



**Introduction** [Monica Webb, Senior Director, Market Development and Strategic Partnerships]

Welcome to Tucows' question and answer dialog for Q3 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 [Q3 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 third quarter 2021 financial results.

Most of our questions this quarter revolved around the Ting Internet business, including around my comments on separating the businesses being important for financing.

This comment is specifically relating to the Ting Internet and telecom platform businesses.

With Ting Internet, we have ambitious build plans that require more capital than we can internally finance. The coax-to-fiber transition in the U.S. has been attracting massive

amounts of capital, particularly post pandemic. This capital is coming from a variety of private equity, infrastructure, and pension funds. They all understand that the returns are great. And they understand that the paybacks are long. But overall, it's understood as a category where you can deploy lots of capital and generate great long-term returns. Usually one must choose between those two -- so this is particularly attractive. And if you think about that category of investor -- whether infrastructure fund, pension fund or private equity -- they're not really appropriate investors for either the Domains or the platform business.

The telecom platform business doesn't need a typical growth investor either. If you look at that business, we have a very nice annual recurring revenue, and not much burn rate to speak of. So that this business doesn't need typical venture financing.

With the telecom platform, it is about best charting growth. Who might help there? Maybe that help comes with some capital through partnering with a venture investor. Maybe it's simply individuals who have particular experience in this business. Regardless, separating the particular financial needs of each business from the needs of the other two, allows us to focus better on potential partners and what they can do to help make each of our businesses the best they can be.

Also on the Internet business, we had an investor ask for more detail on our fixed wireless strategy following our acquisition of Tucson-based Simply Bits. I will reiterate that the primary strategic goal for us was creating an operational foothold from which to expand fiber in southern Arizona. To that end, the acquisition brings us human capital, contacts, and an existing customer base in the region. Where it makes sense, we will convert the existing customers to fiber. And with respect to the fixed wireless portion of the business, we will continue to run it as it has been run to date, and leverage the Simply Bits wireless expertise if and when appropriate around the edges of our other footprints, where fiber isn't feasible, but where there is demand for improved Internet access and a Ting-quality customer experience. And we will also benefit from fixed wireless expertise for MDUs and for backhaul in some locations.

Also, and not surprisingly, we had topical questions about potential impacts to our Internet business of the Infrastructure Bill signed early this week in D.C. We were pleased to see continued support for affordability of Internet service in the Bill, which will allow us to continue to provide relief for the cost of Internet access, using the structure we implemented for the Emergency Broadband Benefit program. For the significant dollars in the Bill allocated to building broadband infrastructure, we will wait to see the details of funding awards and applications, expected next year, before making any specific decisions relating to our business. Most importantly, we will focus on the best places to build from a long-term perspective, not where the greatest subsidies are offered.

And finally, we had a question on our telecom platform business, requesting some elaboration on my reference to the choppiness of the business. Again, until we migrate the Boost customers, the revenue will disproportionately contain more one-time fees than ongoing revenue. It's important strategic work that DISH needs done -- like a lightning-quick AT&T integration -- but that's not the long-term run-rate business. We expect the Boost migration to happen throughout 2022, based on the priorities from DISH today. Once that's completed, we will see more predictable recurring revenues.

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](mailto:ir@tucows.com).

Thank you.

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