

Rural Broadband

Success & Lessons Learned

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History – rapid fire of lessons learned

- 2003: Co-founder and president of AirWave Access, fixed wireless network in Colorado using Motorola Canopy radio technology

Lesson: Rural is a viable market at \$800/customer Capex

- 2005: Merged with Mesa Networks, served as president of the combined companies, soon the 7th largest U.S. WISP, recognized by INC and Entrepreneur for achieving 426% revenue growth 2005-2007

Lesson: Quality networks are defensible

- 2008: Sold/merged with industry consolidator

Lesson: Don't own 15% of anything unless...

History – rapid fire of lessons learned

- 2009: Formed WISP Partners, Project Manager - \$38 million BTOP grant with Zayo for public/private middle-mile fiber builds

Lesson: Public subsidies is a secondary business model & infrastructure subsidy investments rule

- 2013 – present: Wireless Internet Service Provider Association - WISPA
FCC Committee member advocating for spectrum policy and public subsidies

Lesson: Advocacy matters in D.C. – to educate policymakers

- 2014: Council Member, Gerson Lehmer Group, consultations for private equity and banking

Lesson: Industry consolidation is a real possibility in rural markets

History – Connect America Fund

- 2014: Project Manager - \$17 million Connect America Fund grant for last mile services in rural markets

Lesson: The CAF experiment proved capital efficient through competition

- 2016 to 2018: Project Manager – provisional win of \$833 million CAF Phase II auction to serve 306,000 locations *Do your homework to win*

CAF Phase	Total Support Awarded	Total Price-Cap Locations	10 year Support / home	Annual Support / home	Monthly Support / home
Rural BB Experiment	\$ 40,249,983	35,617	\$ 1,130	\$ 113	\$ 9.42
Incumbents Awarded	\$ 9,005,373,042	3,629,996	\$ 2,481	\$ 248	\$ 20.67
Auction Reserve	\$ 9,566,486,810	1,415,584	\$ 6,758	\$ 676	\$ 56.32
Auction 903 Budget	\$ 1,980,000,000	1,415,584			
903 Results	\$ 1,488,329,864	713,176	\$ 2,087	\$ 209	\$ 17.39
High Latency Platform	\$ 122,499,877	190,505	\$ 643	\$ 64	\$ 5.36
Net 903 Results	\$ 1,365,829,987	522,671	\$ 2,613	\$ 261	\$ 21.78

A real job

Now serve as SVP Strategy & Regulatory Affairs, Nextlink Internet in Hudson Oaks, Texas

Lesson: Ask me next year!

Nextlink Internet Executive Briefing

January 2019





Nextlink – Company Snapshot

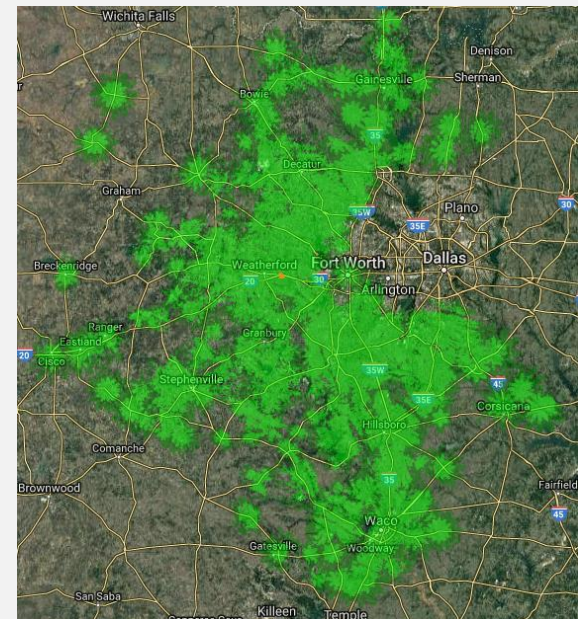
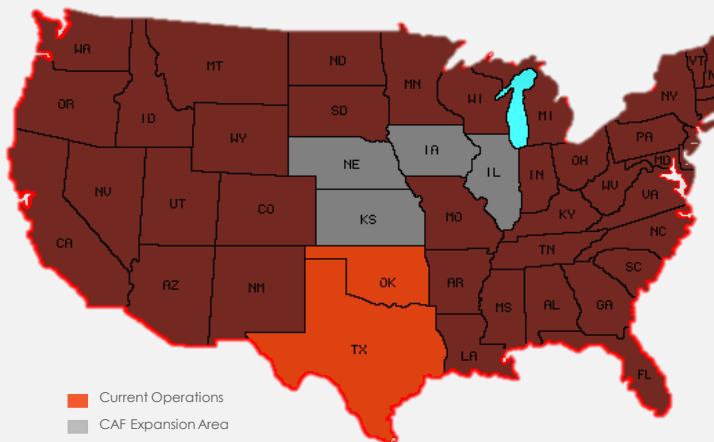
- HQ – Hudson Oaks, Texas
- Fiber & Fixed Wireless Service
- ~550 Service towers, construct half
- Residential & Commercial Services
- 250 employees
- ~30,000 subscribers in 6 years
- Growth is 100% organic
- Customer churn runs .5% to .8% /mo.
- Managed for scale & rapid growth
- Operating metrics are strong
- Professional management team





Geographic Footprint

- Nextlink is currently the 6th largest fixed wireless provider in the United States at 30,000 subscribers as of April 2019 across North and Central Texas and South Central Oklahoma.
- Nextlink has grown its subscriber base organically since inception with a compound annual growth rate in excess of 75% from the end of 2014 through July 2018. As the Company continues to expand its service area with additional tower coverage, monthly new install counts continue to increase while the Company maintains a best in class churn rate of just 0.5% subscribers per month.
- Through the FCC CAF auction, the Company will be increasing its current footprint in Texas and Oklahoma as well as expanding into Kansas, Nebraska, Iowa and Illinois to address 100,000 unserved rural homes.





Nextlink Competitive Advantages/ Differentiators

Quantitative measures

- Network quality with deep fiber access
- Redundancy of service nodes
- Speed of service, 25Mbps – 100Mbps, low latency
- Network systems with operational awareness & control

Qualitative differentiators

- Qualified staff with prior experience and on-going training
- Customer first culture
- Drive for performance
- Purposeful community involvement

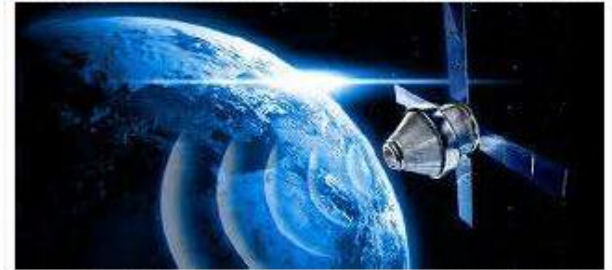
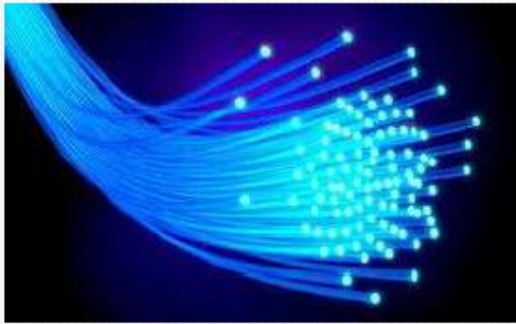


Fixed Wireless is a standard for rural America



Is Technology the First Decision?

Broadband Platforms



Thank you

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