

TELMATE, LLC

3120 FAIRVIEW PARK DRIVE
STE 300
FALLS CHURCH, VA 22042

March 23, 2020

Mr. Bill Cook
Alabama Public Service Commission
100 North Union, Suite 850
Montgomery, AL 36130

RE: Alabama PSC Annual Financial Statements

Dear Mr. Cook:

Enclosed please find the financial statements for Telmate, LLC for their fiscal year ended December 31, 2019. Please be advised that Telmate, LLC was acquired in August 2017 by Global Tel*Link Corporation and is included in the parent company, GTEL Holdings, Inc.'s financials. This information is being provided to you in compliance with the Alabama Public Service Commission requirement for Annual Report submission. We ask that any confidentiality treatment allowed by the Commission be applied to the financials.

Any questions or comments pertaining to this filing should be addressed to my attention at (678) 672-2837 or via email at scockerham@telecompliance.net.

Thank you in advance for your assistance.

Respectively submitted,

Susan Cockerham

Susan Cockerham
Sr. Manager, Regulatory Operations
FAS Tek Compliance Solutions

Enclosures

cc: Telmate, LLC

CONFIDENTIAL

CONFIDENTIAL**GTL Financial Statements**

	YTD 2019
INCOME STATEMENT	
Revenues	
Prime Phone	443,819,031
OMS Revenue	6,559,065
Wholesale Phone	25,872,541
Public Coin	90,255
Deposit / Pmt Processing Revenue	42,111,686
Video	17,458,506
In-Pod and media	46,213,454
Fees & Other revenues	72,177,997
Total Revenues	654,302,534
Cost of Sales	
Prime Phone COS	222,559,633
OMS	3,651,930
Wholesale	14,052,139
Public Coin COS	644,621
Deposit services	12,067,041
Video COS	2,353,321
In-Pod and media COS	22,720,997
Fees & Other COGS	12,053,341
Total Cost of Sales	290,103,021
Contribution Profit	364,199,513
Total Operating Expenses	140,550,900
Operating Income (ebitda)	223,648,613
Depreciation & Amortization	115,973,011
EBIT	107,675,602
Other Expenses	
Net Interest Expense	90,520,962
Interest Expense-hedge	-
Stock Based Compensation	1,594,331
Total Other - including Gain/Loss FA	523,316
MCI carve-out audit	-
Other Expense incl Severance	4,186,137
MCI transition costs	-
Securus Patent Litigation	-
Legal Fees and Settlements	3,882,827
Sponsor Management Fees	2,157,397
Deal Fees	-
M&A activity	1,227,133
Amortization of Goodwill	52,842,401
Debt Prepayment Penalty	-
Offset to Credit for below EBITDA Exp	-
Loan amortization	3,346,068
Total Other (Income) / Expense	160,280,570
Net Income before Taxes	(52,604,968)
Taxes	(21,004,979)
Net Income - Operating	\$ (31,599,988)

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GTL Financial Statements

	YTD 2019
BALANCE SHEET	
ASSETS	
Current Assets:	
Cash	663,003,528
Restricted Cash- L/C deposit	-
Restricted Cash - permitted acquisitions	-
Restricted Cash - Unisys	26,017
Value of Hedge instrument	-
Accounts receivable	-
Trade A/R	-
Customer A/R	-
Other A/R	-
Less: Allowance	-
Net A/R	316,136,595
Prepaid and other assets	161,882,868
Other Current Assets (DTA)	-
Total Current Assets	1,141,049,009
Property and Equipment:	
PP&E	3,191,260,122
Inventories - capital assets	175,769,330
Inventories - prepaid assets	81,055,433
Less: Accum Depr	(2,041,292,392)
Net PP&E	1,406,792,493
Other Assets:	
Deferred loan fees & other assets	3,250,139
PCS purchase price escrow	-
Deferred Taxes	-
TNTX & SciDyn License	-
Advance agent commission	-
Advance site commission (upfront)	22,703,233
Other LT Assets	-
Other intangibles	5,690,412,800
Goodwill	3,085,622,701
Total Other Assets	8,801,988,873
Total Assets	11,349,830,375
LIABILITIES AND EQUITY	
Liabilities:	
Accounts Payable	232,965,676
Accrued Payroll	165,066,894
Accrued commissions	332,972,408
Unearned Revenue	357,604,631
Other Accruals	383,299,720
Due to Unisys	1,696,475
Interest Payable	22,167,734
Taxes Payable	(276,201,920)
Revolver	-
Holdbacks	-
Other liabilities	-
Deferred Tax Liabilities	729,723,007
Current portion of capital lease obligations	-
Current portion of LT Debt	112,800,000
Current portion of LT Debt - for permitted acquisitions	-
LT capital lease obligations	-
LT Debt	14,235,500,000
Original issue discount	(262,822,707)
LT Senior Debt - 1st lien fully collateralized portion	-
LT Senior Debt - 2nd lien	-
LT Other Liabilities	11,124,251
Dividends payable	-
Total Liabilities	16,045,896,168
Equity	
Capital Investment	27,697,625
Retained Earnings	(4,723,763,419)
Total Equity	(4,696,065,793)
Total Liabilities & Equity	11,349,830,375

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GTL Financial Statements

CASH FLOW

Cash flows from Operations

	YTD 2019
Net Income/(Loss) - Operations	(31,599,988)
Depreciation and Amortization	168,815,412
Prepaid loan fees	(40,893)
Change in A/R	(3,308,803)
Change in prepaids & other assets	(1,689,189)
Change in advance commissions	(210,132)
Change in Payables	726,778
Change in Accrued commissions	884,638
Change in Other accruals & holdback	(2,668,031)
Changes in Accrued Payroll & Benefits	7,267,037
Changes in Other Long-Term Liabilities	(71,250)
Change in interest payable and interest rate cap	(8,520,489)
Change in taxes payable	(23,810,666)
Change in due to MCI	-
Change in due to Unisys, net of restricted cash	65,064
Change in unearned revenue	974,818
Change in deferred taxes	-
Change in OID Amort to Int Exp	3,346,068

Cash flow from Operations	110,160,372
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Cash Flow from Investing

Capital Expenditures for MCI transition	-
Capital Expenditures - Intangibles	(23,509,421)
Capital Expenditures	(68,944,424)
Change in inventories	297,762
Change in prepaid assets (inventories)	(1,111,446)
Non-cash GTL Purchase Price Adjustments	-
Purchase of IP License from VAC	-
Purchase of option from VAC	-
Settlement agreement with Securus	-
Investment in subsidiary, IDS, TouchPay, Telmate	0
Holdback to SLB/AT&T	-

CashFlow from Investing	(93,267,528)
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Cash Flow from Financing

(Gain)/Loss on disposal of PP&E	419,233
New Equity Infusion/Equity Payout	1,594,331
Purchase of Hedge Instrument	-
Dividend paid	-
Purchase of VAC	-
Revolver changes	-
Capital Lease Obligation Net	-
TCW Debt/Accretive Interest	-
Hedge Interest	-
Change in debt and restricted escrow cash	-
Proceeds from Refinanced - Repricing Debt	-
Payment on old debt Refinance	-
Proceeds from 1st lien incremental loan	-
Payments on LT Senior Debt - 1st lien	(9,400,000)

Cash flow from Financing	(7,386,437)
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Beginning cash balance	49,563,884
Change in cash	9,506,407
Ending cash balance	59,070,291

Revolver balance	663,003,524
Actual Ending Cash Balance	663,003,528