



Introduction [Monica Webb, Head of Market Development and Strategic Partnerships]

Welcome to Tucows' question and answer dialogue for Q1 2021. Elliot Noss, President and Chief Executive Officer, will be responding to your questions. For your convenience, this audio file is also available as a transcript in the investors section of our website, along with our [Q1 2021 Financial Results](#) and [updated reports](#).

Please note that the following discussion may include forward-looking statements, which, as such, are subject to risks and uncertainties that could cause actual results to differ materially. These risk factors are described in detail in the company's documents filed with the SEC, specifically the most recent reports on the Forms 10-Q and 10-K. The company urges you to read its [securities filings](#) for a full description of the risk factors applicable for its business.

Today's commentary includes responses to questions submitted to us following the [pre-recorded management remarks](#) regarding the quarter and outlook for the Company. We are grouping similar questions into categories that we feel are addressing common queries. If your questions reach a certain threshold or volume, we may ask you to schedule a call instead, to ensure we can address the full body of your questions. And if you feel that the recorded answers and/or any direct email you may receive, do not address the meat of your questions, please let us know.

Go ahead Elliot.

Opening Remarks [Elliot Noss, President and Chief Executive Officer]

Thank you, Monica. And welcome to our Q&A for our first quarter 2021 financial results.

Most of the questions this quarter were either technical in nature and answered directly by email or were addressed in previous scripts.

Ting Internet

We did have a couple of questions about Ting Internet this quarter that are worth diving deeper on.

A few of you picked up on my referencing, “indirect opportunities,” and asked for clarification.

I would start by saying that it was probably a poor choice of words. I should have said, “non-standard opportunities,” or “heterogeneous opportunities”. And even those two require explaining.

I have spent a fair amount of time studying both the copper and coax buildouts in the United States. The first stretched for roughly 50 years, and the second for roughly 30 years. My guess is the remainder of the fiber buildout will take less than ten years.

To me, this means things will happen in a less linear fashion. There will be a range of approaches to financing, to construction techniques, to public-private partnerships -- and more broadly, to operating models. There are also likely to be more participants. All of this will take place in a changing federal regulatory environment and a very heterogeneous state regulatory environment.

We do not have a crystal ball, so we instead focus on what we know. We will focus on having the most efficient operating model at a local level. We will focus on having a breadth of relationships with both competitors and other market participants. We will focus on what we see not just the most likely future to be, but what we think the future should be when it comes to working with cities and towns across the country. We will focus on continuing to have the most satisfied customers in the country.

I have previously said that we are moving away from partnerships like those in Westminster, Fullerton and Solana Beach. We, like most market participants, are looking to deploy capital. Relationships where all we have is an operating contract and no long term economic benefit are not nearly as interesting unless the situation -- and the economics -- make a lot of sense. An example would be one where we are extending an existing footprint.

I note that in many of these partnerships, not only are we simply paying off someone else’s debt, we also often have a lower, sometimes much lower, cost of capital.

However, we are open to partnering where someone is bringing to the relationship something we need, like time. Anything that helps us build faster and broader is interesting.

And of course we will, at some point, be marketing our ISP billing and provisioning platform more aggressively. That will not be for the next while, but it will be another means of getting at the benefits of the coax-to-fiber transition indirectly.

At the core of all of these different flavours there is one commonality, being able to work well with others. I want to remind investors that this is deeply in our DNA, going back to the Tucows software libraries in the 90's, and to the early days of OpenSRS.

We were also asked for further thoughts on the increasing government funding for broadband.

Ting [just announced our participation](#) in the FCC's [Emergency Broadband Benefit program](#), which was funded as part of the December 2020 Stimulus package approved by Congress, and is designed to help Americans struggling to pay for broadband due to the pandemic. As part of the benefit, eligible Ting customers -- including new customers -- will receive up to \$50 monthly support towards their internet bill for the duration of the program. We're glad to see the government recognizing the importance of affordability of access with this temporary measure, and hope it seeds further meaningful discussions on creating long-term support for affordability of internet access for those who need it.

There are other funding programs being put in place -- some at a state level, and some, like the \$100 billion carve out of [President Biden's American Jobs Plan](#), at the federal level. Rules on where and how these funds can be utilized, are, in most cases, still being developed, and heavily lobbied on. We will of course be watching closely.

An investor asked if we were seeing challenges with labor supply in our local markets. We are aware that overall, it's a tight labor market, and are working on several fronts to ensure we have the capacity to scale. First and foremost, is how we treat our employees, including our field teams. Our culture is fundamentally different from other telecom and cable companies. We put a strong emphasis on appreciating people, providing excellent benefits, training people, and providing a career path. Our field teams are proud of working for Ting and enthusiastic about the Ting brand, and it shows in our consistently strong customer scores from people interacting with them. We're also actively diversifying our labor pool between full-time employees, temporary-to-permanent labor, and contractors that are available to help with surges in demand. And lastly, we're working with employment groups in our local communities to implement fiber technician training programs to increase regional and local pools of skilled technicians.

Again, thank you for listening in on our Q&A, and a reminder that if you feel that the recorded answers and/or any direct email you may receive do not address your question, please follow up with us at ir@tucows.com.

Thank you.