, 2023, we began soliciting proxies (the “Proxy Solicitation”) from certain creditors of DL, DIHL and DIFL to vote in favor of a set of inter-conditional schemes of arrangement pursuant to section 99 of the Bermuda Companies Act to be commenced in the Bermuda Court by (i) DL with respect to the Existing DL Notes (the “Concurrent DL Scheme”) and (ii) DIHL and DIFL with respect to (a) the Existing DIFL Term Loans, (b) the Existing DIFL Secured Notes and (c) the Existing DIFL Unsecured Notes (the “Concurrent DIFL Scheme” and, together with Concurrent DL Scheme, the “Concurrent Schemes”). In addition, in connection with the solicitation of proxies from holders of Existing DL Notes, such holders may subscribe for Exit Preferred Shares and Subscription DHL Common Shares to be issued in the Concurrent DL Scheme on the same terms as those offered to Eligible Holders of Existing Notes in this offering memorandum. The Concurrent Schemes, together with any related transactions or approvals necessary to consummate the Concurrent Schemes (including recognition of such Concurrent Schemes under Chapter 15 of the U.S. Bankruptcy Code), are referred to as the “Concurrent Transactions.”

Pursuant to the RSA, holders of approximately 72.4% of the aggregate outstanding principal amount of the Existing DL Notes have committed to vote in favor of the Concurrent DL Scheme, and holders of approximately 73.8% of the aggregate outstanding principal amount of the Existing DIFL Secured Notes and approximately 88.0% of the aggregate outstanding principal amount of the Existing DIFL Unsecured Notes have committed to vote in favor of the Concurrent DIFL Scheme. In addition, certain lenders representing approximately 89.3% of the aggregate outstanding principal amount of the Existing DIFL Term Loans have already delivered their proxies to vote in favor of the DIFL Scheme. Holders of Existing DL Notes, Existing DIFL Secured Notes and Existing DIFL Unsecured Notes that deliver their proxies to vote in favor of the Concurrent Schemes in the Proxy Solicitation and lenders under the Existing DIFL Term Loans that have already delivered their proxies to vote in favor of the DIFL Scheme will receive an applicable commitment payment (the “Commitment Payment”). There can be no assurance that the Concurrent Transactions will be consummated or whether the Concurrent Schemes will be recognized in the United States. The Concurrent Transactions are not contingent upon the Exchange Offer and Solicitation. If a Scheme is proposed with respect to the Existing Notes, DIHL and DIFL will include the holders of the Existing Notes as an additional class of creditors in the Concurrent DIFL Scheme.

Upon consummation of the Concurrent Transactions, as if they had been consummated on March 31, 2023, all outstanding (a) Existing DL Notes will be exchanged for 48.78%⁸ of the DHL Common Shares and 78.90%⁹ of the Rights Offering Equity Adjustment (subject to dilution by the Existing DL Notes Commitment Payment), (b) Existing DIFL Term Loans will be exchanged for \$986.7 million aggregate principal amount of the New DIFL Term Loans, (c) Existing DIFL Secured Notes will be exchanged for \$1,226.3 million aggregate principal amount of the New DIFL Secured Notes and (d) Existing DIFL Unsecured Notes will be exchanged for \$388.8 million aggregate principal amount of the New DML Unsecured Notes. In addition, certain holders of the Existing DL Notes that signed the RSA will receive an aggregate of 4.92% of DHL Common Shares as Work Payment upon consummation of the Concurrent Transactions pursuant to the RSA.

If the 75% Condition is not satisfied or DIHL and DIFL propose but do not consummate the Scheme, then, pursuant to the terms of the RSA (including the definition of “Implementation Mechanisms” thereunder), we may effectuate the Asset Transfers and the Collateral Release in connection with the settlement of the Exchange Offer and the Concurrent Transactions, as described elsewhere in this offering memorandum. In that scenario, (i) New DIFL would be the borrower under the New DIFL Term Loans and the issuer of the New DIFL Secured Notes, (ii) New DIHL, the direct parent of New DIFL, would be a guarantor of the New DIFL Secured Notes and the New DIFL Term Loans, (iii) DML, a direct subsidiary of New DHL and the direct parent of New DIHL, would be the

⁸ Based on the aggregate principal amount outstanding of Existing DL Notes, including accrued and unpaid interest, as of August 15, 2023, and the Existing DL Notes Commitment Payment.

⁹ Based on the aggregate principal amount outstanding of Existing DL Notes, including accrued and unpaid interest, as of August 15, 2023.

issuer of the New DML Unsecured Notes and (iv) New DHL, the direct parent of DML, would issue the Exit Preferred Shares and the DHL Common Shares.

This offering memorandum does not purport to be a proxy statement with respect to participation in any of the Concurrent Schemes.

Services Agreement

Pursuant to a Services Agreement (the “Services Agreement”) to be entered into by and among DL, certain of its subsidiaries and Mr. Denis O’Brien on or prior to the Scheme Closing Date, Mr. Denis O’Brien will agree, among other undertakings, to perform services for the Company in a manner consistent with (i) his current role as Executive Chairman of DL’s board of directors and (ii) current and past practices, to be set forth in further detail in the Services Agreement. In consideration for his services, Mr. Denis O’Brien will receive, among other things, (i) 10% of the DHL Common Shares (on a fully diluted basis) to be outstanding immediately after consummation of the Concurrent Schemes, (ii) warrants to purchase 10% of the DHL Common Shares to be outstanding immediately after consummation of the Concurrent Schemes, which warrants may be exercised for six years after the Scheme Closing Date to purchase DHL Common Shares at an equity valuation for DHL and its subsidiaries based upon the Strike Price, and the Strike Price shall be denominated as a per share dollar amount based on the common equity value of \$1.1 billion and (iii) a portion of the Telstra Proceeds.

Registration Rights Agreement

Pursuant to a Registration Rights Agreement to be entered into upon consummation of the Concurrent Schemes between DHL and certain holders of the DHL Common Shares, certain holders of the DHL Common Shares will have customary registration rights with respect to their registrable DHL Common Shares following an initial public offering by DHL, including customary demand registration rights for holders of at least 5% or more of the fully diluted DHL Common Shares outstanding (assuming the conversion of all outstanding Exit Preferred Shares), customary shelf registration and shelf-take down rights and customary piggyback registration rights for holders of at least 1% or more of the fully diluted DHL Common Shares outstanding (assuming the conversion of all outstanding Exit Preferred Shares).

DGHL Transactions

Pursuant to a Restructuring Support Agreement dated May 28, 2023 entered into by DGHL, certain of its subsidiaries and certain holders of 82.7% of the aggregate principal amount of the outstanding DGHL Unsecured Notes and 84.6% of the aggregate principal amount of the outstanding DGHL Convertible Notes, DGHL expects to propose a scheme of arrangement pursuant to section 99 of the Bermuda Companies Act with respect to the DGHL Unsecured Notes and the DGHL Convertible Notes (the “DGHL Scheme”). The DGHL Scheme, together with any related transactions or approvals necessary to consummate the DGHL Scheme (including recognition of such DGHL Scheme under Chapter 15 of the U.S. Bankruptcy Code), are referred to as the “DGHL Transactions.” There can be no assurance that the DGHL Transactions will be consummated or whether the DGHL Scheme will be recognized in the United States. The Reorganization Transactions, on the one hand, and the DGHL Transactions, on the other hand, are not conditional upon each other.

Upon consummation of the DGHL Transactions, all outstanding (a) DGHL Unsecured Notes will be exchanged for \$163.5 million of cash and certain new secured limited recourse notes in respect of the Telstra Proceeds along with the proceeds of other assets of DGHL realized after the consummation of the DGHL Transactions and (b) DGHL Convertible Notes will be exchanged for \$19.5 million of cash and certain new secured limited recourse notes in respect of the Telstra Proceeds along with the proceeds of other assets of DGHL realized after the consummation of the DGHL Transactions.

BOOK ENTRY, DELIVERY AND FORM

The New Securities will not be eligible for distribution through DTC and will instead be issued in book-entry form on the register of members of DHL. In order to receive the New Securities, Eligible Holders must provide registration details to DHL's company secretary, Conyers. Specifically, in connection with or promptly following the tender of the Existing Notes in the Exchange Offer, each Eligible Holder of the Existing Notes shall deliver or shall cause its Nominee to deliver the Equity Registration Form to Conyers pursuant to the instructions set forth in the Equity Registration Form. If a participating Eligible Holder of the Existing Notes does not return an Equity Registration Form then, upon settlement of the Exchange Offer or the Scheme, as applicable, the New Securities that would otherwise be issued to such Eligible Holder will be held in the Holding Trust by a holding trustee until such Eligible Holder delivers a properly completed Equity Registration Form to Conyers to have its New Securities registered in the register of members of DHL. This Holding Trust will terminate 18 months after the Settlement Date (subject to any extension of the Holding Trust at the sole option of DHL). Upon termination of the Holding Trust, an Eligible Holder of the Existing Notes that has not yet submitted a valid Equity Registration Form (or has not submitted an alternative notification deemed to be acceptable in the sole direction of DHL) will no longer be entitled to their pro rata allocation of New Securities, and such allocations will revert to DHL.

In addition, if an Eligible Holder will become entitled to hold 10% or more or, where a holder already holds 10% or more, 50% or more of the total voting rights exercisable by all holders of the DHL Common Shares and the Exit Preferred Shares voting together as a single class, such Eligible Holder is required to submit beneficial ownership information (as further described in Part 2 of the Equity Registration Form) and receive the consent of the Bermuda Monetary Authority prior to the issuance of such New Securities to the Eligible Holder. We cannot guarantee that such Eligible Holder will receive the consent of the Bermuda Monetary Authority, nor can we guarantee the timeframe in which such consent may be received. Until the Bermuda Monetary Authority has given its consent, such Eligible Holder will not be entitled to be issued with the New Securities, and the balance of the New Securities will be held in the Holding Trust as described above.

MATERIAL BERMUDA AND U.S. TAX CONSIDERATIONS

Bermuda Tax Considerations

At the date of this offering memorandum, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by us or our noteholders in respect of the Existing Notes or the New Securities. There is no stamp duty on the issue, transfer or redemption of the Existing Notes or the New Securities.

The Bermuda Minister of Finance, under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, has given an assurance to Digicel Holdings (Bermuda) Limited, Digicel Intermediate Holdings Limited and Digicel International Finance Limited that if any legislation is enacted in Bermuda that would impose tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax will not be applicable to Digicel Holdings (Bermuda) Limited, Digicel Intermediate Holdings Limited and Digicel International Finance Limited or any of their respective operations, shares, debentures or other obligations, except insofar as such tax applies to persons ordinarily resident in Bermuda or to any taxes payable by Digicel Holdings (Bermuda) Limited, Digicel Intermediate Holdings Limited and Digicel International Finance Limited in accordance with the Land Tax Act 1967 of Bermuda or otherwise payable in respect of real property they lease in Bermuda. These assurances by the Bermuda Minister of Finance expire on March 31, 2035.

U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax considerations relating to the Exchange Offer and the Scheme. This summary is not a complete analysis of all the potential U.S. federal income tax considerations relating to the Exchange Offer and the Scheme and the ownership and disposition of the New Securities and the right of eligible holders to elect to subscribe for the Exit Preferred Shares and the Subscription DHL Common Shares at the Subscription Price (the “Equity Subscription Rights”), in each case, acquired pursuant to the Exchange Offer or the Scheme, as applicable. This summary is based upon the provisions of the United States Internal Revenue Code of 1986, as amended (the “Code”), U.S. Treasury regulations promulgated thereunder, administrative rulings and pronouncements and judicial decisions, all as in effect on the date of this offering memorandum and all of which are subject to change or differing interpretations, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those set forth below. This discussion applies only to Existing Notes, New Securities received in exchange therefor and Equity Subscription Rights that are held as “capital assets” for U.S. federal income tax purposes and are beneficially owned by U.S. Holders (as defined below).

This summary does not address any tax considerations arising under the laws of any non-U.S., state or local jurisdiction or the potential application of the U.S. federal estate, gift or alternative minimum tax or the Medicare tax on investment income. This summary also does not discuss differences in U.S. federal income tax consequences to (i) U.S. Holders who participate in both the Exchange Offer (or the Scheme, as applicable) and Concurrent Transactions, (ii) U.S. Holders that act or receive consideration in a capacity other than any other U.S. Holder of the Existing Notes (such as the tax consequences of entering into the Backstop Commitment Agreement), (iii) U.S. Holders that receive their New Securities through the Holding Trust or (iv) U.S. Holders that are Defaulting Holders, and the U.S. federal income tax consequences for such U.S. Holders may differ materially from those described below. Furthermore, this discussion does not describe all of the U.S. federal income tax consequences that may be relevant to beneficial owners in light of their particular circumstances or to beneficial owners subject to special rules, such as:

- banks or other financial institutions;
- insurance companies;
- dealers and traders subject to a mark-to-market method of tax accounting with respect to the Existing Notes, the New Securities or the Equity Subscription Rights;
- persons holding the Existing Notes, the New Securities or the Equity Subscription Rights as part of a hedge, wash sale or other integrated transaction;
- persons whose functional currency is not the U.S. dollar;

- regulated investment companies or real estate investment trusts;
- tax-exempt entities;
- retirement plans;
- persons who hold the Existing Notes, the New Securities or the Equity Subscription Rights through non-U.S. brokers or other non-U.S. intermediaries;
- persons who own (directly, indirectly or constructively), at any point in time, 10% or more of our equity (by vote or value), as determined for U.S. federal income tax purposes;
- entities classified as partnerships or other pass-through entities for U.S. federal income tax purposes or investors therein; or
- persons subject to special tax accounting rules under Section 451(b) of the Code.

If an entity treated as a partnership for U.S. federal income tax purposes holds the Existing Notes, the New Securities or the Equity Subscription Rights, the tax treatment of each partner in the partnership will generally depend upon the status of the partner and upon the activities of the partnership. Partnerships that hold the Existing Notes (and partners therein) should consult their tax advisors regarding the tax consequences relating to the Exchange Offer or the Scheme, as applicable, and the ownership and disposition of the Equity Subscription Rights and the New Securities acquired pursuant to the Exchange Offer or the Scheme, as applicable.

As used herein, the term “U.S. Holder” means a beneficial owner of an Existing Note, New Securities, and/or an Equity Subscription Right received in connection with the Exchange Offer or the Scheme, as applicable, that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

We have not sought and do not intend to seek any ruling from the Internal Revenue Service (the “IRS”). Accordingly, there can be no assurance that the IRS or a court will agree with the U.S. federal income tax consequences described below. U.S. Holders are urged to consult their tax advisors regarding the application of U.S. federal, state and local and non-U.S. income, estate and other tax considerations relating to the Exchange Offer and the Scheme and the ownership and disposition of the Equity Subscription Rights and the New Securities acquired pursuant to the Exchange Offer or the Scheme, as applicable, in light of their particular situations.

Tax Consequences to U.S. Holders Who Validly Tender And Do Not Validly Withdraw their Existing Notes in the Exchange Offer

Tax Consequences of the Early Tender Premium

The tax consequences of a U.S. Holder’s receipt of the Early Tender Premium (upon a valid tender at or before the Early Tender Date) are not entirely clear, as there are no binding authorities directly addressing the treatment of such premium. Although it is not free from doubt, we intend, if required to take a position for applicable U.S. federal income tax reporting purposes, to treat any Early Tender Premium received by a U.S. Holder as part of the consideration received in the Exchange Offer or the Scheme, as applicable, and not as a separate fee, and accordingly as part of a U.S. Holder’s amount realized (i.e., giving rise to additional gain or reducing loss) in the Exchange Offer or the Scheme, as applicable.

Alternatively, a U.S. Holder could be treated as receiving a separate fee or other payment that would be subject to U.S. federal income tax as ordinary income rather than as additional consideration for the disposition of an Existing Note. The remainder of this discussion assumes that the treatment of the Early Tender Premium described

in the preceding paragraph is correct. U.S. Holders should consult their tax advisors as to the proper treatment of the Early Tender Premium.

Tax Consequences of the Exchange of Existing Notes Pursuant to the Exchange Offer or the Scheme, As Applicable

The U.S. federal income tax consequences of the exchange of Existing Notes pursuant to the Exchange Offer or the Scheme, as applicable, are not entirely clear. The receipt of the Equity Subscription Rights could be characterized as either (1) the receipt of rights as a part of the consideration for the Exchange Offer or the Scheme, as applicable, followed by the exercise of such rights by New Money Participants or (2) an integrated transaction pursuant to which, for New Money Participants, the Exit Preferred Shares and Subscription DHL Common Shares that are subject to the Equity Subscription Rights are acquired directly in exchange for partial satisfaction of the Existing Notes plus the Subscription Price. If characterized as the former, the exchange of Existing Notes pursuant to the Exchange Offer would be treated as an exchange of Existing Notes for DHL Common Shares (including any shares in respect of the Early Tender Premium) and the Equity Subscription Rights. If characterized as the latter, the exchange of Existing Notes pursuant to the Exchange Offer could be treated (i) for New Money Participants, as the exchange of Existing Notes and the Subscription Price for DHL Common Shares (including any shares in respect of the Early Tender Premium), Exit Preferred Shares and Subscription DHL Common Shares and (ii) for holders who are not New Money Participants, as the exchange of Existing Notes for DHL Common Shares (including any shares in respect of the Early Tender Premium). If required to take a position for any U.S. federal income tax reporting purposes, we intend to treat the exchange of Existing Notes pursuant to the Exchange Offer as a taxable exchange described in (1) above.

However, there is no assurance that the IRS will not challenge this position. For example, if the IRS successfully asserts that the exchange is a tax-free transaction, a U.S. Holder would not be allowed to recognize any loss on such exchange. U.S. Holders should consult their tax advisors as to the proper characterization of the exchange and the consequences to them if it were treated as a tax-free transaction or otherwise treated in a different manner. Except where stated otherwise, the remainder of this discussion assumes the exchange of Existing Notes for DHL Common Shares and the Equity Subscription Rights will be treated as a taxable exchange described in (1) above.

Subject to the discussion below regarding accrued but unpaid interest, a U.S. Holder will recognize gain or loss upon the exchange of Existing Notes for DHL Common Shares and the Equity Subscription Rights equal to the difference, if any, between such U.S. Holder's "amount realized" in respect of the Exchange Offer or the Scheme, as applicable, and the U.S. Holder's adjusted tax basis in the exchanged Existing Notes. The U.S. Holder's amount realized on the exchange is equal to the fair market value of the DHL Common Shares (including any DHL Common Shares received as Early Tender Premium) and the Equity Subscription Rights received in exchange for its Existing Notes. Subject to the market discount rules described below, any such gain or loss generally will be capital gain or loss and would be long-term capital gain or loss if the U.S. Holder has held the Existing Notes for more than one year on the date of the exchange. Long-term capital gain of non-corporate U.S. Holders is generally taxed at preferential rates. The deductibility of capital losses is subject to limitations. A U.S. Holder's holding period for its DHL Common Shares and the Equity Subscription Rights received in the Exchange Offer or the Scheme, as applicable, will commence on the date immediately following the date of the exchange. The U.S. Holder's initial tax basis in its DHL Common Shares (including any DHL Common Shares received as Early Tender Premium) and its Equity Subscription Rights will be the fair market value of such DHL Common Shares and the Equity Subscription Rights, as applicable.

A U.S. Holder will be considered to have acquired an Existing Note with market discount if the stated principal amount of such Existing Note (or, if such Existing Note is issued with OID, its adjusted issue price) exceeded the U.S. Holder's initial tax basis for such Existing Note by more than a de minimis amount. If a U.S. Holder's Existing Notes were acquired with market discount, any gain recognized upon the exchange of Existing Notes for DHL Common Shares and the Equity Subscription Rights will be treated as ordinary income to the extent of the market discount that accrued during the period such U.S. Holder held the Existing Notes, unless the U.S. Holder had elected to include such market discount in income as it accrued for U.S. federal income tax purposes. Holders should consult their tax advisors about the impact of the market discount rules to their particular circumstances.

Holders should consult their tax advisors about the proper characterization of the exchange of Existing Notes and the Equity Subscription Rights.

Accrued but Unpaid Interest

To the extent that any amount received by a U.S. Holder in the Exchange Offer or the Scheme, as applicable, is attributable to accrued but unpaid interest on the Existing Notes, the receipt of such amount should, subject to the discussion in the next paragraph, be recognized by the U.S. Holder as ordinary interest income (to the extent not already included in income by the U.S. Holder). Conversely, a U.S. Holder may be able to recognize a deductible loss to the extent that any accrued interest previously was recognized by the U.S. Holder but was not paid in full by us. Such loss may be ordinary, but the tax law is unclear on this point. The tax basis of any DHL Common Shares and Equity Subscription Rights treated as received in satisfaction of accrued but unpaid interest should equal the amount of such accrued but unpaid interest. The holding period for such DHL Common Shares or Equity Subscription Rights should begin on the day following the receipt of such consideration.

If the sum of the fair market value of the DHL Common Shares and Equity Subscription Rights received in exchange for the Existing Notes is not sufficient to fully satisfy all principal and interest on the Existing Notes, the extent to which such consideration will be attributable to accrued but unpaid interest is unclear. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a plan of reorganization under Chapter 11 of the U.S. Bankruptcy Code is binding for U.S. federal income tax purposes, while certain Treasury Regulations treat payments as allocated first to any accrued but unpaid interest. The Scheme is expected to provide that, for U.S. federal income tax purposes, the aggregate consideration to be distributed to U.S. Holders shall be allocated first to the principal amount of the Existing Notes, with any excess allocated to unpaid interest that accrued on these notes, if any. However, the IRS could take the position that the consideration received by the U.S. Holder should be allocated in some way other than as provided in the Scheme. U.S. Holders should consult their tax advisors regarding the proper allocation of the consideration received by them in the Exchange Offer or the Scheme, as applicable, and the U.S. federal income tax treatment of accrued but unpaid interest.

Tax Treatment of the Equity Subscription Rights

Assuming the treatment described above is respected, a U.S. Holder of an Existing Note that elects to be a New Money Participant should be treated as purchasing, in exchange for its Equity Subscription Rights and the Subscription Price paid by the U.S. Holder, Exit Preferred Shares and Subscription DHL Common Shares. Such a purchase should generally be treated as the exercise of an option under general tax principles, and such U.S. Holder should not recognize income, gain, or loss for U.S. federal income tax purposes when it receives the Exit Preferred Shares and Subscription DHL Common Shares upon the exercise of the Equity Subscription Rights. A U.S. Holder's aggregate tax basis in the Exit Preferred Shares and Subscription DHL Common Shares should equal the sum of (i) the amount of Subscription Price paid by the U.S. Holder plus (ii) such U.S. Holder's tax basis in the Equity Subscription Rights immediately before being exercised, and such aggregate tax basis should generally be allocated between such U.S. Holder's Exit Preferred Shares and Subscription DHL Common Shares pro rata in accordance with the relative fair market value of such shares. A U.S. Holder's holding period for the Exit Preferred Shares and Subscription DHL Common Shares received pursuant to such exercise should begin on the day following the date the U.S. Holder receives the Exit Preferred Shares and Subscription DHL Common Shares.

A U.S. Holder that elects not to exercise its Equity Subscription Rights (and is thus not a New Money Participant) may be entitled to claim a (likely short-term capital) loss equal to the amount of tax basis allocated to such Equity Subscription Rights, subject to any limitation on such U.S. Holder's ability to utilize capital losses. Such U.S. Holders are urged to consult with their own tax advisors as to the tax consequences of such decision.

Tax Treatment of the Exit Preferred Shares and the DHL Common Shares Received in the Exchange Offer or Pursuant to the Scheme, As Applicable

The following discussion generally assumes that we are not a "passive foreign investment company" (a "PFIC"), as described below under "—Passive Foreign Investment Company Rules," and is therefore subject to the discussion in that section.

Dividends and Other Distributions

Distributions (including any deemed distributions, as described below under "—Constructive Distributions") on the Exit Preferred Shares and the DHL Common Shares will generally be taxable as dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earnings and profits will

constitute a return of capital that will be applied against and reduce (but not below zero) the U.S. Holder's adjusted tax basis in its Exit Preferred Shares or DHL Common Shares, as applicable. Any remaining excess will be treated as gain realized on the sale or other disposition of the Exit Preferred Shares or DHL Common Shares, as applicable, and will be treated as described below under the heading "—Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition." Because we do not calculate our earnings and profits under U.S. federal income tax principles, a U.S. Holder should expect all distributions, to the extent subject to reporting for U.S. federal income tax purposes, to be reported as dividends for U.S. federal income tax purposes. The amount of any such distribution will include any amounts withheld by us (or another applicable withholding agent). Amounts treated as dividends that we pay to a U.S. Holder that is a taxable corporation generally will be taxed at regular tax rates and will not qualify for the dividends received deduction generally allowed to domestic corporations in respect of dividends received from other domestic corporations. With respect to non-corporate U.S. Holders, dividends generally will be taxed at the lower applicable long-term capital gains rate that applies to "qualified dividend income" only if the Exit Preferred Shares or DHL Common Shares, as applicable, are readily tradable on an established securities market in the United States or we are eligible for benefits under an applicable tax treaty with the United States, and, in each case, we are not treated as a PFIC with respect to such U.S. Holder at the time the dividend was paid or in the preceding year and provided certain holding period requirements are met. We do not expect the Exit Preferred Shares or the DHL Common Shares to be readily tradable on any established securities market in the United States. In addition, there is currently no comprehensive income tax treaty between Bermuda and United States. As a result, it is not currently expected that dividends on the Exit Preferred Shares or DHL Common Shares will be eligible to be taxed at this lower rate.

Amounts taxable as dividends generally will be treated as income from sources outside the U.S. and will, depending on the circumstances of the U.S. Holder, be "passive" or "general" category income which, in either case, is treated separately from other types of income for purposes of computing the foreign tax credit allowable to such U.S. Holder. The rules governing the treatment of foreign taxes imposed on a U.S. Holder and foreign tax credits are complex, and U.S. Holders should consult their tax advisors about the impact of these rules in their particular situations.

Constructive Distributions

Under Section 305 of the Code, holders of stock may be treated as receiving constructive distributions with respect to that stock under certain circumstances.

In particular, Section 305 provides special rules for the tax treatment of preferred stock. According to the Treasury regulations promulgated under that section, the term preferred stock generally refers to stock that, in relation to other classes of stock outstanding, enjoys certain limited rights and privileges that are generally associated with specified dividend and liquidation priorities, and does not participate in corporate growth to any significant extent. Consequently, the determination of whether stock constitutes preferred stock for purposes of Section 305 depends in large part upon whether the stock participates significantly in corporate growth (ignoring for this purpose any conversion right). Whether the Exit Preferred Shares are treated as preferred stock under Section 305 of the Code is subject to uncertainty.

If the Exit Preferred Shares are treated as preferred stock under Section 305 of the Code, there may be deemed distributions to holders under Section 305, including (1) by reason of the accrual of dividends not declared in cash and (2) on account of the excess, if any, of the initial Accreted Liquidation Preference of the Exit Preferred Shares over the issue price of the Exit Preferred Shares. U.S. Holders should consult their tax advisors about the risk of deemed distributions under these rules.

In addition, the conversion rate of the Exit Preferred Shares may be subject to adjustment under certain circumstances. In such circumstances, whether or not the Exit Preferred Shares are treated as "preferred stock" under Section 305, a U.S. Holder that holds the Exit Preferred Shares may be deemed to have received a constructive distribution if the adjustment has the effect of increasing the U.S. Holder's proportionate interest in our assets or earnings and profits. In addition, the failure to make certain adjustments on the Exit Preferred Shares may cause a U.S. Holder of the DHL Common Shares to be deemed to have received a constructive distribution from us, even though the U.S. Holder has not received any cash or property as a result of such adjustments. Adjustments to the conversion rate made pursuant to a bona fide reasonable adjustment formula which has the effect of preventing the dilution of the interest of the holders of the Exit Preferred Shares generally will not be deemed to result in a constructive distribution. If an adjustment that does not qualify as being pursuant to a bona fide reasonable

adjustment formula is made, a U.S. Holder of the Exit Preferred Shares will be deemed to have received a constructive distribution from us, even though such U.S. Holder has not received any cash or property as a result of such adjustment.

The tax consequences of the receipt of a deemed distribution from us are described above under “—Dividends and Other Distributions.” Because deemed distributions received by a U.S. Holder would not give rise to any cash from which any applicable withholding tax could be satisfied, if an applicable withholding agent pays backup withholding on behalf of a U.S. Holder (because such U.S. Holder failed to establish an exemption from backup withholding), the applicable withholding agent may withhold such taxes from payments of cash or other amounts payable to the U.S. Holder. The application of the rules under Section 305 to the Exit Preferred Shares is uncertain, and U.S. Holders should consult their tax advisors about the impact of these rules in their particular situations.

Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition

Upon the sale, exchange or other taxable disposition of the Exit Preferred Shares (other than pursuant to a redemption that does not satisfy any of the Section 302 tests or a conversion, each as described below) or DHL Common Shares, a U.S. Holder generally will recognize gain or loss in an amount equal to the difference between (i) the sum of (x) the amount of cash and (y) the fair market value of any other property received in such sale, exchange or other taxable disposition and (ii) the U.S. Holder’s adjusted tax basis in such Exit Preferred Shares or DHL Common Shares, as applicable. Any such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder’s holding period for such Exit Preferred Shares or DHL Common Shares, as applicable, exceeds one year on the date of such sale, exchange, or other taxable disposition. Long-term capital gain realized by a non-corporate U.S. Holder generally will be taxable at a reduced rate. The deduction of capital losses is subject to limitations. Any such gain or loss will generally be U.S.-source gain for foreign tax credit purposes.

A redemption of the Exit Preferred Shares by us for cash may be treated either as a sale of those shares by a U.S. Holder or as a distribution in respect of our equity, depending upon the circumstances at the time the Exit Preferred Shares are repurchased. Subject to the discussion below regarding accrued dividends, our redemption of the Exit Preferred Shares from a U.S. Holder will generally be treated as a sale if it (i) results in a “complete redemption” of a U.S. Holder’s interest in our equity, (ii) is a “substantially disproportionate” redemption with respect to a U.S. Holder, or (iii) is “not essentially equivalent to a dividend” with respect to a U.S. Holder, each within the meaning of Section 302(b) of the Code, as described below (the “Section 302 tests”).

- *Complete Redemption.* The transaction will be a “complete redemption” of a U.S. Holder’s equity interest in us if either (i) the U.S. Holder owns, actually or constructively, none of our equity immediately after the Exit Preferred Shares are redeemed, or (ii) the U.S. Holder actually owns none of our equity immediately after the Exit Preferred Shares are redeemed and, with respect to any of our equity constructively owned by the U.S. Holder immediately after the redemption, the U.S. Holder is eligible to waive, and effectively waives, constructive ownership of all such equity under procedures described in Section 302(c) of the Code and applicable U.S. Treasury regulations. If you wish to satisfy the “complete redemption” test through waiver of attribution, you should consult your tax advisor regarding the requirements, mechanics and desirability of such a waiver.

- *Substantially Disproportionate.* In order to meet the “substantially disproportionate” test, among other requirements, (i) the percentage of our voting equity (including Exit Preferred Shares and Voting DHL Common Shares) actually and constructively owned by a U.S. Holder immediately following the redemption of the shares must be less than 80% of the percentage of our voting equity (including Exit Preferred Shares and Voting DHL Common Shares) actually and constructively owned by such U.S. Holder immediately before the redemption and (ii) the percentage of our common equity (voting or non-voting) actually and constructively owned by such U.S. Holder immediately following the redemption of the shares must be less than 80% of the percentage of our common equity (voting or non-voting) actually and constructively owned by such U.S. Holder immediately before the redemption.

- *Not Essentially Equivalent to a Dividend.* The redemption will be “not essentially equivalent to a dividend” if it results in a “meaningful reduction” in a U.S. Holder’s equity interest in us, given the particular facts and circumstances that apply to the U.S. Holder. The IRS has indicated in published guidance that the redemption of certain preferred stock by a corporation from a person who owns none of

the common stock of the corporation may constitute a “meaningful reduction.” You should consult your own tax advisor regarding the application of this test to your particular circumstances.

Contemporaneous dispositions or acquisitions of the Exit Preferred Shares or other equity of us by a U.S. Holder or by other individuals or entities (including those related to a U.S. Holder) may be deemed to be part of a single integrated transaction and may be taken into account in determining whether the Section 302 tests have been satisfied.

If none of the Section 302 tests is satisfied, then the entire amount of cash received by a U.S. Holder pursuant to a redemption will be treated as a distribution to the U.S. Holder with respect to such U.S. Holder’s remaining Exit Preferred Shares (or, potentially, DHL Common Shares), as described above under “—Dividends and Other Distributions.”

In addition, under Section 305 of the Code, it is possible that, even if one of the Section 302 tests is satisfied, a U.S. Holder may be treated as receiving constructive dividends with respect to the Exit Preferred Shares upon a redemption, as described above under “—Constructive Distributions,” to the extent of any accrued and unpaid dividends.

The treatment of a redemption of the Exit Preferred Shares is unclear and dependent on many factors personal to each U.S. Holder. You should consult your own tax advisors regarding whether the redemption of the Exit Preferred Shares will be treated as a distribution or as a sale in light of your particular circumstances.

Conversion of Exit Preferred Shares into DHL Common Shares

Subject to the discussions below regarding any cash received in lieu of a fractional DHL Common Share and any DHL Common Shares received in respect of accrued and unpaid dividends, a U.S. Holder generally will not recognize any gain or loss upon the conversion of the Exit Preferred Shares into DHL Common Shares.

Any cash received upon conversion in lieu of a fractional DHL Common Share generally will be treated as a payment in a taxable exchange for such fractional DHL Common Share, and gain or loss will be recognized on the receipt of such cash in an amount equal to the difference, if any, between the amount of such cash received and the U.S. Holder’s adjusted tax basis allocable to the fractional DHL Common Share deemed exchanged. Any such gain or loss will be long-term capital gain or loss if the U.S. Holder has held the converted Exit Preferred Shares for more than one year at the time of conversion. Any such gain or loss generally will be U.S.-source gain or loss for U.S. foreign tax credit purposes. For non-corporate taxpayers, long-term capital gains generally are eligible for reduced rates of taxation. The deductibility of capital losses may be subject to limitations.

The tax treatment of a U.S. Holder’s receipt of DHL Common Shares received upon conversion in respect of accrued and unpaid dividends that have not been declared is uncertain and depends in part on whether the Exit Preferred Shares are treated as preferred stock under Section 305 of the Code. If the Exit Preferred Shares are treated as preferred stock under Section 305, any DHL Common Shares received upon conversion of the Exit Preferred Shares in respect of dividends in arrears or possibly accrued and unpaid dividends on the Exit Preferred Shares may be treated as a constructive distribution and taxed as described above under “—Dividends and other Distributions.” If the Exit Preferred Shares are not treated as preferred stock under Section 305 of the Code, although not free from doubt, the receipt of such DHL Common Shares should be treated as additional consideration received by the U.S. Holder upon conversion of the Exit Preferred Shares into DHL Common Shares.

U.S. Holders should be aware that the tax treatment described above in respect of the payments of DHL Common Shares made in respect of accrued and unpaid dividends that have not been declared is not certain and may be challenged by the IRS. To the extent of the DHL Common Shares received that are treated as a taxable dividend based on available earnings and profits at the time of conversion, as described above under “—Dividends and Other Distributions,” such DHL Common Shares will not give rise to any cash from which any applicable withholding tax could be satisfied. If an applicable withholding agent pays backup withholding on behalf of a U.S. Holder (because such U.S. Holder failed to establish an exemption from backup withholding), the applicable withholding agent may withhold such taxes from the DHL Common Shares or current or subsequent payments of cash to such U.S. Holder.

Except as discussed in the last sentence of this paragraph, a U.S. Holder’s aggregate tax basis in the DHL Common Shares received upon conversion of the Exit Preferred Shares will equal the U.S. Holder’s aggregate tax basis in the converted Exit Preferred Shares. The U.S. Holder’s holding period for such shares will include the U.S.

Holder's holding period of the converted Exit Preferred Shares. DHL Common Shares received in payment of accrued and unpaid dividends that have been taxed as a dividend upon receipt, if any, will have a tax basis equal to their fair market value on the date of conversion, and a new holding period which will commence on the day after the date of conversion.

Passive Foreign Investment Company Rules

In general, a foreign corporation is a PFIC for any taxable year if: (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of these calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets. Cash is a passive asset for these purposes. Based on the expected composition of our income and assets we do not believe that we were a PFIC for our taxable year ended March 31, 2023, and we do not expect we will be a PFIC in the foreseeable future. However, our PFIC status is a factual determination that is made on an annual basis. Because our PFIC status for any taxable year will depend on the manner in which we operate our business, the composition of our income and assets and the value of our assets from time to time, there can be no assurance that we will not be a PFIC for any taxable year.

If we were a PFIC for any taxable year (or portion thereof) during which a U.S. Holder held Exit Preferred Shares or DHL Common Shares, gain recognized by a U.S. Holder on a sale or other disposition of the Exit Preferred Shares or the DHL Common Shares would be allocated ratably over the U.S. Holder's holding period for the Exit Preferred Shares or the DHL Common Shares, as applicable. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as applicable, for that taxable year, and an interest charge would be imposed on the tax on such amount. Further, to the extent that any taxable distributions received on a U.S. Holder's Exit Preferred Shares or DHL Common Shares exceeded 125% of the average of the annual taxable distributions on those shares during the preceding three years or the U.S. Holder's holding period, whichever is shorter, such taxable distributions would be subject to taxation in the same manner as gain, described immediately above. U.S. Holders should consult their tax advisors to determine the consequences in their particular circumstances if we were deemed to be a PFIC in any particular year.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments of distributions on the Exit Preferred Shares or the DHL Common Shares and the proceeds from a sale or other disposition (including a retirement or redemption) of the Exit Preferred Shares or the DHL Common Shares. A U.S. Holder may be subject to backup withholding on payments of these amounts if the U.S. Holder fails to provide its taxpayer identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's federal income tax liability or may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Section 6038D

Section 6038D of the Code generally requires U.S. individuals (and certain entities) to file IRS Form 8938 if they hold certain "specified foreign financial assets," the aggregate value of which exceeds certain thresholds. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but would also, unless held in accounts maintained by a U.S. financial institution, include the Exit Preferred Shares or the DHL Common Shares. If a U.S. Holder does not file a required IRS Form 8938, such holder may be subject to substantial penalties and the statute of limitations on the assessment and collection of all U.S. federal income taxes of such U.S. Holder for the related tax year may not close before the date which is three years

after the date on which such form is filed. U.S. Holders should discuss these reporting obligations, and the substantial penalties for non-compliance, with their own tax advisors.

Tax Consequences to U.S. Holders Who Do Not Validly Tender Or Who Validly Withdraw their Existing Notes in the Exchange Offer

If we achieve the 75% Condition with respect to the Existing Notes, then the Existing Notes Issuers expect to propose the Scheme with respect to the Existing Notes rather than consummate the Exchange Offer, and if successful in effecting the Scheme, we will be able to purchase all outstanding Existing Notes, including those held by Eligible Holders that did not tender their Existing Notes in the Exchange Offer. See "Risk Factors—Risks Relating to the Non-Tendering Holders of the Existing Notes—*If we achieve the 75% Condition with respect to the Existing Notes, the Existing Notes Issuers expect to propose the Scheme with respect to the Existing Notes and if the Existing Notes Issuers commence the Scheme and are successful in effecting the Scheme, all Existing Notes will be purchased.*" Assuming we achieve the 75% Condition with respect to the Existing Notes and consummate the Scheme, the U.S. federal income tax consequences to the non-tendering U.S. Holders will generally be the same as described above under "—Tax Consequences to U.S. Holders Who Validly Tender And Who Do Not Validly Withdraw their Existing Notes in the Exchange Offer," except with respect to consequences relating to an Early Tender Premium.

If we do not consummate the Scheme, including because we do not achieve the 75% Condition with respect to the Existing Notes or because we decide not to propose the Scheme, the U.S. federal income tax consequences to the non-tendering U.S. Holders as a result of the adoption of the Proposed Amendments will depend on whether or not, under applicable Treasury regulations, the adoption of the Proposed Amendments result in a significant modification of the Existing Notes.

Under applicable Treasury regulations, the modification of a debt instrument generally is a significant modification if, based on the facts and circumstances and taking into account all modifications (other than modifications that are subject to special rules) of the debt instrument collectively, the legal rights or obligations that are altered and the degree to which they are altered are "economically significant." As a general matter, multiple modifications to a debt instrument are considered cumulatively. The applicable Treasury regulations provide specific rules for determining whether certain types of modifications are significant, which include, among others, (i) a rule that a modification that releases a guarantee for a recourse debt instrument is a significant modification only if the modification results in a change in payment expectations and (ii) a rule that the addition, deletion or alteration of "customary accounting or financial covenants" is not a significant modification.

It is unclear whether the adoption of the Proposed Amendments will result in a significant modification of the Existing Notes. Non-tendering U.S. Holders should consult their tax advisors regarding the application of U.S. federal, state and local and non-U.S. income, estate and other tax considerations relating to the Scheme and the Proposed Amendments.

TRANSFER RESTRICTIONS

Bermuda Transfer Restrictions

Certain transfers of New Securities shall require the prior consent of the Bermuda Monetary Authority. See “Risk Factors—Risks Relating to the New Securities—There are regulatory limitations on the ownership and transfer of the New Securities.”

The New Securities may be offered or sold in Bermuda only in compliance with the provisions of the Bermuda Companies Act 1981, the Bermuda Investment Business Act 2003 and the Bermuda Exchange Control Act of 1972 and related regulations, each of which regulate the sale of securities in Bermuda. In addition, the Bermuda Monetary Authority must approve all issues and transfers of shares of a Bermuda exempted company. The Bermuda Monetary Authority has, pursuant to its statement of June 1, 2005, given its general permission under the Exchange Control Act 1972 and related regulations for the issue and free transfer of shares to and among persons who are non-residents of Bermuda for exchange control purposes on a variety of grounds. Any future issue and transfer of the New Securities will require prior approval of the Bermuda Monetary Authority, unless any purported transfer benefits from the general permission, including if such transfer:

- (i) is to a nominee or another registered holder where there is no change in beneficial ownership;
- (ii) is to or among an affiliate or affiliates of the transferor (as such term is defined under the Bermuda Companies Act); or
- (iii) is of New Securities that carry the right to exercise less than 10% of all voting rights in DHL (provided such transfer does not cause the transferee to become entitled to exercise 10% or more or, where a holder already holds 10% or more, 50% or more of all voting rights in DHL in the aggregate).

Where a transferor purports to rely upon any of the above permissions, they are nevertheless required to notify the Bermuda Monetary Authority following any such permitted transfer.

U.S. Transfer Restrictions

In addition, the issuance of the New Securities has not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except in accordance with an applicable exemption from the registration requirements thereof. Accordingly, the New Securities are being offered and sold only (1) to “qualified institutional buyers” under Rule 144A under the U.S. Securities Act and (2) outside the United States to non-U.S. persons in reliance upon Regulation S under the U.S. Securities Act.

Each Eligible Holder that tenders its Existing Notes in the Exchange Offer will be deemed to have acknowledged, represented to and agreed with us as follows:

1. The New Securities are being offered for exchange in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act. The issuance of the New Securities has not been, and will not be, registered under the U.S. Securities Act or any U.S. securities laws and they are being offered for resale in transactions not requiring registration under the U.S. Securities Act. The New Securities may not be reoffered, resold, pledged or otherwise transferred except:
 - a. to a person whom the holder reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A;
 - b. in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S;
 - c. pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available);
 - d. in accordance with another exemption from the registration requirements of the U.S. Securities Act (and based upon an opinion of counsel acceptable to us, if we so request);

- e. to us; or
- f. pursuant to an effective registration statement under the U.S. Securities Act, and, in each case, in accordance with all applicable U.S. state securities laws.

Each Eligible Holder will, and each subsequent holder is required to, notify any subsequent purchaser from it of the resale restrictions set forth in the preceding sentence. No representation is being made as to the availability of the exemption provided by Rule 144 for resales of the New Securities.

- 2. It is not an “affiliate” (as defined in Rule 144 under the U.S. Securities Act) and it is not acting on our behalf and it is either:
 - a. a “qualified institutional buyer” within the meaning of Rule 144A promulgated under the U.S. Securities Act and is aware that any sale of securities to it will be made in reliance on Rule 144A and such acquisition will be for its own account or for the account of another qualified institutional buyer; or
 - b. a person that, at the time the buy order for the securities was originated, was outside the United States and was not a U.S. person (and was not purchasing for the account or benefit of a U.S. person) within the meaning of Regulation S under the Securities Act.
- 3. It is relying on the information contained in this offering memorandum in making its investment decision with respect to the New Securities. It acknowledges that neither we nor any person representing us have made any representation to it with respect to us or the exchange of any notes other than the information contained in this offering memorandum. It has had access to such financial and other information concerning us and the New Securities as it has deemed necessary in connection with its decision to participate in the Exchange Offer, including any opportunity to ask questions of and request information from us.
- 4. Each holder understands that, until registered under the U.S. Securities Act, the New Securities will bear a legend to the following effect unless otherwise agreed by us and the holder thereof:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON [DATE OF ISSUANCE], HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN AVAILABLE EXEMPTION FROM REGISTRATION THEREUNDER.”

- 5. Either (i) the holder is not acquiring or holding the New Securities or any interest therein with the assets of (A) an “employee benefit plan” (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”)) that is subject to Title I of ERISA, (B) a “plan” that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), (C) any entity deemed under ERISA to hold “plan assets” of any of the foregoing by reason of an employee benefit plan or plan’s investment in such entity, or (D) a governmental plan, church plan or non-U.S. plan subject to provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to the foregoing provisions of ERISA or the Code (“Similar Law”); or (ii) the acquisition and holding of the New Securities or any interest therein (and the exchange of Existing Notes for New Securities) by the holder will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Law, and none of us nor any of our affiliates has acted as the fiduciary of the holder in connection with the acquisition and holding of the New Securities (or the exchange of Existing Notes for New Securities).

SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

The majority of our directors and officers reside outside the United States. Our business is based outside the United States, and a substantial portion of our assets, and all or a significant portion of the assets of our directors and officers, are located outside the United States in jurisdictions such as Ireland, Jamaica, Haiti and Trinidad and Tobago. As a result, it may be difficult for investors to effect service of process on those persons in the United States or to enforce in the United States judgments obtained in U.S. courts against us or those persons based on the civil liability provisions of the U.S. securities laws.

Bermuda

There is no treaty in force between the United States and Bermuda providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As a result, whether a U.S. judgment would be enforceable in Bermuda against DHL or its directors and officers depends on whether the U.S. court that entered the judgment is recognized by the Bermuda Court as having jurisdiction over it or its directors and officers, as determined by reference to Bermuda conflict of law rules and the judgment is not contrary to public policy in Bermuda, has not been obtained by fraud in proceedings contrary to natural justice and is not based on an error in Bermuda law. A judgment debt from a U.S. court that is final and for a sum certain based on U.S. federal securities laws will not be enforceable in Bermuda unless the judgment debtor had submitted to the jurisdiction of the U.S. court, and the issue of submission and jurisdiction is a matter of Bermuda (not U.S.) law.

An action brought pursuant to a public or penal law, the purpose of which is the enforcement of a sanction, power or right at the instance of the state in its sovereign capacity, may not be entertained by a Bermuda Court. Certain remedies available under the laws of U.S. jurisdictions, including certain remedies under U.S. federal securities laws, may not be available under Bermuda law or enforceable in a Bermuda Court, as they may be contrary to Bermuda public policy. Further, no claim may be brought in Bermuda against DHL or its directors and officers in the first instance for violations of U.S. federal securities laws because these laws have no extraterritorial jurisdiction under Bermuda law and do not have force of law in Bermuda. A Bermuda Court may, however, impose civil liability on DHL or its directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under Bermuda law. However, section 281 of the Bermuda Companies Act allows a Bermuda Court, in certain circumstances, to relieve officers and directors of Bermuda companies of liability for acts of negligence, breach of duty or trust or other defaults.

Section 98 of the Bermuda Companies Act provides generally that a Bermuda company may indemnify its directors, officers and independent accountants against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and independent accountants against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favor or in which they are acquitted or granted relief by the Bermuda Court pursuant to Section 281 of the Bermuda Companies Act.

DHL's bye-laws provide that it shall indemnify its officers and directors in respect of their actions and omissions, except in respect of their fraud or dishonesty, and that it shall advance funds to its officers and directors for expenses incurred in their defense on condition to repay the funds if any allegation of fraud or dishonesty is proved. DHL's bye-laws provide that its shareholders waive all claims or rights of action that they might have, individually or in right of DHL, against any of its directors or officers for any act or failure to act in the performance of such director's or officer's duties, except in respect of any fraud or dishonesty of such director or officer. Section 98A of the Bermuda Companies Act permits DHL to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not it may otherwise indemnify such officer or director.

DHL has purchased and maintains a directors' and officers' liability policy for such a purpose.

St. Lucia

A judgment for the payment of money rendered by a court in the United States based on civil liability would not be automatically enforceable in St. Lucia under the Enforcement of Foreign Judgments Act Cap. 2:09 of the Revised Laws of St. Lucia, so as to be enforceable in St. Lucia in like manner as if it were a judgment of a St. Lucia court.

The judgment will not be so registrable, because there is no reciprocity of treatment of judgments as between the United States and St. Lucia.

A final judgment made for a debt claim by a U.S. court will not be enforceable in St. Lucia unless a common law action based on the judgment is made in St. Lucia. In such a case, the cause of action must be the final judgment itself and the legal obligation imposed by that judgment and not the original cause of action recognized by the applicable U.S. court.

Ireland

A judgment for the payment of money rendered by a court in the United States based on civil liability would not be automatically enforceable in Ireland. There is no treaty between Ireland and the United States providing for the reciprocal enforcement of foreign judgments. The Irish courts will not directly enforce a foreign judgment. Instead the judgment must be recognized before it can be enforced, which is done by obtaining an Irish judgment on foot of the United States judgment. The following requirements must be met before a foreign judgment will be deemed to be recognizable and enforceable in Ireland:

- the judgment must be for a debt or definite sum;
- the judgment must be final and conclusive; and
- the judgment must be provided by a court of competent jurisdiction.

The Irish court will also exercise its right to refuse judgment if the foreign judgment was obtained by fraud, if the judgment violates Irish public policy, if the judgment is in breach of natural justice or if it is irreconcilable with an earlier foreign judgment. Irish courts have no jurisdiction to enforce directly or indirectly the penal revenue or other public laws of a foreign state. There is, therefore, some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on the civil liabilities provisions of the U.S. federal or state securities laws or hear actions against us or those persons based on those laws. Therefore, a final judgment for the payment of money rendered by any U.S. federal or state court based on civil liability, whether or not based solely on U.S. federal or state securities laws, would not automatically be enforceable in Ireland.

France

A judgment rendered by a court in the United States and ordering the payment of a sum of money based on civil liability would not be automatically enforceable in France. The reason is that there is no treaty between France and the United States providing for reciprocal enforcement of foreign judgments.

In the absence of international conventions facilitating the recognition and enforcement of judgments, foreign judgments (*i.e.* rendered by courts located outside the Member States of the European Union) can only be recognized and enforced by French courts, without re-examination or re-litigation of the matters adjudicated, through action for recognition (*exequatur*). This action must be brought before the competent French court and must evidence that the judgment satisfies several cumulative conditions, developed by French case law, which are:

- that the judgment at issue was rendered by a court with jurisdiction over the matter;
- that the judgment at issue is not tainted by fraud (*fraude à la loi*); and
- that the judgment at issue is not contrary to French principles of public policy applicable internationally (*ordre public international*).

The procedure to obtain the *exequatur* of a foreign decision is adversarial.

Jamaica

A judgment for the payment of money rendered by a court in the United States based on civil liability would not be automatically enforceable in Jamaica. There is no treaty between Jamaica and the United States providing for the reciprocal enforcement of foreign judgments.

To enforce a foreign judgment in Jamaica from a jurisdiction (country) with whom Jamaica has no reciprocal enforcement of judgment arrangements a suit has to be brought in Jamaica claiming the amount under the judgment as a debt where the foreign judgment would be evidence of the debt. Although no re-trial of the issues would be necessary, the suit claiming the debt based on a foreign judgment, can be defended on the grounds as discussed below and those legal issues arising on a defense would be determined by a Jamaican court.

The Jamaican court may exercise its right to refuse judgment in certain limited circumstances including if the foreign judgment was obtained by fraud, if the judgment violates Jamaican public policy and if the judgment was obtained in a manner which breached the principles of natural justice. Outside of those recognized grounds, a final and conclusive judgment of a foreign court of competent jurisdiction for a money debt is unimpeachable on the merits, whether for error of fact or law.

Haiti

A judgment based on civil liability rendered by a court in the United States would not be automatically enforceable in Haiti.

As a general rule, foreign judgments rendered by foreign courts of law are only enforceable in Haiti if there is a treaty between Haiti and the country in which the foreign judgment originates, providing for the recognition and enforcement of foreign judgments. There is currently no treaty between Haiti and the United States providing for the reciprocal recognition and enforcement of foreign court judgments. Furthermore, Haitian courts will have no jurisdiction to enforce directly or indirectly the penal or other public law of a foreign state.

A Haitian court can, however, impose civil liability on a Haitian guarantor or its directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under Haitian law in a suit filed in Haitian court. There are limited instances under Haitian law where a piercing of the corporate veil can occur, holding directors personally liable for actions which they cause the company to take. These tend to be in the instance of egregious acts by a company's directors or chief operating officer(s) (*directeur général*).

Even if a party to a US-based judgment had submitted itself to the jurisdiction of a U.S. court, enforcement of a judgment against it will not be obtained in Haiti as the exequatur will not be granted by a Haitian court. Note that the request for the exequatur has to be presented by the foreign judge through the Foreign Affairs Ministry of Haiti.

The presentation of a foreign judgment as a debt instrument (or as proof of a foreign debt) and the filing of a suit under Haitian law on that basis is also highly unlikely to succeed. Due to the rules governing the granting of an exequatur, which establishes the formal procedures for the recognition of a foreign court judgment to begin with, such recognition of the foreign court's judgment as a debt obligation is highly unlikely. The exequatur procedures under Article 502 of the Civil Procedure Code will likely be deemed of public order, and even a contractual agreement by the local debtor recognizing any foreign judgment against it as a form a debt will very likely be deemed unenforceable as it would result in the violation of exequatur rules and procedures which maintain the public order.

It is however important to note that Haiti is party to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards. As such, and in accordance with article 975 of the Civil Procedure Code, arbitral awards, even when rendered abroad, are recognized in Haiti if this recognition is not manifestly contrary to international law and public order. The exequatur will be issued by order of the president of the civil court in whose jurisdiction the execution will be pursued.

Trinidad and Tobago

Final and conclusive judgments for the payment of a sum of money rendered by a U.S. federal or New York state court are not directly enforceable in Trinidad and Tobago by the High Court of Trinidad and Tobago. However, an action may be brought in the High Court of Trinidad and Tobago to obtain a judgment of the High Court of Trinidad and Tobago on a final and conclusive judgment for the payment of a sum of money rendered by a U.S. federal or New York state court. In an action brought to enforce a judgment, the High Court of Trinidad and Tobago will recognize and enforce a final and conclusive judgment rendered by a U.S. federal or New York state court under common law principles applied by such court, provided, among other conditions, that:

- the original U.S. federal or New York state court was a court of competent jurisdiction according to the rules of conflict of laws applied by the High Court of Trinidad and Tobago (this includes where the defendant enters into an agreement to submit the dispute to the jurisdiction of the foreign courts);
- the U.S. judgment is not impeachable on the grounds that it was obtained by fraud, that its recognition or enforcement would be contrary to Trinidad and Tobago principles of public policy, or that it was obtained in proceedings which were contrary to “natural justice,” as such term would be interpreted and applied by a Trinidad and Tobago Court;
- the U.S. judgment is for a definite sum of money (other than a sum payable in respect of taxes or penalties) and finally and conclusively determines the rights and liabilities of the parties and has not been satisfied; and
- the U.S. judgment was obtained as a consequence of an in personam action.

Cayman Islands

The courts of the Cayman Islands are unlikely (i) to recognize or enforce against DHL or any guarantors judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any state; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against DHL or any guarantors predicated upon the civil liability provisions of the securities laws of the United States or any state, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For such a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

The disclosure in this section is not based on the opinion of any counsel.

CERTAIN INSOLVENCY LAW AND LOCAL LAW LIMITATIONS

The following is an overview of certain insolvency considerations and limitations on the validity and enforceability of the New Securities in Bermuda. The descriptions below are only a summary and do not purport to be complete or to discuss all of the considerations or limitations that may affect the validity and enforceability of the New Securities.

Bermuda

DHL is a Bermuda company and subject to Bermuda laws. Bermuda is a self-governing overseas territory of the United Kingdom. Bermuda's legal system is based upon the English legal system. Bermuda has its own legislature, which enacts legislation for Bermuda. In addition, certain U.K. legislation is extended to Bermuda by the U.K. legislature and is effective in Bermuda.

Where issues of common law in Bermuda have not been expressly considered by the Bermuda courts, the Bermuda courts often find assistance in the consideration of such issues in reasoned judgments of the English courts, as well as the courts of other common law jurisdictions, where appropriate. The Judicial Committee of the Privy Council sitting in London is the highest appellate court for Bermuda and decisions of that Committee are formally binding upon Bermuda courts.

Bermuda's insolvency regime is generally premised upon the concept of *pari passu* distribution of assets amongst the creditors of the insolvent company. An insolvent Bermuda company may be the subject in Bermuda of liquidation proceedings. In the context of insolvency, the other proceedings that may be used in Bermuda are a scheme of arrangement or receivership, but these are not exclusive to insolvency.

There are two types of insolvent liquidations in Bermuda: voluntary and compulsory. The former is commenced by the company itself, while the latter is commenced by way of a petition presented to the Bermuda Court by the company, its creditors or shareholders upon which the court is asked to make a winding-up order. There are a number of circumstances provided for in Section 161 of the Bermuda Companies Act in which a Bermuda company may be wound up by the court, the most common of which is when the company is unable to pay its debts.

In the case of the company's inability to pay its debts, the petition can be presented by either the company or a creditor or a shareholder of the company. For this purpose, "creditor" includes a contingent or prospective creditor. Pursuant to the Bermuda Companies Act, a company will be deemed to be unable to pay its debts if:

- (a) a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred dollars then due, has served on the company, by leaving it at the registered office of the company, a demand requiring the company to pay the sum so due and the company has for three weeks thereafter neglected to pay the sum or to secure or compound for it to the reasonable satisfaction of the creditor;
- (b) the execution or other process issued on a judgment, decree or order of any court in favor of a creditor of the company is returned unsatisfied in whole or in part; or
- (c) it is proved to the satisfaction of the Bermuda Court that the company is unable to pay its debts. In determining whether a company is unable to pay its debts, the court will take into account the contingent and prospective liabilities of the company.

Upon the appointment of a liquidator, the rights and duties of the directors of an insolvent Bermuda company will, subject to any order of the Bermuda Court to the contrary, cease. The liquidator is required to collect in the assets and after payment of secured creditors distribute them *pari passu* amongst unsecured creditors.

There are no bankruptcy treaties in force under the laws of Bermuda.

Under Bermuda law, certain transactions may be set aside or otherwise be varied or amended by order of a Bermuda Court when an insolvent Bermuda company goes into liquidation. This occurs where an impugned transaction is a fraudulent preference or a transaction that constitutes a fraud on creditors or, under certain circumstances, a floating charge.

Section 237 of the Bermuda Companies Act provides that certain transactions, including payments to creditors, within six months prior to the commencement of liquidation may be held invalid if the transactions were made with the dominant intention of preferring those creditors over others.

Under section 36C of the Conveyancing Act 1983 of Bermuda, which can apply whether or not a company has gone into liquidation, certain dispositions of a Bermuda company's property are voidable (i) if the disposition was a disposition the dominant purpose of which is to put the property which is the subject of that disposition beyond the reach of a person or a class of persons who is making, or may at some time make, a claim against him; and (ii) where the person seeking to void the disposition was, on the date of the disposition, not a person to whom an obligation was owed by the transferor or they were a person whom the Bermuda Court is satisfied was a person who, on the date of disposition, was reasonably foreseeable by the transferor as a person to whom an obligation might become owed by the transferor. A creditor to whom the company owes an obligation at the time of or within two years from the date of the transaction must commence proceedings within six years of the later of (a) the date of the transaction or (b) the date upon which the obligation became owed; a creditor to whom a company owes a contingent liability at the time of the transaction, and the contingency giving rise to the company's obligation to the creditor has since occurred, such creditor must commence proceedings within six years of the date of the transaction; and a creditor to whom a company owes an obligation in consequence of a claim where the cause of action accrued prior to or within two years of the transaction, such creditor must commence proceedings within six years from the later of (a) the date of the transaction or (b) the date upon which the cause of action accrued.

Only transactions made at an undervalue are capable of being avoided under this section.

Under Section 166 of the Bermuda Companies Act, in a winding-up by the court, any disposition of the property of a Bermuda company, and any transfer of shares, or alteration in the status of the members of the company, made after the commencement of the winding-up shall, unless the court orders otherwise, be void.

Under Section 246 of the Bermuda Companies Act, if in the course of the winding-up of a company it appears that any business of the company has been carried on with intent to defraud creditors of the company or creditors of any other person or for any fraudulent purpose, the court may declare that any persons who were knowingly parties to the carrying on of the business in such manner shall be personally responsible, without any limitation of liability, for all or any of the debts or other liability of the company as the court may direct.

Under Section 239 of the Bermuda Companies Act, a floating charge on the undertaking or property of a company created within 12 months of the commencement of the winding-up shall, unless it is proved that the company immediately after the creation of the charge was solvent, be invalid except to the amount of any cash paid to the company at the time of or subsequently to the creation of, and in consideration for, the charge.

Set-off of debts is permissible upon the commencement of winding-up of an insolvent Bermuda company, but only in respect of mutual dealings subsisting at the commencement of winding-up. If there is a net balance after the set-off, such sums may be claimed in the liquidation.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company is not subject to the reporting requirements of the Exchange Act. However, it provides annual and quarterly financial statements to the Trustee and posts such reports to a secured website and makes them available to Eligible Holders upon request.

Rather than include some of the information included in the Company's annual and quarterly reports, as well as certain other relevant information, we are incorporating this information by reference, which means that we are disclosing important information to you by referring you to another document posted on the Company's Intralinks website. The following documents contain important information about the Company and we incorporate them herein by reference:

- Annual financial statements and corresponding narrative of the Company as of and for the years ended March 31, 2023 and 2022, posted on the Company's Intralinks website and
- The Restructuring Support Agreement, posted on the Company's Intralinks website on June 27, 2023.

We also incorporate by reference any financial statements and corresponding narratives of the Company, as well as any amendments to the Restructuring Support Agreement, posted on the Company's Intralinks website on or after the date of this offering memorandum and prior to the Expiration Date.

Any statement contained in a document incorporated by reference into this offering memorandum shall be considered to be modified or superseded for purposes of this offering memorandum to the extent that a statement contained in this offering memorandum or in any subsequently posted document that is incorporated by reference modifies or supersedes such statement. Any statement that is modified or superseded shall not, except as so modified or superseded, constitute a part of this offering memorandum.

You can obtain the documents incorporated by reference into this offering memorandum from www.intralinks.com

LEGAL MATTERS

Certain matters will be passed upon for us by Davis Polk & Wardwell LLP, New York, New York as to matters of New York and United States law, and by Conyers Dill & Pearman Limited, Hamilton, Bermuda, our special Bermuda counsel, as to matters of Bermuda law.

INDEPENDENT ACCOUNTANTS

The consolidated financial statements of Digicel International Finance Limited and its subsidiaries as of March 31, 2023 and 2022 and for the years then ended included in this offering memorandum have been audited by PricewaterhouseCoopers, independent accountants, as stated in their report appearing herein. The address of PricewaterhouseCoopers is Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica.

The consolidated financial statements of Digicel Limited and its subsidiaries as of March 31, 2023 and 2022 and for the years then ended included in this offering memorandum have been audited by PricewaterhouseCoopers, independent accountants, as stated in their report appearing herein. The address of PricewaterhouseCoopers is Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica.

EXHIBIT A—NOMINEE INSTRUCTION FORM

AGENT/ ATTORNEY-IN-FACT AND PROXY NOMINEE INSTRUCTION FORM

CUSIP NUMBERS: 25381XAC7 (144A) / G2770MAC2 (Reg S)
ISIN NUMBERS: US25381XAC74 (144A) / USG2770MAC22 (Reg S)

Must be completed and submitted by the DTC Participant by 5:00 p.m. New York City Time on the business day following the Expiration Date.

As detailed in the offering memorandum and consent solicitation statement dated August 21, 2023 (as the same may be amended or supplemented, the “offering memorandum”), by tendering its Existing Notes (defined herein) via ATOP, a holder of Existing Notes who is an Eligible Holder automatically and unconditionally delivers instructions for Epiq Corporate Restructuring, LLC (or its designee or affiliate) (the “Tender Agent” and the “Information Agent”), effective immediately, to act as its true and lawful agent, attorney-in-fact and proxy with respect to the tendered Existing Notes indicated below solely for the purpose of taking all steps necessary, including executing all documentation necessary, as may be required by applicable law, (a) to cause such tendered Existing Notes to be assigned, transferred and exchanged and (b) in such capacity as true and lawful agent, attorney-in-fact and proxy, to irrevocably vote in favor (including, if required attending, a meeting and voting on behalf of such delivered Existing Notes) of a Scheme with respect to the principal amount of Existing Notes delivered via ATOP, providing substantially the same or better economic terms (as determined by the Information Agent and the Tender Agent in its discretion acting in good faith) to the Existing Notes than those terms set forth in the offering memorandum (the “Instructions”); *provided, however*, that any such Instructions granted by a holder of Existing Notes that is a part to the RSA shall automatically be deemed to be revoked upon the termination of the RSA. Capitalized terms used and not defined herein shall have the meanings given to them in the offering memorandum. As required by the offering memorandum, such Instructions must be automatically delivered to the Information and the Tender Agent by the Nominee of the tendering Eligible Holder using this Nominee Instruction Form. For the avoidance of doubt, in connection with the tender of Existing Notes via ATOP by an Eligible Holder, the submission of the ATOP instruction without the submission by such Eligible Holder’s Nominee of the corresponding Nominee Instruction Form shall not be sufficient to grant the Instructions. In order for a tender of Existing Notes via ATOP to be valid, a corresponding Nominee Instruction Form must be submitted.

Accordingly, Instructions (as defined above and in the offering memorandum) are hereby relayed to the Information and the Tender Agent, as Attorney-in-Fact, with respect to the following Voluntary Offer Instruction (“VOI”) Number(s), *provided, however*, that any such Instruction shall automatically be deemed to be revoked in the event the corresponding tender of Existing Notes via ATOP is validly withdrawn:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(You may also attach a schedule of VOI Numbers, in which case please write “See Attached Schedule” above and specify the number of pages that are attached.)

This Nominee Instruction Form must be emailed to the Information and the Tender Agent at the email address set forth below by 5:00 p.m., New York City Time on the business day following the Expiration Date:

Email to: Tabulation@epiqglobal.com (with a reference to “Digicel Nominee Instruction Form” in the subject line).

DTC Participant Name: _____ DTC Participant Number: _____

Contact Name: _____ Telephone: _____

Contact Email Address: _____

EXHIBIT B—EQUITY REGISTRATION FORM

EQUITY REGISTRATION FORM

For use by Eligible Holders in respect of
8.0% Subordinated Notes due 2026 (the “Existing Notes”)
co-issued by

DIGICEL INTERMEDIATE HOLDINGS LIMITED (“DIHL”)

and

DIGICEL INTERNATIONAL FINANCE LIMITED (“DIFL”)

ISIN: US25381XAC74 (144A) / USG2770MAC22 (Reg S)

CUSIP: 25381XAC7 (144A) / G2770MAC2 (Reg S)

As set forth in the offering memorandum and consent solicitation statement (as amended from time to time, the “offering memorandum”) dated as of August 21, 2023 to which this Equity Registration Form (the “Form”) is attached, we are offering to exchange any and all of the Existing Notes, validly tendered (and not validly withdrawn) (the “Exchange Offer”) and accepted for exchange by us for common shares to be issued by Digicel Holdings (Bermuda) Limited (“DHL”) (the “DHL Common Shares”), as described in the offering memorandum. In addition, DHL is offering Eligible Holders that tender their Existing Notes in the Exchange Offer the opportunity to subscribe for DHL Common Shares and convertible preferred shares (the “Exit Preferred Shares” and together with DHL Common Shares, the “New Securities”), each to be issued by DHL.

Capitalized terms used but not defined herein shall have the meanings given to them in the offering memorandum.

If 75% of the outstanding principal amount of Existing Notes are tendered in the Exchange Offer, then the Existing Notes Issuers expect to propose the Scheme with respect to the Existing Notes. If the Existing Notes Issuers commence the Scheme and are successful in effecting the Scheme in accordance with its terms, all Existing Notes will be exchanged for DHL Common Shares, which will be issued in registered form promptly after all conditions to the distribution of consideration under the Scheme are satisfied. The completion of this Form is necessary to receive the DHL Common Shares and, to the extent Eligible Holders subscribe therefor, the Exit Preferred Shares, regardless of whether any New Securities are issued upon consummation of the Exchange Offer or the Scheme.

Eligible Holders of the Existing Notes are required to complete Part 1 of this Form in order to receive their relevant New Securities in the Exchange Offer or the Scheme, as applicable. In addition, an Eligible Holder that, together with its affiliates and controlling persons, will own 10% of the voting rights attaching to the or more of the outstanding New Securities after consummation of the Exchange Offer or the Scheme, as applicable, must satisfy the Beneficial Ownership Condition (as defined below) in order to receive its New Securities.

This is **NOT** a letter of transmittal. Eligible Holders should tender their Existing Notes in the Exchange Offer following the procedures described in the offering memorandum.

ELIGIBLE HOLDERS ENTITLED TO ANY NEW SECURITIES PURSUANT TO THE EXCHANGE OFFER OR THE SCHEME, AS APPLICABLE, WHO DO NOT SUBMIT A VALID FORM WILL NOT RECEIVE THE NEW SECURITIES TO WHICH THEY ARE ENTITLED.

Until a valid Form is received, an Eligible Holder’s New Securities will be held in the Holding Trust by a holding trustee. This Holding Trust will terminate 18 months after the Settlement Date (subject to any extension of the Holding Trust at the sole discretion of DHL). Upon termination of the Holding Trust, an Eligible Holder that has not yet submitted a valid Form (or has not submitted an alternative notification deemed to be acceptable in the sole discretion of DHL) will no longer be entitled to any New Securities, and such securities will revert to DHL. Eligible Holders should therefore **complete and submit this Form online as soon as practicable in accordance with the directions below.**¹

¹ Only electronic submission will be accepted.

**SPECIAL NOTICE TO THOSE ELIGIBLE HOLDERS WHO WILL HOLD 10% OR MORE OF THE
VOTING RIGHTS ATTACHING TO THE NEW SECURITIES**

Under Bermuda law, an Eligible Holder who (together with its affiliates and controlling persons) would, assuming the consummation of the Reorganization Transactions, own or control 10% or more of the voting rights attaching to the New Securities is required to provide “know-your-customer”/customer due diligence information to satisfy the anti-money-laundering obligations imposed by the Bermuda Governmental Authorities (“KYC Requirements”). This is referred to as the “Beneficial Ownership Condition” and is satisfied by the Eligible Holder providing the necessary information to Conyers Corporate Services (Bermuda) Limited.

The anticipated share capital of DHL upon closing of the Reorganization Transactions is expected to be allocated between 42.4 million DHL Common Shares with 69.75% of the voting rights and 1.2 million Exit Preferred Shares with 30.25% of the voting rights on an as-converted basis, assuming all shares of DHL Common Shares and Exit Preferred Shares are comprised of Voting DHL Common Shares and Exit Preferred Shares, respectively.

Eligible Holders who are subject to the Beneficial Ownership Condition should refer to Part 2 of this Form, which summarizes the materials that will need to be submitted in respect of the entity that is nominated as their registered holder of the New Securities in Part 1 of this Form. It should be noted that KYC Requirements may vary depending upon a particular holding structure and that the submission of the materials indicated in Part 2 of this Form may not automatically lead to the satisfaction of the Beneficial Ownership Condition. Conyers Corporate (Services) Limited reserves the right to require additional information that in its discretion is necessary to satisfy the Beneficial Ownership Condition. DHL’s counsel will assist any Eligible Holder subject to the Beneficial Ownership Condition in satisfying the Beneficial Ownership Condition. Such holders should separately submit their KYC Requirements as soon as practicable to digicel.equity@conyers.com with a copy of the completed Form.

PART 1

DETAIL OF HOLDINGS

Existing Notes

Name of Eligible Holder:

Principal value of Existing Notes Held:

\$ _____

ATOP VOI Number(s):²

REGISTERED HOLDER FOR DHL COMMON SHARES

Name of Registered Holder:

Address of Registered Holder:

Contact Email for Service of Notices:

² Eligible Holders who are participating in the Exchange Offer should request the VOI Number(s) from the bank or brokerage firm that tendered their Notes.

REGISTERED HOLDER FOR EXIT PREFERRED SHARES (ONLY APPLICABLE IF THE ELIGIBLE HOLDER SUBSCRIBED FOR THE EXIT PREFERRED SHARES BY ELECTING OPTION 1 OR OPTION 2)

Name of Registered Holder:

Address of Registered Holder:

Contact Email for Service of Notices:

Representations and Warranties: By submitting this Form, you are deemed to make the representations and warranties that follow on behalf of the Eligible Holder identified above.

Directions for Submitting this Form: Please submit this Form by following the link at <https://epiqworkflow.com/cases/DIFLRegister>. Questions regarding the submission of this Form may be directed to Tabulation@epiqglobal.com (please include "DIFL Registration" in the subject line).

REPRESENTATIONS AND WARRANTIES

Each Eligible Holder that submits, delivers or procures the delivery of this Form represents, warrants and undertakes to each of Digicel Holdings (Bermuda) Limited, Digicel Intermediate Holdings Limited, Digicel International Finance Limited, Conyers Corporate Services (Bermuda) Limited (in its capacity as corporate secretary to DHL), and the Information Agent that:

1. all information provided on this Form or in connection with this Form is true, accurate and correct in all material respects.
2. it is lawful for the Eligible Holder to participate in the Exchange Offer or the Scheme, as applicable, and for the Eligible Holder or its designated registered holder to receive the New Securities and such receipt is not prohibited under the laws or regulations of any jurisdiction applicable to the Eligible Holder or its designated registered holder, and the Eligible Holder or its designated registered holder's acceptance of the New Securities would not, or would not be likely to result in DHL, DIHL or DIFL being required to comply with any filing, registration, disclosure or other onerous requirement in any jurisdiction where such Eligible Holder or its designated registered holder is a citizen or subject to the laws of or in which the Eligible Holder or its designated registered holder is domiciled or resident;
3. it is assuming all of the risks inherent participating in the Exchange Offer or the Scheme, as applicable, and receiving the New Securities and has undertaken all the appropriate analysis of the implications thereof without relying on DHL, DIHL, DIFL or the Information Agent;
4. the Existing Notes are held by it (directly or indirectly) or on its behalf via DTC, and that the Eligible Holder will use all reasonable endeavours to ensure that such notes will continue to be so held up to and including the Settlement Date;
5. by instructing DTC, it will be deemed to have authorized DTC to provide details concerning its identity, the Existing Notes which are the subject of this Form delivered on its behalf and its applicable account details to the relevant Company and the Information Agent and their respective legal and financial advisers at the time this Form is submitted;
6. neither the Information Agent, Conyers Corporate Services (Bermuda) Limited nor any of their respective affiliates, directors, officers or employees has made any recommendation to that Eligible Holder, and that it has made its own decision with regard to tendering based on any legal, tax or financial advice that it has deemed necessary to seek;
7. all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings shall be binding on the successors and assigns of that Eligible Holder (in the case of a corporation or institution) or the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of that Eligible Holder (in the case of a natural person) and shall not be affected by, and shall survive, the insolvency, bankruptcy, dissolution, death or incapacity (as the case may be) of that Eligible Holder; and
8. no information has been provided to it by DHL, DIHL, DIFL, Conyers Corporate Services (Bermuda) Limited the Information Agent or any of their respective affiliates, directors, officers, advisers or employees with regard to the tax consequences to that Eligible Holder, and that it is solely liable for any taxes or similar payments imposed on it under the laws of any applicable jurisdiction as a result of tendering its Existing Notes in the Exchange Offer and receiving the New Securities in the Exchange Offer or the Scheme, as applicable, and that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against DHL, DIHL, DIFL, Conyers Corporate Services (Bermuda) Limited, the Information Agent or any of their respective affiliates, directors, officers, advisers or employees in respect of such taxes or similar payments).

Part 2 – Equity Registration Form

CONYERS

conyers.com

Outline Requirements

- **For each proposed registered holder of DHL equity please provide:**
 - Structure chart showing (1) Digicel Holdings (Bermuda) Limited (“**DHL**”); (2) your proposed Registered Holder (a “**Holder**”) of DHL (and its approximately DHL equity ownership); (3) all owners of the Holder that would on a “look through” basis beneficially own 10% or more of DHL.
 - i.e. if a Holder is the direct registered owner of 25% of DHL, then a shareholder/owner of a Holder is only required to be shown on a structure chart if such shareholder/owner is the owner of more than 40% (0.1/0.25) of the Holder.
 - Each entity on the structure chart (other than DHL) must submit CDD documents as specified on the following pages, depending upon whether that entity is a corporation, partnership, individual etc.
 - Bermuda law requires a “warm body” to be identified even where there is no individual owning more than 10%. In these cases (i.e. where a Holder and its shareholders have no individuals that ultimately own 10% or more of DHL on a “look through basis”), then a senior manager/director should be identified in an upper tier entity, and the CDD submitted for this senior manager/director as if they were an “individual verification subject”.

Table of Contents

Click on headings below to view each page

[Example Structure Chart for CDD Collection](#)

[Publicly Listed](#)

[AML/ATF Regulated Financial Institution](#)

[Individual Verification Subjects](#)

[Company](#)

[Partnership](#)

[Trust](#)

[Foundation](#)

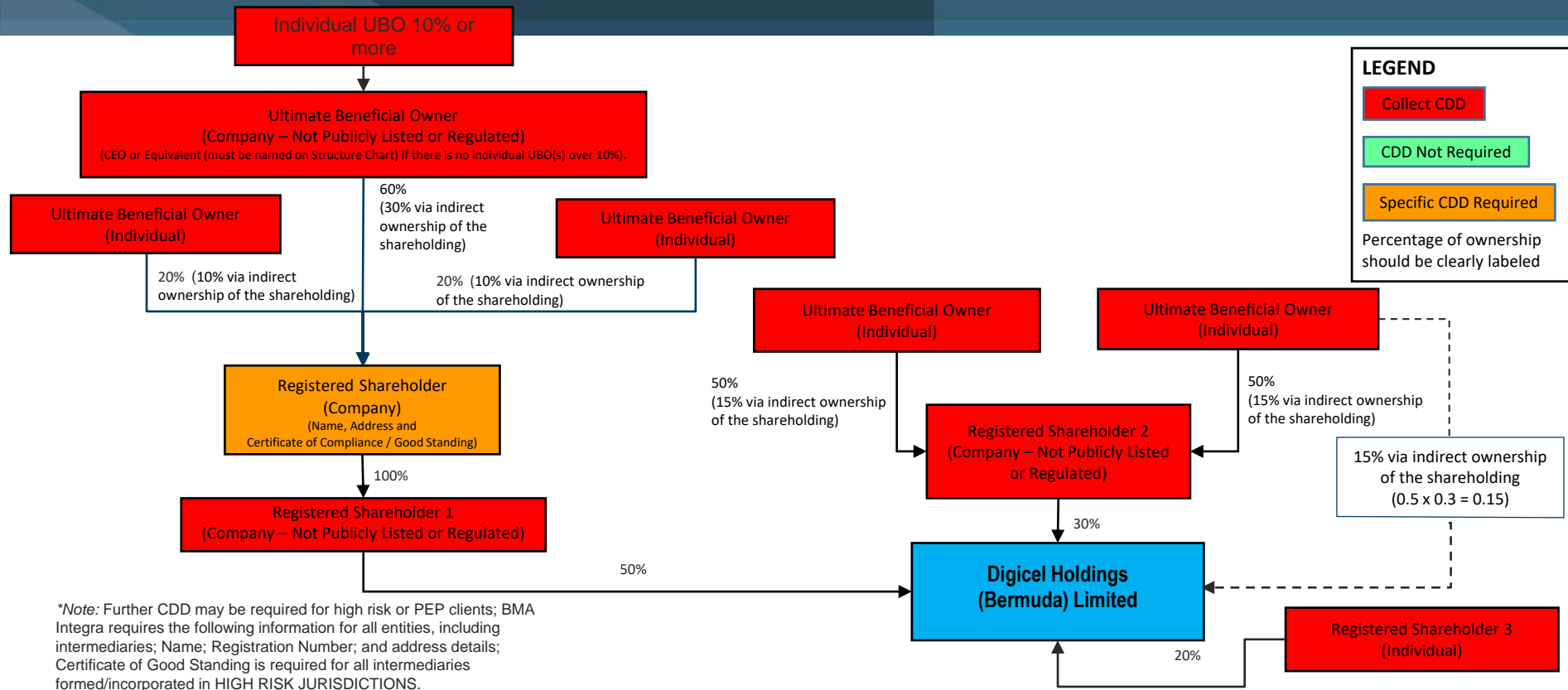
[State / Government Owned Enterprise](#)

[Certification Requirements \(Structure Charts\)](#)

[Certification Requirements \(Other CDD\)](#)

EXAMPLE: Ownership / Structure Chart of a private company **NOT** ultimately owned by a Publicly Listed Entity or AML/ATF Regulated Entity

Illustrating when CDD should be collected - as per Regulation 3(1)(a) of the Proceeds of Crime (AML/ATF) Regulations 2008

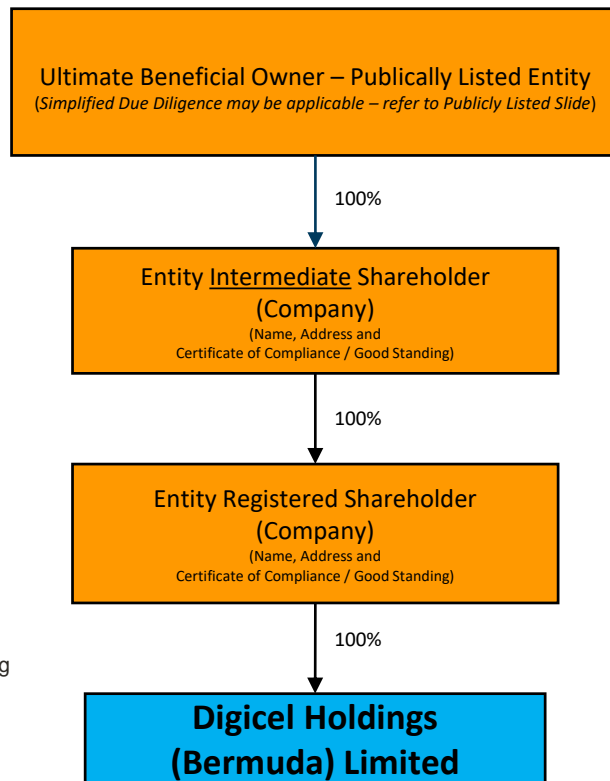


*Note: Further CDD may be required for high risk or PEP clients; BMA Integra requires the following information for all entities, including intermediaries; Name; Registration Number; and address details; Certificate of Good Standing is required for all intermediaries formed/incorporated in HIGH RISK JURISDICTIONS.

EXAMPLE: Ownership / Structure Chart of a private company ultimately owned by a Publicly Listed Entity

Illustrating when CDD should be collected - as per Regulation 3(1)(a) of the Proceeds of Crime (AML/ATF) Regulations 2008 (10% threshold)

*** Example of CCSBL client only***



LEGEND

Collect CDD

CDD Not Required

Specific CDD Required

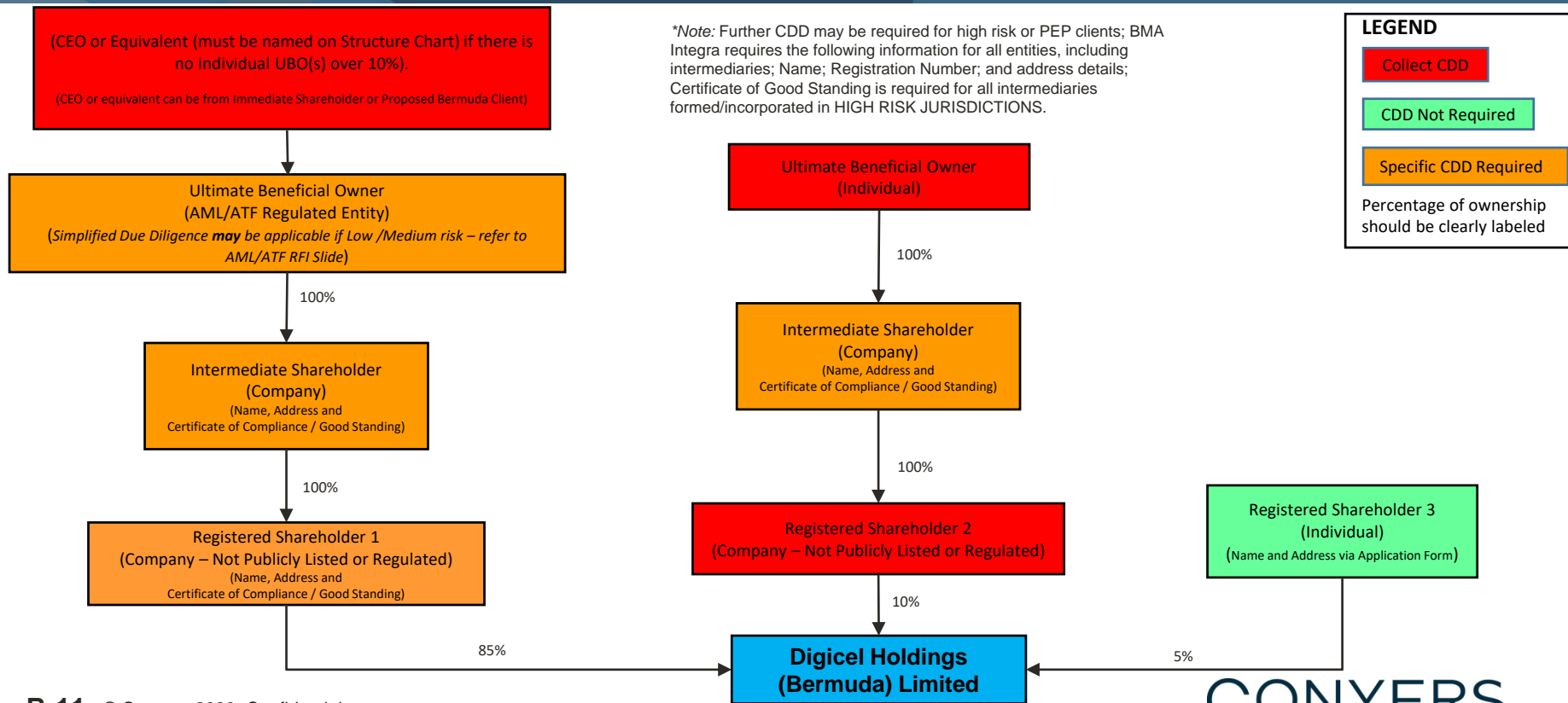
Percentage of ownership should be clearly labeled

* Note: Further CDD may be required for high risk or PEP clients; BMA Integra requires the following information for all entities, including intermediaries; Name; Registration Number; and address details; Certificate of Good Standing is required for all intermediaries formed/incorporated in HIGH RISK JURISDICTIONS.

EXAMPLE: Ownership / Structure Chart of a private company ultimately owned by an AML/ATF regulated entity

Illustrating when CDD should be collected - as per Regulation 3(1)(a) of the Proceeds of Crime (AML/ATF) Regulations 2008 (10% threshold)

*** Example of CCSBL client only***



Publicly Listed

Or Majority Owned Subsidiaries – i.e. greater than 50% voting rights

Regulatory Requirement Regulation 6(1B)(a – j) Proceeds of Crime (AML/ATF) Regulations 2008	CDD Documentation to collect
Whether and where listed on a Stock Exchange	Evidence of listing (Proof of listing from respective Stock Exchange)
Registered Office Address (and Mailing Address if different) AND Address of the Principal Place of Business AND Legal Form, Nature and Purpose	Audited Annual Report (should contain the auditor's opinion, audit report date and signature) OR Open Source Intelligence Research (for example a Google Search of Bloomberg, Reuters)
Control and Ownership	Audited Annual Report (should contain the auditor's opinion, audit report date and signature) AND List of Directors – via the Audited Annual Report or Company website AND List of Shareholders – via the Audited Annual Report or Company website
MAJORITY OWNED SUBSIDIARIES OF LISTED PUBLICLY COMPANIES - IN ADDITION TO THE ABOVE	
Evidence of Current Existence	Audited Annual Report OR Registry Search OR Certificate of Good Standing
Evidence of Ownership by Public Company	Organizational/Structure Chart OR Audited Annual Report OR Open Source Intelligence Research (e.g. MarketScreener)

AML/ATF Regulated Financial Institutions (Unlisted)

Regulatory Requirement Regulation 6(1B)(a – j) Proceeds of Crime (AML/ATF) Regulations 2008	CDD Documentation to collect
Name of Regulator (if applicable)	Evidence of listing (Proof of regulation from respective Regulators' website)
Registered Office Address (and Mailing Address if different) AND Address of the Principal Place of Business	Audited Annual Report (should contain the auditor's opinion, audit report date and signature) OR Open Source Intelligence Research (for example a Google Search of Bloomberg, Reuters, Regulator's website)
Legal Form, Nature and Purpose	Audited Annual Report (should contain the auditor's opinion, audit report date and signature) OR Open Source Intelligence Research (for example a Google Search of Bloomberg, Reuters)
Control and Ownership	Audited Annual Report (should contain the auditor's opinion, audit report date and signature) AND List of Directors – via the Audited Annual Report or Company website AND List of Shareholders – via the Audited Annual Report or Company website

Examples of AML/ATF Regulated Financial Institutions (Unlisted):

- Entities regulated by the U.S. Securities & Exchange Commission <https://adviserinfo.sec.gov/>
- Entities regulated by the U.K. Financial Conduct Authority <https://register.fca.org.uk/s/>

Individual Verification Subjects:

Regulatory Requirement	Customer Due Diligence (CDD) Documentation to be collected <i>(should be certified if provided by the client)</i>
Proof of Identification (Full Name, Date of Birth and Photograph) (Must also contain Date of Issue and Expiry)	Passport OR National Identity Card
Proof of Address (PO Box Addresses are not accepted).	Utility Bill (within last 6 months) OR Bank Statement (within last 6 months) OR Credit Card Statement (within last 6 months) OR Cell Phone Bill (within last 6 months)
Personal Declaration Form (PD)	To be completed by all individual verification subjects Please note that Personal Declaration Forms are only valid for three (3) years
Source of Wealth Declaration (Applicable only to UBOs / Asset Contributors / Settlers)	Completed Source of Wealth Declaration should be provided

Company (Immediate Shareholder / UBO) with a 10% or more interest in proposed Bermuda Company
Not Publicly Listed or Regulated

Regulatory Requirement Regulation 6(1B)(a – j) Proceeds of Crime (AML/ATF) Regulations 2008	CDD Documentation to collect on direct/indirect shareholder(s) of the proposed Bermuda Company or intermediaries with a 10% or more interest <i>(should be certified if provided by the client, unless the documents are from a Government Registry)</i>
Full Name and Trade Name	Certificate of Incorporation / Formation / Registration or equivalent OR Memorandum of Association OR Bye-Laws / Articles of Association
Date and Place of Incorporation, Registration or Establishment	Certificate of Incorporation / Registration / Formation
Registered Office Address (and Mailing Address if different)	Articles of Association / Bye-Laws OR Registration Document OR Registry Search (from an official Government Source i.e. UK Companies House) OR Notice of Registered Office (Form 13) (applicable to Bermuda companies only)
Address of the Principal Place of Business	Registration Document OR Confirmation in writing from client; (letter or e-mail) OR Open Source Intelligence Research (i.e. Bloomberg, Reuters or Company Website)
Official Identification Number (if applicable)	Certificate of Incorporation / Formation / Registration or equivalent OR Registration Document OR Registry Search (from an official Government Source i.e. UK Companies House)
Name of Regulator (if applicable) Name of Stock Exchange (if applicable)	Evidence of regulator (Proof of regulation from respective Regulators' website) Evidence of listing (Proof of listing from respective Stock Exchange)
Legal Form, Nature and Purpose	Certificate of Incorporation (to show Legal Form) AND Certificate of Good Standing / Compliance / Registry Search showing that the Company is active AND Memorandum of Association OR Bye-Laws / Articles of Association OR Information from client on nature and purpose of its business
Control and Ownership	Organizational Structure Chart (must include all UBOs (Individual / Entity) holding a 10% or more (direct or indirect) interest in Bermuda company; and must include the proposed Bermuda Company name; its shareholder(s) and percentages of ownership; Register of Directors and Officers (can be obtained from Company website and/or Audited Annual Report where applicable) AND Register of Members (Share Registry) (can be obtained from Company website and/or Audited Annual Report where applicable) Individual CDD of the CEO / or equivalent (if not the Individual UBO) AND Individual CDD on Individual UBO (with an interest of 10% or more (direct or indirect))
Nature of Business	Information from client on nature and purpose of its business

Partnership

Shareholder / UBO – 10% or more interest in proposed Bermuda company

Regulatory Requirement Regulation 6(1B)(a – j) Proceeds of Crime (AML/ATF) Regulations 2008	CDD Documentation to collect <i>(should be certified if provided by the client, unless the documents are from a Government Registry)</i>
Full Name and Trade Name	Partnership Agreement OR Extract of Partnership Agreement (Extract should reflect: (i) formation details; (ii) identification of owners / controllers / partners; and (iii) nature / purpose of business)
Date and Place of Formation/Registration	Extract of Partnership Agreement OR Certificate of Formation / Registration
Registered Office Address (and Mailing Address if different)	Extract of Partnership Agreement; Partnership Certificate OR Registry Search (from an official Government Source i.e. UK Companies House)
Address of the Principal Place of Business	Extract of Partnership Agreement, OR Written confirmation from client (i.e. letter or e-mail)
Official Identification Number (if applicable)	Certificate of Registration or equivalent
Name of Regulator (if applicable) Name of Stock Exchange (if applicable)	Evidence of regulator (Proof of Regulation from respective Regulators' website) Evidence of listing (Proof of listing from respective Stock Exchange) i.e name of Stock Exchange and Ticker symbol
Legal Form, Nature and Purpose	Extract of Partnership Agreement (legal form or type of Partnership) AND Certificate of Good Standing / Compliance (High Risk jurisdictions only) / Registry Search showing that the Partnership is active
Control and Ownership	Organizational / Structure Chart - should include UBOs (Individual / Entity) along with percentage of partnership interest AND Documentation confirming the appointment of GP (Individual or Legal Entity) and LP (along with percentage of partnership interest) AND CDD on General Partner and any Limited Partners, having a 10% interest or more in proposed Bermuda Company
Nature of Business	Information from client on nature and purpose of its business (i.e. Partnership Agreement)

Trust

Regulatory Requirement Regulation 6(1B)(a – j) Proceeds of Crime (AML/ATF) Regulations 2008	CDD Documentation to collect <i>(should be certified if provided by the client, unless the documents are from a Government Registry)</i>
Full Name and Trade Name AND Date and Place of Incorporation, Registration or Establishment AND Legal Form, Nature and Purpose	Trust Deed OR Extract of Trust Deed (Extract should reflect: (i) Type of Trust; (ii) Date of Trust; (iii) Governing Law and (iv) Full Names of the people involved in the Control and Ownership of the Trust)
Registered Office Address (and Mailing Address if different)	Written confirmation from client of the Trading Address of Trustees
Control and Ownership (for Purposes Trusts, apply as applicable) (for Discretionary Trusts, apply as applicable)	Trustees Document confirming appointment of Trustees (Individual / Corporate) Corporate - CDD documents as per Companies Slide (unless Publicly Listed / Regulated – refer to respective slides) Individuals [Refer to Individual Slide] AND Settlor Corporate – Source of Funds and CDD documents as per Companies Slide (unless Publicly Listed / Regulated - refer to respective slides) Individuals (CDD not required if deceased other than certified copy of Death Certificate) [Refer to Individual Slide]. A completed Source of Funds and Source of Wealth documentation is also required AND Protector / Enforcer Corporate – CDD documents as per Companies Slide (unless Publicly Listed / Regulated – refer to respective slides) Individuals [Refer to Individual Slide] Beneficiary Identification of the percentage of ownership Corporate (including charities) - CDD documents as per Companies Slide (unless Publicly Listed / Regulated – refer to respective slides) Individual (Applicable if vested and/or benefited) [Refer to Individual Slide] AND
Nature of Business	Extract of Trust Deed OR Trust Deed OR Information from client on nature and purpose of the trust business

Foundation

Regulatory Requirement Regulation 6(1B)(a – j) Proceeds of Crime (AML/ATF) Regulations 2008	CDD Documentation to collect <i>(should be certified if provided by the client, unless the documents are from a Government Registry)</i>
Full Name and Trade Name	Foundation Charter OR Articles of Foundation
Date and Place of Incorporation, Registration or Establishment	Foundation Charter OR Certificate of Registration (if applicable)
Registered Office Address (and Mailing Address if different)	Foundation Charter
Address of the Principal Place of Business	Written confirmation from client (i.e. letter or e-mail) of address of Secretary or Council of Members
Legal Form, Nature and Purpose	Foundation Charter
Control and Ownership	Founder / Member Written confirmation of business and Source of Wealth of Founder / Member (if applicable) AND Board of Directors / Foundation Board – for large well known foundations this may be obtained from Open Source Intelligence Research For smaller foundations – Individual CDD on the controllers AND Beneficiary – Individual CDD on beneficiaries, including percentage of beneficial ownership (if applicable)
Nature of Business	Foundation Charter OR Articles of Foundation OR Open Source Intelligence Research

State / Government Owned Enterprise

i.e. Sovereign Wealth Fund or State / Government Owned Pension Plans

Regulatory Requirement Regulation 6(1B)(a – j) Proceeds of Crime (AML/ATF) Regulations 2008	CDD Documentation to collect <i>(should be certified if provided by the client, unless the documents are from a Government Registry)</i>
Legal Form, Nature and Purpose (To identify type of entity)	Audited Annual Report (should contain the auditor's opinion, audit report date and signature) AND Act of Parliament or Decree or other constitutional documentation establishing the entity (if not stated in the Audited Annual Report)
Control and Ownership	Audited Annual Report (should contain the auditor's opinion, audit report date and signature) AND List of Directors – via the Audited Annual Report or Company website AND CEO or Equivalent – via the Audited Annual Report or Company website Authorized Signatory List (if different from the CEO or equivalent)
Name of Regulator (if applicable)	Evidence of listing (Proof of regulation from respective Regulators' website)
Registered Office Address (and Mailing Address if different) AND Address of the Principal Place of Business	Open Source Intelligence Research (for example a Google Search of Bloomberg, Reuters, Regulator's website)

Certification Requirements (Suggested Language)

Structure Charts

The attached structure chart is certified as a true and complete representation of the ownership and control structure of [entity name].

Signature:

Name:

Title / Professional Capacity:

Place of Business:

Address:

Email:

Telephone Number:

Date: DD-MMM-YYYY

The structure chart must include the % holding (10% or more) at each level of intermediate entity.

Please note that documents must be certified by an independent 'respected professional' who is subject to professional rules of conduct or statutory compliance measures which carry penalty for breach (e.g. attorney, notary public, accountant etc.).

All documents must be in English or accompanied by certified translations into English.

Certification Requirements (Suggested Language)

Other CDD Documents

I, *[full name of certifying individual]*, a duly qualified *[professional capacity]* hereby certify that I have seen and compared this copy with the original *[document description]* and confirm it is a true, complete and accurate copy

Signature:

Name:

Title / Professional Capacity:

Place of Business:

Address:

Email:

Telephone Number:

Date: DD-MMM-YYYY

The structure chart must include the % holding at each level of intermediate entity.

Please note that documents must be certified by an independent 'respected professional' who is subject to professional rules of conduct or statutory compliance measures which carry penalty for breach (e.g. attorney, notary public, accountant etc.).

All documents must be in English or accompanied by certified translations into English.

EXHIBIT C—FINANCIAL STATEMENTS

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Digicel International Finance Limited
Financial Statements
31 March 2023

Report of Independent Auditors

To the Management and the Board of Directors of Digicel International Finance Limited

Opinion

We have audited the accompanying consolidated financial statements of Digicel International Finance Limited and its subsidiaries (the “Company”), which comprise the consolidated balance sheets as of 31 March 2023 and 31 March 2022, and the related consolidated statements of comprehensive loss, of changes in deficit and of cash flows for the years then ended, including the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2023 and 31 March 2022, and the results of its operations and its cash flows for each of the three years in the period ended 31 March 2023 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation 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 Company’s ability to continue as a going concern for at least, but not limited to, twelve months from the end of the reporting period, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include

examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ PricewaterhouseCoopers
Chartered Accountants
Kingston, Jamaica
24 July 2023

Digicel International Finance Limited

Consolidated Statements of Comprehensive Loss

31 March 2023

(expressed in United States dollars unless otherwise indicated)

		2023	2022
	Note	\$'000	\$'000
Revenue	6	1,763,568	1,779,958
Operating Costs and Expenses			
Direct operating and subscriber acquisition costs	10	(390,591)	(418,361)
Other operating expenses	10	(449,782)	(424,734)
Staff costs	11	(284,440)	(264,336)
Change in impairment of amounts due from parent company	7	25,509	(178,730)
Other income	10	110,420	-
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	13,14	(614,845)	(348,684)
Operating Profit		159,839	145,113
Finance income	8	369	225
Finance costs	8	(302,142)	(273,132)
Change in financial guarantee liability	22	125,792	(1,143)
Share of (loss)/profit of associates and joint venture	15	(41)	1,456
Loss before Taxation		(16,183)	(127,481)
Taxation	12	(57,614)	(81,594)
Net Loss		(73,797)	(209,075)
Other Comprehensive (Loss)/Income:			
<i>Item that may subsequently be reclassified to profit or loss</i>			
Exchange differences on translating foreign operations		(29,559)	(83,659)
<i>Item that will not subsequently be reclassified to profit or loss</i>			
Re-measurements of post-employment benefits obligation		543	1,629
Total Comprehensive Loss		(102,813)	(291,105)
Net (Loss)/Profit attributable to:			
Owners of the parent		(81,733)	(215,923)
Non-controlling interests		7,936	6,848
		(73,797)	(209,075)
Total Comprehensive (Loss)/Income attributable to:			
Owners of the parent		(109,757)	(297,953)
Non-controlling interests		6,944	6,848
		(102,813)	(291,105)

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

Digicel International Finance Limited

Consolidated Balance Sheets

31 March 2023

(expressed in United States dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
ASSETS			
Non-Current Assets			
Intangible assets	13	489,563	402,758
Property, plant and equipment	14	1,381,476	1,434,133
Investments in associates and joint venture	15	7,811	8,652
Other investments		150	401
Deferred taxation	20	54,031	60,549
Prepayments and other non-current assets	16	28,517	38,774
Restricted deposits	18	22,021	5,621
		1,983,569	1,950,888
Current Assets			
Accounts receivable and prepayments	17	319,598	286,849
Inventories		25,434	20,404
Restricted deposits	18	6,388	2,953
Cash and cash equivalents	18	159,226	165,365
		510,646	475,571
Total Assets		<u>2,494,215</u>	<u>2,426,459</u>

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

Digicel International Finance Limited

Consolidated Balance Sheets (Continued)

31 March 2023

(expressed in United States dollars unless otherwise indicated)

		2023	2022
LIABILITIES AND EQUITY	Note	\$'000	\$'000
Non-Current Liabilities			
Long term loans and leases	19	3,247,709	3,182,860
Deferred taxation	20	47,577	28,010
Provisions	24	52,168	243,315
Other long term liabilities	23	19,747	46,068
		3,367,201	3,500,253
Current Liabilities			
Trade and other payables	21	445,029	394,332
Provisions	24	53,073	1,638
Taxation payable		100,289	35,666
Long term loans and leases - current portion	19	114,726	111,818
Financial guarantee	22	-	125,792
		713,117	669,246
Total Liabilities		4,080,318	4,169,499
Equity/(Deficit)			
Capital and Reserves Attributable to Equity Holders of the Company			
Share capital	25	10,000	10,000
Equity compensation reserve		114,639	114,639
Foreign exchange translation reserve		(463,944)	(694,536)
Accumulated deficit		(1,298,042)	(1,219,854)
		(1,637,347)	(1,789,751)
Non-Controlling Interests	26	51,244	46,711
Total Deficit		(1,586,103)	(1,743,040)
Total Liabilities and Deficit		2,494,215	2,426,459

Approved for issue by the Board of Directors on 23 July 2023 and signed on its behalf by:

Denis O'Brien

Chairman

John Townsend

Director

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

Digicel International Finance Limited

Consolidated Statements of Changes in Deficit

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

	Attributable to equity holders of the Company					Non-Controlling Interests \$'000	Total \$'000
	Share Capital \$'000	Equity Compensation Reserve \$'000	Foreign Exchange Translation Reserve \$'000	Accumulated Surplus/(Deficit) \$'000	Total \$'000		
Balance at 31 March 2021	10,000	114,639	(610,877)	(1,004,463)	(1,490,701)	44,489	(1,446,212)
Net (loss)/profit for the year	-	-	-	(215,923)	(215,923)	6,848	(209,075)
Other comprehensive (loss)/income	-	-	(83,659)	1,629	(82,030)	-	(82,030)
Total comprehensive (loss)/income	-	-	(83,659)	(214,294)	(297,953)	6,848	(291,105)
Dividends to non-controlling interests	-	-	-	-	-	(5,179)	(5,179)
Acquisition of non-controlling interest (Note 26)	-	-	-	(1,097)	(1,097)	553	(544)
Balance at 31 March 2022	10,000	114,639	(694,536)	(1,219,854)	(1,789,751)	46,711	(1,743,040)
Application of IAS 29	-	-	259,159	-	259,159	-	259,159
As restated 1 April 2022	10,000	114,639	(435,377)	(1,219,854)	(1,530,592)	46,711	(1,483,881)
Net (loss)/profit for the year	-	-	-	(81,733)	(81,733)	7,936	(73,797)
Other comprehensive (loss)/income	-	-	(28,567)	543	(28,024)	(992)	(29,016)
Total comprehensive (loss)/income	-	-	(28,567)	(81,190)	(109,757)	6,944	(102,813)
Dividends to non-controlling interests	-	-	-	-	-	(2,525)	(2,525)
Transactions with non-controlling interest (Note 26)	-	-	-	3,002	3,002	114	3,116
Balance at 31 March 2023	10,000	114,639	(463,944)	(1,298,042)	(1,637,347)	51,244	(1,586,103)

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

Digicel International Finance Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
Cash Flows from Operating Activities			
Net loss		(73,797)	(209,075)
Adjustments for:			
Income tax expense	12	57,614	81,594
Amortisation of intangible assets	13	57,278	52,037
Depreciation	14	283,926	267,686
Impairment of property, plant and equipment	14	146,999	24,562
Impairment of intangible assets	13	126,642	4,399
Impairment of amounts due from parent companies	7	(25,509)	178,730
Share of profit of associate and joint venture	15	41	(1,456)
Change in financial guarantee liability	22	(125,792)	1,143
Finance income	8	(369)	(225)
Finance costs	8	302,142	273,132
Other income	10	(110,420)	-
Employee profit share scheme	11	19,151	3,408
(Gain)/loss on disposal of property, plant and equipment and intangible assets	10	(2,985)	3,241
Change in operating assets and liabilities:			
Accounts receivable and prepayments		882	(135,580)
Inventories		(5,039)	1,154
Trade and other payables		8,010	(16,063)
Provisions		2,715	1,334
Cash generated from operations		661,489	530,021
Taxation paid		(64,985)	(91,079)
Interest paid		(254,015)	(225,856)
Interest received		375	225
Net cash provided by operating activities		342,864	213,311

The accompanying notes are an integral part of these consolidated financial statement

Digicel International Finance Limited

Consolidated Statement of Cash Flows (Continued)

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
Net Cash Provided by Operating Activities		342,864	213,311
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(227,674)	(231,494)
Purchase of intangible assets		(27,924)	(42,453)
Proceeds from sale of property, plant and equipment		6,671	101
Proceeds from repayment of investment loans	15	1,000	1,000
Acquisition of subsidiary, net of cash		-	(1,354)
Proceeds from partial disposal of subsidiary		4,069	-
Net cash used in investing activities		(243,858)	(274,200)
Cash Flows from Financing Activities			
Principal element of leases	19	(36,644)	(26,914)
Long term loans and licence related debt repaid	19	(38,331)	(36,083)
Financing fees paid during the year		(2,021)	(629)
Other payments made to non-controlling interests		(2,973)	-
Dividends paid to non-controlling interests		(2,525)	(6,725)
Deposits held in escrow and restricted accounts		(21,887)	(823)
Net cash used in financing activities		(104,381)	(71,174)
Net decrease in cash and cash equivalents		(5,375)	(132,063)
Cash and cash equivalents at beginning of year		165,365	302,530
Effects of exchange rate changes on cash and cash equivalents		(764)	(5,102)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	18	<u>159,226</u>	<u>165,365</u>
Supplemental disclosure of Non-Cash Investing Activities			
Payables for additions to property, plant and equipment		<u>94,443</u>	<u>79,306</u>

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

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

1. Identification and Activities

Digicel International Finance Limited (“DIFL” or “the Company”), an International Business Company (IBC) incorporated in St. Lucia on 5 February 2007 and its subsidiaries (together “the Group” or “Digicel”), provide communications services including mobile telephony, business solutions, fixed broadband/pay-TV and other related products and services in the Caribbean and Central America. As at 31 March 2023, Digicel has operations in Jamaica, Barbados, St. Lucia, St. Vincent and the Grenadines, Grenada, Aruba, Curacao, The Cayman Islands, Turks and Caicos, Trinidad and Tobago, Haiti, Dominica, Bermuda, St. Kitts and Nevis, Bonaire, French West Indies, El Salvador, Guyana, Suriname, British Virgin Islands, Antigua and Barbuda, Anguilla and Montserrat. The Company has its registered office at 1st Floor Financial Centre, Bridge St. Castries, St. Lucia. At 31 March 2020, the immediate parent company was Digicel Holdings (Bermuda) Limited (“DHBL”).

On 24 June 2020, DHBL transferred all of its assets including ownership of DIFL to Digicel Intermediate Holdings Limited (“DIHL”), a wholly owned subsidiary of DHBL. DIFL is controlled by Digicel Intermediate Holdings Limited (DIHL). The ultimate parent company at 31 March 2023 and 31 March 2022 is Digicel Group Holdings Limited (“DGHL”). Both the parent and ultimate parent company are incorporated in Bermuda.

A list of the Company’s material subsidiaries is set out in Note 4 to the financial statements. The controlling shareholder at 31 March 2023 is Mr. Denis O’Brien.

The financial statements were authorised for issue by the Directors on 23 July 2023. The Directors have the power to amend and reissue the financial statements.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities, share-based payments and post-employment obligations.

Going Concern

The financial statements have been prepared on a going concern basis, which assumes the Group will be able to realise its assets and settle its liabilities in the normal course of business for the foreseeable future. In making this determination, management has given due consideration to the restructuring support agreements ("RSA") that were executed with certain bondholders of the Groups' debt subsequent to the year end, as outlined in Note 33 of the consolidated financial statements.

The preparation of the 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

Standards, interpretations and amendments to existing standards effective for the year ended 31 March 2023

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new interpretations and amendments, and has adopted the following, which are relevant to its operations.

Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16, (effective for annual periods beginning on or after 1 January 2022). The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. There was no impact from the adoption of these amendments in the current year.

Reference to the Conceptual Framework – Amendments to IFRS 3, (effective for annual periods beginning on or after 1 January 2022). Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. There was no impact from the adoption of these amendments in the current year.

Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37, (effective for annual periods beginning on or after 1 January 2022). The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. There was no impact from the adoption of these amendments in the current year.

Annual Improvements to IFRS Standards 2018 - 2020, (effective for annual periods beginning on or after 1 January 2022). The following improvements were finalised in May 2020 that are relevant to the Group:

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

There was no impact from the adoption of these amendments in the current year. However, the annual improvement to IFRS 9 will be applied to future transactions.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

IFRS IC agenda decisions issued in the last 12 months that are relevant for the year ended 31 March 2023

The following agenda decision was issued and relevant for the preparation of consolidated financial statements:

Demand Deposits with Restrictions on Use arising from a Contract with a Third Party (IAS 7). In April 2022, the IASB issued a final agenda decision about the presentation of demand deposits with contractual restrictions on use. The Committee concluded that restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit no longer being cash, unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash in IAS 7. The entity should therefore include the demand deposit as a component of 'cash and cash equivalents' in its statement of cash flows. When relevant, the entity presents this as an additional line item within the cash and cash equivalents note. The deposit should be classified as a current asset, unless restrictions over its exchange or use to settle a liability apply for at least 12 months from the reporting date. The Company has revised its accounting policy as a result of the agenda decision.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not yet effective and which the Group will adopt in future financial years. The Group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after 1 January 2023, with early application permitted). In February 2021, the IASB ('the Board') issued amendments to the following standards:

- Disclosure of Accounting Policies, which amends IAS 1 and IFRS Practice Statement 2; and
- Definition of Accounting Estimates, which amends IAS 8.

The amendments aim to improve accounting policy disclosures, either by making the disclosures more specific to the entity or by reducing generic disclosures that are commonly understood applications of IFRS and to distinguish changes in accounting estimates from changes in accounting policies. These amendments are not expected to have a significant impact on the preparation of financial statements. The Group will assess the impact of future adoption of these amendments.

Amendment to IFRS 16 – Leases on sale and leaseback (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. The Group will assess the impact of future adoption of this amendment.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

Amendments to IAS 1, Presentation of financial statements', on classification of liabilities, (effective for annual periods beginning on or after 1 January 2024). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The Group will assess the impact of future adoption of these amendments.

Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction (effective for annual periods beginning on or after 1 January 2024). The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The Group will assess the impact of future adoption of this amendment.

Amendment to IAS 12 - International tax reform - pillar two model rules. On 23 May 2023, the IASB issued narrow-scope amendments to IAS 12. The amendments provide a temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments also introduce targeted disclosure requirements for affected companies. The amendments to IAS 12 are required to be applied immediately (subject to any local endorsement processes) and retrospectively in accordance with IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', including the requirement to disclose the fact that the exception has been applied if the entity's income taxes will be affected by enacted or substantively enacted tax law that implements the OECD's Pillar Two model rules. The Group has made an assessment, based on each jurisdiction where we operate, and have concluded that there is no impact in the current year. However, this will be reassessed in future periods.

Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024 (with transitional reliefs in the first year)). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The Group will assess the impact of future adoption of these amendments.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

The consolidated financial statements are prepared in accordance with the following significant accounting policies:

(a) Consolidation/Group accounting

The consolidated financial statements of the Group comprise the financial statements of the Company, its subsidiaries, associates and joint arrangements as of 31 March of each year. The financial statements of the joint operation and the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

Subsidiaries

Subsidiaries are all entities (including structured 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's fair value of net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive loss.

Inter-company transactions, balances and unrealised gains/losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Consolidation/Group accounting (continued)

Associates (continued)

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss in the statement of comprehensive loss; its share of post-acquisition movements in other comprehensive loss is recognised in other comprehensive loss. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2(l)(iv).

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising on investments in associates are recognised in profit or loss in the consolidated statement of comprehensive loss.

Joint arrangements

Under IFRS 11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has both joint operations and joint ventures. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

(b) Foreign currency translation

(i) Presentation and functional currency

The Company is incorporated in St. Lucia and its subsidiaries operate in jurisdictions with different currencies. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Group's consolidated financial statements are presented in U.S. dollars. The presentation currency of the Group is the U.S. dollar because of the significant influence of the U.S. dollar on its operations.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement comprehensive loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive loss within other operating expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy except Digicel Suriname N.V., see below) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each statement of comprehensive loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive loss. Exchange differences arising on monetary items that form part of the net investment in foreign operations are also recognised in equity in the foreign exchange translation reserve. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated statement of comprehensive loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Foreign currency translation (continued)

(iv) Basis of preparation changes adopted on 1 April 2022 - Hyperinflation

Haiti met the requirements to be designated as a hyperinflationary economy under IAS 29 'Financial Reporting in Hyperinflationary Economies' in March 2023. The Group has therefore applied hyperinflationary accounting, as specified in IAS 29, for its Haiti operations whose functional currency is the Haitian Gourde for the reporting period commencing 1 April 2022. This resulted in an opening balance adjustment of \$222 million to consolidated equity.

In accordance with IAS 21 'The Effects of Changes in Foreign Exchange Rates', comparative amounts have not been restated.

Haitian Gourde results and non-monetary asset and liability balances for the current financial year ended 31 March 2023 have been revalued to their present value equivalent local currency amount as at 31 March 2023, based on an inflation index, before translation to US dollars at the reporting date exchange rate of \$1: 153.51 HTG.

For the Group's operations in Haiti:

- The gain or loss on net monetary assets resulting from IAS 29 application is recognised in the consolidated statement of comprehensive income/(loss) within other comprehensive income.
- The Group also presents the gain or loss on cash and cash equivalents as monetary items together with the effect of inflation on operating, investing and financing cash flows as one number in the consolidated statement of cash flows.
- The Group has presented the IAS 29 opening balance adjustment to net assets within Foreign Exchange Translation Reserve in equity. Subsequent IAS 29 equity restatement effects and the impact of currency movements are presented within other comprehensive income/(loss) because such amounts are judged to meet the definition of 'exchange differences'.

The main impacts of the aforementioned adjustments on the consolidated income statement are set out in the table below:

	2023 Increase/(decrease) \$'000
Revenue	(3,650)
EBITDA	(432)
Operating loss	(292,681)
Loss for the financial year	(228,512)

The \$293 million operating loss primarily relates to \$263 million for impairment of intangible assets and property plant and equipment, \$34 million for additional depreciation and amortisation and \$3 million for other non-cash costs.

The operating loss is offset by a \$2 million credit to finance costs and a \$62 million deferred tax credit resulting in the loss for the financial year of \$223 million. All adjustments are non-cash impacting.

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Notes to the Consolidated Financial Statements

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Foreign currency translation (continued)

The main impacts on the consolidated balance sheet are set out in the table below:

	Total opening adjustment \$'000	Current year adjustment			Total adjustment \$'000
		IAS 29 Uplift \$'000	Impairmen t \$'000	Tax \$'000	
Intangible assets	127,463	4,590	(121,557)	-	10,496
Property, plant and equipment	205,967	(32,508)	(133,422)	-	40,037
Deferred tax	(74,271)	-	-	59,987	(14,284)
Equity	259,159	(27,918)	(254,979)	59,987	36,249

The impact of IAS 29 on intangible assets is a net decrease of \$10 million. This decrease is comprised of a \$127 million net uplift on opening balances (primarily goodwill and licences) that did not go through the current year's results, and a \$7 million uplift in the current year. These opening adjustments were more than offset by a \$122 million impairment and \$2 million additional amortisation which were recorded in the results for the year.

The impact of IAS 29 on property, plant and equipment is a net increase of \$40 million. This increase is comprised of a \$206 million inflationary uplift on opening balances that did not go through the current year's results, partially offset by a \$133 million impairment charge and \$33 million of additional depreciation recorded in the results for the year.

As a result of the uplifts, there was an opening balance sheet adjustment to deferred tax of \$74 million and current year movement of \$60 million being a deferred tax charge of \$2 million on current year uplifts through Other Comprehensive Income offset by a current year deferred tax credit of \$62 million in the year primarily as a result of impairments.

Digicel Suriname N.V.

In June 2021, Suriname was considered a hyperinflationary economy. The CPI index selected for Suriname is the Consumenten prijs indexcijfers en Inflatie from Statistics Suriname which was 632.5 in March 2023, an increase of 59.5% in the year (2022: 396.7). Our subsidiary, Digicel Suriname N.V.'s functional currency is the Surinamese dollar. We have re-assessed the impact of applying IAS 29 in the consolidated financial statements for the year to 31 March 2023 and concluded that the impact remains wholly immaterial to the Group.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Revenue

Revenue is measured based on consideration specified in a contract with a customer and is recognised when it transfers control over a good or service to a customer. Revenue is presented net of value added tax (VAT) and similar taxes and discounts and after eliminating sales between Group companies.

The Group's revenues are earned mainly in respect of: voice, data and SMS services offered on prepaid and postpaid plans; value added services; sales of handset and other equipment; interconnection; international roaming; cable television; broadband and fixed line telecommunication.

Service revenues arising from contracts with customers typically have variable consideration, because customers have the ongoing ability to both add and remove features and services, and because customer usage of our telecommunications infrastructure may exceed the base amounts provided for in their contracts.

The Group's contracts with customers do not have a significant financing component. Billings for recurring revenues are rendered on a monthly basis and are typically due within 30 to 45 days of the billing date. Billings and payment dates for other contracts are either based on contract terms or in-store cash on delivery of sales of equipment and accessories.

Prepaid credit / SIM cards are services where customers purchase a specified amount of airtime or other credit in advance. The difference between the face value of a prepaid offerings and the value for which the offerings are sold by the Group to its distributors, constitutes commission earned by the distributors, who act as agents. The Group acts as a principal in such agreements.

The costs of prepaid commissions are recognised as other service costs when the distribution service is provided, i.e. when the prepaid product is delivered to the end customer. Revenue is recognised as the credit is used for airtime or data usage. The unused credit at each reporting date is presented in the balance sheet as contract liabilities within trade and other payables. When the credit expires, the portion of the contract liability relating to the expiring credit is recognised as revenue as there is no longer an obligation to provide those services.

Monthly subscription fees in relation to post-paid mobile, cable and other subscription- based fees are recognised in the period the related services are provided over the relevant enforceable/subscribed service period. The service provision is considered as a series of distinct services that have the same pattern of transfer to the customer. Remaining unrecognised subscription fees are fully recognised once the customer has been disconnected.

Revenue from provision of mobile financial services is recognised when the service has been provided to the customer.

The Group receives interconnection and roaming fees based on agreements entered into with other telecommunications operators. Revenue from interconnect traffic with other telecom operators is recognised at the time of transit across Digicel's network.

Revenue from content services (e.g. music and video streaming, applications and other value added services) rendered to subscribers is recognised after netting off costs paid by us to third party content providers (when the Group acts as an agent in the transaction) or in the gross amount billed to a subscriber (when the Group acts as a principal).

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Revenue (continued)

Bundled offers are considered arrangements with multiple performance obligations. The Group accounts for revenue from individual goods and services separately if they are distinct – i.e. if a good or service can be distinguished from other components of the bundled package and if a customer can benefit from it separately. The consideration for the bundled packages comprises cash flows from the customers expected to be received in relation to goods and services delivered over the contract term. The transaction price is allocated between separate goods and services in a bundle based on their relative stand-alone selling prices. Whenever stand-alone selling prices are not available, fair values are estimated based on cost of sale plus margin. Stand-alone selling prices for telecommunications services are set based on prices for non-bundled offers with the same range of services.

Installation fees/activation fees/connection fees related to services provided are generally deferred and recognised as revenue over the contractual period, or longer if the upfront fee results in a material renewal right.

Customer premise equipment (CPE) provided to customers as a prerequisite to receive the subscribed services are accounted for as part of the service provided to the customers. These CPEs are required to be returned at the end of the contract duration and do not give rise to separate performance obligations.

The Group also earns revenue from arrangements to provide capacity under infeasible rights of use (“IRU”) with third parties. Advance payments are received at the start of the arrangement. Revenue is recognised on a straight-line basis which reflects when the capacity has been delivered to the customer. The unearned IRU revenue at each reporting date is presented in the balance sheet as contract liabilities within trade and other payables.

(d) Direct operating and subscriber acquisition costs

Direct operating and subscriber acquisition costs comprise interconnection costs, roaming costs, rental of channel, costs of handsets, equipment and other accessories sold, commissions and fees paid to the Group’s distributors, dealer margin and card production costs.

Contract costs eligible for capitalisation as incremental costs of obtaining a contract primarily comprise sales commissions resulting directly from securing contracts with customers. These costs are capitalised if the Group expects recoverability with future revenues and are amortised over either the average contract term or average retention period, depending on the circumstances. If, however, the amortisation period is less than one year, then these costs are expensed in the period incurred.

Dealer margin and card production costs, which relate to prepaid airtime credit that has been activated but not yet consumed by customers, are deferred until such time as the customer uses the airtime, or the credit expires, upon which time the cost is expensed as part of direct and subscriber acquisition costs. Provision is also made for subsidies and fees that will be paid to distributors in accordance with the terms of the agreements with the distributors and for which there is a present obligation at the balance sheet date. In all other cases, including acquisition of prepaid telecommunications customers, subscriber acquisition and retention costs are expensed when incurred.

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Notes to the Consolidated Financial Statements

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(e) Taxation

Taxation on the profit for the year comprises current and deferred taxes. Current and deferred taxes are recognised as income tax expense or benefit in the consolidated statement of comprehensive loss

(i) Current taxes

Current tax is the expected taxation payable on the taxable income for the year, using the tax rates in force at the balance sheet date, and any adjustments to tax payable in respect of previous years.

(ii) Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on enacted rates. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(f) Leases

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group.

The right-of-use assets are presented within property, plant and equipment.

At the commencement date, lease liabilities are measured at an amount equal to the present value of the following lease payments for the underlying right-of-use assets during the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate; and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Each lease payment is allocated between the liability and finance cost. Lease liabilities are subsequently measured using the effective interest method. The carrying amount of liability is remeasured to reflect any reassessment, lease modification or revised in-substance fixed payments.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(f) Leases (continued)

The lease term is a non-cancellable period of a lease; periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated.

Right-of-use assets are measured initially at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Subsequently, the right-of-use assets, are measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for remeasurement of the lease liability due to reassessment or lease modifications.

The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The amortisation period for the right-of-use assets are as follows:

Sites and Towers	5 - 15 years
Office buildings	5 - 15 years

Payments associated with all short-term leases and low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

(g) Intangible assets

Purchased intangible assets are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs meeting the criteria of IAS 38, are not capitalised and the expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period for an intangible asset with a finite useful life is reviewed at a minimum at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and is treated as a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of comprehensive loss. The Group has no indefinite life assets other than goodwill.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(g) Intangible assets (continued)

Goodwill

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the fair value of the identifiable assets, liabilities or contingent liabilities or the cost of the acquisition can be determined only provisionally, then the Group initially accounts for the goodwill using these provisional values. Within twelve months of the acquisition date, the Group then recognises any adjustments to these provisional values once the fair value of the identifiable assets, liabilities and contingent liabilities and the cost of the acquisition have been finally determined. Adjustments to the provisional fair values are made as if the adjusted fair values had been recognised from the acquisition date. Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually at 31 March or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

For the purpose of impairment testing, goodwill acquired in a business combination is, from acquisition date, allocated to each of the Group's cash generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- Represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Is not larger than an operating segment based on the Group's operating format determined in accordance with IFRS 8.

Impairment is determined by assessing the recoverable amount (higher of the value in use and fair value less costs of disposal) of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed and the portion of the cash-generating unit retained.

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Notes to the Consolidated Financial Statements

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(g) Intangible assets (continued)

Licences

The carrying value of licences for the right to provide mobile cellular, wireless and other telephone services as well as related ancillary services held by subsidiaries is disclosed in Note 13.

The Group operates in an industry that is subject to constant and rapid changes in competition, regulation, technology and subscriber base evolution. In addition, the terms of the licences, which have been awarded for various periods, are subject to periodic review for amongst other things, rate making, frequency allocation and technical standards.

Licences are stated at historical cost less accumulated amortisation and impairment losses. Amortisation is calculated on the straight-line method over the useful life of each licence. The initial terms of these licences vary from 5 to 15 years. Intangible assets are not revalued. Licences held, subject to certain conditions, are renewable and are generally nonexclusive. Under the terms of the respective licences, subsidiaries are entitled to enter into interconnection agreements with operators of both landline and other cellular systems.

Subscriber bases

Subscriber bases recognised as an intangible asset have been acquired in business combinations. Their cost corresponds to the fair value as at the date of acquisition. Subscriber bases have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the subscriber bases over their estimated useful lives of 1- 13 years. The estimated useful lives for subscriber bases are based on the specifications of the market in which they exist.

Computer software

Acquired computer software is capitalised on the basis of cost incurred to bring to use the specific software. These costs are amortised over their estimated useful life of 3 years.

Contract assets

The Group recognises contract assets from sales commissions and other third-party acquisition incremental costs resulting directly from securing contracts with customers. These costs are capitalised if the Group expects recoverability with future revenues and are amortised over either the contract term or average retention period, depending on the circumstances. These costs were previously expensed when incurred.

Configuration and customisation costs associated with a Software as a Service (SaaS) cloud arrangement

These costs are capitalised as an intangible asset and expensed over the SaaS term if the costs meet the definition of an intangible asset. If not, the costs are expensed when the configuration services are delivered.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(h) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Land is not depreciated. Depreciation on other assets is calculated on the straight-line basis to write down the cost of each asset to its residual value over its estimated useful life as follows:

Buildings	40 - 50 years
Leasehold improvements	Over the life of the lease, straight line
Site infrastructure	7 – 14 years
Computers	3 years
Network equipment	7 - 20 years
Fixtures and fittings	3 – 15 years
Motor vehicles	3 – 5 years
Customer premises equipment	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Repairs and maintenance are charged to the consolidated statement of comprehensive loss during the financial period in which they are incurred. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

The cost of major renovations is included in the carrying amount of the asset when it is probable that the future economic benefits will exceed the originally assessed standard of performance of the existing asset and will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

A liability for the present value of the cost to remove an asset on both owned and leased sites is recognised when a present obligation for the removal is established. The corresponding cost of the obligation is included in the cost of the asset and depreciated over the useful life of the asset.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

First full installation costs to customer premises including all direct materials, equipment, labour and associated costs are capitalised and amortised over a period of 3 years. After the 'first full install', subsequent installations are assessed to determine whether they meet the criteria for capitalisation, otherwise they are expensed as incurred.

All set top boxes and modems remain the property of the Group and are treated as Customer Premises Equipment which are capitalised and depreciated over a 3 year period from date of installation.

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Notes to the Consolidated Financial Statements

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. For inventories intended to be sold in promotional offers calculation of net realisable value takes into account future margin expected from telecommunications services, with which the item of inventories is offered.

(j) Cash and cash equivalents and Restricted deposits

Cash and cash equivalents comprise cash at bank and in hand, deposits held at call with financial institutions, and other short term highly liquid investments with original maturities of three months or less value (excluding amounts held in debt reserve or interest escrow), that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Funds that do not meet the criteria to be classified as cash and cash equivalents are presented in a separate line on the balance sheet. Restricted deposits relate to balances with restrictions on access placed on them which change the nature of the deposit such that it does not meet the definition of cash. These are not available for use by the Group and mainly include amounts held in escrow accounts for financing and investing activities.

Restricted deposits relating to financing activities are classified in the cash flow statement as a financing cash flow. Otherwise, the amounts are classified as operating or investing depending on the nature of the transaction.

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer to 2(l) for accounting policy in relation to impairment.

(l) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following IFRS 9 measurement categories:

- those measured subsequently at fair value through profit or loss; and
- those measured at amortised cost.

Management determines the classification of its financial assets at initial recognition.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the instrument.

Financial assets measured at amortised cost have cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(I) Investments and other financial assets (continued)

(ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on settlement date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value. For a financial asset which is not measured at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset are also included. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

The Group's financial assets at amortised cost include trade receivables, receivables from related parties, loans to related parties and loans to associates.

Equity instruments

The Group measures all equity investments at fair value through profit or loss (FVPL). Changes in the fair value of equity instruments are recognised in other gains/(losses) in the statement of comprehensive loss. The Group has not elected to classify as FVOCI and therefore fair value changes are recognised in profit or loss. Dividends are recognised in profit or loss when the company's right to receive payments is established.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(l) Investments and other financial assets (continued)

(iv) *Impairment of financial assets*

Impairment losses for trade receivables, intercompany receivables and contract assets are recognised based on the simplified approach permitted by IFRS 9 which requires lifetime expected credit losses to be recognised from the initial recognition of the receivables. Therefore, the Group does not track changes in credit risk. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk (including customer type) and aging. Contract assets have similar risk characteristics to the trade receivables for similar types of contracts. The Group establishes a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment. Accounts receivable may be fully provided for when specific collection issues are known to exist.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit and impairment losses on balances due from its parent companies are presented on the face of the statement of comprehensive loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery which is generally when receivables are past due for more than one year and are not subject to enforcement activity. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments within a reasonable timeframe considering the specific circumstances around the customer/s and the trade receivable or contract asset.

(m) Impairment of non-financial assets, other than goodwill

Definite lived assets, other than financial assets, are tested for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. An impairment loss is recognised in the consolidated statement of comprehensive loss for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use and is calculated for an individual asset or for the smallest cash generating unit to which the asset belongs. Value in use is the present value of cash flows expected to be derived from an asset or cash generating unit. In assessing value in use, the cash flows are discounted to their present value using a discount rate that reflects market conditions for the time value of money and the risks specific to the asset.

(n) Customer loyalty scheme

The Group operates a customer loyalty scheme in which subscribers accumulate points based on services used which can be redeemed for airtime or to purchase handsets from authorised dealers. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a periodic basis and any adjustments to the contract liability balance are charged against revenue.

Digicel International Finance Limited

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(o) Financial liabilities

The Group's financial liabilities include borrowings, trade and other payables, contract liabilities and financial guarantee contracts.

Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds, net of directly attributable transaction costs. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation and foreign exchange gains or losses are included as finance costs in the statement of comprehensive loss.

When a financial liability measured at amortised cost is modified without resulting in derecognition, a gain or loss is recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of 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 recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Contract liabilities

Contract liabilities comprise the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the end customer or the amount is due.

(p) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the amount determined in accordance with the expected credit loss model under IFRS 9, Financial Instruments.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(q) Employee benefits

Short term obligations

Liabilities for salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as within trade and other payables in the balance sheet.

Pension obligations

Certain subsidiaries participate in a defined contribution scheme, which is administered by trustees. The Group's contribution is fixed; once the contributions have been paid, the Group has no further payment obligations. The contributions constitute the net periodic cost for the year in which they are due and are included in staff costs.

Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the financial performance of Group after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(s) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

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(expressed in United States dollars unless otherwise indicated)

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Fair values and useful lives of property, plant and equipment and intangible assets

The measurement of property, plant and equipment and intangible assets involves the use of estimates for determining the fair value at the acquisition date particularly in the case of assets acquired in a business combination.

Furthermore, the expected useful lives of these assets must be estimated. The annual depreciation and amortisation charge is also sensitive to the estimated useful lives allocated to each type of asset. Asset lives are assessed annually and changed when necessary based on factors such as technological change, network investment plans, expected level of usage and physical condition of the assets concerned.

b) Goodwill impairment

The recoverable amount of cash generating units has been determined based on the higher of value in use and fair value less costs of disposal calculations. These calculations require the use of judgement and estimates. Key estimates used in the value of use calculations include discount rates, management's expectations of future revenue growth, customer acquisition and retention costs, churn rates, capital expenditure and market share for each cash-generating unit. The estimates can have a material impact on the amount of any goodwill impairment. Refer to Note 13.

c) Bundling of products and services

In bundling of products and services, identifying performance obligations and determining the stand-alone selling prices requires management judgment. Revenue is allocated between the goods and services identified as a separate performance obligation based on their relative stand-alone selling price. The stand-alone selling price determined for goods or services may impact the timing of the recognition of revenue. Determining the stand-alone selling price of each performance obligation can require complex estimates if those are not directly observable. The Group's estimation of stand-alone selling prices that are not directly observable are mainly based on expected cost plus a margin.

d) Interconnect income and payments to other telecommunications operators

In certain instances, Digicel relies on other operators to measure the traffic flows interconnecting with its networks. Estimates are used in these cases to determine the amount of income receivable from, or payments Digicel needs to make to, these other operators. The prices at which these services are charged are often regulated and may be subject to retrospective adjustment by regulators, and estimates are used in assessing the likely effect of these adjustments.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

e) Litigation

The Group exercises judgement in recognising and measuring provisions and the exposure to contingent liabilities related to pending litigation. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of final settlement. Because of the inherent uncertainties in this evaluation process, actual losses may be different from the originally estimated provisions.

f) Income taxes

The Group's tax charge is based on tax laws and regulations in various jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. For these items, we believe our estimates, assumptions and judgements are reasonable, but this can involve complex issues which may take a number of years to resolve. The final determination of tax liabilities could be different from the estimates reflected in the financial statements and may result in the recognition of an additional tax expense or tax credit.

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

g) Distributor arrangements

The Group has arrangements with distributors where handsets can be purchased from the manufacturer and sold to dealers by distributors.

To determine whether the entity's performance obligation is to provide the specified goods itself or to arrange for those goods to be provided by the supplier, the entity identifies the specified good or service to be provided to the customer and assesses whether it controls that good or service before the good or service is transferred to the customer. Digicel concluded that it does not control the handsets before they are transferred to customers.

The Group has considered the key terms of the agreements with the distributors in the context of the indicators below to determine that the distributors are acting as principals when they procure and sell handsets to the authorised dealer network.

Digicel International Finance Limited

Notes to the Consolidated Financial Statements

Year ended 31 March 2023

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

The Group considers the following indicators, which provide further evidence that it does not control the specified goods before they are transferred to the customers:

- the distributor is primarily responsible for fulfilling the promise to provide the goods to the customer. The distributor is primarily responsible for providing the handsets to dealers and fulfilling orders. Digicel is neither obliged to provide goods if the distributor fails to transfer the goods to the customer, nor responsible for the acceptability of the goods. Any product issues encountered by dealers are remedied either directly with the distributors or manufacturers, through the distributors.
- Digicel does not take inventory risk at any time before or after the goods are transferred to the customer. Digicel does not commit itself or obtain the goods from the supplier before the goods are purchased by the customer and does not accept responsibility for any damaged or returned goods. The distributors assume the risk of physical loss or damage before or after the dealer order, during shipping and on return. The Group pays subsidies and fees to the distributors, but the majority of the general inventory risk of losses arising from lost, damaged and stolen inventory rests with the distributors.

Based on this, the Group determined that the distributors are acting as principals in respect of the procurement and distribution of handsets and not as agents of the Group. Therefore, the Group does not recognise revenue on the sales of handsets by the distributors.

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4. Interest in other Entities

The Group has operations in the Caribbean and Central America.

Material subsidiaries

The Group's principal subsidiaries are set out in the table below:

Name of Company	Country of Incorporation/ Place of business	Holding % 31 March 2023	Holding % 31 March 2022
Unigestion Holding S.A (trades as Digicel Haiti)	Haiti	100%	100%
Digicel (Jamaica) Limited	Jamaica	100%	100%
Digicel (Trinidad & Tobago) Limited	Trinidad and Tobago	100%	100%
Digicel S.A. de CV (trades as Digicel El Salvador)	El Salvador	100%	100%
Telecommunications (Bermuda & West Indies) Limited (trades as Digicel Bermuda)	Bermuda	100%	100%
U-Mobile (Cellular) Inc. (trades as Digicel Guyana)	Guyana	100%	100%
Digicel (Grenada) Limited (a)	Grenada	100%	100%
Digicel (St. Lucia) Limited (a)	St. Lucia	100%	100%
Digicel (SVG) Limited (a)	St. Vincent	100%	100%
Digicel Suriname Limited	Suriname	87.7%	87.7%
Digicel French Caribbean SAS (b)	France	100%	100%
Digicel (Barbados) Limited	Barbados	75%	75%
Digicel Cayman Limited	Cayman Islands	96.875%	96.875%

(a) These entities together comprise East Caribbean for the purposes of our reportable segment. Digicel has a 91.02% holding in Digicel OECS Limited, which is the immediate parent company of these entities.

(b) Digicel French Caribbean SAS ('French West Indies') comprises Digicel's operations in French Guiana, Guadeloupe and Martinique.

Joint operation

A subsidiary has a 50% interest in a joint operation called Madiacom which was set up to provide telecommunication infrastructure services to its two shareholders. The principal place of business is in the French West Indies.

5. Segment Reporting

Management has determined the operation segments based on the reports reviewed by the CODM (the Board of Directors) that are used to make strategic decisions. The Board of Directors examines the Group's performance from a geographic and service perspective and assesses the performance of the operating segments based on the segment results. The Group defines segment results to be net profit (loss) plus: finance costs, net foreign exchange (gain)/loss, impairment loss from associates, taxation, (gain)/loss on disposal of assets, depreciation and amortisation, compensation expenses relating to share options and other non-recurring non-operating income or expense. Segment results are used by the Board and management as a measure of profitability.

Capital expenditure comprises cash additions to property, plant and equipment and tangible assets, excluding additions resulting from business combinations.

East Caribbean and French West Indies were aggregated based on similar economic characteristics including products and services, customers and regulatory environment.

Digicel International Finance Limited

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5. Segment Reporting (Continued)

Year ended 31 March 2023	Haiti	Jamaica	Trinidad & Tobago	French West Indies	El Salvador	Bermuda	Guyana	East Caribbean	Other markets	Unallocated / Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment revenue	284,177	325,365	276,278	127,440	79,894	84,262	103,171	64,593	454,969	-	1,800,149
Inter-segment revenue	(790)	(81)	-	-	-	-	-	-	(35,710)	-	(36,581)
External revenue	283,387	325,284	276,278	127,440	79,894	84,262	103,171	64,593	419,259	-	1,763,568
Segment result	97,874	143,665	162,495	27,801	11,133	34,239	62,006	20,669	177,709	(19,385)	718,206
Depreciation, amortisation and impairment of property, plant and equipment / intangible assets											(614,845)
Change in impairment of amounts due from parent company											25,510
Other gains/losses not included in segment result											30,968
Operating profit											159,839
Finance income											369
Finance costs											(302,142)
Change in guarantee liability											125,792
Share of loss from associates and joint venture											(41)
Loss before taxation											(16,183)
Taxation											(57,614)
Net loss											(73,797)
Cash and cash equivalents	7,918	4,596	4,893	7,553	4,254	1,082	6,603	1,745	33,445	87,137	159,226
Other current assets											351,420
Non-current assets											1,983,569
Total assets											2,494,215
Capital expenditure	41,937	58,514	24,366	20,104	14,289	6,128	8,155	7,696	74,409	-	255,598
Depreciation and amortisation	66,799	74,482	47,877	17,129	27,429	13,062	10,374	13,530	70,522	-	341,204

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Year ended 31 March 2023

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Year ended 31 March 2023	Haiti	Jamaica	Trinidad & Tobago	French West Indies	El Salvador	Bermuda	Guyana	East Caribbean	Other markets	Unallocated / Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Impairment of property, plant and equipment and intangible assets	256,422	104	-	4,031	-	-	-	-	13,084	-	273,641

Digicel International Finance Limited

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5. Segment Reporting (Continued)

Year ended 31 March 2022	Haiti	Jamaica	Trinidad & Tobago	French West Indies	El Salvador	Bermuda	Guyana	East Caribbean	Other markets	Unallocated / Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment revenue	333,036	317,328	261,252	154,142	78,401	79,808	97,872	59,162	438,743	-	1,819,744
Inter-segment revenue	(1,667)	(311)	-	-	-	-	-	-	(37,808)	-	(39,786)
External revenue	331,369	317,017	261,252	154,142	78,401	79,808	97,872	59,162	400,935	-	1,779,958
Segment result	160,195	129,060	144,563	38,327	13,594	30,003	61,708	18,122	180,062	(18,556)	757,078
Depreciation, amortisation and impairment of property, plant and equipment / intangible assets											(348,684)
Change in impairment of amounts due from parent company											(178,730)
Other gains/losses not included in segment result											(84,551)
Operating profit											145,113
Finance income											225
Finance costs											(273,132)
Change in guarantee liability											(1,143)
Share of profit from associates and joint venture											1,456
Loss before taxation											(127,481)
Taxation											(81,594)
Net loss											(209,075)
Cash and cash equivalents	10,159	4,737	4,755	8,271	1,514	2,626	2,068	5,650	57,052	68,533	165,365
Other current assets											310,206
Non-current assets											1,950,888
Total assets											2,426,459
Capital expenditure	45,830	51,163	19,809	26,627	23,733	4,525	20,976	5,181	76,103	-	273,947
Depreciation and amortisation	34,581	71,676	52,174	25,493	28,280	14,620	9,413	10,744	72,742	-	319,723

Digicel International Finance Limited

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Year ended 31 March 2022	Haiti	Jamaica	Trinidad & Tobago	French West Indies	El Salvador	Bermuda	Guyana	East Caribbean	Other markets	Unallocated / Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Impairment of property, plant and equipment and intangible assets	-	-	-	-	-	-	-	-	28,961	-	28,961

6. Revenues

The Group derives revenue from the transfer of services (over time) and equipment (point in time) in the following major product lines and geographical markets.

	Haiti	Jamaica	Trinidad & Tobago	French West Indies	EI Salvador	Bermuda	Guyana	East Caribbean	Other markets/ Eliminations	Group
2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Mobile	239,803	221,632	172,768	90,198	62,707	34,815	95,532	45,666	222,649	1,185,770
Digicel Business	12,916	45,170	21,142	21,872	5,849	22,431	4,008	11,599	77,678	222,665
Home & Entertainment	-	47,588	73,118	-	-	21,385	-	4,278	61,714	208,083
Other	29,718	6,725	4,314	3,665	1,408	323	2,604	1,218	43,214	93,189
Service revenue	282,437	321,115	271,342	115,735	69,964	78,954	102,144	62,761	405,255	1,709,707
Handset and other equipment	1,740	4,250	4,936	11,705	9,930	5,308	1,027	1,832	13,133	53,861
Total revenue	284,177	325,365	276,278	127,440	79,894	84,262	103,171	64,593	418,388	1,763,568

	Haiti	Jamaica	Trinidad & Tobago	French West Indies	EI Salvador	Bermuda	Guyana	East Caribbean	Other markets/ Eliminations	Group
2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Mobile	295,117	218,677	165,506	111,917	63,459	33,532	90,917	42,591	214,850	1,236,566
Digicel Business	12,941	39,333	18,936	23,711	5,202	22,172	2,369	12,455	65,274	202,393
Home & Entertainment	-	40,239	70,157	-	-	20,422	-	1,888	58,382	191,088
Other	22,463	13,971	3,425	3,383	1,742	354	3,231	1,738	47,230	97,537
Service revenue	330,521	312,220	258,024	139,011	70,403	76,480	96,517	58,672	385,736	1,727,584
Handset and other equipment	2,515	5,108	3,228	15,131	7,998	3,328	1,355	490	13,221	52,374
Total revenue	333,036	317,328	261,252	154,142	78,401	79,808	97,872	59,162	398,957	1,779,958

Revenues in current year totaling \$54,965,000 (2022 - \$59,727,000) were included in the contract liabilities at the beginning of the year.

The aggregate transaction price allocated to the remaining performance obligations that are unsatisfied or partially unsatisfied as at 31 March 2022 is \$74,280,000 (2022 - \$77,824,000). The Group is expecting to recognise this revenue within 1-5 years.

Equipment sales include revenue from handsets and business solutions equipment.

7. Impairment of Amounts due from Parent Companies.

2023	2022
\$'000	\$'000
25,509	(178,730)

The Group provides funding to its parent companies for their debt service obligations and other costs. A lifetime expected credit loss was recognised in relation to amounts from the parent company. The credit in the year ended 31 March 2023 reflects recovery of balances due from parent company that were previously impaired.

8. Finance Income and Costs

	2023	2022
	\$'000	\$'000
Finance income:		
Interest income	369	225
Finance costs:		
Interest expense on loans and licence related debt	(244,558)	(216,522)
Interest expense on leases	(36,256)	(42,682)
Amortisation of debt discount and financing fees	(5,442)	(5,483)
Debt restructuring fees expensed in the year	(6,224)	-
Other finance related costs	(5,417)	(6,655)
Foreign exchange loss on loans (Note 9)	(4,245)	(1,790)
	<u>(302,142)</u>	<u>(273,132)</u>

9. Net Foreign Exchange Loss

	2023	2022
	\$'000	\$'000
Foreign exchange loss on loans (Note 8)	(4,245)	(1,790)
Other foreign exchange losses (Note 10)	(49,665)	(74,221)
	<u>(53,910)</u>	<u>(76,011)</u>

10. Analysis of Expenses

	2023 \$'000	2022 \$'000
Direct operating and subscriber acquisition costs:		
Interconnect costs	101,840	112,312
Subscriber acquisition costs	73,632	73,479
Dealer margins and card production costs	66,449	70,069
Data and roaming charges	18,716	28,745
USO levies and call taxes	38,927	34,885
Cable, Broadband & Other direct operating costs	91,027	98,871
	<u>390,591</u>	<u>418,361</u>
Other operating expenses:		
Network and IT costs	267,095	236,250
Advertising and promotion	39,622	39,552
External and other services	56,774	51,642
Impairment of financial assets (Note 31(c))	11,024	21,858
Other expenses	9,664	(2,030)
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(2,985)	3,241
Other foreign exchange losses (Note 9)	49,665	74,221
Restructuring costs – non-staff related	18,923	-
	<u>449,782</u>	<u>424,734</u>
	2023 \$'000	2022 \$'000
Other income:		
Orange litigation gain	<u>110,420</u>	<u>-</u>

The principal element of an initial award of €160 million for principal and interest received in the year ended 31 March 2021 from Orange S.A. was confirmed by the Court of Cessation on 1 March 2023 and \$110.4 million has been recognised as other income. The interest element of the proceeds from the award are still subject to appeal and, accordingly, the provision has been retained until the appeal has concluded (See Note 30 for further details). The amounts noted above are Digicel's share as the total award of approximately €250 million was shared with the original owners of the French West Indies business.

11. Staff Costs

	2023	2022
	\$'000	\$'000
Salaries	217,656	215,565
Statutory contributions	17,974	17,505
Pension contribution (Note 29)	6,265	4,900
Employee profit share scheme	19,151	3,408
Termination costs	2,716	8,610
Other	20,678	14,348
	<u>284,440</u>	<u>264,336</u>

The increase in the employee profit share is a result of the Orange litigation gain (Note 10) and is solely for French West Indies employees.

12. Taxation

DIFL is incorporated in St. Lucia and is subject to corporate taxation. St. Lucia introduced a territorial tax regime from July 2021 where the rate is 0% on foreign sourced income and 30% on income sourced within St. Lucia.

The Group's subsidiaries incorporated in Bermuda, the Cayman Islands, Turks and Caicos, British Virgin Islands and Anguilla are not liable to corporate income taxation under the tax laws of the respective jurisdictions.

12. Taxation (Continued)

Digicel Caribbean Limited (DCL) earns royalty income from Group companies. Where the income of DCL is earned from CARICOM countries, this income is relieved from taxation in Barbados. All other income of DCL is taxed in Barbados under the prevailing rates which currently range from 1% to 5.5%.

Income taxes for all other subsidiaries are based on statutory income tax rates prevailing in each jurisdiction.

The Group's tax charge comprises:

	2023	2022
	\$'000	\$'000
Current income tax	86,596	80,220
Prior year under/(over) provision	5,671	(5,898)
Deferred taxation (Note 20)	(50,649)	(6,644)
Withholding tax	15,996	13,916
Tax charge	<u>57,614</u>	<u>81,594</u>

The tax on the Group's loss before taxation differs from the theoretical amount that would arise as follows:

	2023	2022
	\$'000	\$'000
(Loss)/Profit before tax, net		
- operating companies	184,207	341,591
- holding companies	(200,390)	(469,072)
Group loss before tax	<u>(16,183)</u>	<u>(127,481)</u>
Tax calculated at domestic tax rate applicable to profits in the respective countries	9,388	56,249
Effect of:		
Expenses not deductible for tax purposes	11,925	6,911
Income in taxable jurisdictions not subject to tax	(3,758)	(2,806)
Adjustments for current tax of prior periods	5,673	(1,311)
Utilisation of tax losses not previously recognised	1,175	-
Adjustment for deferred tax of prior periods	8,084	(5,244)
Current year tax losses for which no deferred income tax asset was recognised	1,894	6,272
Withholding tax	15,513	13,916
Other	7,720	7,607
Actual tax charge	<u>57,614</u>	<u>81,594</u>

The decrease in profit before tax in operating companies and the consequent reduction in tax calculated at domestic tax rate applicable to profits are both primarily driven by the underlying performance and application of IAS 29 related to the Haiti operations.

13. Intangible Assets

	Goodwill \$'000	Licences \$'000	Software \$'000	Subscriber Bases \$'000	Trade Marks \$'000	Contract Cost Assets \$'000	Total \$'000
At 31 March 2021							
Cost	227,422	475,126	86,004	89,299	20,088	139,170	1,037,109
Accumulated amortisation	-	(297,848)	(72,996)	(72,695)	(12,044)	(120,756)	(576,339)
Net book value	227,422	177,278	13,008	16,604	8,044	18,414	460,770
At 31 March 2022							
Cost	205,984	426,967	57,936	87,192	18,137	152,235	948,451
Accumulated amortisation	-	(285,597)	(40,455)	(72,944)	(11,574)	(135,123)	(545,693)
Net book value	205,984	141,370	17,481	14,248	6,563	17,112	402,758
Year ended 31 March 2022							
Opening net book amount	227,422	177,278	13,008	16,604	8,044	18,414	460,770
Additions	835	4,491	10,011	-	117	14,590	30,044
Disposals	-	(133)	-	-	-	-	(133)
Impairment	(4,399)	-	-	-	-	-	(4,399)
Amortisation	-	(19,957)	(12,623)	(2,214)	(1,340)	(15,903)	(52,037)
Reclassification and transfer	-	899	5,736	-	-	-	6,635
Translation difference	(17,874)	(21,208)	1,349	(142)	(258)	11	(38,122)
Closing net book value	205,984	141,370	17,481	14,248	6,563	17,112	402,758
At 31 March 2023							
Cost	198,680	521,221	71,687	69,875	17,788	157,439	1,036,690
Accumulated amortisation	-	(300,799)	(43,645)	(49,478)	(11,006)	(142,199)	(547,127)
Net book value	198,680	220,422	28,042	20,397	6,782	15,240	489,563
Year ended 31 March 2023							
Opening net book amount	205,984	141,370	17,481	14,248	6,563	17,112	402,758
Application of IAS 29	93,844	33,568	51	-	-	-	127,463
As restated 1 April 2022	299,828	174,938	17,532	14,248	6,563	17,112	530,221
Additions	-	90,594	18,163	-	5	14,226	122,988
Impairment	(101,575)	(24,966)	(101)	-	-	-	(126,642)
Amortisation	-	(28,900)	(9,079)	(1,975)	(1,501)	(15,823)	(57,278)
Reclassification and transfer	-	16,495	1,805	-	-	-	18,300
Translation difference	427	(7,739)	(278)	8,124	1,715	(275)	1,974
Closing net book value	198,680	220,422	28,042	20,397	6,782	15,240	489,563

Impairment tests for goodwill

The Group determines whether goodwill is impaired at least on an annual basis or when events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated. The recoverable amount of CGUs is determined using the higher of value in use and fair value less costs of disposal.

13. Intangible Assets (Continued)

The allocation of goodwill to the Group's CGUs identified according to country/region of operation is as follows:

	2023	2022
	\$'000	\$'000
Jamaica	88,693	86,752
Haiti	-	2,714
French West Indies	12,474	13,988
Trinidad & Tobago	16,785	16,785
East Caribbean	10,988	10,988
Curacao	20,785	20,785
Bermuda	17,880	17,880
Other	31,075	36,092
	<u>198,680</u>	<u>205,984</u>

For the year ended 31 March 2023, management tested the goodwill allocated to all of the countries/regions of operation noted above (including each CGU comprising "Other") for impairment. Impairment of \$101,575,000 was identified in the year primarily related to the full impairment of the IAS 29 uplifted goodwill for Haiti. Haiti impairment was \$96,558,000 and there was additional impairment in two other CGUs totaling \$5,017,000 partly due to the change in discount rates. The remainder of the movement in goodwill shown above is due to the net impact of foreign currency translation movements.

The cash flow projections used in the value in use calculations are based on financial budgets approved by management and the Board for a one-year period. Cash flows beyond the projections are extrapolated using the estimated growth rates, EBITDA and capital expenditure rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates. The present value of the expected future cash flows from the CGU is discounted based upon the estimates of the weighted average cost of capital for each CGU. Assumptions are based on past performance and management's expectations for the future. When the value in use model resulted in the recoverable amount being lower than the carrying value of CGUs, management determined the fair value less costs of disposal (FVLCD) of the CGUs. FVLCD is determined using recent telecom transaction benchmarks as well as trading comparables (Level 2 hierarchy).

Key assumptions used for value in use calculations:

	Revenue Growth Rate	EBITDA to Revenue	Capital Expenditure to Revenue	Discount Rate at March 2023	Discount Rate at March 2022
Jamaica	0%	48%	10%	19.9%	13.0%
Haiti	2%	29%	10%	26.5%	23.5%
French West Indies	1%	29%	6%	7.6%	3.6%
Trinidad & Tobago	2%	58%	10%	14.1%	6.0%
East Caribbean	2%	40%	10%	15.2%	6.5%
Curacao	1%	41%	10%	13.1%	5.7%
Bermuda	3%	41%	10%	14.9%	5.6%
Other	<u>0% - 3%</u>	<u>4% - 61%</u>	<u>2% - 10%</u>	<u>10.4% - 19.9%</u>	<u>4.9% - 13.0%</u>

14. Property, Plant and Equipment

	Land and Building \$'000	Leasehold Improvements \$'000	Site Infrastructure \$'000	Computers & Network Equipment \$'000	Fixtures & Fittings \$'000	Motor Vehicles \$'000	Right of Use \$'000	Total \$'000
At 31 March 2021								
Cost	62,856	21,844	716,588	2,428,980	78,907	33,268	357,988	3,700,431
Accumulated depreciation	(14,591)	(19,627)	(324,744)	(1,642,014)	(62,733)	(27,803)	(81,927)	(2,173,439)
Net book value	48,265	2,217	391,844	786,966	16,174	5,465	276,061	1,526,992
At 31 March 2022								
Cost	55,965	18,055	681,781	2,035,421	73,571	22,596	385,891	3,273,280
Accumulated depreciation	(12,740)	(16,897)	(277,335)	(1,331,062)	(61,381)	(17,985)	(121,747)	(1,839,147)
Net book value	43,225	1,158	404,446	704,359	12,190	4,611	264,144	1,434,133
Year ended 31 March 2022								
Opening net book value	48,265	2,217	391,844	786,966	16,174	5,465	276,061	1,526,992
Additions	-	58	209,051	26,195	409	1,115	52,838	289,666
Disposals	-	-	(727)	(4,397)	-	(77)	(416)	(5,617)
Impairment	-	-	(24,562)	-	-	-	-	(24,562)
Charge for the year	(871)	(1,205)	(27,578)	(185,316)	(4,039)	(1,481)	(47,196)	(267,686)
Reclassification and transfer	-	-	(124,902)	118,267	-	-	-	(6,635)
Effect of change in estimate	-	-	12,038	-	-	-	-	12,038
Translation differences	(4,169)	88	(30,718)	(37,356)	(354)	(411)	(17,143)	(90,063)
Closing net book value	43,225	1,158	404,446	704,359	12,190	4,611	264,144	1,434,133
At 31 March 2023								
Cost	92,777	15,713	1,093,821	3,045,121	90,627	40,592	415,479	4,794,130
Accumulated depreciation	(55,635)	(15,246)	(744,118)	(2,316,437)	(79,958)	(27,204)	(174,056)	(3,412,654)
Net book value	37,142	467	349,703	728,684	10,669	13,388	241,423	1,381,476
Year ended 31 March 2023								
Opening net book value	43,225	1,158	404,446	704,359	12,190	4,611	264,144	1,434,133
Application of IAS 29	19,730	-	108,411	60,580	8	779	16,459	205,967
Restated at 1 April 2022	62,955	1,158	512,857	764,939	12,198	5,390	280,603	1,640,100
Additions	-	-	229,219	-	-	13,592	30,742	273,553
Disposals	-	-	(2,597)	(173)	(73)	(2,927)	(2,847)	(8,617)
Impairment	(15,011)	-	(72,116)	(49,659)	(7)	(573)	(9,633)	(146,999)
Charge for the year	(1,013)	(708)	(61,903)	(158,931)	(4,712)	(1,725)	(54,934)	(283,926)
Reclassification and transfer	(5,353)	19	(216,697)	200,511	3,289	(69)	-	(18,300)
Effect of change in estimate	-	-	(1,340)	-	-	-	-	(1,340)
Translation differences	(4,436)	(2)	(37,720)	(28,003)	(26)	(300)	(2,508)	(72,995)
Closing net book value	37,142	467	349,703	728,684	10,669	13,388	241,423	1,381,476

14. Property, Plant & Equipment (Continued)

Of the Group's property, plant and equipment, certain assets are subject to liens under the terms of the long term loans (Note 19).

The recognised right-of-use assets relate to the following types of assets:

	2023 \$'000	2022 \$'000
Sites and towers	203,485	224,331
Office buildings	30,039	33,881
Other	7,899	5,932
	<u>241,423</u>	<u>264,144</u>

The depreciation related to the recognised right-of-use assets relate to the following types of assets:

	2023 \$'000	2022 \$'000
Sites and towers	43,179	34,699
Office buildings	9,275	10,425
Other	2,480	2,072
	<u>54,934</u>	<u>47,196</u>

15. Investments in Associates and Joint Venture

	\$'000
At 31 March 2021	8,196
Repayment of loan	(1,000)
Share of profit	<u>1,456</u>
At 31 March 2022	8,652
Addition	200
Repayment of loan	(1,000)
Share of loss	<u>(41)</u>
At 31 March 2023	<u>7,811</u>

16. Prepayments and Other Non-current Assets

	2023 \$'000	2022 \$'000
Prepayments	24,352	35,636
Other	4,165	3,138
	<u>28,517</u>	<u>38,774</u>

Prepayments include amounts prepaid on Indefeasible Rights of Use (IRU) for fibre networks. The prepayments are expensed in other operating expenses over the IRU contract terms which are generally over a period of 5-15 years. The annual maintenance commitments over the life of the IRU are disclosed in Note 28(b).

17. Accounts Receivable and Prepayments

	2023 \$'000	2022 \$'000
Trade receivables	208,988	207,230
Less: Provision for impairment	(19,562)	(22,740)
	<u>189,426</u>	<u>184,490</u>
Contract assets	20,754	17,129
Prepayments and deposits on equipment	48,156	45,816
Value Added Tax recoverable	11,015	5,429
Deferred dealer margins and card production costs	4,894	4,033
Amounts due from fellow subsidiaries of Digicel Group Holdings Limited	5,990	3,812
Other debtors	<u>39,363</u>	<u>26,140</u>
	<u>319,598</u>	<u>286,849</u>

Expected credit losses for year ended 31 March 2023 and 31 March 2022

The expected credit losses determined are based on the Group's historical credit losses experienced over a five to two years period prior to the period end. The historical loss rates are between 1% and 5%.

Contract assets

The Group distinguishes between contract assets and trade receivables based on whether receipt of the consideration is conditional on something other than passage of time. Contract assets primarily relate to transactions where the Group satisfies a performance obligation to transfer equipment that is part of a bundle to the customer, but the right to payment for the equipment or the service is dependent on the Group satisfying another performance obligation in the contract and to services that were rendered but not yet billed to the customer at yearend. The contract assets are transferred to trade receivable when the right becomes unconditional, i.e. when only the passage of time is required before payment of consideration is due.

18. Cash and Restricted Deposits

	2023	2022
	\$'000	\$'000
Cash and cash equivalents	159,226	165,365
Restricted deposits, included in current assets	6,388	2,953
Restricted deposits, included in non-current assets	22,021	5,621
	<u>187,635</u>	<u>173,939</u>
Cash and restricted deposits are denominated in the following currencies:		
Jamaican dollars	9,899	10,616
Haitian gourdes	4,079	9,010
Trinidad & Tobago dollars	5,275	5,436
Papua New Guinean kina	3,470	3,148
Euro	33,847	45,242
US dollar	113,022	74,256
US dollar pegged currencies	8,024	17,765
Other	10,019	8,466
	<u>187,635</u>	<u>173,939</u>

19. Long Term Loans and Leases

	2023 \$'000	2022 \$'000
Senior secured notes	1,857,234	1,831,902
Senior secured term loans	997,838	1,008,874
	2,855,072	2,840,776
Less: Net unamortised discount and fees	(6,614)	(12,055)
	2,848,458	2,828,721
Lease liabilities	318,346	331,105
Licence related obligations	135,115	72,154
	3,301,919	3,231,980
Accrued interest	60,516	62,698
	3,362,435	3,294,678
Current	114,726	111,818
Non-current	3,247,709	3,182,860
	3,362,435	3,294,678

Senior and Senior Secured Notes

Details of the outstanding notes of the Group are as follows:

Description	Maturity	Interest rate	Outstanding principal amount	
			2023 \$'000	2022 \$'000
DIHL/DIFL 13% 2025 Senior Unsecured Notes	31 December 2025	6.00% cash + 7.00% in kind	380,980	355,649
DIHL/DIFL 2026 Subordinated Notes	31 December 2026	8.00%	250,003	250,002
DIHL/DIFL 2024 Senior Secured Notes*	25 May 2024	8.75%	626,251	626,251
DIHL/DIFL 2024 Senior Secured Notes	25 May 2024	8.75%	600,000	600,000
			1,857,234	1,831,902

* Constituting part of the same series as the existing DIHL/DIFL Senior Secured Notes

19. Long Term Loans and Leases (Continued)

Senior Secured Term Loans

	2023 \$'000	2022 \$'000
Digicel International Finance Limited - Term B USD loan	997,225	1,007,775
Idom Technologies	613	1,099
	<u>997,838</u>	<u>1,008,874</u>

Digicel International Finance Limited

The Term B loans have an interest rate, depending on the election, equal to ABR plus a margin of 2.25% or LIBOR (with a LIBOR floor of 0.0%) plus a margin of 3.25%. They have a tenor of seven years and are repayable with equal quarterly instalments of 0.25% commencing in March 2018 with the balance due in full in May 2024. The last election using LIBOR plus the margin noted above has been agreed for the period through to January 2024.

For all USD loans, DIFL can elect to use either LIBOR or an Alternate Base Rate ('ABR'). The ABR is the highest of (a) the Federal Funds Effective Rate plus 0.50%, (b) LIBOR plus 1.00%, (c) the Prime Rate, and (d) solely with respect to Term B loans, 2.00%.

As of 31 March 2023, the DIFL facility is secured by guarantees from and security over the shares and assets of DIFL and subsidiaries whose aggregate EBITDA and assets represent not less than 75% of the DIFL's consolidated EBITDA and not less than 80% of DIFL's total assets. DIFL and certain of its subsidiaries also guarantee the 6.75% Senior Notes due 2023.

There are no financial maintenance covenants for DIFL following the repayment of the Term A loan and expiry of the revolving credit facility. DIFL is subject to customary affirmative and negative covenants under the DIFL facility including restrictions on investments, debt, liens, acquisitions and restricted payments.

The limitation on restricted payments (such as dividends or other distributions) is subject to various carve outs which, amongst other things, permit distributions to fund debt service on the notes issued by Digicel Group Holdings Limited and Digicel Limited so long as no default or potential default has occurred (or giving pro forma effect thereto, would occur).

Subject to customary exceptions, DIFL is required under certain circumstances to prepay amounts owed under the DIFL Facility, including (1) percentages of excess cash flow (net of certain amounts), (2) net proceeds from dispositions of assets (including casualty proceeds) in excess of specified thresholds (subject to reinvestment rights) and (3) net proceeds from the issuance or incurrence of certain debt, if certain scheduled repayments of indebtedness of Digicel Group Holdings Limited and Digicel Limited exceed a threshold specified in the DIFL Facility.

The DIFL Facility contains certain customary events of default relating to, among other things, nonpayment of principal or interest, breaches of representations, warranties and covenants, cross-default to other material debt, insolvency, material judgments, changes of control and material adverse effects.

IDOM Technologies

IDOM Technologies has senior secured facilities with an aggregate principal amount outstanding of \$0.6 million as of 31 March 2023.

19. Long Term Loans and Leases (Continued)

Licence-related Obligations

License-related obligations comprise long-term payables in respect of telecommunication licenses in various jurisdictions. Amounts are payable in annual instalments and discounted to present value using discount rates ranging from 10.8% to 12%. The remaining license periods range from 1 to 24 years. During the year ended 31 March 2023, New Millennium Telecom Services N.V., trading as Digicel Aruba, agreed new terms for the renewal of its spectrum licenses in Aruba. The total fixed cost of \$54.7 million for this license is payable in fixed instalments of \$5.5 million per year through to 2033.

Movement in Long Term Loans and Leases:

	Lease liabilities \$'000	Loans and other \$'000	Total \$'000
At 31 March 2021	320,915	2,887,284	3,208,199
Net movement in financing cash flow	(36,083)	(26,914)	(62,997)
Non-cash changes:			
Additions	52,838	13,615	66,453
PIK interest	-	23,647	23,647
Interest accretion	-	2,503	2,503
Amortised discount and fees including fees expensed	-	5,483	5,483
Surrender of Leases/Licenses	(4,115)	(93)	(4,208)
Foreign exchange movements	(2,450)	(4,650)	(7,100)
At 31 March 2022	331,105	2,900,875	3,231,980
Net movement in financing cash flow	(36,644)	(38,331)	(74,975)
Non-cash changes:			
Additions	30,742	86,047	116,789
PIK interest	-	25,331	25,331
Interest accretion	-	3,683	3,683
Amortised discount and fees including fees expensed	-	5,442	5,442
Surrender of Leases/Licenses	(5,235)	-	(5,235)
Foreign exchange movements	(1,622)	526	(1,096)
At 31 March 2023	318,346	2,983,573	3,301,919

20. Deferred Taxation

Deferred income tax assets are recognised to the extent that realisation of the related tax benefit through the future taxable profit is probable. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax jurisdiction.

Deferred income taxes are calculated in full on temporary differences under the liability method using enacted rates in the respective countries. The movement on the deferred income tax account is as follows:

	2023	2022
	\$'000	\$'000
Asset at 1 April	32,539	29,004
Application of IAS 29	(74,271)	-
Restated (Liability)/Asset at 1 April	(41,732)	29,004
Credited to the consolidated statement of comprehensive loss (Note 12)	50,649	6,644
Translation differences	(2,463)	(3,109)
Asset at 31 March	<u>6,454</u>	<u>32,539</u>
Comprising:		
Deferred income tax assets	54,031	60,549
Deferred income tax liabilities	<u>(47,577)</u>	<u>(28,010)</u>
	<u>6,454</u>	<u>32,539</u>

Deferred income tax assets and liabilities are attributable to the following items:

	2023	2022
	\$'000	\$'000
Deferred income tax assets:		
Unrealised exchange losses	3,918	20,240
Interest payable	10,103	3,449
Temporary differences on asset depreciation	18,809	23,754
Impairment provision as per IFRS 9	2,247	3,192
Tax losses carried forward	2,492	1,692
Lease liabilities	10,129	7,480
Other provisions	<u>11,205</u>	<u>11,494</u>
	<u>58,903</u>	<u>71,301</u>
Deferred income tax liabilities:		
Accelerated tax depreciation	48,108	31,658
Fair value of acquired intangibles and property, plant and equipment	228	2,967
Other temporary differences	<u>4,113</u>	<u>4,137</u>
	<u>52,449</u>	<u>38,762</u>
Net asset at 31 March	<u>6,454</u>	<u>32,539</u>

20. Deferred Taxation (Continued)

The amounts shown in the balance sheet include the following:

	2023	2022
	\$'000	\$'000
Deferred tax assets to be recovered after more than 12 months	42,306	47,532
Deferred tax liabilities to be settled after more than 12 months	<u>57,876</u>	<u>36,786</u>

Accumulated tax losses for which deferred taxation assets have not yet been recognised amounted to \$23,415,000 (2022: \$4,600,000).

21. Trade and Other Payables

	2023	2022
	\$'000	\$'000
Trade payables	96,270	82,150
Accrued liabilities	198,584	182,706
Contract liabilities	61,229	54,965
Subscriber deposits	13,548	14,556
Statutory creditors	48,442	29,402
Other	<u>26,956</u>	<u>30,553</u>
	<u>445,029</u>	<u>394,332</u>

Contract liabilities

	2023	2022
	\$'000	\$'000
Current portion	61,229	54,965
Non-current portion (Note 23)	<u>13,051</u>	<u>22,859</u>
	<u>74,280</u>	<u>77,824</u>

Contract liabilities are recorded when consideration is received in advance of the delivery of goods or services. Reductions in the contract liability will be recorded as we satisfy the performance obligations.

Contract liabilities primarily relate to deferred revenues such as prepaid cards and prepaid subscriptions on cable and other telecommunication services. Contract liabilities also consist of advanced payments from customers from our business solution offerings and infeasible rights of use (IRUs) contracts.

22. Financial Guarantee

	2023 \$'000	2022 \$'000
Financial guarantee of bonds issued by Digicel Limited	-	125,792

As at 31 March 2023, the Company and certain of its subsidiaries are guarantors in respect of the \$925 million 6.75% Senior Notes due 1 March 2023 issued by Digicel Limited, an intermediate parent company.

The liability above is in respect of the \$925 million 2023 Notes. The liability recognised represents the expected credit loss (ECL) under IFRS 9 in respect of this guarantee. Management's estimate of the ECL in the prior year is a probability-weighted amount involving consideration of multiple scenarios including default scenarios. Default probabilities are derived from on third party data based on the ratings of the respective bonds.

The earliest expected period in which the Company and certain of its subsidiaries could have been called to repay the outstanding principal Notes of Digicel Limited was 1 March 2023 on the \$925 million 6.75% Senior Notes. The guarantee was not called and the Group has agreed a restructuring support agreement. Accordingly, the fair value of the financial guarantee was reversed in full. See Note 33 Subsequent Event.

The change in the financial guarantee recognised in the statement of comprehensive loss is a gain of \$125.8 million (2022 – \$1.14 million loss).

23. Other Long Term Liabilities

	2023 \$'000	2022 \$'000
Contract liabilities	13,051	22,859
Other liabilities	6,696	23,209
	<u>19,747</u>	<u>46,068</u>

24. Provisions

	Subscriber Acquisition Costs \$'000	Asset Retirement Obligations \$'000	Other \$'000	Total \$'000
At 31 March 2021	265	60,744	188,235	249,244
Utilised during the year	(134)	(9,337)	(685)	(10,156)
Provided during the year	63	17,590	1,606	19,259
Translation difference	-	(3,051)	(10,343)	(13,394)
At 31 March 2022	194	65,946	178,813	244,953
Utilised during the year	(162)	(10,735)	(126,621)	(137,518)
Provided during the year	27	6,161	4,852	11,040
Translation difference	-	(9,526)	(3,708)	(13,234)
At 31 March 2023	<u>59</u>	<u>51,846</u>	<u>53,336</u>	<u>105,241</u>

24. Provisions (Continued)

	2023 \$'000	2022 \$'000
Analysis of total provisions:		
Non-current	52,168	243,315
Current	53,073	1,638
	<u>105,241</u>	<u>244,953</u>

- a) Subscriber acquisition costs
These provisions are mainly in respect of subsidies and losses on handsets held in inventory by the company's distributor at year end, in accordance with the terms of the agreement with the distributor.
- b) Asset retirement obligations
These amounts represent provisions recognised for the present value of costs to be incurred for the restoration of sites on which the Group's network infrastructure is located. These costs are expected to be incurred between 2029 and 2034, however there is a possibility that restoration will not take place until after this period. The provision is estimated using existing technology, at current prices, and discounted using a real discount rate of 6-19% (2022: 4-17%) based on the country.
- c) Other
Other includes \$50.6 million (€46.5 million) for Digicel's share of the interest element of an initial award of €160 million representing Digicel's share of net cash proceeds for principal and interest received during the year ended 31 March 2021 from Orange S.A. (see Note 30). The principal element of the award was confirmed by the Court of Cessation on 1 March 2023 and Digicel's share less related costs of \$110.4 million has been recognised in other income (see Note 10). The interest element of the proceeds from the award are still subject to appeal and, accordingly, a provision has been retained for the amounts received until the appeal is concluded.

Remaining provisions are mainly in respect of warranties for handsets, long term service and accrued vacation.

25. Share Capital

	2023 \$'000	2022 \$'000
Authorised, issued and fully paid	10,000	10,000
10,000,000 common shares of \$1.00 each		

26. Non-Controlling Interests

	2023 \$'000	2022 \$'000
At beginning of year	46,711	44,489
Share of net profits	7,936	6,848
Dividends to non-controlling interests	(2,525)	(5,179)
Acquisitions	114	553
Translation	(992)	-
At end of year	<u>51,244</u>	<u>46,711</u>

27. Key Management Compensation and Related Party Transactions

During the year, the Group had the following transactions with directors and with related companies that are under the common control of the shareholders of the Group:

	2023 \$'000	2022 \$'000
Key management compensation:		
Salaries and other short term benefits	14,362	10,733
Long term incentive plan	4,218	6,791
DPL sale completion bonus	8,000	-
	<u>26,580</u>	<u>17,524</u>
Related party transactions:		
Long term incentive plan and DPL sale completion bonus	3,666	989
Reimbursed expenses	398	165
Other fees	250	279
Financing fees	8,292	300
Office rental	4,074	4,074
Aircraft costs	10,344	8,332
Construction and maintenance fees	18,369	11,733
	<u>45,393</u>	<u>25,872</u>

Management compensation comprises salaries and other short-term employee benefits payable to directors and key management. The long term incentive plan ("LTIP") cost is the accrued amounts for participants in the LTIP. Final payments will be determined based on results for the year ending 31 March 2023. Inputs into the calculation include EBITDA and Net Debt. The maximum payout possible under the LTIP is estimated at \$29 million for directors and key management.

The Group has been charged \$398,000 (2022: \$165,000) by Island Capital Management Services Limited, (a company controlled by Mr. Denis O'Brien) in respect of expenses paid on behalf of the Group. Reimbursed expenses include legal and professional fees, travel and accommodation costs.

The Group has been charged other fees of \$250,000 (2022: \$279,000) by Island Capital Management Services Limited mainly in respect of office rental, staff and related costs.

The Group has engaged the services of Island Capital Management Services Limited to assist the Group in raising debt, debt restructuring and other financings. Retainer Fees of \$1,292,000 per annum were paid in the year ended 31 March 2023 (2022: \$300,000). The retainer fee payable in 2023 was amended to reflect the additional services provided by Island Capital related to the current debt restructuring. In addition, a completion fee of \$7,000,000 was paid in connection with the disposal of the Pacific business during the year ended 31 March 2023.

The Group, through its subsidiary, Digicel (Jamaica) Limited, leased the Group's headquarter offices in Kingston, Jamaica from Onnut Property Holdings (Jamaica 1) Limited ("Onnut"), a company affiliated with Mr. O'Brien and previously a related party. The lease arrangement was for a period of 20 years from April 2016 with initial rental charges of \$3.88 million per annum fixed for the first five years. In the year ended 31 March 2022 the rental charges were increased by 5%, to \$4.074 million per annum in accordance with the terms of the lease arrangement.

27. Key Management Compensation and Related Party Transactions (Continued)

AC Executive Aviation Services manages an airplane owned by a company controlled by Mr. Denis O'Brien, and provides the Group with the use of this airplane on an as needed basis. Rental charges of \$10,344,000 (2022: \$8,332,000) have been charged by this company.

The Group has engaged Actavo (St. Lucia) Limited and its subsidiaries (Actavo), formerly Sierra Support Services (St Lucia) Limited, to install and maintain a fibre optic network and other network facilities operated by the Group across six markets. Actavo secures the business from Digicel through a competitive tender process involving other vendors. Actavo is affiliated with Mr. O'Brien through his shareholding. The Group was charged \$18,369,000 (2022: \$11,733,000) during the year mainly relating to maintenance and network expansion in Trinidad, Jamaica, Barbados and BVI.

During the year, a number of directors agreed to purchase shares in Prism Financial Services Holdings Limited at fair value. The total consideration received was \$4,069,000 for 8% of the issued share capital of this company.

28. Commitments

(a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is \$91.4 million (2022: \$123.3 million).

(b) IRU commitments

The Group has entered into IRU agreements which have remaining terms ranging from 10 to 15 years. The Group has commitments of \$64.3 million (2022: \$110.4 million) over the lifetimes of these agreements.

(c) Programming rights commitments

Programming rights contracted for at the balance sheet date but not recognised in the financial statements is \$8.0 million (2022: \$19.1 million).

29. Pension Scheme

Certain Group subsidiaries operate a defined contribution pension scheme that is open to their permanent employees and is administered by trustees. The scheme was instituted on 1 May 2002 and is being funded at a level of 10% of pensionable salaries, being 5% from members and 5% from the Group.

The contributions charged against income were \$6,265,000 (2022: \$4,900,000).

30. Contingent Liabilities and Other Litigation

The Group is currently party to litigation relating to certain operations, but in management's opinion these will not have a material negative impact on the Group's financial position or operations. Judgement is involved in the determination of contingent liabilities. If it becomes probable that a contingent liability will result in an outflow of economic resources, the Group will record a provision in the period the change in probability occurs. The amount of the loss involves judgement based on information available at the time. The Group does not recognise contingent assets. Outlined below are the details of any material cases outstanding.

Contingent Liabilities:

- a) **Digicel Guyana Constitutional Challenge** - Digicel filed a suit in Guyana in 2009 challenging the exclusive license of the incumbent operator, GT&T, to carry international traffic to and from Guyana. This exclusivity is due to a 20-year agreement that expired in 2010, with an option for GT&T to renew this agreement for a further 20 years, which GT&T exercised. This matter was heard by the Chief Justice who retired before handing down a decision. The Courts are now in the process of arranging a re-hearing. Any decision will be subject to a right of appeal.

GT&T has filed a number of legal actions in Guyana in which they have sought certain declarations and damages against Digicel Guyana for, inter alia, alleged infringements of their rights under their licenses held in Guyana and for alleged breaches of the interconnection agreement between Digicel Guyana and GT&T; including their asserted claim for exclusivity of the carriage of international traffic to and from Guyana. GT&T asserts that it is the only authorised provider of domestic fixed and international voice and data services to and from Guyana. While GT&T has not particularised the amount of its claim, it is understood to be likely to be in the region of US\$50 million. Digicel disputes this position. In September 2022, the Guyana Court dismissed several of GT&T's claims for damages, but these decisions are the subject of on-going appeals by GT&T. The telecommunications market in Guyana was liberalised in late 2020 and therefore these cases relate to historical matters and do not have any bearing on the regulation of the market going forward.

- b) **French West Indies** – In June 2013, Outremer Telecom ("OMT") filed a claim against Digicel before the commercial court seeking an award of damages to compensate for the alleged harm it suffered as a result of an abuse of dominant position carried out by Digicel in the French West Indies.

OMT initially claimed an award of €1 million as damages as a result of the alleged practice. In May 2018, OMT and Digicel were ordered by the Court to disclose information and data related to their respective activities. In October 2020, OMT substantially increased its claim to €29 million. The next hearing is scheduled for 20 September 2023. We are assessing projected legal costs and other considerations with a view to a possible settlement.

30. Contingent Liabilities and Other Litigation (Continued)

Contingent Liabilities: (Continued)

- c) **Haiti** - Unigestion Holding SA v UPM & Tran – this is a US (Federal District Court Oregon) action commenced by Digicel in relation to UPM's involvement in bypass activities affecting Haiti. The Defendants filed a counterclaim asserting (among other things) that the bypass is lawful and that to restrict it is a violation of US telecommunications law (in relation to which the Defendant claims approximately US\$60 million). After a full trial, Unigestion won a jury award of US\$5.4 million in damages and US\$4.1 million in punitive damages against UPM and Tran. However, this decision is subject to appeal by UPM, with no formal judgments having been entered yet. On 21 February 2023, UPM filed a complaint to the Federal Communications Commission (FCC) against Digicel Haiti. Digicel Haiti filed its response on 23 February 2023. In effect, the FCC is now seised of the fundamental jurisdictional issues that arise in relation to UPM's counterclaim. Only a redacted version of the response was filed to the public docket due to confidentiality and privacy purposes. Similarly, a confidentiality request has been filed in order to request for confidential treatment of their response which may contain confidential and sensitive information, especially relating to Digicel Haiti's current roaming agreements partners in the USA. The FCC's decision is expected in July 2023. Entry and enforcement of the judgment has been stayed pending the outcome of the FCC litigation.
- d) **Haiti** - On 6 February 2019, Unigestion was served with notice of a class action in the United States (Federal District Court New York) alleging that it had participated in unlawful arrangements relating to the imposition of government levies in Haiti. The plaintiffs allege that Unigestion's collection of levies charged on international incoming calls and money transfers on behalf of the Haitian Government was unlawful including by reason of alleged anti-trust violations. The Court granted Unigestion the motion to dismiss on 11 March 2021. The plaintiffs filed their appellate brief on 1 June 2021 to the Second Circuit Court of Appeals and that was substantially successful with the matter being remitted to the Federal District Court. On 23 May 2022, the plaintiffs were unsuccessful in seeking an injunction restraining Unigestion from collecting the levies. At a subsequent case conference, the District Judge requested that Unigestion now bring forward all outstanding motions to dismiss. Judgment on our renewed application to have these proceedings struck out is still awaited.

Other Litigation:

- e) **Proceedings with Orange in the French West Indies** - In July 2004, Bouygues Telecom Caraïbe SA, ("Bouygues"), which was acquired by Digicel in 2006 from Bouygues Telecom SA ("BTSA"), sued Orange Caraïbe SA and Orange France SA ("Orange") before the French Competition Authority (Autorité de la concurrence). Bouygues's claim related to historic anti-competitive practices by Orange across the French West Indies. In December 2004, the French Competition Authority found in favor of Bouygues and ordered Orange to immediately cease the offending conduct. Bouygues then brought two other sets of proceedings: one before the Competition Authority (to have Orange fined for its conduct) and the other before the Commercial Court of Paris (for damages caused by Orange's conduct). The original terms of the sale and purchase agreement stipulated that 50% of any award received by Digicel would be payable to BTSA as the original vendor

In February 2018, following a number of judgments and subsequent appeals by Orange, the Court of Appeal rejected Orange's application for a stay of provisional enforcement and ordered Orange to pay an award of €346 million into an escrow account maintained by the French State.

30. Contingent Liabilities and Other Litigation (Continued)

Other Litigation: (Continued)

Orange paid €346 million this amount escrow with the *Caisse des dépôts et consignations* (“CDC”) pending the determination of its appeal (being the principal award plus interest over the relevant period calculated on a simple interest basis).

In June 2020, the Court of Appeal ruled against Orange and ordered them to pay to Digicel an amount of approximately €250 million in damages. Orange appealed that the amount of damages to be paid under the Appeal Ruling should have been approximately €223 million. On 30 September 2020, the Paris Court of Appeal dismissed Orange’s appeal and confirmed its June decision. Following the Appeal Ruling, and subsequent negotiations with BTSA which resulted in the 50% share due to BTSA being reduced to approximately 34%, Digicel received approximately €160 million in the year ended 31 March 2021.

On 1 March 2023, the French Supreme Court confirmed that the amount of the underlying judgment for the principal award was correct but set aside the award of interest.

As a result, Orange has demanded repayment of the total sum of interest previously paid to Digicel (and BTSA). The parties have since filed further appeals to the Court of Appeal, which matters remain pending.

Separately, Digicel has opened without prejudice negotiations with Orange seeking to agree the amount of excess interest (as the parties’ respective calculations do not differ significantly) and potential repayment terms. Digicel is also pursuing engagement with BTSA on its contribution to the excess interest repayment, based on its pro-rata entitlement of the amounts recovered. Therefore, a provision continues to be recognised for the interest proceeds received as the interest amount is still undetermined under the above proceedings.

31. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's principal financial liabilities comprise fixed interest high yield bonds, bank loans, trade payables and finance leases. The main purpose of these financial liabilities is to provide financing for Group operations. The Group has financial assets which mainly comprise an investment in Digicel Holdings (Central America) Limited, cash and cash equivalents and trade receivables, which arise directly from operations.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Board of Directors

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board has established committees/departments for managing and monitoring risks, as follows:

(i) **Audit Committee**

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(ii) **Remuneration Committee**

The Remuneration Committee advises the board of directors on the exercise of its duties regarding remuneration policy, including analysing developments of the Bermuda Companies Act, and preparing proposals for the board of directors on these subjects. The duties of the Remuneration Committee include reviewing and approving compensation and benefits policies generally and setting the remuneration of the directors and the chief executive officer and the chief financial officer. The Remuneration Committee meets at least three times every year.

(iii) **Nomination Committee**

The Nomination Committee advises the board of directors on its duties regarding the selection and appointment of directors and senior management. The duties of the Nomination Committee include preparing the selection criteria and appointment procedures for directors and senior management and proposing the profile for the board of directors. It also periodically assesses the scope and composition of the board of directors, and the functioning of the individual directors. The Nomination Committee also proposes on appointments and reappointments. The Nomination Committee meets at least once every year.

31. Financial Risk Management (Continued)

(a) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet the payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

The Group has incurred significant indebtedness and evaluates its ability to meet these obligations on an ongoing basis. Based on these evaluations, the Group devises strategies to manage liquidity risk including maintaining sufficient undrawn borrowing facilities to fund liquidity needs.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of preference shares, high yield bonds and bank loans.

The Group's liquidity management process includes:

- (i) Maintaining a liquidity reserve in the form of cash and credit lines to ensure the solvency and financial flexibility of the Group at all times. For this purpose, the Group has cash balances of \$159.2 million at 31 March 2023, and actively manages its debt amortisation profile, through periodic restructurings. Refer to Note 33, subsequent events.
- (ii) Managing the concentration and profile of the Group's debt maturities.

The tables below summarise the maturity profile of the Group's financial liabilities at 31 March based on contractual undiscounted payments.

	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Total \$'000
As at 31 March 2023:						
Interest bearing borrowings	21	2,733	8,190	2,931,469	-	2,942,413
Interest on borrowings	1	94,755	134,195	187,703	-	416,654
Lease liabilities	6,312	11,545	51,012	224,787	176,932	470,588
Licence related obligations	5,287	1,856	19,953	85,150	94,005	206,251
Trade and other payables	117,510	70,477	133,822	-	-	321,809
Total financial liabilities	129,131	181,366	347,172	3,429,109	270,937	4,357,715
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Total \$'000
As at 31 March 2022:						
Interest bearing borrowings	159	3,010	8,260	2,942,358	-	2,953,787
Interest on borrowings	3	85,772	107,135	372,283	-	565,193
Lease liabilities	5,671	11,001	51,484	230,583	212,634	511,373
Licence related obligations	4,539	648	10,192	43,661	43,763	102,803
Trade and other payables	117,864	73,562	103,981	-	-	295,407
Total financial liabilities	128,236	173,993	281,052	3,588,885	256,397	4,428,563

31. Financial Risk Management (Continued)

(b) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates in a number of different countries, some of which have currencies which float freely against the US dollar, the presentation currency of the Group. Individual Group entities predominantly execute their operations in their respective functional currencies. Some Group entities, however, are exposed to foreign currency risks in connection with scheduled payments in currencies that are not their functional currencies. These payments relate mainly to international carriers and other overseas suppliers as well as distributors for procurement and fulfilment of handsets. Foreign currency risks in the financing area are caused by loans that are extended to Group entities in foreign currency. The main currencies to which the Group is exposed are the Jamaican dollar, Haitian Gourde Euro and Surinamese Dollar. The Haitian Gourde and Surinamese Dollar are currencies of hyperinflationary economies (Note 2). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. In some cases, the Group may borrow in US dollars because it is advantageous to do so or because US dollar denominated borrowing is the only funding source available. In these circumstances, the Group has decided to accept the ensuing risk associated with financing its operations, principally because of the relatively high cost or unavailability of forward cover in the currencies in which the Group operates.

Foreign currency sensitivity

The following table details the Group's sensitivity to a change in the currencies to which the Group has significant exposure against the US dollar. The rates below are the sensitivity rates that represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their revaluation at the period end for a change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. The sensitivities do not consider foreign currency translation risk, i.e. the impact of foreign currency movements on translating the results of operations and financial position of the Group's operations in various countries.

31. Financial Risk Management (Continued)

(b) Market risk (continued)

(i) Currency risk (continued)

The table presents the effect of weakening/depreciation/(strengthening) of the relevant currencies relative to the US dollar. A positive number below indicates a decrease/increase in loss/profit before taxation while a negative number indicates an increase/decrease in loss/profit before taxation.

	2023 Change %	2023 \$'000	2022 Change %	2022 \$'000
Jamaican Dollar	6	(1,967)	8	(6,477)
Haitian Gourde	18	(2,854)	19	(859)
Euro	3	(1,888)	1	(581)
Surinamese Dollar	32	(1,024)	21	(433)

There would be no impact on other components of equity as the various Group entities with the above functional currencies have no non-monetary assets classified as FVOCI in foreign currencies.

The sensitivity of profit to movement in the exchange rate relative to the US dollar is influenced by the relative foreign currency denominated asset/liability position in each market from year to year.

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities. At 31 March 2023: 65% (2022: 64%) of the interest-bearing financial liabilities denominated in United States dollars had a fixed rate of interest.

Interest rate sensitivity

At 31 March 2023, if interest rates on US dollar denominated borrowings had been 100 basis points higher with all other variables held constant, loss before taxation for the year would have been \$9,972,000 (2022: \$10,178,000) higher, as a result of higher interest expense on floating rate borrowings. If interest rates on US dollar denominated borrowings had been 100 basis points lower with all other variables held constant, loss before taxation for the year would have been \$9,972,000 (2022: \$10,178,000) lower, as a result of lower interest expense on floating rate borrowings.

31. Financial Risk Management (Continued)

(c) Credit risk

The Group takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit exposures arise principally from the Group's receivables from customers and investment activities. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

Credit review process

The Group regularly reviews the ability of borrowers and other counterparties to meet repayment obligations. Financial instruments that potentially subject the Group to concentrations of credit risk are primarily cash and cash equivalents and accounts receivable.

(i) Cash and cash equivalents

The counterparties relating to the Group's cash and cash equivalents are significant financial institutions. Management does not believe there is a significant risk of non-performance by these counterparties.

For all financial assets to which the impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

(ii) Accounts receivable and contract assets

Accounts receivable are derived from the provision of telecom services to a large number of customers, including business individuals, governments, distributors as well as telecommunication companies, and the related concentration of credit risk is therefore limited.

One of the most significant individual accounts receivable in any territory relate to the distribution of pre-paid vouchers. The credit risk is partially mitigated with a credit balance, in accounts payable, for fulfilment services performed by the same distributor. Settlement is usually made on a net cash basis.

A majority of the customers of the Group are pre-paid subscribers and carry no credit risk. Individual post-paid subscribers pay a security deposit on the initial contract, which mitigates credit risk in the event of a customer default. The Group also manages credit risk by disconnecting services to customers whose accounts are delinquent.

In respect of interconnect and roaming receivables from other telecommunication providers, credit risk is limited due to the regulatory nature of the telecom industry, in which licences are normally issued only to credit worthy companies.

The Group maintains a provision for expected credit losses of trade receivables and contract assets based on its historical loss experience, analysis of the aged receivables, prevailing and anticipated economic conditions and specific customer credit risk. These are determined in each country based on asset groupings.

31. Financial Risk Management (Continued)

(c) Credit risk (continued)

At 31 March 2023 and 31 March 2022, the lifetime expected credit loss for trade receivables is as follows:

Expected credit loss	Current	Up to 60 days past due	More than 61 days past due	More than 121 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2023	1,661	3,224	6,101	8,576	19,562
2022	2,614	1,649	4,626	13,851	22,740

No material allowance for expected credit losses related to contract assets was identified.

Movements on the provision for impairment of trade receivables are as follows:

	2023 \$'000	2022 \$'000
At 1 April	22,740	36,554
Provision for receivables impairment (Note 10)	11,024	21,858
Receivables written off during the year as uncollectible	(13,808)	(35,509)
Foreign exchange movements	(394)	(163)
At 31 March	19,562	22,740

The creation and release of provision for impaired receivables have been included in other expenses in the consolidated statement of comprehensive loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

There are no financial assets other than those listed above that were individually impaired.

The following table summarises the Group's credit exposure for trade receivables at their carrying amounts, as categorised by the customer sector:

	2023 \$'000	2022 \$'000
Post paid subscribers	57,938	67,517
Other telecom operators	22,100	29,500
Distribution agents and others	128,950	110,213
	208,988	207,230
Less: Provision for impairment	(19,562)	(22,740)
	189,426	184,490

(iii) Guarantees

As at 31 March 2023, the Company and certain of its subsidiaries have guaranteed external debt of Digicel Limited, an intermediate parent company, totaling \$925 million. (See Notes 22 and 33). The Group's policy is not to provide financial guarantees to any party other than subsidiaries and parent companies.

31. Financial Risk Management (Continued)

(d) Capital management

The primary objective of the Group's capital management is to maximise its shareholder value while ensuring a strong credit rating.

The Group manages its capital structure and makes adjustments to it as needed, in light of changes in economic conditions, market opportunities and the needs of the business. To maintain or adjust the capital structure, the Group may return capital to shareholders, or issue new shares.

The Group is subject to certain covenants restricting ability to incur debt including a covenant regarding a limitation on its total debt, which is determined by its profitability, which is defined as Earnings before interest, taxation, depreciation and amortisation ("EBITDA"). For the purposes of covenant testing, the EBITDA for the twelve months preceding the balance sheet date is annualised ("LTM") and measured in relation to Total Debt. "Total Debt" is comprised of interest-bearing loans and high yield bonds (gross of deferred financing fees) and excludes amounts due on licences and trade and other payables. Both EBITDA and Total Debt are non-GAAP measures that are not governed by IFRS and their definition and calculation may vary from one company to another. EBITDA as defined excludes other non-cash charges and credits to income, such as compensation charges arising under IFRS 2 and foreign exchange gains and losses. The Debt to EBITDA ratios presented below are based on the debt and covenant tests applicable at the balance sheet date.

DIFL's Senior Secured Debt to EBITDA ratio at 31 March 2023 and 2022 were as follows:

	2023 \$'000	2022 \$'000
Total Debt (excluding leases)	2,855,072	2,840,919
Lease obligations	318,346	331,105
Total Debt (including leases)	3,173,418	3,172,024
 Last twelve months (LTM) EBITDA	 718,206	 756,979
 Senior Secured Debt to EBITDA ratio (excluding leases)	 4.0x	 3.8x
Senior Secured Debt to EBITDA ratio (including leases)	4.4x	4.2x

31. Financial Risk Management (Continued)

(d) Capital management (continued)

DIFL's Total Debt to EBITDA ratio at 31 March 2023 and 2022 were as follows:

	2023 \$'000	2022 \$'000
High yield bonds of Digicel Limited	925,000	925,000
Senior secured debt and other interest-bearing loans	2,855,072	2,840,919
Total Debt (excluding leases)	3,780,072	3,765,919
Lease obligations	318,346	331,105
Total Debt (including leases)	4,098,418	4,097,024
LTM EBITDA	718,206	757,078
Total Debt to EBITDA ratio (excluding leases)	5.3x	5.0x
Total Debt to EBITDA ratio (including leases)	5.7x	5.4x

There were no changes to the Group's approach to capital management during the year.

The Company and its subsidiaries complied with all externally imposed capital requirements to which they were subject.

32. Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of the financial assets and liabilities held and issued by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at balance sheet dates.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- (a) Cash and deposits, receivables, payables, related party and balances reflect their approximate fair values due to the short-term nature of these instruments; and
- (b) The fair values of Senior Notes are based on the secondary market prices quoted in the OTC market and are within level 2 of the fair value hierarchy. The carrying value of variable rate loans approximates to fair value, net of unamortised fees, based on discounted cash flows and are within level 2 of the fair value hierarchy.

32. Fair Value of Financial Instruments (Continued)

The carrying amounts and fair value of Senior Notes are as follows:

	Carrying Value	Fair Value	Carrying Value	Fair Value
	2023 \$'000	2023 \$'000	2022 \$'000	2022 \$'000
Financial Liabilities				
DIHL/DIFL 2024 Senior Secured Notes	600,000	549,000	600,000	599,250
DIHL/DIFL 2024 Senior Secured Notes	626,251	573,020	626,251	625,468
DIHL/DIFL 2025 Senior Unsecured Notes	380,980	237,875	355,649	354,760
DIHL/DIFL 2026 Subordinated Notes	250,003	53,751	250,002	233,128
	<u>1,857,234</u>	<u>1,413,646</u>	<u>1,831,902</u>	<u>1,812,606</u>

33. Subsequent Events

- (a) On 29 May 2023, Digicel's parent company, Digicel Group Holdings Limited (DGHL) announced that it had entered into a restructuring support agreement (the "DGHL RSA") with an ad hoc group of holders (the "DGHL AHG") of DGHL's 8.0% Senior Cash Pay/PIK Notes due 2025 (the "DGHL Unsecured Notes"), and 7.00% PIK Perpetual Convertible Notes (the "DGHL Subordinated Notes" and, together with the DGHL Unsecured Notes, the "Notes" and, the beneficial holders thereof, the "Noteholders"), an ad hoc group of crossover holders who hold DGHL Unsecured Notes, DGHL Subordinated Notes and indebtedness of both Digicel Limited and Digicel International Finance Limited (the "Crossover AHG"), and DGHL shareholder, Denis O'Brien.

The DGHL AHG and the Crossover AHG are material debt holders of DGHL, which at the time of the announcement owned approximately: (i) 82.7% of the DGHL Unsecured Notes and (ii) 84.6% of the DGHL Subordinated Notes. Digicel's operating companies, which are owned by subsidiaries of DGHL, are not directly impacted by the DGHL RSA.

Upon consummation and subject to the fulfilment of certain conditions precedent, the consensual financial restructuring contemplated in the DGHL RSA (the "Restructuring") will, among other things, provide the following treatment to the Noteholders:

- DGHL Unsecured Notes: holders of DGHL Unsecured Notes will receive cash distributions of \$163.5 million (to be allocated among such holders on a pro rata basis), as well as either secured contingent value rights or new secured limited recourse notes in respect of certain future distributions from the proceeds of the sale of Digicel Pacific Limited (the "Future DPL Sale Proceeds") and any remaining assets of DGHL, in full and final satisfaction of any claims arising under the DGHL Unsecured Notes; and
- DGHL Subordinated Claims: holders of DGHL Subordinated Notes will receive cash distributions of \$19.5 million (to be allocated among such holders on a pro rata basis), as well as either secured contingent value rights or new secured limited recourse notes in respect of certain distributions from the Future DPL Sale Proceeds and any remaining assets of DGHL, in full and final satisfaction of any claims arising under the DGHL Subordinated Notes.

In addition, Digicel Limited and certain of its subsidiaries (together, "DL") will receive cash distributions of \$110.2 million, and the terms of certain intercompany balances owed by DGHL to DL will be amended to be limited recourse to an agreed maximum allocation of certain distributions from the Future DPL Sale Proceeds in full and final satisfaction of any claims arising in connection with such intercompany balances.

33. Subsequent Events (Continued)

(a) (continued)

The DGHL RSA contemplates that the Company will commence a Bermuda scheme of arrangement and U.S. chapter 15 recognition proceedings to implement the Restructuring.

On 27 June 2023, the Group announced that Digicel Limited (“DL” and, together with its subsidiaries, the “DL Group”) and its board of directors had signed a restructuring support agreement (the “DL RSA”) with the Crossover AHG, members of an ad hoc group of Digicel International Finance Limited (“DIFL”) secured lenders (the “DIFL Secured AHG” and Denis O’Brien).

The Crossover AHG and the DIFL Secured AHG are material debt holders of the DL Group and the DL RSA has been executed by holders of approximately 78% of DL’s 6.750% Senior Notes due 2023 (the “DL Notes”), DIFL’s 8.0% Subordinated Notes due 2026 (the “DIFL Subordinated Notes”), DIFL’s 13.0% Senior Cash Pay/PIK Notes due 2025 (the “DIFL Unsecured Notes”), DIFL’s 8.750% Senior Secured Notes due 2024 (“DIFL Secured Notes”), and of the DIFL Term Loans due 2024 (the “DIFL TLB”).

Upon consummation of the transactions contemplated within the DL RSA (the “DL/DIFL Restructuring”) and the transactions contemplated by the DGHL RSA, the Digicel Group’s consolidated debt will be reduced by approximately \$1.7 billion, and its annual cash interest expense reduced by approximately \$120 million, whilst ensuring sufficient cash to fund operations and investment in key growth areas.

The proposed comprehensive financial restructuring is expected to equitize 100% of the DL Notes and the DIFL Subordinated Notes as well as refinance and extend the maturity of the DL Group’s other funded indebtedness. The DL RSA contemplates that the DL Group will implement the DL/DIFL Restructuring through an exchange offer for its DIFL Subordinated Notes, Bermuda schemes of arrangement (the “Bermuda Schemes”) and U.S. chapter 15 recognition proceedings in respect of the consensual financial restructuring. Consummation of the Bermuda Schemes is subject to required regulatory and other governmental approvals.

- (b) With effect from 11 July 2023, the Company re-domiciled from Saint Lucia to Bermuda and took steps to cease its tax residence in Saint Lucia with effect from that date. Bermuda does not impose any corporate income taxes.

Digicel Limited
Financial Statements
31 March 2023

Report of Independent Auditors

To the Management and the Board of Directors of Digicel Limited

Opinion

We have audited the accompanying consolidated financial statements of Digicel Limited and its subsidiaries (the “Company”), which comprise the consolidated balance sheets as of

31 March 2023 and 31 March 2022, and the related consolidated statements of comprehensive (loss)/income, of changes in deficit and of cash flows for each of the three years in the period ended 31 March 2023, including the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2023 and 31 March 2022, and the results of its operations and its cash flows for each of the three years in the period ended 31 March 2023 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation 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 Company’s ability to continue as a going concern for at least, but not limited to, twelve months from the end of the reporting period, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ PricewaterhouseCoopers
Chartered Accountants
Kingston, Jamaica
24 July 2023

Digicel Limited

Consolidated Statements of Comprehensive (Loss)/Income

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

		2023	2022	2021
	Note	\$'000	\$'000	\$'000
Revenue	6	1,767,146	1,783,435	1,740,230
Operating Costs and Expenses				
Direct operating and subscriber acquisition costs	10	(391,955)	(419,784)	(415,983)
Other operating expenses	10	(462,219)	(443,211)	(387,768)
Staff costs	11	(285,901)	(266,430)	(239,348)
Change in impairment of amounts due from parent company	7	90,308	(95,177)	24,132
Other income	10	110,420	-	-
Other losses		(2,864)	(1,041)	(5,670)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	13,14	(639,418)	(347,954)	(371,805)
Operating Profit		185,517	209,838	343,788
Finance income	8	375	225	205
Finance credit arising from debt restructuring		-	-	96,015
Finance costs	8	(371,805)	(338,247)	(333,258)
Share of (loss)/ profit of associates and joint venture	15	(41)	1,456	705
(Loss)/Profit before Taxation		(185,954)	(126,728)	107,455
Taxation	12	(57,859)	(81,983)	(93,933)
Net (Loss)/Profit		(243,813)	(208,711)	13,522
Other Comprehensive (Loss)/Income:				
<i>Item that may subsequently be reclassified to profit or loss</i>				
Exchange differences on translating foreign operations		(31,153)	(84,118)	(7,931)
<i>Item that will not subsequently be reclassified to profit or loss</i>				
Re-measurements of post-employment benefit obligations		543	1,629	1,604
Total Comprehensive (Loss)/Income:		(274,423)	(291,200)	7,195
Net (Loss)/Profit attributable to:				
Owners of the parent		(251,749)	(215,559)	5,338
Non-controlling interests		7,936	6,848	8,184
		(243,813)	(208,711)	13,522
Total Comprehensive (Loss)/Income attributable to:				
Owners of the parent		(281,367)	(298,048)	1,576
Non-controlling interests		6,944	6,848	5,619
		(274,423)	(291,200)	7,195

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

Digicel Limited

Consolidated Balance Sheets

As at 31 March 2023

(expressed in United States dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000
ASSETS			
Non-Current Assets			
Intangible assets	13	489,563	402,759
Property, plant and equipment	14	1,419,279	1,496,475
Investments in associates and joint venture	15	7,813	8,654
Other investments		378	3,489
Deferred taxation	20	54,031	60,549
Prepayments and other non-current assets	16	28,517	38,774
Restricted deposits	18	25,806	14,699
		2,025,387	2,025,399
Current Assets			
Accounts receivable and prepayments	17	321,054	288,683
Inventories		25,476	20,460
Restricted deposits	18	11,673	7,088
Cash and cash equivalents	18	165,775	171,616
		523,978	487,847
Total Assets		<u>2,549,365</u>	<u>2,513,246</u>

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

Digicel Limited

Consolidated Balance Sheets (Continued)

As at 31 March 2023

(expressed in United States dollars unless otherwise indicated)

		2023 \$'000	2022 \$'000
LIABILITIES AND DEFICIT	Note		
Non-Current Liabilities			
Long term loans and leases	19	3,251,663	3,199,970
Deferred taxation	20	49,304	29,492
Provisions	23	52,168	243,316
Other long term liabilities	22	19,747	46,068
		3,372,882	3,518,846
Current Liabilities			
Trade and other payables	21	449,156	398,250
Provisions	23	58,248	6,813
Taxation payable		100,139	35,479
Long term loans and leases - current portion	19	1,079,907	1,050,152
		1,687,450	1,490,694
Total Liabilities		5,060,332	5,009,540
Equity/(Deficit)			
Capital and Reserves Attributable to Equity Holders of the Company			
Share capital	24	1	1
Equity compensation reserve	25	191,580	191,580
Foreign exchange translation reserve		(474,871)	(703,869)
Accumulated deficit		(2,278,921)	(2,030,717)
		(2,562,211)	(2,543,005)
Non-Controlling Interests	26	51,244	46,711
Total Deficit		(2,510,967)	(2,496,294)
Total Liabilities and Deficit		2,549,365	2,513,246

Approved for issue by the Board of Directors on 23 July 2023 and signed on its behalf by:

Denis O'Brien

Chairman

Lawrence Hickey

Vice Chairman

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

Digicel Limited

Consolidated Statements of Changes in Deficit

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

	Attributable to equity holders of the Company						
	Share Capit al \$'000	Equity Compensation Reserve \$'000	Foreign Exchange Translation Reserve \$'000	Accumulated Deficit \$'000	Total \$'000	Non- Controlling Interests \$'000	Total \$'000
Balance at 31 March 2020	1	191,580	(614,385)	(1,822,632)	(2,245,436)	44,914	(2,200,522)
Net profit for the year	-	-	-	5,338	5,338	8,184	13,522
Other comprehensive (loss)/income	-	-	(5,366)	1,604	(3,762)	(2,565)	(6,327)
Total comprehensive (loss)/income	-	-	(5,366)	6,942	1,576	5,619	7,195
Dividends to non-controlling interest	-	-	-	-	-	(6,044)	(6,044)
Balance at 31 March 2021	1	191,580	(619,751)	(1,815,690)	(2,243,860)	44,489	(2,199,371)
Net (loss)/profit for the year	-	-	-	(215,559)	(215,559)	6,848	(208,711)
Other comprehensive (loss)/income	-	-	(84,118)	1,629	(82,489)	-	(82,489)
Total comprehensive (loss)/income	-	-	(84,118)	(213,930)	(298,048)	6,848	(291,200)
Acquisition of non-controlling interest (Note 26)				(1,097)	(1,097)	553	(544)
Dividends to non-controlling interest	-	-	-	-	-	(5,179)	(5,179)
Balance at 31 March 2022	1	191,580	(703,869)	(2,030,717)	(2,543,005)	46,711	(2,496,294)
Adoption of IAS 29	-	-	259,159	-	259,159	-	259,159
As restated, 1 April 2022	1	191,580	(444,710)	(2,030,717)	(2,283,846)	46,711	(2,237,135)
Net (loss)/profit for the year	-	-	-	(251,749)	(251,749)	7,936	(243,813)
Other comprehensive (loss)/income	-	-	(30,161)	543	(29,618)	(992)	(30,610)
Total comprehensive (loss)/income	-	-	(30,161)	(251,206)	(281,367)	6,944	(274,423)
Transactions with non-controlling interest (Note 26)	-	-	-	3,002	3,002	114	3,116
Dividends to non-controlling interest	-	-	-	-	-	(2,525)	(2,525)
Balance at 31 March 2023	1	191,580	(474,871)	(2,278,921)	(2,562,211)	51,244	(2,510,967)

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

Digicel Limited

Consolidated Statements of Cash Flows

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

	Note	2023 \$'000	2022 \$'000	2021 \$'000
Cash Flows from Operating Activities				
Net (loss)/profit		(243,813)	(208,711)	13,522
Adjustments for:				
Depreciation	14	283,499	266,956	289,121
Amortisation of intangible assets	13	57,278	52,037	58,717
Change in impairment of amounts due from parent company	7	(90,308)	95,177	(24,132)
Share of loss/(profit) of associates and joint venture	15	41	(1,456)	(705)
Fair value losses on other investments		2,864	1,041	5,670
Impairment of property, plant and equipment	14	171,999	24,562	23,370
Impairment of intangible assets	13	126,642	4,399	597
Finance income	8	(375)	(225)	(205)
Finance cost	8	371,805	338,247	333,258
Gain on debt extinguishment		-	-	(96,015)
Income tax expense	12	57,859	81,983	93,933
Other income	10	(110,420)	-	-
Employee profit share scheme	11	19,151	3,408	592
(Gain)/loss on disposal of property, plant and equipment and intangible assets	10	(2,985)	3,241	(436)
Change in operating assets and liabilities:				
Accounts receivable and prepayments		50,401	(55,317)	68,027
Inventories		(5,023)	1,658	(9,040)
Trade and other payables		5,368	(7,600)	(72,941)
Provisions		2,715	1,334	171,393
Cash generated from operations		696,698	600,734	854,726
Taxation paid		(64,985)	(91,079)	(76,626)
Interest paid		(285,714)	(289,765)	(292,011)
Interest received		375	225	205
Net cash provided by operating activities		346,374	220,115	486,294

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

Digicel Limited

Consolidated Statements of Cash Flows (Continued)

Year ended 31 March 2023

(expressed in United States dollars unless otherwise indicated)

		2023	2022	2021
	Note	\$'000	\$'000	\$'000
Net Cash Provided by Operating Activities		346,374	220,115	486,294
Cash Flows from Investing Activities				
Purchase of property, plant and equipment		(227,708)	(231,494)	(230,792)
Purchase of intangible assets		(27,924)	(42,453)	(50,312)
Proceeds from sale of property, plant and equipment		6,671	101	1,290
Proceeds from repayment of investment loans	15	1,000	1,000	1,000
Proceeds from partial disposal of subsidiary		4,069	-	-
Acquisition of subsidiary, net of cash		-	(1,354)	-
Net cash used in investing activities		<u>(243,892)</u>	<u>(274,200)</u>	<u>(278,814)</u>
Cash Flows from Financing Activities				
Long term loans received, gross	19	-	12,050	-
Long term loans and licence related debt repaid	19	(43,234)	(36,530)	(43,905)
Principal element of leases	19	(34,967)	(33,557)	(29,451)
Financing fees paid during the year		(6,117)	(684)	(947)
Other payments made to non-controlling interests		(2,973)	-	(3,905)
Dividends paid to non-controlling interests		(2,525)	(6,725)	-
Deposits held in escrow and restricted accounts		<u>(17,743)</u>	<u>(12,071)</u>	<u>6,738</u>
Net cash used in by financing activities		<u>(107,559)</u>	<u>(77,517)</u>	<u>(71,470)</u>
Net (decrease)/increase in cash and cash equivalents		(5,077)	(131,602)	136,010
Cash and cash equivalents at beginning of year		171,616	308,318	169,959
Effects of exchange rate changes on cash and cash equivalents		<u>(764)</u>	<u>(5,100)</u>	<u>2,349</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	18	<u>165,775</u>	<u>171,616</u>	<u>308,318</u>
Supplemental disclosure of Non-Cash Investing				
Payables for additions to property, plant and equipment		<u>94,443</u>	<u>79,306</u>	<u>73,740</u>

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

Digicel Limited

Notes to the Consolidated Financial Statements

31 March 2023

(expressed in United States dollars unless otherwise indicated)

1. Identification and Activities

In January 2019, as part of the Digicel Group Limited debt exchange offers, Digicel Limited was renamed as Digicel Group Two Limited and transferred substantially all of its assets and liabilities to New Digicel Limited. New Digicel Limited, a limited liability company was incorporated on 20 August 2018 and renamed as Digicel Limited ("DL" or "the Company") in December 2018.

Digicel Limited ("DL" or "the Company"), and its subsidiaries (together "the Group" or "Digicel"), provide communications services including mobile telephony, business solutions, fixed broadband/pay-TV and other related products and services in the Caribbean, and Central America. As at 31 March 2023, Digicel has operations in Jamaica, Barbados, St. Lucia, St. Vincent and the Grenadines, Grenada, Aruba, Bonaire, Curacao, The Cayman Islands, Turks and Caicos, Trinidad and Tobago, Haiti, Dominica, Bermuda, St. Kitts and Nevis, French West Indies, El Salvador, Guyana, Suriname, British Virgin Islands, Antigua and Barbuda, Anguilla and Montserrat. The Company has its registered office at 2 Church St, Hamilton, Bermuda, HM CX. The Group's headquarters is located at 14 Ocean Boulevard, Kingston, Jamaica.

A list of the Company's material subsidiaries is set out in Note 4 to the consolidated financial statements. The ultimate parent company at 31 March 2023 is Digicel Group Holdings Limited (DGHL). The ultimate controlling party and shareholder at 31 March 2023 is Mr. Denis O'Brien.

The financial statements were authorised for issue by the Directors on 23 July 2023. The Directors have the power to amend and reissue the financial statements.

2. Summary of Significant Accounting Policies

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities, share-based payments and post-employment obligations.

Going Concern

The financial statements have been prepared on a going concern basis, which assumes the Group will be able to realise its assets and settle its liabilities in the normal course of business for the foreseeable future. In making this determination, management has given due consideration to the restructuring support agreements ("RSA") that were executed with certain bondholders of the Groups' debt subsequent to the year end, as outlined in Note 33 of the consolidated financial statements.

The preparation of the 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Digicel Limited

Notes to the Consolidated Financial Statements

31 March 2023

(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

Standards, interpretations and amendments to existing standards effective for the year ended 31 March 2023

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new interpretations and amendments, and has adopted the following, which are relevant to its operations.

Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16, (effective for annual periods beginning on or after 1 January 2022). The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. There was no impact from the adoption of these amendments in the current year..

Reference to the Conceptual Framework – Amendments to IFRS 3, (effective for annual periods beginning on or after 1 January 2022). Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. There was no impact from the adoption of these amendments in the current year.

Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37, (effective for annual periods beginning on or after 1 January 2022). The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. There was no impact from the adoption of these amendments in the current year.

Annual Improvements to IFRS Standards 2018 - 2020, (effective for annual periods beginning on or after 1 January 2022). The following improvements were finalised in May 2020 that are relevant to the Group:

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

There was no impact from the adoption of these amendments in the current year. However, the annual improvement to IFRS 9 will be applied to future transactions.

Digicel Limited

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

IFRS IC agenda decisions issued in the last 12 months that are relevant for the year ended 31 March 2023

The following agenda decision was issued and relevant for the preparation of consolidated financial statements:

Demand Deposits with Restrictions on Use arising from a Contract with a Third Party (IAS 7). In April 2022, the IASB issued a final agenda decision about the presentation of demand deposits with contractual restrictions on use. The Committee concluded that restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit no longer being cash, unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash in IAS 7. The entity should therefore include the demand deposit as a component of 'cash and cash equivalents' in its statement of cash flows. When relevant, the entity presents this as an additional line item within the cash and cash equivalents note. The deposit should be classified as a current asset, unless restrictions over its exchange or use to settle a liability apply for at least 12 months from the reporting date. The company has revised its accounting policy as a result of the agenda decision.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not yet effective and which the Group will adopt in future financial years. The Group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after 1 January 2023, with early application permitted). In February 2021, the IASB ('the Board') issued amendments to the following standards:

- Disclosure of Accounting Policies, which amends IAS 1 and IFRS Practice Statement 2; and
- Definition of Accounting Estimates, which amends IAS 8.

The amendments aim to improve accounting policy disclosures, either by making the disclosures more specific to the entity or by reducing generic disclosures that are commonly understood applications of IFRS and to distinguish changes in accounting estimates from changes in accounting policies. These amendments are not expected to have a significant impact on the preparation of financial statements. The Group will assess the impact of future adoption of these amendments.

Amendment to IFRS 16 – Leases on sale and leaseback (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. The Group will assess the impact of future adoption of this amendment.

Amendments to IAS 1, Presentation of financial statements', on classification of liabilities, (effective for annual periods beginning on or after 1 January 2024). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The Group will assess the impact of future adoption of these amendments.

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

Amendment to IAS 12 - deferred tax related to assets and liabilities arising from a single transaction (effective for annual periods beginning on or after 1 January 2024). The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The Group will assess the impact of future adoption of this amendment.

Amendment to IAS 12 - International tax reform - pillar two model rules. On 23 May 2023, the IASB issued narrow-scope amendments to IAS 12. The amendments provide a temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments also introduce targeted disclosure requirements for affected companies. The amendments to IAS 12 are required to be applied immediately (subject to any local endorsement processes) and retrospectively in accordance with IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', including the requirement to disclose the fact that the exception has been applied if the entity's income taxes will be affected by enacted or substantively enacted tax law that implements the OECD's Pillar Two model rules. The Group has made an assessment, based on each jurisdiction where we operate, and have concluded that there is no impact in the current year. However, this will be reassessed in future periods.

Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024 (with transitional reliefs in the first year). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The Group will assess the impact of future adoption of these amendments.

Digicel Limited

Notes to the Consolidated Financial Statements

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

The consolidated financial statements are prepared in accordance with the following significant accounting policies:

(a) Consolidation/Group accounting

The consolidated financial statements of the Group comprise the financial statements of the Company, its subsidiaries, associates and joint arrangements as of 31 March of each year. The financial statements of the joint operation and the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

Subsidiaries

Subsidiaries are all entities (including structured 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's fair value of net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive (loss)/income.

Inter-company transactions, balances and unrealised gains/losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

Digicel Limited

Notes to the Consolidated Financial Statements

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Consolidation/Group accounting (continued)

Associates (continued)

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss in the statement of comprehensive (loss)/income; its share of post-acquisition movements in other comprehensive (loss)/income is recognised in other comprehensive (loss)/income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2(l).

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising on investments in associates are recognised in profit or loss in the consolidated statement of comprehensive (loss)/income.

Joint arrangements

Under IFRS 11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has both joint operations and joint ventures. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

(b) Foreign currency translation

(i) Presentation and functional currency

The Company is incorporated in Bermuda and its subsidiaries operate in jurisdictions with different currencies. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Group's consolidated financial statements are presented in U.S. dollars. The presentation currency of the Group is the U.S. dollar because of the significant influence of the U.S. dollar on its operations.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

Digicel Limited

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Foreign currency translation (continued)

(ii) Transactions and balances (continued)

Foreign exchange gains and losses that relate to borrowings are presented in the statement comprehensive (loss)/income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive (loss)/income within other operating expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy except Digicel Suriname N.V., see below) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each statement of comprehensive (loss)/income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive (loss)/income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive (loss)/income. Exchange differences arising on monetary items that form part of the net investment in foreign operations are also recognised in equity in the foreign exchange translation reserve. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated statement of comprehensive (loss)/income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Digicel Limited

Notes to the Consolidated Financial Statements

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Foreign currency translation (continued)

(iv) Basis of preparation changes adopted on 1 April 2022 - Hyperinflation

Haiti met the requirements to be designated as a hyperinflationary economy under IAS 29 'Financial Reporting in Hyperinflationary Economies' in March 2023. The Group has therefore applied hyperinflationary accounting, as specified in IAS 29, for its Haiti operations whose functional currency is the Haitian Gourde for the reporting period commencing 1 April 2022. This resulted in an opening balance adjustment of \$222 million to consolidated equity.

In accordance with IAS 21 'The Effects of Changes in Foreign Exchange Rates', comparative amounts have not been restated.

Haitian Gourde results and non-monetary asset and liability balances for the current financial year ended 31 March 2023 have been revalued to their present value equivalent local currency amount as at 31 March 2023, based on an inflation index, before translation to US dollars at the reporting date exchange rate of \$1: 153.51 HTG.

For the Group's operations in Haiti:

- The gain or loss on net monetary assets resulting from IAS 29 application is recognised in the consolidated statement of comprehensive (loss)/income within other comprehensive income.
- The Group also presents the gain or loss on cash and cash equivalents as monetary items together with the effect of inflation on operating, investing and financing cash flows as one number in the consolidated statement of cash flows.
- The Group has presented the IAS 29 opening balance adjustment to net assets within Foreign Exchange Translation Reserve in equity. Subsequent IAS 29 equity restatement effects and the impact of currency movements are presented within other comprehensive (loss)/income because such amounts are judged to meet the definition of 'exchange differences'.

The main impacts of the aforementioned adjustments on the consolidated income statement are set out in the table below:

	2023
	Increase/(decrease)
	\$'000
Revenue	(3,650)
EBITDA	(432)
Operating loss	(292,681)
Loss for the financial year	<u>(228,512)</u>

The \$293 million operating loss primarily relates to \$263 million for impairment of intangible assets and property plant and equipment, \$34 million for additional depreciation and amortisation and \$3 million for other non-cash costs.

The operating loss is offset by a \$2 million credit to finance costs and a \$62 million deferred tax credit resulting in the loss for the financial year of \$223 million. All adjustments are non-cash impacting.

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Foreign currency translation (continued)

(iv) Basis of preparation changes adopted on 1 April 2022 – Hyperinflation (continued)

The main impacts on the consolidated balance sheet are set out in the table below:

		Current year adjustment			
	Total opening adjustment	IAS 29 Uplift	Impairment	Tax	Total adjustment
	\$'000	\$'000	\$'000	\$'000	\$'000
Intangible assets	127,463	4,590	(121,557)	-	10,496
Property, plant and equipment	205,967	(32,508)	(133,422)	-	40,037
Deferred tax	(74,271)	-	-	59,987	(14,284)
Equity	259,159	(27,918)	(254,979)	59,987	36,249

The impact of IAS 29 on intangible assets is a net decrease of \$10 million. This decrease is comprised of a \$127 million net uplift on opening balances (primarily goodwill and licences) that did not go through the current year's results, and a \$7 million uplift in the current year. These opening adjustments were more than offset by a \$122 million impairment and \$2 million additional amortisation which were recorded in the results for the year.

The impact of IAS 29 on property, plant and equipment is a net increase of \$40 million. This increase is comprised of a \$206 million inflationary uplift on opening balances that did not go through the current year's results and was partially offset by a \$133 million impairment charge and \$33 million of additional depreciation recorded in the results for the year.

As a result of the uplifts, there was an opening balance sheet adjustment to deferred tax of \$74 million and current year movement of \$60 million being a deferred tax charge of \$2 million on current year uplifts through Other Comprehensive Income offset by a current year deferred tax credit of \$62 million in the year primarily as a result of impairments.

Digicel Suriname N.V.

In June 2021, Suriname was considered a hyperinflationary economy. The CPI index selected for Suriname is the Consumenten prijs indexcijfers en Inflatie from Statistics Suriname which was 632.5 in March 2023, an increase of 59.5% in the year (2022: 396.7). Our subsidiary, Digicel Suriname N.V.'s functional currency is the Surinamese dollar. We have re-assessed the impact of applying IAS 29 in the consolidated financial statements for the year to 31 March 2023 and concluded that the impact remains wholly immaterial to the Group.

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2. Summary of Significant Accounting Policies (Continued)

(c) Revenue

Revenue is measured based on consideration specified in a contract with a customer and is recognised when it transfers control over a good or service to a customer. Revenue is presented net of value added tax (VAT) and similar taxes and discounts and after eliminating sales between Group companies.

The Group's revenues are earned mainly in respect of: voice, data and SMS services offered on prepaid and postpaid plans; value added services; sales of handset and other equipment; interconnection; international roaming; cable television; broadband and fixed line telecommunication.

Service revenues arising from contracts with customers typically have variable consideration, because customers have the ongoing ability to both add and remove features and services, and because customer usage of our telecommunications infrastructure may exceed the base amounts provided for in their contracts.

The Group's contracts with customers do not have a significant financing component. Billings for recurring revenues are rendered on a monthly basis and are typically due within 30 to 45 days of the billing date. Billings and payment dates for other contracts are either based on contract terms or in-store cash on delivery of sales of equipment and accessories.

Prepaid credit / SIM cards are services where customers purchase a specified amount of airtime or other credit in advance. The difference between the face value of a prepaid offerings and the value for which the offerings are sold by the Group to its distributors, constitutes commission earned by the distributors, who act as agents. The Group acts as a principal in such agreements.

The costs of prepaid commissions are recognised as other service costs when the distribution service is provided, i.e. when the prepaid product is delivered to the end customer. Revenue is recognised as the credit is used for airtime or data usage. The unused credit at each reporting date is presented in the balance sheet as contract liabilities within trade and other payables. When the credit expires, the portion of the contract liability relating to the expiring credit is recognised as revenue as there is no longer an obligation to provide those services.

Monthly subscription fees in relation to post-paid mobile, cable and other subscription- based fees are recognised in the period the related services are provided over the relevant enforceable/subscribed service period. The service provision is considered as a series of distinct services that have the same pattern of transfer to the customer. Remaining unrecognised subscription fees are fully recognised once the customer has been disconnected.

Revenue from provision of mobile financial services is recognised when the service has been provided to the customer.

The Group receives interconnection and roaming fees based on agreements entered into with other telecommunications operators. Revenue from interconnect traffic with other telecom operators is recognised at the time of transit across Digicel's network.

Revenue from content services (e.g. music and video streaming, applications and other value added services) rendered to subscribers is recognised after netting off costs paid by us to third party content providers (when the Group acts as an agent in the transaction) or in the gross amount billed to a subscriber (when the Group acts as a principal).

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Revenue (continued)

Bundled offers are considered arrangements with multiple performance obligations. The Group accounts for revenue from individual goods and services separately if they are distinct – i.e. if a good or service can be distinguished from other components of the bundled package and if a customer can benefit from it separately. The consideration for the bundled packages comprises cash flows from the customers expected to be received in relation to goods and services delivered over the contract term. The transaction price is allocated between separate goods and services in a bundle based on their relative stand-alone selling prices. Whenever stand-alone selling prices are not available, fair values are estimated based on cost of sale plus margin. Stand-alone selling prices for telecommunications services are set based on prices for non-bundled offers with the same range of services.

Installation fees/activation fees/connection fees related to services provided are generally deferred and recognised as revenue over the contractual period, or longer if the upfront fee results in a material renewal right.

Customer premise equipment (CPE) provided to customers as a prerequisite to receive the subscribed services are accounted for as part of the service provided to the customers. These CPEs are required to be returned at the end of the contract duration and do not give rise to separate performance obligations.

The Group also earns revenue from arrangements to provide capacity under infeasible rights of use (“IRU”) with third parties. Advance payments are received at the start of the arrangement. Revenue is recognised on a straight-line basis which reflects when the capacity has been delivered to the customer. The unearned IRU revenue at each reporting date is presented in the balance sheet as contract liabilities within trade and other payables.

(d) Direct operating and subscriber acquisition costs

Direct operating and subscriber acquisition costs comprise interconnection costs, roaming costs, rental of channel, costs of handsets, equipment and other accessories sold, commissions and fees paid to the Group’s distributors, dealer margin and card production costs.

Contract costs eligible for capitalisation as incremental costs of obtaining a contract primarily comprise sales commissions resulting directly from securing contracts with customers. These costs are capitalised if the Group expects recoverability with future revenues and are amortised over either the average contract term or average retention period, depending on the circumstances. If, however, the amortisation period is less than one year, then these costs are expensed in the period incurred.

Dealer margin and card production costs, which relate to prepaid airtime credit that has been activated but not yet consumed by customers, are deferred until such time as the customer uses the airtime, or the credit expires, upon which time the cost is expensed as part of direct and subscriber acquisition costs. Provision is also made for subsidies and fees that will be paid to distributors in accordance with the terms of the agreements with the distributors and for which there is a present obligation at the balance sheet date. In all other cases, including acquisition of prepaid telecommunications customers, subscriber acquisition and retention costs are expensed when incurred.

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2. Summary of Significant Accounting Policies (Continued)

(e) Taxation

Taxation on the profit for the year comprises current and deferred taxes. Current and deferred taxes are recognised as income tax expense or benefit in the consolidated statement of comprehensive (loss)/income

(i) Current taxes

Current tax is the expected taxation payable on the taxable income for the year, using the tax rates in force at the balance sheet date, and any adjustments to tax payable in respect of previous years.

(ii) Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on enacted rates. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(f) Leases

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group.

The right-of-use assets are presented within property, plant and equipment.

At the commencement date, lease liabilities are measured at an amount equal to the present value of the following lease payments for the underlying right-of-use assets during the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate; and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Each lease payment is allocated between the liability and finance cost. Lease liabilities are subsequently measured using the effective interest method. The carrying amount of liability is remeasured to reflect any reassessment, lease modification or revised in-substance fixed payments.

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2. Summary of Significant Accounting Policies (Continued)

(f) Leases (continued)

The lease term is a non-cancellable period of a lease; periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated.

Right-of-use assets are measured initially at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Subsequently, the right-of-use assets, are measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for remeasurement of the lease liability due to reassessment or lease modifications.

The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The amortisation period for the right-of-use assets are as follows:

Sites and Towers	5 - 15 years
Office buildings	5 - 15 years

Payments associated with all short-term leases and low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

(g) Intangible assets

Purchased intangible assets are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs meeting the criteria of IAS 38, are not capitalised and the expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period for an intangible asset with a finite useful life is reviewed at a minimum at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and is treated as a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of comprehensive (loss)/income. The Group has no indefinite life assets other than goodwill.

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(g) Intangible assets (continued)

Goodwill

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the fair value of the identifiable assets, liabilities or contingent liabilities or the cost of the acquisition can be determined only provisionally, then the Group initially accounts for the goodwill using these provisional values. Within twelve months of the acquisition date, the Group then recognises any adjustments to these provisional values once the fair value of the identifiable assets, liabilities and contingent liabilities and the cost of the acquisition have been finally determined. Adjustments to the provisional fair values are made as if the adjusted fair values had been recognised from the acquisition date. Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually at 31 March or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

For the purpose of impairment testing, goodwill acquired in a business combination is, from acquisition date, allocated to each of the Group's cash generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- Represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Is not larger than an operating segment based on the Group's operating format determined in accordance with IFRS 8.

Impairment is determined by assessing the recoverable amount (higher of the value in use and fair value less costs of disposal) of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed and the portion of the cash-generating unit retained.

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(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(g) Intangible assets (continued)

Licences

The carrying value of licences for the right to provide mobile cellular, wireless and other telephone services as well as related ancillary services held by subsidiaries is disclosed in Note 13.

The Group operates in an industry that is subject to constant and rapid changes in competition, regulation, technology and subscriber base evolution. In addition, the terms of the licences, which have been awarded for various periods, are subject to periodic review for amongst other things, rate making, frequency allocation and technical standards.

Licences are stated at historical cost less accumulated amortisation and impairment losses. Amortisation is calculated on the straight-line method over the useful life of each licence. The initial terms of these licences vary from 5 to 15 years. Intangible assets are not revalued. Licences held, subject to certain conditions, are renewable and are generally nonexclusive. Under the terms of the respective licences, subsidiaries are entitled to enter into interconnection agreements with operators of both landline and other cellular systems.

Subscriber bases

Subscriber bases recognised as an intangible asset have been acquired in business combinations. Their cost corresponds to the fair value as at the date of acquisition. Subscriber bases have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the subscriber bases over their estimated useful lives of 1- 13 years. The estimated useful lives for subscriber bases are based on the specifications of the market in which they exist.

Computer software

Acquired computer software is capitalised on the basis of cost incurred to bring to use the specific software. These costs are amortised over their estimated useful life of 3 years.

Contract assets

The Group recognises contract assets from sales commissions and other third party acquisition incremental costs resulting directly from securing contracts with customers. These costs are capitalised if the Group expects recoverability with future revenues and are amortised over either the contract term or average retention period, depending on the circumstances. These costs were previously expensed when incurred.

Configuration and customisation costs associated with a Software as a Service (SaaS) cloud arrangement

These costs are capitalised as an intangible asset and expensed over the SaaS term if the costs meet the definition of an intangible asset. If not, the costs are expensed when the configuration services are delivered.

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2. Summary of Significant Accounting Policies (Continued)

(h) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Land is not depreciated. Depreciation on other assets is calculated on the straight-line basis to write down the cost of each asset to its residual value over its estimated useful life as follows:

Buildings	40 - 50 years
Leasehold improvements	Over the life of the lease, straight line
Site infrastructure	7 – 14 years
Computers	3 years
Network equipment	7 - 20 years
Fixtures and fittings	3 – 15 years
Motor vehicles	3 – 5 years
Customer premises equipment	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Repairs and maintenance are charged to the consolidated statement of comprehensive (loss)/income during the financial period in which they are incurred. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

The cost of major renovations is included in the carrying amount of the asset when it is probable that the future economic benefits will exceed the originally assessed standard of performance of the existing asset and will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

A liability for the present value of the cost to remove an asset on both owned and leased sites is recognised when a present obligation for the removal is established. The corresponding cost of the obligation is included in the cost of the asset and depreciated over the useful life of the asset.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

First full installation costs to customer premises including all direct materials, equipment, labour and associated costs are capitalised and amortised over a period of 3 years. After the 'first full install', subsequent installations are assessed to determine whether they meet the criteria for capitalisation, otherwise they are expensed as incurred.

All set top boxes and modems remain the property of the Group and are treated as Customer Premises Equipment which are capitalised and depreciated over a 3 year period from date of installation.

Digicel Limited

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2. Summary of Significant Accounting Policies (Continued)

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. For inventories intended to be sold in promotional offers calculation of net realisable value takes into account future margin expected from telecommunications services, with which the item of inventories is offered.

(j) Cash and cash equivalents and Restricted deposits

Cash and cash equivalents comprise cash at bank and in hand, deposits held at call with financial institutions, and other short term highly liquid investments with original maturities of three months or less value (excluding amounts held in debt reserve or interest escrow), that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Funds that do not meet the criteria to be classified as cash and cash equivalents are presented in a separate line on the balance sheet. Restricted deposits relate to balances with restrictions on access placed on them which change the nature of the deposit such that it does not meet the definition of cash. These are not available for use by the Group and mainly include amounts held in escrow accounts for financing and investing activities.

Restricted deposits relating to financing activities are classified in the cash flow statement as a financing cash flow. Otherwise, the amounts are classified as operating or investing depending on the nature of the transaction.

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer to 2(l) for accounting policy in relation to impairment.

(l) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following IFRS 9 measurement categories:

- those measured subsequently at fair value through profit or loss; and
- those measured at amortised cost.

Management determines the classification of its financial assets at initial recognition.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the instrument.

Financial assets measured at amortised cost have cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Digicel Limited

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2. Summary of Significant Accounting Policies (Continued)

(I) Investments and other financial assets (continued)

(ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on settlement date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value. For a financial asset which is not measured at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset are also included. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

The Group's financial assets at amortised cost include trade receivables, receivables from related parties, loans to related parties and loans to associates and joint venture.

Equity instruments

The Group measures all equity investments at fair value through profit or loss (FVPL). Changes in the fair value of equity instruments are recognised in other gains/(losses) in the statement of comprehensive (loss)/income. The Group has not elected to classify as FVOCI and therefore fair value changes are recognised in profit or loss. Dividends are recognised in profit or loss when the company's right to receive payments is established.

(iv) *Impairment of financial assets*

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its loans to related parties carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures where there has not been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses that are possible within the next 12 months (a 12-month ECL). For credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). A financial asset is written off when there is a no reasonable expectation of recovering the contractual cash flows.

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2. Summary of Significant Accounting Policies (Continued)

(l) Investments and other financial assets (continued)

(iv) *Impairment of financial assets (continued)*

Impairment losses for trade receivables, intercompany receivables and contract assets are recognised based on the simplified approach permitted by IFRS 9 which requires lifetime expected credit losses to be recognised from the initial recognition of the receivables. Therefore, the Group does not track changes in credit risk. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk (including customer type) and aging. Contract assets have similar risk characteristics to the trade receivables for similar types of contracts. The Group establishes a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment. Accounts receivable may be fully provided for when specific collection issues are known to exist.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit and impairment losses on balances due from its parent companies are presented on the face of the statement of comprehensive (loss)/profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery which is generally when receivables are past due for more than one year and are not subject to enforcement activity. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments within a reasonable timeframe considering the specific circumstances around the customer/s and the trade receivable or contract asset.

(m) Impairment of non-financial assets, other than goodwill

Definite lived assets, other than financial assets, are tested for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. An impairment loss is recognised in the consolidated statement of comprehensive (loss)/income for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use and is calculated for an individual asset or for the smallest cash generating unit to which the asset belongs. Value in use is the present value of cash flows expected to be derived from an asset or cash generating unit. In assessing value in use, the cash flows are discounted to their present value using a discount rate that reflects market conditions for the time value of money and the risks specific to the asset.

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2. Summary of Significant Accounting Policies (Continued)

(n) Financial liabilities

The Group's financial liabilities include borrowings, trade and other payables, contract liabilities and financial guarantee contracts.

Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds, net of directly attributable transaction costs. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation and foreign exchange gains or losses are included as finance costs in the statement of comprehensive (loss)/income.

When a financial liability measured at amortised cost is modified without resulting in derecognition, a gain or loss is recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of 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 recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Contract liabilities

Contract liabilities comprise the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the end customer or the amount is due.

(o) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the amount determined in accordance with the expected credit loss model under IFRS 9, Financial Instruments.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

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2. Summary of Significant Accounting Policies (Continued)

(p) Employee benefits

Short term obligations

Liabilities for salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as within trade and other payables in the balance sheet.

Pension obligations

Certain subsidiaries participate in a defined contribution scheme, which is administered by trustees. The Group's contribution is fixed; once the contributions have been paid, the Group has no further payment obligations. The contributions constitute the net periodic cost for the year in which they are due and are included in staff costs.

Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the financial performance of Group after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive (loss)/income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(r) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Fair values and useful lives of property, plant and equipment and intangible assets

The measurement of property, plant and equipment and intangible assets involves the use of estimates for determining the fair value at the acquisition date particularly in the case of assets acquired in a business combination.

Furthermore, the expected useful lives of these assets must be estimated. The annual depreciation and amortisation charge is also sensitive to the estimated useful lives allocated to each type of asset. Asset lives are assessed annually and changed when necessary based on factors such as technological change, network investment plans, expected level of usage and physical condition of the assets concerned.

b) Goodwill impairment

The recoverable amount of cash generating units has been determined based on the higher of value in use and fair value less costs of disposals calculations. These calculations require the use of judgement and estimates. Key estimates used in the value of use calculations include discount rates, management's expectations of future revenue growth, customer acquisition and retention costs, churn rates, capital expenditure and market share for each cash-generating unit. The estimates can have a material impact on the amount of any goodwill impairment. Refer to Note 13

c) Bundling of products and services

In bundling of products and services, identifying performance obligations and determining the stand-alone selling prices requires management judgment. Revenue is allocated between the goods and services identified as a separate performance obligation based on their relative stand-alone selling price. The stand-alone selling price determined for goods or services may impact the timing of the recognition of revenue. Determining the stand-alone selling price of each performance obligation can require complex estimates if those are not directly observable. The Group's estimation of stand-alone selling prices that are not directly observable are mainly based on expected cost plus a margin.

d) Interconnect income and payments to other telecommunications operators

In certain instances, Digicel relies on other operators to measure the traffic flows interconnecting with its networks. Estimates are used in these cases to determine the amount of income receivable from, or payments Digicel needs to make to, these other operators. The prices at which these services are charged are often regulated and may be subject to retrospective adjustment by regulators, and estimates are used in assessing the likely effect of these adjustments.

Digicel Limited

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

e) Litigation

The Group exercises judgement in recognising and measuring provisions and the exposure to contingent liabilities related to pending litigation. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of final settlement. Because of the inherent uncertainties in this evaluation process, actual losses may be different from the originally estimated provisions.

f) Income taxes

The Group's tax charge is based on tax laws and regulations in various jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. For these items, we believe our estimates, assumptions and judgements are reasonable, but this can involve complex issues which may take a number of years to resolve. The final determination of tax liabilities could be different from the estimates reflected in the financial statements and may result in the recognition of an additional tax expense or tax credit. Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

In assessing whether and how an uncertain tax treatment affects the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, the Group assumes that a taxation authority with the right to examine amounts reported to it will examine those amounts and have full knowledge of all relevant information when making those examinations.

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

g) Distributor arrangements

The Group has arrangements with distributors where handsets can be purchased from the manufacturer and sold to dealers by distributors.

To determine whether the entity's performance obligation is to provide the specified goods itself or to arrange for those goods to be provided by the supplier, the entity identifies the specified good or service to be provided to the customer and assesses whether it controls that good or service before the good or service is transferred to the customer. Digicel concluded that it does not control the handsets before they are transferred to customers.

The Group has considered the key terms of the agreements with the distributors in the context of the indicators below to determine that the distributors are acting as principals when they procure and sell handsets to the authorised dealer network.

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

The Group considers the following indicators, which provide further evidence that it does not control the specified goods before they are transferred to the customers:

- the distributor is primarily responsible for fulfilling the promise to provide the goods to the customer. The distributor is primarily responsible for providing the handsets to dealers and fulfilling orders. Digicel is neither obliged to provide goods if the distributor fails to transfer the goods to the customer, nor responsible for the acceptability of the goods. Any product issues encountered by dealers are remedied either directly with the distributors or manufacturers, through the distributors.
- Digicel does not take inventory risk at any time before or after the goods are transferred to the customer. Digicel does not commit itself or obtain the goods from the supplier before the goods are purchased by the customer and does not accept responsibility for any damaged or returned goods. The distributors assume the risk of physical loss or damage before or after the dealer order, during shipping and on return. The Group pays subsidies and fees to the distributors, but the majority of the general inventory risk of losses arising from lost, damaged and stolen inventory rests with the distributors.

Based on this, the Group determined that the distributors are acting as principals in respect of the procurement and distribution of handsets and not as agents of the Group. Therefore, the Group does not recognise revenue on the sales of handsets by the distributors.

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4. Interest in other Entities

The Group has operations in the Caribbean and Central America.

Material subsidiaries

The Group's principal subsidiaries are set out in the table below:

Name of Company	Country of Incorporation/ Place of business	Holding % 31 March 2023	Holding % 31 March 2022
Unigestion Holding S.A (trades as Digicel Haiti)	Haiti	100%	100%
Digicel (Jamaica) Limited	Jamaica	100%	100%
Digicel (Trinidad & Tobago) Limited	Trinidad and Tobago	100%	100%
Digicel S.A. de CV (trades as Digicel El Salvador)	El Salvador	100%	100%
Telecommunications (Bermuda & West Indies) Limited (trades as Digicel Bermuda)	Bermuda	100%	100%
U-Mobile (Cellular) Inc. (trades as Digicel Guyana)	Guyana	100%	100%
Digicel (Grenada) Limited (a)	Grenada	100%	100%
Digicel (St. Lucia) Limited (a)	St. Lucia	100%	100%
Digicel (SVG) Limited (a)	St. Vincent	100%	100%
Digicel Suriname Limited	Suriname	87.7%	87.7%
Digicel French Caribbean SAS (b)	France	100%	100%
Digicel (Barbados) Limited	Barbados	75%	75%
Digicel Cayman Limited	Cayman Islands	96.875%	96.875%

(a) These entities together comprise East Caribbean for the purposes of a reportable segment. Digicel has a 91.02% holding in Digicel OECS Limited, the immediate parent company of these entities.

(b) Digicel French Caribbean SAS ('French West Indies') comprises Digicel's operations in French Guiana, Guadeloupe and Martinique.

Joint operation

A subsidiary has a 50% interest in a joint operation called Madiacom which was set up to provide telecommunication infrastructure services to its two shareholders. The principal place of business is in the French West Indies.

Holding companies

The Group has a number of non-operating holding companies established for the purposes of carrying out the treasury and administrative activities of the Group. The most significant holding companies are:

Name of Company	Country of Incorporation/Place of business	Holding % 31 March 2023	Holding % 31 March 2022
Digicel International Finance Limited	St. Lucia	100%	100%
Digicel Holdings (Bermuda) Limited	Bermuda	100%	100%
Digicel Caribbean Limited	Barbados	100%	100%
Digicel Intermediate Holdings Limited	Bermuda	100%	100%

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5. Segment Reporting

Management has determined the operating segments based on the reports reviewed by the CODM (the Board of Directors) that are used to make strategic decisions. The Board of Directors examines the Group's performance from a geographic and service perspective and assesses the performance of the operating segments based on the segment results. The Group defines segment results to be net profit (loss) plus: finance costs, net foreign exchange (gain)/loss, impairment loss from associates, taxation, (gain)/loss on disposal of assets, depreciation and amortisation, compensation expenses relating to share options and other non-recurring non-operating income or expense. Segment results are used by the Board and management as a measure of profitability.

Capital expenditure comprises cash additions to property, plant and equipment and intangible assets, excluding additions resulting from business combinations.

East Caribbean and French West Indies were aggregated based on similar economic characteristics including products and services, customers and regulatory environment.

Digicel Limited

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5. Segment Reporting (Continued)

Year ended 31 March 2023	Haiti	Jamaica	Trinidad & Tobago	French West Indies	El Salvador	Bermuda	Guyana	East Caribbean	Other markets	Unallocated / Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	284,177	325,365	276,278	127,440	79,894	84,262	103,171	64,593	462,621	-	1,807,801
Inter-segment revenue	(790)	(81)	-	-	-	-	-	-	(39,784)	-	(40,655)
External revenue	283,387	325,284	276,278	127,440	79,894	84,262	103,171	64,593	422,837	-	1,767,146
Segment result	97,874	143,665	162,495	27,801	11,133	34,239	62,006	20,669	176,161	(32,132)	703,911
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets											(639,418)
Change in impairment of amounts due from parent company											90,308
Other gains/losses not included in segment result											30,716
Operating profit											185,517
Finance income											375
Finance costs											(371,805)
Share of loss of associates and joint venture											(41)
Loss before taxation											(185,954)
Taxation											(57,859)
Net loss											(243,813)
Cash and cash equivalents	7,918	4,596	4,893	7,553	4,254	1,082	6,603	1,745	34,520	92,611	165,775
Other current assets											358,203
Non-current assets											2,025,387
Total assets											2,549,365
Capital expenditure	41,937	58,514	24,366	20,104	14,289	6,128	8,155	7,696	74,443	-	255,632
Depreciation and amortisation	66,799	74,482	47,877	17,129	27,429	13,062	10,374	13,530	70,095	-	340,777
Impairment of property, plant and equipment and intangible assets	256,422	104	-	4,031	-	-	-	-	38,084	-	298,641

Digicel Limited

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5. Segment Reporting (Continued)

Year ended 31 March 2022	Haiti	Jamaica	Trinidad & Tobago	French West Indies	El Salvador	Bermuda	Guyana	East Caribbean	Other markets	Unallocated / Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	333,036	317,328	261,252	154,142	78,401	79,808	97,872	59,162	446,294	-	1,827,295
Inter-segment revenue	(1,667)	(311)	-	-	-	-	-	-	(41,882)	-	(43,860)
External revenue	331,369	317,017	261,252	154,142	78,401	79,808	97,872	59,162	404,412	-	1,783,435
Segment result	160,195	129,060	144,563	38,327	13,594	30,003	61,708	18,122	178,591	(30,225)	743,938
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets											(347,954)
Change in impairment of amounts due from parent company											(95,177)
Other gains/losses not included in segment result											(90,969)
Operating profit											209,838
Finance income											225
Finance costs											(338,247)
Share of profit of associates and joint venture											1,456
Loss before taxation											(126,728)
Taxation											(81,983)
Net loss											(208,711)
Cash and cash equivalents	10,159	4,737	4,755	8,271	1,514	2,626	2,068	5,650	58,267	73,569	171,616
Other current assets											316,231
Non-current assets											2,025,399
Total assets											2,513,246
Capital expenditure	45,830	51,163	19,809	26,627	23,733	4,525	20,976	5,181	76,103	-	273,947
Depreciation and amortisation	34,581	71,676	52,174	25,493	28,820	14,650	9,413	10,744	71,442	-	318,993
Impairment of property, plant and equipment and intangible assets	-	-	-	-	-	-	-	-	28,961	-	28,961

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5. Segment Reporting (Continued)

Year ended 31 March 2021	Haiti	Jamaica	Trinidad & Tobago	French West Indies	El Salvador	Bermuda	Guyana	East Caribbean	Other markets	Unallocated / Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	328,861	320,343	247,347	159,653	71,733	80,970	90,019	59,139	424,746	-	1,782,811
Inter-segment revenue	(2,074)	(752)	-	-	-	-	-	-	(39,755)	-	(42,581)
External revenue	326,787	319,591	247,347	159,653	71,733	80,970	90,019	59,139	384,991	-	1,740,230
Segment result	163,717	134,141	138,380	56,612	14,729	27,869	55,402	22,080	170,239	(63,108)	720,061
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets											(371,805)
Change in impairment of amounts due from parent company											24,132
Other gains/losses not included in segment result											(28,600)
Operating profit											343,788
Finance income											205
Finance credit arising from debt restructuring											96,015
Finance costs											(333,258)
Share of profit of associate											705
Profit before taxation											107,455
Taxation											(93,933)
Net profit											13,522
Cash and cash equivalents	12,658	8,237	23,611	826	752	1,268	2,839	3,344	48,734	206,049	308,318
Other current assets											365,238
Non-current assets											2,158,971
Total assets											2,832,527
Capital expenditure	53,956	66,914	18,728	19,098	19,249	4,523	14,845	8,695	75,096	-	281,104
Depreciation and amortisation	39,047	91,842	63,065	22,903	27,946	16,459	8,786	15,369	62,421	-	347,838

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Year ended 31 March 2021	Haiti	Jamaica	Trinidad & Tobago	French West Indies	El Salvador	Bermuda	Guyana	East Caribbean	Other markets	Unallocated / Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Impairment of property, plant and equipment and intangible assets	-	-	-	23,939	-	7	-	3	18	-	23,967

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6. Revenue

The Group derives revenue from the transfer of services (over time) and equipment (point in time) in the following major product lines and geographical markets.

	Haiti	Jamaica	Trinidad & Tobago	French West Indies	El Salvador	Bermuda	Guyana	East Caribbean	Other markets/ Eliminations	Group
31 March 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Mobile	239,803	221,632	172,768	90,198	62,707	34,815	95,532	45,666	222,648	1,185,769
Business solutions	12,916	45,170	21,142	21,872	5,849	22,431	4,008	11,599	77,678	222,665
Cable TV and broadband	-	47,588	73,118	-	-	21,385	-	4,278	61,714	208,083
Other	29,718	6,725	4,314	3,665	1,408	323	2,604	1,218	46,793	96,768
Service revenue	282,437	321,115	271,342	115,735	69,964	78,954	102,144	62,761	408,833	1,713,285
Handset and other equipment	1,740	4,250	4,936	11,705	9,930	5,308	1,027	1,832	13,133	53,861
Total revenue	284,177	325,365	276,278	127,440	79,894	84,262	103,171	64,593	421,966	1,767,146

	Haiti	Jamaica	Trinidad & Tobago	French West Indies	El Salvador	Bermuda	Guyana	East Caribbean	Other markets/ Eliminations	Group
31 March 2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Mobile	295,117	218,677	165,506	111,917	63,459	33,532	90,917	42,591	214,850	1,236,566
Business solutions	12,941	39,333	18,936	23,711	5,202	22,172	2,369	12,455	65,274	202,393
Cable TV and broadband	-	40,239	70,157	-	-	20,422	-	1,888	58,382	191,088
Other	22,463	13,971	3,425	3,383	1,742	354	3,231	1,738	50,707	101,014
Service revenue	330,521	312,220	258,024	139,011	70,403	76,480	96,517	58,672	389,213	1,731,061
Handset and other equipment	2,515	5,108	3,228	15,131	7,998	3,328	1,355	490	13,221	52,374
Total revenue	333,036	317,328	261,252	154,142	78,401	79,808	97,872	59,162	402,434	1,783,435

	Haiti	Jamaica	Trinidad & Tobago	French West Indies	El Salvador	Bermuda	Guyana	East Caribbean	Other markets/ Eliminations	Group
31 March 2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Mobile	298,457	220,361	156,961	119,222	59,430	32,316	83,001	39,396	210,598	1,219,742
Business solutions	11,750	34,976	17,942	22,577	4,963	23,415	2,216	12,619	58,168	188,626
Cable TV and broadband	-	36,535	64,411	-	-	20,530	-	-	51,542	173,018
Other	16,579	18,182	2,694	2,777	1,733	312	3,336	1,023	46,437	93,073
Service revenue	326,786	310,054	242,008	144,576	66,126	76,573	88,553	53,038	366,745	1,674,459
Handset and other equipment	2,075	10,289	5,339	15,077	5,607	4,397	1,466	6,101	15,420	65,771
Total revenue	328,861	320,343	247,347	159,653	71,733	80,970	90,019	59,139	382,165	1,740,230

Equipment sales include revenue from handsets and business solutions equipment.

Revenues in the current year totaling \$54,965,000 (2022 - \$59,727,000) were included in the contract liabilities at the beginning of the year.

The aggregate transaction price allocated to the remaining performance obligations that are unsatisfied or partially unsatisfied as at 31 March 2023 is \$74,280,000 (31 March 2022 - \$77,824,000). The Group is expecting to recognise this revenue within 1-5 years.

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7. Impairment of Amounts due from Parent Company

2023	2022	2021
\$'000	\$'000	\$'000
90,308	(95,177)	24,132

The Group provides funding to its parent companies for their debt service obligations and other costs. A lifetime expected credit loss was recognised in relation to amounts from the parent company. The credit in the year ended 31 March 2023 reflects recovery of balances due from parent company that were previously impaired. The credit in the year ended 31 March 2021 reflects adjustments arising from the group restructuring and receipts into the group from parent entities.

8. Finance Income and Costs

	2023	2022	2021
	\$'000	\$'000	\$'000
Finance income -			
Interest income	375	225	205
Finance costs -			
Interest expense on bonds and term loans	(309,851)	(281,762)	(270,679)
Interest element on leases	(33,897)	(40,156)	(39,846)
Amortisation of financing fees	(7,894)	(7,833)	(7,301)
Debt restructuring fees expensed in year	(9,694)	-	-
Other finance related costs	(6,224)	(6,706)	(9,332)
Foreign exchange losses on loans (Note 9)	(4,245)	(1,790)	(6,100)
	(371,805)	(338,247)	(333,258)

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9. Net Foreign Exchange Losses

	2023 \$'000	2022 \$'000	2021 \$'000
Foreign exchange losses on loans (Note 8)	(4,245)	(1,790)	(6,100)
Other foreign exchange losses (Note 10)	(49,609)	(74,197)	(17,789)
	<u>(53,854)</u>	<u>(75,987)</u>	<u>(23,889)</u>

10. Analysis of Expenses

	2023 \$'000	2022 \$'000	2021 \$'000
Direct operating and subscriber acquisition costs:			
Interconnect costs	101,840	116,151	133,951
Subscriber acquisition costs	73,632	69,642	66,966
Dealer margins and card production costs	66,449	70,069	69,307
Data and roaming charges	18,716	28,745	18,142
USO levies and call taxes	38,927	34,885	31,843
Cable, broadband & other direct operating costs	92,391	100,292	95,774
	<u>391,955</u>	<u>419,784</u>	<u>415,983</u>
Other operating expenses:			
Network and IT costs	267,142	236,246	217,251
Advertising and promotion	39,745	39,688	50,705
External and other services	71,361	64,560	71,886
Impairment of financial assets	11,030	21,862	21,984
Other expenses	7,394	3,417	8,589
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(2,985)	3,241	(436)
Other foreign exchange losses (Note 9)	49,609	74,197	17,789
Restructuring costs non - staff related	18,923	-	-
	<u>462,219</u>	<u>443,211</u>	<u>387,768</u>
	2023 \$'000	2022 \$'000	2021 \$'000
Other income:			
Orange litigation gain	<u>110,420</u>	<u>-</u>	<u>-</u>

The principal element of an initial award of €160 million for principal and interest received in the year ended 31 March 2021 from Orange S.A. was confirmed by the Court of Cession on 1 March 2023 and \$110.4 million has been recognised as other income. The interest element of the proceeds from the award are still subject to appeal and, accordingly, the provision has been retained until the appeal has concluded (See Note 30 for further details). The amounts noted above are Digicel's share as the total award of approximately €250 million was shared with the original owners of the French West Indies business.

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11. Staff Costs

	2023	2022	2021
	\$'000	\$'000	\$'000
Salaries	218,050	216,011	199,144
Statutory contributions	17,975	17,505	17,306
Pension contribution (Note 29)	6,270	4,900	5,933
Employee profit share scheme	19,151	3,408	592
Termination costs	2,716	8,610	-
Other staff related costs	21,739	15,996	16,373
	<u>285,901</u>	<u>266,430</u>	<u>239,348</u>

12. Taxation

At the present time no income, profit, capital transfer or capital gains taxes are levied in Bermuda and accordingly no provision for such taxes has been made by the Group and its subsidiaries incorporated in Bermuda. In the event of such taxes being enacted in Bermuda, the Group has received an undertaking from the Minister of Finance in Bermuda, under the Exempted Undertaking Tax Protection Act, 1966 exempting the Group from all such taxes until 31 March 2035.

The Group's subsidiaries incorporated in the Cayman Islands, Turks and Caicos, British Virgin Islands and Anguilla are not liable to corporate income taxation under the tax laws of the respective jurisdictions.

Digicel Caribbean Limited (DCL) earns royalty income from Group companies. Where the income of DCL is earned from CARICOM countries, this income is relieved from taxation in Barbados. All other income of DCL is taxed in Barbados under the prevailing rates which currently range from 1% to 5.5%.

Income taxes for all other subsidiaries are based on statutory income tax rates prevailing in each jurisdiction.

The Group's tax charge comprises:

	2023	2022	2021
	\$'000	\$'000	\$'000
Current income tax	86,598	80,220	83,336
Prior year under/(over) provision	5,669	(5,898)	(7,705)
Deferred taxation (Note 20)	(50,404)	(6,272)	5,138
Withholding tax	15,996	13,933	13,164
Tax charge	<u>57,859</u>	<u>81,983</u>	<u>93,933</u>

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12. Taxation (Continued)

The tax on the Group's (loss)/profit before taxation differs from the theoretical amount that would arise as follows:

	2023 \$'000	2022 \$'000	2021 \$'000
(Loss)/Profit before tax, net			
- operating companies	157,911	339,459	278,691
- holding companies	(343,865)	(466,187)	(171,236)
Group (loss)/profit before tax	(185,954)	(126,728)	107,455
Tax calculated at domestic tax rate applicable to profits in the respective countries	9,633	56,249	58,419
Effect of:			
Expenses not deductible for tax purposes	11,925	6,911	22,114
Income in taxable jurisdictions not subject to tax	(3,757)	(2,806)	(6,221)
Adjustments for current tax of prior periods	5,672	(1,311)	(7,705)
Utilisation of tax losses not previously recognised	1,175	-	(288)
Adjustment of deferred tax recognised in respect of unremitted earnings from subsidiaries	-	-	(1,960)
Adjustment for deferred tax of prior periods	8,084	(5,244)	4,532
Current year tax temporary differences for which no deferred income tax asset was recognised	1,893	6,644	5,295
Withholding tax	15,513	13,933	13,164
Other	7,721	7,607	6,583
Actual tax charge	57,859	81,983	93,933

The profit before tax in the year ended 31 March 2021 was primarily due to non-taxable items arising from the gain on debt restructuring.

The decrease in profit before tax in operating companies and the consequent reduction in tax calculated at domestic tax rate applicable to profits are both primarily driven by the underlying performance and application of IAS 29 related to the Haiti operations.

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13. Intangible Assets

	Goodwill \$'000	Licences \$'000	Software \$'000	Subscriber Bases \$'000	Trade Marks \$'000	Contract Cost Assets \$'000	Total \$'000
At 31 March 2021							
Cost	227,422	475,126	86,004	89,299	20,088	139,170	1,037,109
Accumulated amortisation	-	(297,848)	(72,997)	(72,695)	(12,044)	(120,755)	(576,339)
Net book value	227,422	177,278	13,007	16,604	8,044	18,415	460,770
At 31 March 2022							
Cost	205,984	426,967	57,936	87,192	18,137	152,235	948,451
Accumulated amortisation	-	(285,597)	(40,455)	(72,944)	(11,574)	(135,122)	(545,692)
Net book value	205,984	141,370	17,481	14,248	6,563	17,113	402,759
Year ended 31 March 2022							
Opening net book amount	227,422	177,278	13,007	16,604	8,044	18,415	460,770
Disposals	835	4,491	10,011	-	117	14,590	30,044
Additions	-	(133)	-	-	-	-	(133)
Impairment	(4,399)	-	-	-	-	-	(4,399)
Amortisation	-	(19,957)	(12,623)	(2,214)	(1,340)	(15,903)	(52,037)
Transfer from PPE (Note 14)	-	899	5,736	-	-	-	6,635
Translation difference	(17,874)	(21,208)	1,350	(142)	(258)	11	(38,121)
Closing net book value	205,984	141,370	17,481	14,248	6,563	17,113	402,759
At 31 March 2023							
Cost	198,680	521,221	71,687	69,875	17,788	157,439	1,036,690
Accumulated amortisation	-	(300,799)	(43,645)	(49,478)	(11,006)	(142,199)	(547,127)
Net book value	198,680	220,422	28,042	20,397	6,782	15,240	489,563
Year ended 31 March 2023							
Net book amount - 31 March 2022	205,984	141,370	17,481	14,248	6,563	17,113	402,759
Adoption of IAS 29	93,844	33,568	51	-	-	-	127,463
Net book amount - 1 April 2022	299,828	174,938	17,532	14,248	6,563	17,113	530,222
Additions	-	90,594	18,163	-	5	14,226	122,988
Impairment	(101,575)	(24,966)	(101)	-	-	-	(126,642)
Amortisation	-	(28,900)	(9,079)	(1,975)	(1,500)	(15,824)	(57,278)
Transfer from PPE (Note 14)	-	16,495	1,805	-	-	-	18,300
Translation difference	427	(7,739)	(278)	8,124	1,714	(275)	1,973
Closing net book value	198,680	220,422	28,042	20,397	6,782	15,240	489,563

Impairment tests for goodwill

The Group determines whether goodwill is impaired at least on an annual basis or when events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated. The recoverable amount of CGUs is determined using the higher of value in use and fair value less costs of disposal.

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13. Intangible Assets (Continued)

Impairment tests for goodwill (continued)

The allocation of goodwill to the Group's CGUs identified according to country/region of operation is as follows:

	2023	2022
	\$'000	\$'000
Jamaica	88,693	86,752
Haiti	-	2,714
French West Indies	12,474	13,988
Trinidad & Tobago	16,785	16,785
East Caribbean	10,988	10,988
Curacao	20,785	20,785
Bermuda	17,880	17,880
Other	31,075	36,092
	<u>198,680</u>	<u>205,984</u>

For the year ended 31 March 2023, management tested the goodwill allocated to all of the countries/regions of operation noted above (including each CGU comprising "Other") for impairment. Impairment of \$101,575,000 was identified in the year primarily related to the full impairment of the IAS 29 uplifted goodwill for Haiti. Haiti impairment was \$96,558,000 and there was additional impairment in two other CGUs totaling \$5,017,000 partly due to the change in discount rates. The remainder of the movement in goodwill shown above is due to the net impact of foreign currency translation movements.

The cash flow projections used in the value in use calculations are based on financial budgets approved by management and the Board for a one-year period. Cash flows beyond the projections are extrapolated using the estimated growth rates, EBITDA and capital expenditure rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates. The present value of the expected future cash flows from the CGU is discounted based upon the estimates of the weighted average cost of capital for each CGU. Assumptions are based on past performance and management's expectations for the future. When the value in use model resulted in the recoverable amount being lower than the carrying value of CGUs, management determined the fair value less costs of disposal (FVLCD) of the CGUs. FVLCD is determined using recent telecom transaction benchmarks as well as trading comparables (Level 2 hierarchy).

Key assumptions used for value in use calculations:

	Revenue Growth Rate	EBITDA to Revenue	Capital Expenditure to Revenue	Discount Rate at March 2023	Discount Rate at March 2022
Jamaica	0%	48%	10%	19.9%	13.0%
Haiti	2%	29%	10%	26.5%	23.5%
French West Indies	1%	29%	6%	7.6%	3.6%
Trinidad & Tobago	2%	58%	10%	14.1%	6.0%
East Caribbean	2%	40%	10%	15.2%	6.5%
Curacao	1%	41%	10%	13.1%	5.7%
Bermuda	3%	41%	10%	14.9%	5.6%
Other	<u>0% - 3%</u>	<u>4% - 61%</u>	<u>2% - 10%</u>	<u>10.4% - 19.9%</u>	<u>4.9% - 13.0%</u>

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14. Property, Plant and Equipment

	Land and Building \$'000	Leasehold Improvements \$'000	Site Infrastructure \$'000	Computers & Network Equipment \$'000	Fixtures & Fittings \$'000	Motor Vehicles \$'000	Right of Use \$'000	Total \$'000
At 31 March 2021								
Cost	152,814	21,870	724,748	2,430,210	81,601	33,214	329,791	3,774,248
Accumulated depreciation	(20,157)	(19,654)	(327,971)	(1,644,497)	(68,648)	(27,818)	(77,129)	(2,185,874)
Net book value	132,657	2,216	396,777	785,713	12,953	5,396	252,662	1,588,374
At 31 March 2022								
Cost	145,922	18,081	690,046	2,036,652	76,391	22,542	357,694	3,347,328
Accumulated depreciation	(19,864)	(16,924)	(280,562)	(1,333,561)	(67,389)	(18,000)	(114,553)	(1,850,853)
Net book value	126,058	1,157	409,484	703,091	9,002	4,542	243,141	1,496,475
Year ended 31 March 2022								
Opening net book amount	132,657	2,216	396,777	785,713	12,953	5,396	252,662	1,588,374
Additions	-	58	209,156	26,195	536	1,115	52,838	289,898
Disposals	-	-	(727)	(4,397)	-	(77)	(416)	(5,617)
Impairment	-	-	(24,562)	-	-	-	-	(24,562)
Charge for the year	(2,430)	(1,205)	(27,578)	(185,329)	(4,133)	(1,481)	(44,800)	(266,956)
Transfers and reclassifications	-	-	(124,902)	118,267	-	-	-	(6,635)
Effect of change in estimate	-	-	12,038	-	-	-	-	12,038
Translation differences	(4,169)	88	(30,718)	(37,358)	(354)	(411)	(17,143)	(90,065)
Closing net book amount	126,058	1,157	409,484	703,091	9,002	4,542	243,141	1,496,475
At 31 March 2023								
Cost	157,874	15,714	1,093,821	3,046,520	98,379	40,592	387,282	4,840,182
Accumulated depreciation	(64,592)	(15,246)	(744,118)	(2,317,836)	(87,439)	(27,204)	(164,468)	(3,420,903)
Net book value	93,282	468	349,703	728,684	10,940	13,388	222,814	1,419,279
Year ended 31 March 2023								
Net book amount – 31 March 2022	126,058	1,157	409,484	703,091	9,002	4,542	243,141	1,496,475
Adoption of IAS 29	19,730	-	108,411	60,580	8	779	16,459	205,967
Net book amount – 1 April 2022	145,788	1,157	517,895	763,671	9,010	5,321	259,600	1,702,442
Additions	-	-	229,253	-	-	13,592	30,742	273,587
Disposals	-	-	(2,597)	(173)	(73)	(2,927)	(2,847)	(8,617)
Impairment	(40,011)	-	(72,116)	(49,659)	(7)	(573)	(9,633)	(171,999)
Charge for the year	(2,844)	(708)	(61,903)	(158,940)	(4,841)	(1,725)	(52,538)	(283,499)
Reclassification and transfer	(5,214)	20	(221,769)	201,786	6,877	-	-	(18,300)
Effect of change in estimate	-	-	(1,340)	-	-	-	-	(1,340)
Translation differences	(4,437)	(1)	(37,720)	(28,001)	(26)	(300)	(2,510)	(72,995)
Closing net book amount	93,282	468	349,703	728,684	10,940	13,388	222,814	1,419,279

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14. Property, Plant & Equipment (Continued)

Of the Group's property, plant and equipment, certain assets are subject to liens under the terms of the long term loans (Note 19).

The recognised right-of-use assets relate to the following types of assets:

	2023 \$'000	2022 \$'000
Sites and towers	203,485	224,331
Office buildings	11,431	12,877
Other	7,898	5,933
	<u>222,814</u>	<u>243,141</u>

The depreciation related to the recognised right-of-use assets relate to the following types of assets:

	2023 \$'000	2022 \$'000
Sites and towers	43,179	34,699
Office buildings	6,880	8,029
Other	2,479	2,072
	<u>52,538</u>	<u>44,800</u>

15. Investments in Associates and Joint Venture

Investments in associates (comprised of loans and equity investments) are as follows:

	2023 \$'000	2022 \$'000
(a) Digicel Holdings (Central America) Limited	-	-
(b) Other	7,813	8,654
	<u>7,813</u>	<u>8,654</u>

(a) The Group has a 43.59% interest in the ownership and voting rights of DHCAL, which provides cellular telephone services in Panama through its 100% owned subsidiary Digicel Panama SA.

DHCAL is incorporated in Bermuda and is controlled by Mr. Denis O'Brien. The equity investment in DHCAL was written off in full in 2011 and the Group discontinued recognising its share of losses as at 31 March 2012.

On 6 April 2022, for the year ended 31 March 2022, the Company announced that Digicel Panama would withdraw from the telecommunications market in Panama and apply for voluntary liquidation. From this date, the Group had no significant influence over Digicel Panama with the entity continuing to operate under an administration independent of Digicel. All loans to Digicel Panama have been impaired. The balance sheet presented below has been prepared on the basis that Digicel Panama is not a going concern.

Digicel Limited

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15. Investments in Associates and Joint Venture (Continued)

(a) (continued)

Summarised statement of comprehensive loss for DHCAL

	2022
	\$'000
Revenue	71,541
Direct operating and subscriber acquisition costs	(25,412)
Operating expenses	(36,627)
Depreciation and amortisation	(21,624)
Operating loss	(12,122)
Net finance costs	(5,176)
Taxation	(179)
Net loss	(17,477)

Summarised balance sheet statement for DHCAL

	2022
	\$'000
Cash and cash equivalents	3,477
Other current assets	8,648
Total current assets	12,125
Non-current assets	35,200
Total Assets	47,325
Current liabilities	39,945
Other non-current liabilities	677,440
Total Liabilities	717,385

The carrying values of intangible assets and property plant and equipment were written down to reflect the amounts they are expected to realise.

(b) Other associates and joint venture: This balance relates to investments in Haiti with an initial investment of \$1,500,000 and a joint venture in St. Lucia.

	Total
	\$'000
At 31 March 2021	8,196
Repayment of loan	(1,000)
Share of profit	1,456
Translation differences	2
At 31 March 2022	8,654
Addition	200
Repayment of loan	(1,000)
Share of loss	(41)

Digicel Limited

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At 31 March 2023

**Total
\$'000**

7,813

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16. Prepayments and other Non-current Assets

	2023 \$'000	2022 \$'000
Prepayments	24,352	35,636
Other	4,165	3,138
	<u>28,517</u>	<u>38,774</u>

Prepayments include amounts prepaid on Indefeasible Rights of Use (IRU) for fibre networks. The prepayments are expensed in other operating expenses over the IRU contract terms which are generally over a period of 5-15 years. The annual maintenance commitments over the life of the IRU are disclosed in Note 28.

17. Accounts Receivable and Prepayments

	2023 \$'000	2022 \$'000
Trade receivables	209,321	207,612
Less: Provision for impairment	(19,571)	(22,743)
	<u>189,750</u>	<u>184,869</u>
Contract assets	20,754	17,129
Prepayments and deposits on equipment	49,286	46,354
Value Added Tax & Corporation Tax recoverable	11,015	5,429
Deferred dealer margins and card production costs	4,894	4,033
Amounts due from parent companies	5,990	4,727
Other debtors	39,365	26,142
	<u>321,054</u>	<u>288,683</u>

Expected credit losses

The expected credit losses are based on the Group's historical credit losses experienced over a two year period prior to the period end. The historical loss rates are between 1% and 5%.

Contract assets

The Group distinguishes between contract assets and trade receivables based on whether receipt of the consideration is conditional on something other than passage of time. Contract assets primarily relate to transactions where the Group satisfies a performance obligation to transfer equipment that is part of a bundle to the customer, but the right to payment for the equipment or the service is dependent on the Group satisfying another performance obligation in the contract and to services that were rendered but not yet billed to the customer at year end. The contract assets are transferred to trade receivable when the right becomes unconditional, i.e. when only the passage of time is required before payment of consideration is due.

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18. Cash and Restricted Deposits

	2023 \$'000	2022 \$'000
Cash and cash equivalents	165,775	171,616
Restricted deposits included in non-current assets	11,673	14,699
Restricted deposits included in current assets	25,806	7,088
	<u>203,254</u>	<u>193,403</u>
Cash and restricted deposits are denominated in the following currencies:		
Jamaican dollars	9,899	10,616
Haitian gourdes	4,336	9,189
Trinidadian dollars	14,345	17,644
Papua New Guinean kina	3,470	3,148
Euro	33,847	45,242
US dollars	119,314	81,334
US dollar pegged currencies	8,024	17,765
Other	10,019	8,465
	<u>203,254</u>	<u>193,403</u>

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19. Long Term Loans and Leases

	2023 \$'000	2022 \$'000
Senior and senior secured notes	2,782,234	2,756,902
Senior secured term loans	1,028,191	1,060,892
	<u>3,810,425</u>	<u>3,817,794</u>
Less: Net unamortised discount and fees	(6,614)	(14,715)
	<u>3,803,811</u>	<u>3,803,079</u>
Lease liabilities	295,706	306,751
Licence related obligations	135,115	72,154
	<u>4,234,632</u>	<u>4,181,984</u>
Accrued interest	96,938	68,138
	<u>4,331,570</u>	<u>4,250,122</u>
Current	1,079,907	1,050,152
Non-current	3,251,663	3,199,970
	<u>4,331,570</u>	<u>4,250,122</u>

Details of the outstanding notes of the Group as at 31 March 2023 and 31 March 2022 are as follows:

Description	Maturity	Interest rate	Outstanding principal amount	
			2023 \$'000	2022 \$'000
DL 2023 Senior Notes	1 March 2023	6.75%	925,000	925,000
DIHL/DIFL 13% 2025 Senior Unsecured Notes	31 December 2025	6.00% cash + 7.00% in kind	380,980	355,649
DIHL/DIFL 2026 Subordinated Notes	31 December 2026	8.00%	250,003	250,003
DIHL/DIFL 2024 Senior Secured Notes	25 May 2024	8.75%	626,251	626,251
DIHL/DIFL 2024 Senior Secured Notes	25 May 2024	8.75%	600,000	600,000
			<u>2,782,234</u>	<u>2,756,903</u>

Digicel Limited and certain of its subsidiaries have issued senior and senior secured notes. In general, the senior and senior secured notes (i) are senior obligations of the issuer of the respective notes that rank equally with all of the existing and future senior debt of such issuer and are senior to all existing and future subordinated debt of such issuer, (ii) contain, in most instances, certain guarantees from various subsidiaries of the issuers of the notes as specified in the respective indentures and (iii) with respect to the senior secured notes, are secured by certain pledges or liens over the assets and/or shares of various subsidiaries. In addition, the indentures governing the notes contain various covenants that among other things limit the Group's ability to incur additional debt, make dividends or other distributions in respect to capital stock, make certain investments or sell assets, create certain liens or engage in sale and leaseback transactions, engage in certain transactions with affiliates and enter into other lines of business.

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19. Long Term Loans and Leases (Continued)

Senior Secured Term Loans

	2023 \$'000	2022 \$'000
Digicel International Finance Limited Term B USD loan	997,225	1,007,775
Digicel Limited facility	8,162	10,928
Onnut Group	22,191	23,808
Turgeon Developments S.A.		17,283
IDOM Technologies	613	1,098
	<u>1,028,191</u>	<u>1,060,892</u>

Digicel International Finance Limited

The Term B loans have an interest rate, depending on the election, equal to ABR plus a margin of 2.25% or LIBOR (with a LIBOR floor of 0.0%) plus a margin of 3.25%. They have a tenor of seven years and are repayable with equal quarterly instalments of 0.25% commencing in March 2018 with the balance due in full in May 2024. The last election using LIBOR plus the margin noted above has been agreed for the period through to January 2024.

For all USD loans, DIFL can elect to use either LIBOR or an Alternate Base Rate ('ABR'). The ABR is the highest of (a) the Federal Funds Effective Rate plus 0.50%, (b) LIBOR plus 1.00%, (c) the Prime Rate, and (d) solely with respect to Term B loans, 2.00%.

As of 31 March 2023, the DIFL facility is secured by guarantees from and security over the shares and assets of DIFL and subsidiaries whose aggregate EBITDA and assets represent not less than 75% of the DIFL's consolidated EBITDA and not less than 80% of DIFL's total assets.

There are no financial maintenance covenants for DIFL, however, DIFL is subject to customary affirmative and negative covenants under the DIFL facility including restrictions on investments, debt, liens, acquisitions and restricted payments.

The limitation on restricted payments (such as dividends or other distributions) is subject to various carve outs which, amongst other things, permit distributions to fund debt service on the notes issued by Digicel Group Limited, Digicel Group Holdings Limited and Digicel Limited so long as no default or potential default has occurred (or giving pro forma effect thereto, would occur).

Subject to customary exceptions, DIFL is required under certain circumstances to prepay amounts owed under the DIFL Facility, including (1) percentages of excess cash flow (net of certain amounts), (2) net proceeds from dispositions of assets (including casualty proceeds) in excess of specified thresholds (subject to reinvestment rights) and (3) net proceeds from the issuance or incurrence of certain debt, if certain scheduled repayments of indebtedness of Digicel Group Holdings Limited and Digicel Limited exceed a threshold specified in the DIFL facility.

The DIFL Facility contains certain customary events of default relating to, among other things, nonpayment of principal or interest, breaches of representations, warranties and covenants, cross-default to other material debt, insolvency, material judgments, changes of control and material adverse effects.

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19. Long Term Loans and Leases (Continued)

Senior Secured Term Loans (continued)

Digicel Limited facility

In October 2021, the Company entered into a \$12.05 million reducing loan facility with RBC Royal Bank (Trinidad & Tobago) Limited. The facility has an interest rate equal to the Royal Bank US Prime Rate plus a margin of 0.5% equivalent to 3.75% on inception. The facility has a tenure of four years and two months and is repayable in equal monthly instalments of 2% commencing in November 2021 with the balance due in full in December 2025.

Onnut Property Holdings (Jamaica 1) Limited

Onnut Property Holdings (Jamaica 1) Limited ("Onnut"), owns the Group's headquarter offices in Kingston, Jamaica and has a syndicated loan facility with National Commercial Bank Jamaica Limited and Sagicor Bank Jamaica Limited. The facility was granted for a period of ten years and is due to mature in December 2026. The interest rate was LIBOR + 5.8963% until maturity subject to a minimum floor of 6.75%. The LIBOR rate will be replaced by the 3 month Secured Overnight Financing Rate ("SOFR") + 6.1963% effective from 28 September 2023.

Turgeon Developments S.A. facility

On 11 June 2014, Turgeau Developments S.A. ("TDSA") a wholly owned subsidiary of Digicel Limited, entered into a \$26.5 million loan facility with the IFC to finance the construction, equipping and operation of a 175-room hotel located adjacent to the site of Digicel's corporate offices in Port-au-Prince Haiti. In June 2022, the IFC assigned the rights to the loan to the group's ultimate parent company Digicel Group Holdings Limited ("DGHL"). The terms of the loan as part of this transaction remain unchanged.

IDOM Technologies

IDOM Technologies has senior secured facilities with an aggregate principal amount outstanding of \$0.6 million as of 31 March 2023.

Licence-related obligations

License-related obligations comprise long-term payables in respect of telecommunication licenses in various jurisdictions. Amounts are payable in annual instalments and discounted to present value using discount rates ranging from 10.8% to 12%. The remaining license periods range from 1 to 24 years. During the year ended 31 March 2023, New Millennium Telecom Services N.V., trading as Digicel Aruba, agreed new terms for the renewal of its spectrum licenses in Aruba. The total fixed cost of \$54.7 million for this license is payable in fixed instalments of \$5.5 million per year through to 2033.

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19. Long Term Loans and Leases (Continued)

Movement in Long Term Loans and Leases:

	Lease liabilities \$'000	Loans and other \$'000	Total \$'000
At 31 March 2021	295,013	3,856,852	4,151,865
Net movement in financing cash flow	(33,557)	(24,480)	(58,037)
Non-cash changes:			
Additions	52,838	13,615	66,453
PIK interest	-	23,647	23,647
Interest accretion	-	2,503	2,503
Amortised discount and fees including fees expensed	-	7,833	7,833
Surrender of Leases/Licenses	(4,115)	(93)	(4,208)
Foreign exchange movements	(3,428)	(4,644)	(8,072)
At 31 March 2022	306,751	3,875,233	4,181,984
Net movement in financing cash flow	(34,967)	(43,234)	(78,201)
Non-cash changes:			
Additions	30,742	86,047	116,789
PIK interest	-	25,331	25,331
Interest accretion	-	3,683	3,683
Amortised discount and fees including fees expensed	-	8,101	8,101
Transfer of liability to Intercompany	-	(16,754)	(16,754)
Surrender of Leases/Licenses	(5,157)	-	(5,157)
Foreign exchange movements	(1,663)	519	(1,144)
At 31 March 2023	295,706	3,938,926	4,234,632

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20. Deferred Taxation

Deferred income tax assets are recognised to the extent that realisation of the related tax benefit through the future taxable profit is probable. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax jurisdiction. Deferred income taxes are calculated in full on temporary differences under the liability method using enacted rates in the respective countries. The movement on the deferred income tax account is as follows:

	2023 \$'000	2022 \$'000
Asset at 1 April	31,057	27,894
Adoption of IAS 29	(74,271)	-
Restated 1 April	(43,214)	27,894
Credited to the consolidated statement of comprehensive income (Note 12)	50,404	6,272
Translation differences	(2,463)	(3,109)
Asset at 31 March	<u>4,727</u>	<u>31,057</u>
Comprising:		
Deferred income tax assets	54,031	60,549
Deferred income tax liabilities	(49,304)	(29,492)
	<u>4,727</u>	<u>31,057</u>

Deferred income tax assets and liabilities are attributable to the following items:

	2023 \$'000	2022 \$'000
Deferred income tax assets:		
Unrealised exchange losses	3,930	20,240
Interest payable	10,103	3,449
Temporary differences on asset depreciation	18,809	23,754
Impairment provision as per IFRS 9	2,247	3,192
Tax losses carried forward	3,066	1,692
Lease liabilities	10,129	7,480
Other provisions	11,206	11,494
	<u>59,490</u>	<u>71,301</u>
Deferred income tax liabilities:		
Accelerated tax depreciation	50,422	33,140
Fair value of acquired intangibles and property, plant and equipment	228	2,967
Other temporary differences	4,113	4,137
	<u>54,763</u>	<u>40,244</u>
Net asset at 31 March	<u>4,727</u>	<u>31,057</u>

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20. Deferred Taxation (Continued)

The amounts shown in the balance sheet include the following:

	2023 \$'000	2022 \$'000
Deferred tax assets to be recovered after more than 12 months	41,732	47,532
Deferred tax liabilities to be settled after more than 12 months	<u>55,563</u>	<u>36,786</u>

Accumulated tax losses for which deferred taxation assets have not yet been recognised amounted to \$23,415,000 (2022: \$4,600,000).

21. Trade and Other Payables

	2023 \$'000	2022 \$'000
Trade payables	96,446	82,370
Accrued liabilities	202,396	186,172
Contract liabilities	61,229	54,965
Subscriber deposits	13,574	14,576
Statutory creditors	48,533	29,606
Other	<u>26,978</u>	<u>30,561</u>
	<u>449,156</u>	<u>398,250</u>

Contract liabilities

	2023 \$'000	2022 \$'000
Current portion	61,229	54,965
Non-current portion (Note 22)	<u>13,051</u>	<u>22,859</u>
	<u>74,280</u>	<u>77,824</u>

Contract liabilities are recorded when consideration is received in advance of the delivery of goods or services. Reductions in the contract liability will be recorded as the performance obligations are satisfied.

Contract liabilities primarily relate to deferred revenues such as prepaid cards and prepaid subscriptions on cable and other telecommunication services. Contract liabilities also consist of advanced payments from customers from the Group's business solution offerings and infeasible rights of use (IRUs) contracts.

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22. Other Long Term Liabilities

	2023 \$'000	2022 \$'000
Contract liabilities	13,051	22,859
Other creditors	6,696	23,209
	<u>19,747</u>	<u>46,068</u>

23. Provisions

	Subscriber Acquisition Costs \$'000	Asset Retirement Obligations \$'000	Other \$'000	Total \$'000
At 31 March 2021	265	60,744	188,235	249,244
Utilised during the year	(134)	(9,337)	(685)	(10,156)
Provided during the year	63	17,590	6,782	24,435
Translation difference	-	(3,051)	(10,343)	(13,394)
At 31 March 2022	194	65,946	183,989	250,129
Utilised during the year	(162)	(10,735)	(126,621)	(137,518)
Provided during the year	27	6,161	4,852	11,040
Translation difference	-	(9,528)	(3,707)	(13,235)
At 31 March 2023	<u>59</u>	<u>51,844</u>	<u>58,513</u>	<u>110,416</u>

	2023 \$'000	2022 \$'000
Analysis of total provisions:		
Non-current	52,168	243,316
Current	58,248	6,813
	<u>110,416</u>	<u>250,129</u>

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23. Provisions (Continued)

a) Subscriber acquisition costs

These provisions are mainly in respect of subsidies and losses on handsets held in inventory by the Group's distributor at year end, in accordance with the terms of the agreement with the distributor.

b) Asset retirement obligations

These amounts represent provisions recognised for the present value of costs to be incurred for the restoration of sites on which the Group's network infrastructure is located. These costs are expected to be incurred between 2029 and 2034, however there is a possibility that restoration will not take place until after this period. The provision is estimated using existing technology, at current prices, and discounted using a real discount rate of 6-19% (2022: 4 - 17%) based on the country.

c) Other

Other includes \$50.6 million (€46.5 million) for Digicel's share of the interest element of an initial award of €160 million representing Digicel's share of net cash proceeds for principal and interest received during the year ended 31 March 2021 from Orange S.A. (see Note 31). The principal element of the award was confirmed by the Court of Cession on 1 March 2023 and Digicel's share less related costs of \$110.4 million has been recognised in other income (see Note 10). The interest element of the proceeds from the award are still subject to appeal and, accordingly, a provision has been retained for the amounts received until the appeal is concluded.

Remaining provisions are mainly in respect of warranties for handsets, long term service and accrued vacation.

24. Share Capital

	2023 \$'000	2022 \$'000
Authorised -		
10,000 common shares of \$1.00 each	10	10
Issued and fully paid -		
1,000 common shares of \$1.00 each	1	1

25. Equity Compensation Reserve

The Group's ultimate parent company, Digicel Group Holdings Limited, had issued share options to employees of the Group under long term incentive plans that were accounted for as equity settled instruments as the Company and its subsidiaries had no obligation to settle the options in cash. The plans were cancelled in July 2016 and January 2020.

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26. Non-Controlling Interests

	2023 \$'000	2022 \$'000
At beginning of year	46,711	44,489
Share of net profits	7,936	6,848
Disposal of minority interest in subsidiary	114	-
Dividends to non-controlling interests	(2,525)	(5,179)
Effect of translation	(992)	-
Acquisition of non-controlling interest	-	553
At end of year	51,244	46,711

27. Related Party Transactions

During the year, the Group had the following transactions with directors and with related companies that are under the common control of the shareholders of the Group:

	2023 \$'000	2022 \$'000	2021 \$'000
Key management compensation:			
Salaries and other short term benefits	14,362	10,733	11,781
Long term incentive plan	4,218	6,791	5,744
DPL sale completion bonus	8,000	-	-
	26,580	17,524	17,525
Related party transactions:			
Long term incentive plan and DPL sale completion bonus	3,666	989	836
Reimbursed expenses	398	165	223
Other fees	250	279	280
Financing fees	8,292	300	3,300
Office rental	-	-	970
Aircraft costs	10,344	8,332	7,512
Construction and maintenance fees	18,369	11,733	13,768
	41,319	21,798	26,889

Management compensation comprises salaries and other short-term employee benefits payable to directors and key management. The long term incentive plan ("LTIP") cost is the amounts payable for participants in the LTIP. Participants also include key management for Island Capital Services Limited and amounts related to payments have been included under related party transactions. Final payments will be determined based on results for the year ended 31 March 2023. Inputs into the calculation include EBITDA and Net Debt. The maximum payout possible under the LTIP is estimated at \$25 million for directors and key management.

The Group has been charged \$398,000 (2022: \$165,000, 2021: \$223,000) from Island Capital Management Services Limited, a company controlled by Mr. Denis O'Brien, in respect of expenses paid on behalf of the Group. Reimbursed expenses include legal and professional fees, travel and accommodation costs.

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27. Related Party Transactions (Continued)

The Group has been charged other fees of \$250,000 (2022: \$279,000, 2021: \$280,000) by Island Capital Management Services Limited mainly in respect of office rental, staff and related costs.

The Group has engaged the services of Island Capital Management Services Limited to assist the Group in raising debt, debt restructuring and other financings. Retainer Fees of \$1,292,000 per annum were paid in the year ended 31 March 2023 (2022: \$300,000, 2021: \$300,000). The retainer fee payable in 2023 was amended to reflect the additional services provided by Island Capital related to the current debt restructuring. In addition, a completion fee of \$7,000,000 was paid in connection with the disposal of the Pacific business during the year ended 31 March 2023.

AC Executive Aviation Services manages an airplane owned by a company controlled by Mr. Denis O'Brien, and provides the Group with the use of this airplane on an as needed basis. Rental charges of \$10,344,000 (2022: \$11,850,000, 2021: \$10,782,000) have been charged by this company.

The Group has engaged Actavo (St. Lucia) Limited and its subsidiaries (Actavo), to install and maintain a fibre optic network and other network facilities operated by the Group across six markets. Actavo secures the business from Digicel through a competitive tender process involving other vendors. Actavo is affiliated with Mr. O'Brien through his shareholding. The Group was charged \$18,369,000 (2022: \$11,733,000, 2021: \$13,768,000) during the year mainly relating to maintenance and network expansion in Trinidad, Jamaica, Barbados and BVI.

During the year, a number of directors agreed to purchase shares in Prism Financial Services Holdings Limited at fair value. The total consideration received was \$4,069,000 for 8% of the issued share capital of this company.

28. Commitments

- a) Capital commitments
Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is \$91.4 million (2022: \$123.3 million).
- b) IRU commitments
The Group has entered into IRU agreements which have remaining terms ranging from 10 to 15 years. The Group has commitments of \$64.3 million (2022: \$110.4 million) over the lifetimes of these agreements.
- c) Programming rights commitments
Programming rights contracted for at the balance sheet date but not recognised in the financial statements is \$8.0 million (2022: \$19.1 million).

29. Pension Scheme

Certain Group subsidiaries operate a defined contribution pension scheme that is open to their permanent employees and is administered by trustees. The scheme was instituted on 1 May 2002 and is being funded at a level of 10% of pensionable salaries, being 5% from members and 5% from the Group.

The contributions charged against income were \$6,270,000, \$4,900,000 and \$5,933,000 in 2023, 2022 and 2021, respectively.

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30. Contingent Liabilities and Other Litigation

The Group is party to litigation relating to its operations. In management's opinion these will not have a material negative impact on the Group's financial position or operations. Judgement is involved in the determination of contingent liabilities. If it becomes probable that a contingent liability will result in an outflow of economic resources, the Group will record a provision in the period the change in probability occurs. The amount of the loss involves judgement based on information available at the time. The Group does not recognise contingent assets. Outlined below are the details of material cases outstanding.

Contingent Liabilities:

- a) **Digicel Guyana Constitutional Challenge** - Digicel filed a suit in Guyana in 2009 challenging the exclusive license of the incumbent operator, GT&T, to carry international traffic to and from Guyana. This exclusivity is due to a 20-year agreement that expired in 2010, with an option for GT&T to renew this agreement for a further 20 years, which GT&T exercised. This matter was heard by the Chief Justice who retired before handing down a decision. The Courts are now in the process of arranging a re-hearing. Any decision will be subject to a right of appeal.

GT&T has filed a number of legal actions in Guyana in which they have sought certain declarations and damages against Digicel Guyana for, inter alia, alleged infringements of their rights under their licenses held in Guyana and for alleged breaches of the interconnection agreement between Digicel Guyana and GT&T; including their asserted claim for exclusivity of the carriage of international traffic to and from Guyana. GT&T asserts that it is the only authorised provider of domestic fixed and international voice and data services to and from Guyana. While GT&T has not particularised the amount of its claim, it is understood to be likely to be in the region of US\$50 million. Digicel disputes this position. In September 2022, the Guyana Court dismissed several of GT&T's claims for damages, but these decisions are the subject of on-going appeals by GT&T. The telecommunications market in Guyana was liberalised in late 2020 and therefore these cases relate to historical matters and do not have any bearing on the regulation of the market going forward.

- b) **French West Indies** – In June 2013, Outremer Telecom ("OMT") filed a claim against Digicel before the commercial court seeking an award of damages to compensate for the alleged harm it suffered as a result of an abuse of dominant position carried out by Digicel in the French West Indies.

OMT initially claimed an award of €1 million as damages as a result of the alleged practice. In May 2018, OMT and Digicel were ordered by the Court to disclose information and data related to their respective activities. In October 2020, OMT substantially increased its claim to €29 million. The next hearing is scheduled for 20 September 2023. We are assessing projected legal costs and other considerations with a view to a possible settlement.

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30. Contingent Liabilities and Other Litigation (Continued)

Contingent Liabilities: (Continued)

- c) **Haiti** - Unigestion Holding SA v UPM & Tran – this is a US (Federal District Court Oregon) action commenced by Digicel in relation to UPM's involvement in bypass activities affecting Haiti. The Defendants filed a counterclaim asserting (among other things) that the bypass is lawful and that to restrict it is a violation of US telecommunications law (in relation to which the Defendant claims approximately US\$60 million). After a full trial, Unigestion won a jury award of US\$5.4 million in damages and US\$4.1 million in punitive damages against UPM and Tran. However, this decision is subject to appeal by UPM, with no formal judgments having been entered yet. On 21 February 2023, UPM filed a complaint to the Federal Communications Commission (FCC) against Digicel Haiti. Digicel Haiti filed its response on 23 February 2023. In effect, the FCC is now seized of the fundamental jurisdictional issues that arise in relation to UPM's counterclaim. Only a redacted version of the response was filed to the public docket due to confidentiality and privacy purposes. Similarly, a confidentiality request has been filed in order to request for confidential treatment of their response which may contain confidential and sensitive information, especially relating to Digicel Haiti's current roaming agreements partners in the USA. The FCC's decision is expected in July 2023. Entry and enforcement of the judgment has been stayed pending the outcome of the FCC litigation.
- d) **Haiti** - On 6 February 2019, Unigestion was served with notice of a class action in the United States (Federal District Court New York) alleging that it had participated in unlawful arrangements relating to the imposition of government levies in Haiti. The plaintiffs allege that Unigestion's collection of levies charged on international incoming calls and money transfers on behalf of the Haitian Government was unlawful including by reason of alleged anti-trust violations. The Court granted Unigestion the motion to dismiss on 11 March 2021. The plaintiffs filed their appellate brief on 1 June 2021 to the Second Circuit Court of Appeals and that was substantially successful with the matter being remitted to the Federal District Court. On 23 May 2022, the plaintiffs were unsuccessful in seeking an injunction restraining Unigestion from collecting the levies. At a subsequent case conference, the District Judge requested that Unigestion now bring forward all outstanding motions to dismiss. Judgment on our renewed application to have these proceedings struck out is still awaited.

Other Litigation

- e) **Proceedings with Orange in the French West Indies** - In July 2004, Bouygues Telecom Caraïbe SA, ("Bouygues"), which was acquired by Digicel in 2006 from Bouygues Telecom SA ("BTSA"), sued Orange Caraïbe SA and Orange France SA ("Orange") before the French Competition Authority (Autorité de la concurrence). Bouygues's claim related to historic anti-competitive practices by Orange across the French West Indies. In December 2004, the French Competition Authority found in favor of Bouygues and ordered Orange to immediately cease the offending conduct. Bouygues then brought two other sets of proceedings: one before the Competition Authority (to have Orange fined for its conduct) and the other before the Commercial Court of Paris (for damages caused by Orange's conduct). The original terms of the sale and purchase agreement stipulated that 50% of any award received by Digicel would be payable to BTSA as the original vendor.

In February 2018, following a number of judgments and subsequent appeals by Orange, the Court of Appeal rejected Orange's application for a stay of provisional enforcement and ordered Orange to pay an award of €346 million into an escrow account maintained by the French State.

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30. Contingent Liabilities and Other Litigation (Continued)

Other Litigation (Continued)

e) Proceedings with Orange in the French West Indies (continued)

Orange paid €346 million this amount escrow with the *Caisse des dépôts et consignations* ("CDC") pending the determination of its appeal (being the principal award plus interest over the relevant period calculated on a simple interest basis).

In June 2020, the Court of Appeal ruled against Orange and ordered them to pay to Digicel an amount of approximately €250 million in damages. Orange appealed that the amount of damages to be paid under the Appeal Ruling should have been approximately €223 million. On 30 September 2020, the Paris Court of Appeal dismissed Orange's appeal and confirmed its June decision. Following the Appeal Ruling, and subsequent negotiations with BTSA which resulted in the 50% share due to BTSA being reduced to approximately 34%, Digicel received approximately €160 million in the year ended 31 March 2021.

On 1 March 2023, the French Supreme Court confirmed that the amount of the underlying judgment for the principal award was correct but set aside the award of interest. As a result, Orange has demanded repayment of the total sum of interest previously paid to Digicel (and BTSA). The parties have since filed further appeals to the Court of Appeal, which matters remain pending.

Separately, Digicel has opened without prejudice negotiations with Orange seeking to agree the amount of excess interest (as the parties' respective calculations do not differ significantly) and potential repayment terms. Digicel is also pursuing engagement with BTSA on its contribution to the excess interest repayment, based on its pro-rata entitlement of the amounts recovered. Therefore, a provision continues to be recognised for the interest proceeds received as the interest amount is still undetermined under the above proceedings.

31. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's principal financial liabilities comprise fixed interest high yield bonds, bank loans, trade payables license-related obligations and lease liabilities. The main purpose of these financial liabilities is to provide financing for Group operations. The Group has financial assets which mainly comprise cash and cash equivalents and trade receivables, which arise directly from operations.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

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31. Financial Risk Management (Continued)

Board of Directors

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board has established committees/departments for managing and monitoring risks, as follows:

(i) Audit Committee

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(ii) Remuneration Committee

The Remuneration Committee advises the board of directors on the exercise of its duties regarding remuneration policy, including analysing developments of the Bermuda Companies Act, and preparing proposals for the board of directors on these subjects. The duties of the Remuneration Committee include reviewing and approving compensation and benefits policies generally and setting the remuneration of the directors and the chief executive officer and the chief financial officer. The Remuneration Committee meets at least three times every year.

(iii) Nomination Committee

The Nomination Committee advises the board of directors on its duties regarding the selection and appointment of directors and senior management. The duties of the Nomination Committee include preparing the selection criteria and appointment procedures for directors and senior management and proposing the profile for the board of directors. It also periodically assesses the scope and composition of the board of directors, and the functioning of the individual directors. The Nomination Committee also proposes on appointments and reappointments. The Nomination Committee meets at least once every year.

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31. Financial Risk Management (Continued)

(a) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet the payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

The Group has incurred significant indebtedness and evaluates its ability to meet these obligations on an ongoing basis. Based on these evaluations, the Group devises strategies to manage liquidity risk including maintaining sufficient undrawn borrowing facilities to fund liquidity needs.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of preference shares, high yield bonds and bank loans.

The Group's liquidity management process includes:

- (i) Maintaining a liquidity reserve in the form of cash and credit lines to ensure the solvency and financial flexibility of the Group at all times. For this purpose, the Group has cash balances of \$166 million at 31 March 2023, however, users of the financial statements should refer to Note 33 and the subsequent impact on cash as a result of the restructuring support agreements agreed with certain group's of bondholders; and
- (ii) Managing the concentration and profile of the Group's debt maturities.

The tables below summarise the maturity profile of the Group's financial liabilities at 31 March based on contractual undiscounted payments.

	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Total \$'000
As at 31 March 2023:						
Interest bearing borrowings	925,256	3,627	11,661	2,957,222	-	3,897,766
Interest on borrowings	36,448	95,419	136,063	193,126	-	461,056
Lease liabilities	6,312	10,527	47,957	208,491	160,651	433,938
Licence related debt	5,287	1,856	19,953	85,150	94,005	206,251
Trade and other payables	119,047	71,757	135,016	-	-	325,820
Total financial liabilities	1,092,350	183,186	350,650	3,443,989	254,656	5,324,831
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Total \$'000
As at 31 March 2022:						
Interest bearing borrowings	7,162	5,720	13,161	3,645,171	270,097	3,941,311
Interest on borrowings	220	86,730	176,398	631,398	21,161	915,907
Lease liabilities	6,818	819	13,680	54,300	40,968	116,585
Licence related debt	4,317	10,314	41,149	238,568	175,875	470,223
Trade and other payables	88,893	76,532	173,089	-	-	338,514
Total financial liabilities	107,410	180,115	417,477	4,569,437	508,101	5,782,540

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31. Financial Risk Management (Continued)

(b) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

(i) Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates in a number of different countries, some of which have currencies which float freely against the US dollar, the presentation currency of the Group. Individual Group entities predominantly execute their operations in their respective functional currencies. Some Group entities, however, are exposed to foreign currency risks in connection with scheduled payments in currencies that are not their functional currencies. These payments relate mainly to international carriers and other overseas suppliers as well as distributors for procurement and fulfilment of handsets. Foreign currency risks in the financing area are caused by loans that are extended to Group entities in foreign currency. The main currencies to which the Group is exposed are the Jamaican dollar, Haitian gourde, Euro and Surinamese dollar. The Haitian Gourde and Surinamese Dollar are currencies of hyperinflationary economies (Note 2b). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group manages its foreign exchange risk where possible by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions and centralizing cash pools in USD or Euros with minimal amounts of local currency.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. In some cases, the Group may borrow in US dollars because it is advantageous to do so or because US dollar denominated borrowing is the only funding source available. In these circumstances, the Group has decided to accept the ensuing risk associated with financing its operations, principally because of the relatively high cost or unavailability of forward cover in the currencies in which the Group operates.

Foreign currency sensitivity

The following table details the Group's sensitivity to a percentage change in the currencies to which the Group has significant exposure against the US dollar. The percentages below are the sensitivity rates that represent management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their revaluation at the period end for a percentage change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. The sensitivities do not consider foreign currency translation risk, i.e. the impact of foreign currency movements on translating the results of operations and financial position of the Group's operations in various countries. The table presents the effect of a percentage depreciation of the relevant currencies relative to the US dollar. A positive number below indicates an improvement in profitability whilst a negative number indicates a reduction in profitability.

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31. Financial Risk Management (Continued)

(b) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity (continued)

	2023	2023	2022	2022
	Change %	\$'000	Change %	\$'000
Jamaican Dollar	6	(1,967)	8	(6,477)
Haitian Gourde	18	(2,854)	19	(859)
Euro	3	(1,388)	1	(581)
Surinamese Dollar	32	(1,024)	21	(433)

There would be no impact on other components of equity as the various Group entities with the above functional currencies have no non-monetary assets classified as FVOCI in foreign currencies.

The sensitivity of profit to movement in the exchange rate relative to the US dollar is influenced by the relative foreign currency denominated asset/liability position in each market from year to year.

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities. At 31 March 2023, 73% (2022: 72%) of the interest-bearing financial liabilities denominated in United States dollars had a fixed rate of interest. All other interest-bearing financial liabilities in currencies other than United States dollars had a variable rate of interest.

Interest rate sensitivity

At 31 March 2023, if interest rates on US dollar denominated borrowings had been 100 basis points higher with all other variables held constant, loss before taxation for the year would have been \$10,276,000 (2022: \$10,598,000) higher, as a result of higher interest expense on floating rate borrowings.

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31. Financial Risk Management (Continued)

(c) Credit risk

The Group takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit exposures arise principally from the Group's receivables from customers and investment activities. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

Credit review process

The Group regularly reviews the ability of borrowers and other counterparties to meet repayment obligations. Financial instruments that potentially subject the Group to concentrations of credit risk are primarily cash and cash equivalents and accounts receivable.

(i) Cash and cash equivalents

The counterparties relating to the Group's cash and cash equivalents are significant financial institutions. Management does not believe there is a significant risk of non-performance by these counterparties.

For all financial assets to which the impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

(ii) Accounts receivable and contract assets

Accounts receivable and contract assets are derived from the provision of telecom services to a large number of customers, including business individuals, governments, distributors as well as telecommunication companies, and the related concentration of credit risk is therefore limited.

One of the most significant individual accounts receivable in any territory relates to the distribution of pre-paid vouchers. The credit risk is partially mitigated with a credit balance, in accounts payable, for fulfilment services performed by the same distributor. Settlement is usually made on a net cash basis.

A majority of the customers of the Group are pre-paid subscribers and carry no credit risk. Individual post-paid subscribers pay a security deposit on the initial contract, which mitigates credit risk in the event of a customer default. The Group also manages credit risk by disconnecting services to customers whose accounts are delinquent.

In respect of interconnect and roaming receivables from other telecommunication providers, credit risk is limited due to the regulatory nature of the telecom industry, in which licenses are normally issued only to creditworthy companies.

The Group maintains a provision for expected credit losses of trade receivables and contract assets based on its historical loss experience, analysis of the aged receivables, prevailing and anticipated economic conditions and specific customer credit risk. These are determined in each country based on asset groupings.

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31. Financial Risk Management (Continued)

(c) Credit risk (continued)

(ii) Accounts receivable and contract assets (continued)

The lifetime expected credit loss for trade receivables is as follows:

	Current \$'000	Up to 60 days past due \$'000	More than 61 days past due \$'000	More than 121 days past due \$'000	Total \$'000
31 March 2023	1,661	3,227	6,105	8,578	19,571
31 March 2022	2,614	1,321	4,576	14,232	22,743

No material allowance for expected credit losses related to contract assets was identified.

Movements on the provision for impairment of trade receivables are as follows:

	2023 \$'000	2022 \$'000
At 1 April	22,743	36,556
Provision for receivables impairment	11,094	21,862
Receivables written off during the year as uncollectible	(13,808)	(35,512)
Foreign exchange movements	(458)	(163)
At 31 March	19,571	22,743

The following table summarises the Group's trade receivables at their carrying amounts, as categorised by the customer sector:

	2023 \$'000	2022 \$'000
Post paid subscribers	55,068	67,517
Other telecom operators	24,970	29,500
Distribution agents and others	129,283	110,595
	209,321	207,612
Less: Provision for impairment	(19,571)	(22,743)
	189,750	184,869

(iii) Guarantees

The Group's normal policy is not to provide financial guarantees to any party other than subsidiaries and associates. At 31 March 2023 and 31 March 2022, the Group did not provide financial guarantees to any other party.

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31. Financial Risk Management (Continued)

(d) Capital management

The primary objective of the Group's capital management is to maximise its shareholder value while ensuring a strong credit rating. The Group manages its capital structure and makes adjustments to it as needed, in light of changes in economic conditions, market opportunities and the needs of the business. To maintain or adjust the capital structure, the Group may return capital to shareholders, or issue new shares.

The Group is subject to certain covenants under the agreements and indentures governing its borrowings which, amongst other conditions, include restrictions on the Group's ability to incur debt. Such covenants often include a specific limitation on the amount of debt of the Group which, subject to certain exceptions, is determined by the ratio of (a) Debt to (b) Earnings before interest, taxation, depreciation and amortisation ("EBITDA"), as a measure of its profitability. For the purposes of such covenants, "Debt" and "EBITDA" are defined in accordance with the terms of the applicable agreements and indentures. Both Debt (in this context) and EBITDA are non-GAAP measures that are not governed by IFRS, and their definition and calculation may vary from one company to another and from one agreement or indenture to another. Different ratios apply under different borrowing arrangements governed by specific agreements and indentures. In addition, certain subsidiaries may be excluded from such calculations in accordance with the terms of the applicable agreements or indentures. Further, certain agreements and indentures permit additional debt to be incurred in addition to debt which may be incurred under the ratio. As at 31 March 2023 and 31 March 2022 the Group had complied with its debt incurrence covenants.

The Debt to EBITDA ratio at 31 March 2023 and 2022 were as follows:

	2023 \$'000	2022 \$'000
High yield bonds	1,561,703	1,536,513
Senior secured debt and other interest-bearing loans	2,254,442	2,269,862
Total Debt	3,816,145	3,806,375
Last twelve months EBITDA	705,464	745,209
Total Debt to EBITDA ratio	5.4	5.1

There were no changes to the Group's approach to capital management during the year.

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32. Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of the financial assets and liabilities held and issued by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at balance sheet dates.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- (a) Cash and deposits, receivables, payables, related party and balances reflect their approximate fair values due to the short-term nature of these instruments;
- (b) The fair values of Senior Notes are based on the secondary market prices quoted in the OTC market and are within level 2 of the fair value hierarchy. The carrying values of variable rate loans approximate to fair value, net of unamortised fees, based on discounted cash flows and are within level 2 of the fair value hierarchy.

The carrying amounts and fair value of Senior Notes are as follows:

	Carrying Value	Fair Value	Carrying Value	Fair Value
	2023 \$'000	2023 \$'000	2022 \$'000	2022 \$'000
Financial Liabilities				
DL 2023 Senior Notes	925,000	195,984	925,000	862,563
DIHL/DIFL 2024 Senior Secured Notes	600,000	549,000	600,000	599,250
DIHL/DIFL 2024 Senior Secured Notes	626,251	573,020	626,251	625,468
DIHL/DIFL 2025 Senior Unsecured Notes	380,980	237,875	355,649	354,760
DIHL/DIFL 2026 Subordinated Notes	250,003	53,751	250,003	233,128
	<u>2,782,234</u>	<u>1,609,630</u>	<u>2,756,903</u>	<u>2,675,169</u>

33. Subsequent Event

On 29 May 2023, Digicel's parent company, Digicel Group Holdings Limited (DGHL) announced that it had entered into a restructuring support agreement (the "DGHL RSA") with an ad hoc group of holders (the "DGHL AHG") of DGHL's 8.0% Senior Cash Pay/PIK Notes due 2025 (the "DGHL Unsecured Notes"), and 7.00% PIK Perpetual Convertible Notes (the "DGHL Subordinated Notes" and, together with the DGHL Unsecured Notes, the "Notes" and, the beneficial holders thereof, the "Noteholders"), an ad hoc group of crossover holders who hold DGHL Unsecured Notes, DGHL Subordinated Notes and indebtedness of both Digicel Limited and Digicel International Finance Limited (the "Crossover AHG"), and DGHL shareholder, Denis O'Brien.

The DGHL AHG and the Crossover AHG are material debt holders of DGHL, which at the time of the announcement owned approximately: (i) 82.7% of the DGHL Unsecured Notes and (ii) 84.6% of the DGHL Subordinated Notes. Digicel's operating companies, which are owned by subsidiaries of DGHL, are not directly impacted by the DGHL RSA.

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33. Subsequent Event (Continued)

Upon consummation and subject to the fulfilment of certain conditions precedent, the consensual financial restructuring contemplated in the DGHL RSA (the “Restructuring”) will, among other things, provide the following treatment to the bondholders:

- **DGHL Unsecured Notes:** holders of DGHL Unsecured Notes will receive cash distributions of \$163.5 million (to be allocated among such holders on a pro rata basis), as well as either secured contingent value rights or new secured limited recourse notes in respect of certain future distributions from the proceeds of the sale of Digicel Pacific Limited (the “Future DPL Sale Proceeds”) and any remaining assets of DGHL, in full and final satisfaction of any claims arising under the DGHL Unsecured Notes; and
- **DGHL Subordinated Claims:** holders of DGHL Subordinated Notes will receive cash distributions of \$19.5 million (to be allocated among such holders on a pro rata basis), as well as either secured contingent value rights or new secured limited recourse notes in respect of certain distributions from the Future DPL Sale Proceeds and any remaining assets of DGHL, in full and final satisfaction of any claims arising under the DGHL Subordinated Notes.

In addition, Digicel Limited and certain of its subsidiaries (together, “DL”) will receive cash distributions of \$110.2 million, and the terms of certain intercompany balances owed by DGHL to DL will be amended to be limited recourse to an agreed maximum allocation of certain distributions from the Future DPL Sale Proceeds in full and final satisfaction of any claims arising in connection with such intercompany balances.

The DGHL RSA contemplates that the Company will commence a Bermuda scheme of arrangement and U.S. chapter 15 recognition proceedings to implement the Restructuring.

On 27 June 2023, the Group announced that Digicel Limited (“DL” and, together with its subsidiaries, the “DL Group”) and its board of directors had signed a restructuring support agreement (the “DL RSA”) with the Crossover AHG, members of an ad hoc group of Digicel International Finance Limited (“DIFL”) secured lenders (the “DIFL Secured AHG” and Denis O’Brien).

The Crossover AHG and the DIFL Secured AHG are material debt holders of the DL Group and the DL RSA has been executed by holders of approximately 78% of DL’s 6.750% Senior Notes due 2023 (the “DL Notes”), DIFL’s 8.0% Subordinated Notes due 2026 (the “DIFL Subordinated Notes”), DIFL’s 13.0% Senior Cash Pay/PIK Notes due 2025 (the “DIFL Unsecured Notes”), DIFL’s 8.750% Senior Secured Notes due 2024 (“DIFL Secured Notes”), and of the DIFL Term Loans due 2024 (the “DIFL TLB”).

Upon consummation of the transactions contemplated within the DL RSA (the “DL/DIFL Restructuring”) and the transactions contemplated by the DGHL RSA, the Digicel Group’s consolidated debt will be reduced by approximately \$1.7 billion, and its annual cash interest expense reduced by approximately \$120 million, whilst ensuring sufficient cash to fund operations and investment in key growth areas.

The proposed comprehensive financial restructuring is expected to equitize 100% of the DL Notes and the DIFL Subordinated Notes as well as refinance and extend the maturity of the DL Group’s other funded indebtedness. The DL RSA contemplates that the DL Group will implement the DL/DIFL Restructuring through an exchange offer for its DIFL Subordinated Notes, Bermuda schemes of arrangement (the “Bermuda Schemes”) and U.S. chapter 15 recognition proceedings in respect of the consensual financial restructuring. Consummation of the Bermuda Schemes is subject to required regulatory and other governmental approvals.

The Exchange Agent for the Exchange Offer and Solicitation is:

Epiq Corporate Restructuring, LLC

By Mail, Hand or Overnight Delivery

777 Third Avenue, 12th Floor
New York, New York 10017
Attention: Solicitation Group
Telephone: (646) 362-6336

Email: tabulation@epiqglobal.com, with
reference to “Digicel” in the subject line.

Any questions or requests for assistance may be directed to the Information Agent at the addresses and telephone numbers set forth below. Requests for additional copies of this offering memorandum may be directed to the Information Agent. Eligible Holders may also contact their Nominee for assistance concerning the Exchange Offer and Solicitation.

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