



# Nareit's REITworld 2022 Annual Conference

*November 16, 2022*

Together, Building the Future

# Safe Harbor

*Certain statements in this presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended from time to time. Those forward-looking statements include all statements that are not historical statements of fact, including, without limitation, our 2022 financial outlook, expectations regarding strong demand trends, our business strategies, growth prospects, industry trends, sales opportunities, and operating and financial performance.*

*Words such as "anticipate(s)," "expect(s)," "intend(s)," "estimate(s)," "foresee(s)," "plan(s)," "believe(s)," "may," "will," "would," "could," "should," "seek(s)" and similar expressions, or the negative of these terms, are intended to identify such forward-looking statements. These statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could lead to actual results differing materially from those projected, forecasted or expected. Although we believe that the assumptions underlying the forward-looking statements are reasonable, we can give no assurance that our expectations will be attained. Factors which could materially alter our expectations include, but are not limited to, the future prospects of Windstream, our largest customer; the ability and willingness of our customers to meet and/or perform their obligations under any contractual arrangements entered into with us, including master lease arrangements; the ability and willingness of our customers to renew their leases with us upon their expiration, and the ability to reposition our properties on the same or better terms in the event of nonrenewal or in the event we replace an existing tenant; the availability of and our ability to identify suitable acquisition opportunities and our ability to acquire and lease the respective properties on favorable terms; the risk that we fail to fully realize the potential benefits of acquisitions or have difficulty integrating acquired companies; our ability to generate sufficient cash flows to service our outstanding indebtedness and fund our capital funding commitments; our ability to access debt and equity capital markets; the impact on our business or the business of our customers as a result of credit rating downgrades and fluctuating interest rates; our ability to retain our key management personnel; changes in the U.S. tax law and other state, federal or local laws, whether or not specific to real estate investment trusts; covenants in our debt agreements that may limit our operational flexibility; other risks inherent in the communications industry and in the ownership of communications distribution systems, including potential liability relating to environmental matters and illiquidity of real estate investments; and additional factors described in our reports filed with the SEC. Uniti expressly disclaims any obligation to release publicly any updates or revisions to any of the forward-looking statements set forth in this press release and today's conference call to reflect any change in its expectations or any change in events, conditions or circumstances on which any statement is based.*

*This presentation may contain certain supplemental measures of performance that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). Such measures should not be considered as alternatives to GAAP. Further information with respect to and reconciliations of such measures to the nearest GAAP measure can be found herein.*

# Uniti Company Overview

## Uniti Leasing

Owns, Acquires, and Leases Mission-Critical Communications Assets Nationwide to Wholesale Customers on Either an Exclusive or Shared-Tenant Basis

- ✓ Proprietary Strategy and Advantaged REIT Structure
- ✓ Key Metrics:
  - Annual Revenue of \$827 Million<sup>(1)</sup>
  - Annual Adjusted EBITDA of \$805 Million<sup>(1)</sup>
  - ~\$8.3 Billion of Capital Deployed<sup>(2)</sup>
  - ~\$6.1 Billion of Revenues Under Contract<sup>(3)</sup>
- ✓ High Margin, Minimal Working Capital and Capex Requirements<sup>(4)</sup>, Long-Term Leases with Escalators
- ✓ Focused on Additional Sale Leaseback, OpCo/PropCo, and Lease-Up Opportunities

## Uniti Fiber

Leading Provider of Lit and Dark Fiber Solutions for Wireless Operators, Carriers, Enterprises, Schools and Government, Including Cell Site Backhaul, Small Cells, Internet Service and Wavelengths, with a Primary Focus in the Southeast

- ✓ ~18,800 New Fiber Route Miles and ~1.5 Million New Fiber Strand Miles Built Since 2018
- ✓ Key Metrics:
  - Annual Revenue of \$305 Million<sup>(1)</sup>
  - Annual Adjusted EBITDA of \$121 Million<sup>(1)</sup>
  - ~\$1.6 Billion of Capital Deployed<sup>(5)</sup>
  - ~\$1.1 Billion of Revenues Under Contract<sup>(3)</sup>
- ✓ ~27,600 Customer Connections<sup>(6)</sup>
- ✓ Focused on Tier II & III Markets and Lease-Up of Recently Completed Anchor Builds

**National Network of 134,000 Fiber Route Miles and 8.0 Million Fiber Strand Miles**

*Note: All information is as of September 30, 2022, unless otherwise noted.*

*(1) Based on the mid-point of 2022 Outlook range provided in the Company's Earnings Release dated November 3, 2022.*

*(2) Represents purchase price of TPx, CableSouth, and Bluebird, purchase price for fiber acquisition from Lumen Technologies (formerly CenturyLink), the net fair value of the dark fiber IRU and other assets acquired from Windstream as part of our settlement agreement, and Enterprise Value at time of spin-off from Windstream. See Glossary for explanation of Enterprise Value calculation.*

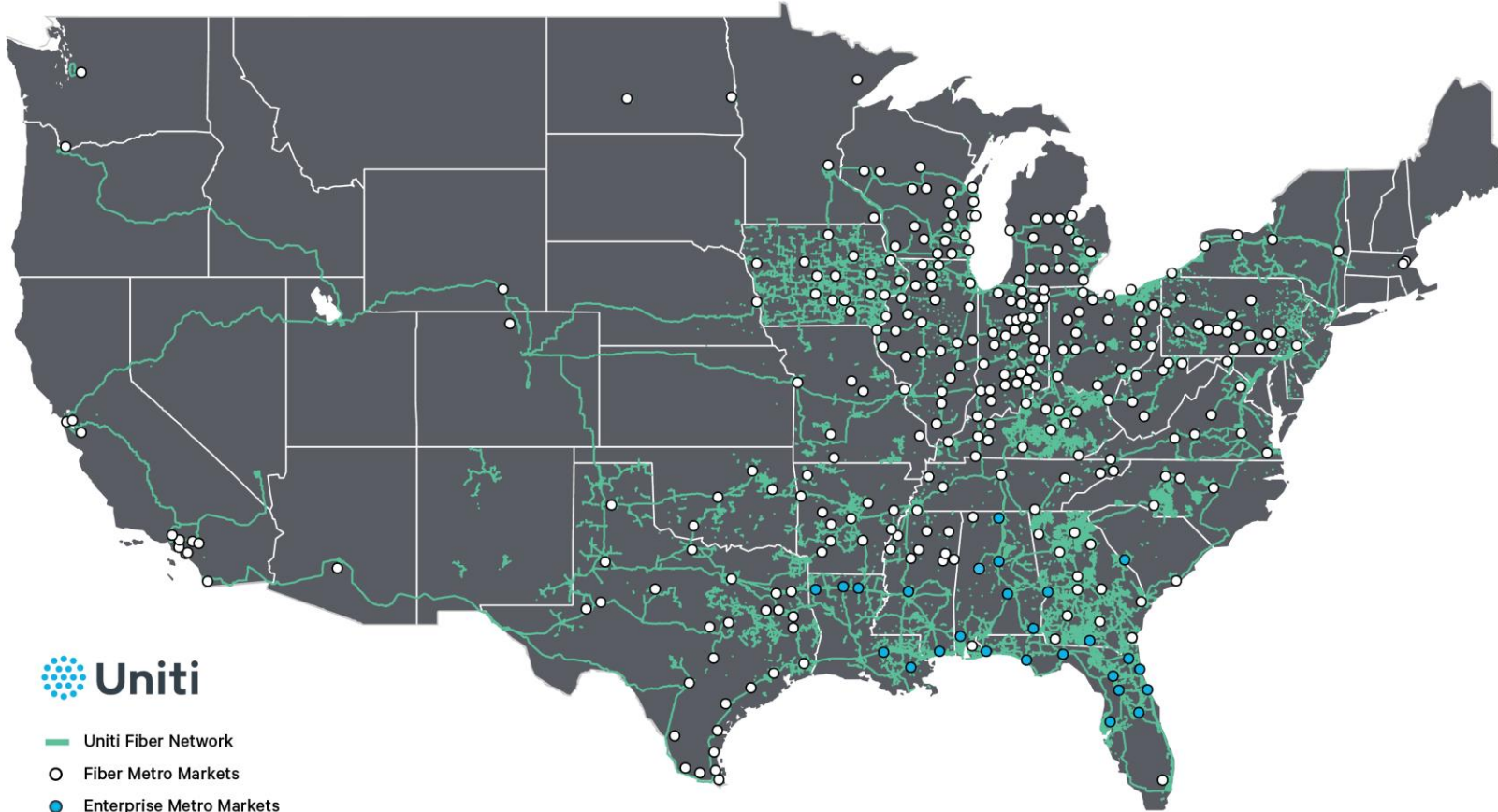
*(3) Contracts are subject to termination under certain conditions and/or may not be renewed. Actual Revenues Under Contract could vary materially.*

*(4) Excludes capital commitments related to the GCI program.*

*(5) Represents aggregate purchase price of acquired entities at Uniti Fiber.*

*(6) Represents customer connections, both fiber and microwave.*

# Uniti's National Fiber Network



- Uniti Fiber Network
- Fiber Metro Markets
- Enterprise Metro Markets

## Top 10 Largest Fiber Providers in the U.S. <sup>(6)</sup>

|    |                                    |
|----|------------------------------------|
| 1  | RBOC                               |
| 2  | RBOC                               |
| 3  | RBOC                               |
| 4  | National Cable Provider            |
| 5  | RLEC / National CLEC               |
| 6  | National Cable Provider            |
| 7  | Independent Fiber Provider         |
| 8  | <b>Uniti</b>                       |
| 9  | International Carrier              |
| 10 | Independent Fiber & Tower Provider |

**Fiber Route Miles <sup>(1)</sup>**

**~134,000**

**Fiber Strand Miles <sup>(1)</sup>**

**~8,000,000**

**Route Miles Constructed <sup>(2)</sup>**

**~18,800**

**Small Cells <sup>(3)</sup>**

**~2,550**

**Buildings Passed <sup>(4)</sup>**

**275,000+**

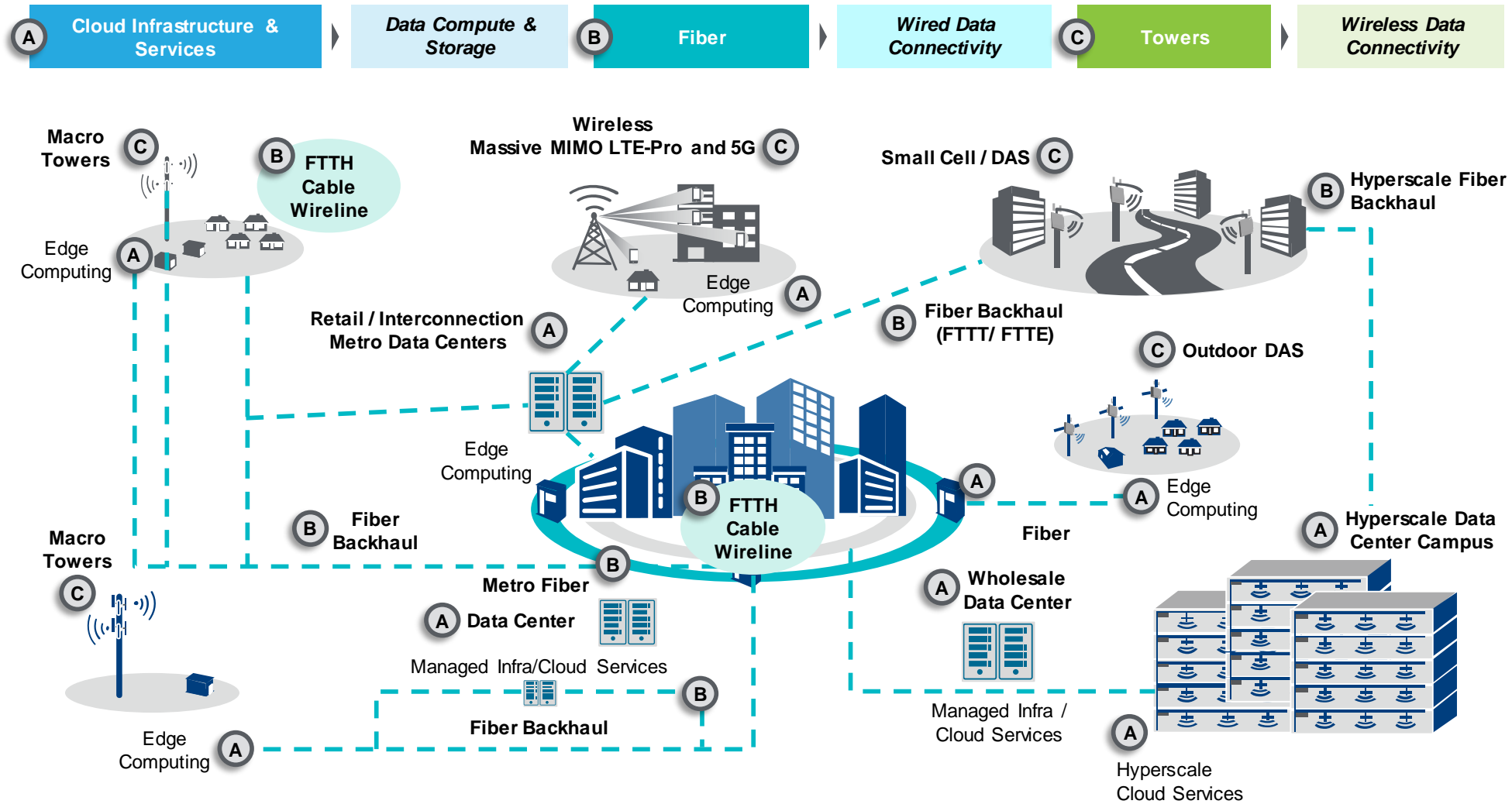
**Total Metro Markets <sup>(5)</sup>**

**~300**

**Robust Demand For Our Portfolio of Mission Critical Communications Infrastructure**

(1) As of September 30, 2022.  
 (2) Represents new fiber route miles constructed at Uniti Fiber since 1/1/2018, and new fiber route miles constructed associated with the Windstream GCI program.  
 (3) Includes small cells in service or in backlog.  
 (4) Represents on-net and near-net buildings passed on Uniti Fiber's network.  
 (5) Represents the number of markets served by Uniti owned metro fiber or enterprise services.  
 (6) Source: Kagan and company estimates.

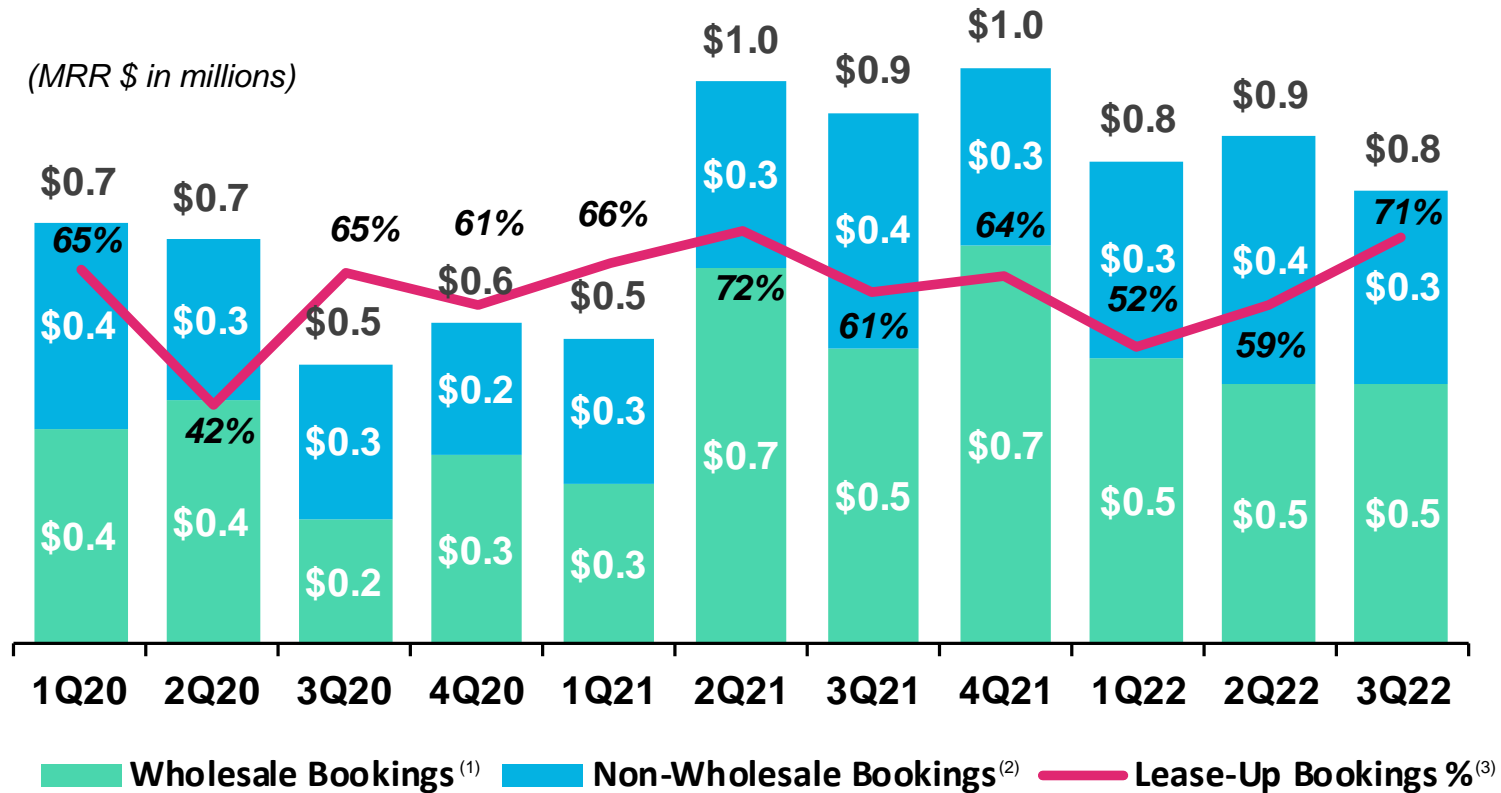
# All Communication Infrastructure End Markets Rely on Fiber



Fiber is the Critical Component to Enabling Today's Communications Infrastructure

# Consolidated New Sales Bookings

- Consolidated New Sales Bookings MRR of ~\$0.8 Million in the Third Quarter of 2022
  - Sixth Consecutive Quarter of Elevated New Sales Bookings
- Growth Driven by Continued Lease-Up of Our National Owned Fiber Network



Healthy Mix of Both Wholesale and Non-Wholesale Opportunities Driving Robust Growth



Note: Amounts may not foot due to rounding.

(1) Wholesale Bookings include Uniti Leasing bookings, and wireless and wholesale bookings at Uniti Fiber.

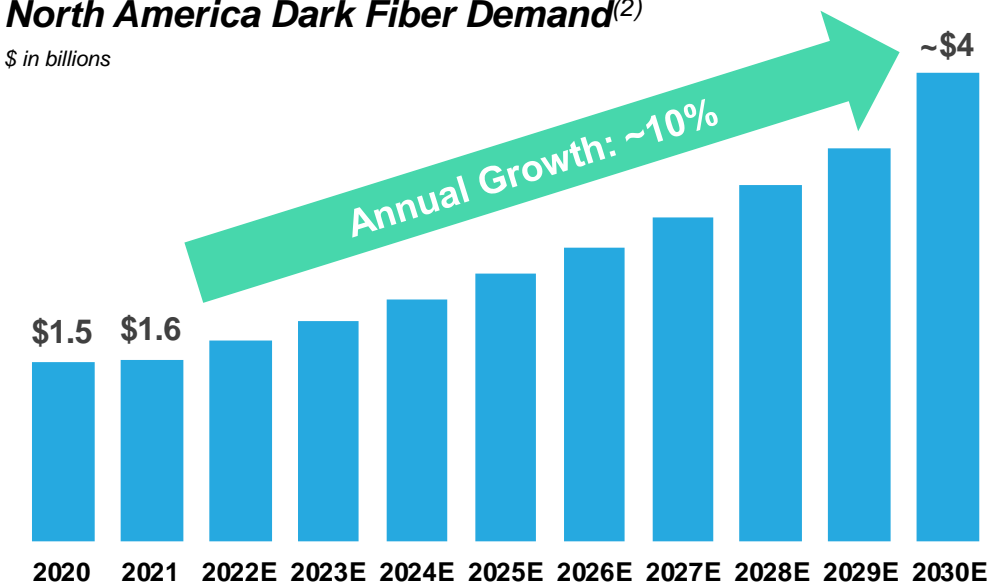
(2) Non-Wholesale Bookings include enterprise, E-Rate and government bookings at Uniti Fiber.

(3) Represents percentage of total bookings that comes from lease-up sold on our major wireless anchor builds and lease-up sold at Uniti Leasing.

# Uniti Leasing National Wholesale Business Overview

- **Strong Market and Growing Demand for High-Capacity Long-Haul Routes**
  - Annual North America Wavelength Sales Currently at ~\$2 Billion and Expected to Grow at an Annual Rate of ~7%<sup>(1)</sup>
- **Owned National Fiber Network of 134,000 Route Miles and 8.0 Million Strand Miles**
  - Significant Amount of Capital and Time Needed to Replicate National Network
  - Only Five Owned National Networks in the U.S. and Only One Other Independent Fiber Provider
- **Attractive Anchor and Lease-Up Economics with Meaningful Organic Growth Potential**
  - Dark and Lit Network Growth
  - Expansion Opportunities for Uniti

**North America Dark Fiber Demand<sup>(2)</sup>**  
\$ in billions



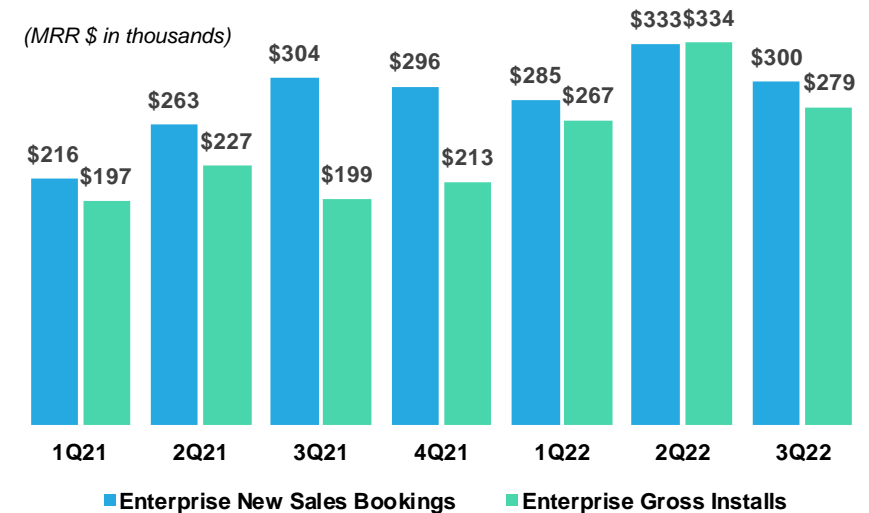
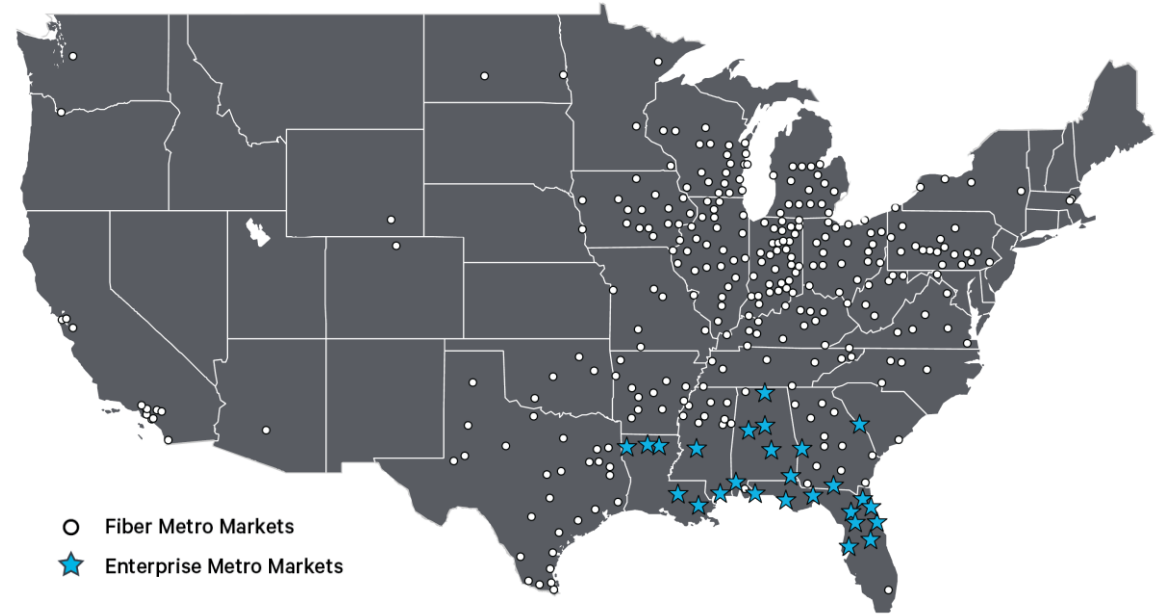
## Uniti Leasing Economics

- **Adjusted EBITDA Margin<sup>(3)</sup>: ~97%**
- **Capital Intensity<sup>(3)</sup>: ~30%**
- **Average Contract Term Length<sup>(4)</sup>: ~ 20 Years**
- **Monthly Churn %: 0%**

**Focus on Wholesale Opportunities Provides Significant Margin Enhancement and AFFO Growth**

# Metro Business Overview

- **Third Quarter Enterprise New Sales Bookings & Install Activity Remains Strong**
  - Gross Install MRR Up 40% from Prior Year Third Quarter
  - Enterprise Recurring Revenue Up 16% from Prior Year Third Quarter
  - Expect Strong Trends to Continue as We Capture Market Share and Deploy Fiber-Based Lit Services
  
- **25+ Markets Today with Enterprise Sales Presence**
  - Average Market Share of Only ~3% Today
  - Available Fiber in Nearly 300 Metro Markets
  - Expect to Enter Multiple Metro Markets Over the Next Several Years
  
- **Attractive Economics with High Margin Opportunities**
  - Typical Payback is About Half of the Contract Term
  - Typical Cash Yields of 50%+



**Enterprise Lease-Up Activity Key Contributor to High Margin Recuring Revenue**



# Birmingham, Alabama Market Example

- **Birmingham is a Strategic Market with a Metro Area Population of Over 1,000,000**
  - 50<sup>th</sup> Largest Metropolitan Statistical Area in the U.S.
  - Largest Metro Area in the State of Alabama
  - Home to Several Fortune 1000 Companies and Higher Education Institutions
  - Uniti Currently Has ~275 Route Miles and ~26,700 Strand Miles of Fiber in Market
- **Uniti is Currently Targeting ~600 Businesses in the Suburb of Homewood**
  - Current Market Share in Birmingham is ~5%
  - Total Capital Investment of Less Than \$1 Million
  - Expected Cumulative Cash Yield of ~50% and IRR of ~30%



Targeted Investments Accelerate Penetration within Existing Metro Markets

# Growth Capital Investments Overview

|   | 2015 - 2021      | YTD 2022 <sup>(1)</sup> | Cumulative     |
|---|------------------|-------------------------|----------------|
| TCI Investment <sup>(2)</sup>                           | ~\$1.0 Billion   | ~\$120 Million          | ~\$1.1 Billion |
| GCI Investment <sup>(3)</sup>                           | ~\$306 Million   | ~\$158 Million          | ~\$464 Million |
| Total Network Investment <sup>(4)</sup>                 | ~\$1.3 Billion   | ~\$278 Million          | ~\$1.6 Billion |
| TCI Revenue <sup>(5)</sup>                              | ~\$147 Million   | ~\$32 Million           | ~\$179 Million |
| Annualized Cash Rent from GCI Investments               | ~\$25 Million    | ~\$13 Million           | ~\$38 Million  |
| % of Copper Network Overbuilt with Fiber <sup>(6)</sup> | ~14.4% to ~20.6% | ~22.7%                  | ~22.7%         |
| Fiber Route Miles Constructed <sup>(7)</sup>            | ~12,500          | ~6,300                  | ~18,800        |

## GCI Program “Facilitates Future Proofing” of Uniti’s Network

(1) As of September 30, 2022.

(2) Represents tenant capital improvements made by Windstream.

(3) Represents growth capital investments made by Uniti.

(4) Represents combined TCI and GCI investments.

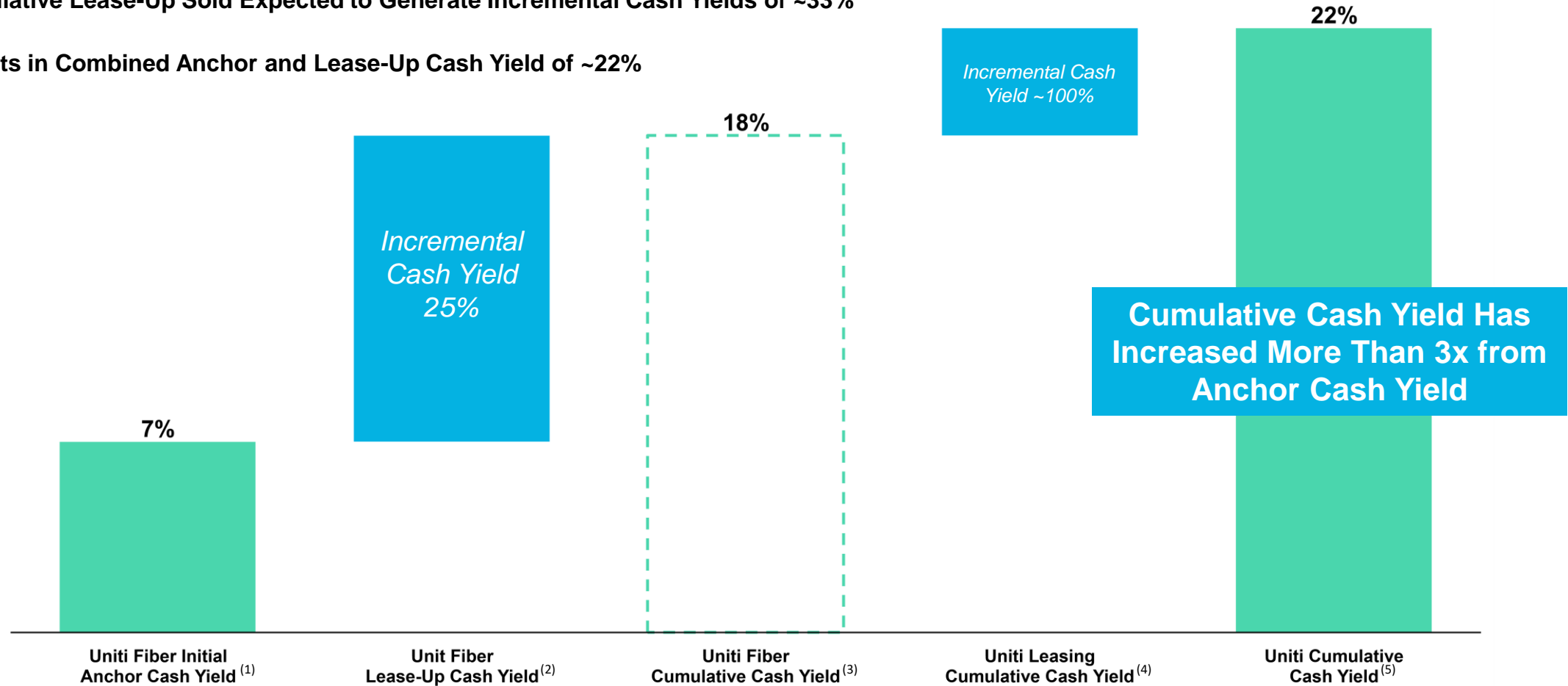
(5) Represents reported non-cash revenue related to the amortization of tenant capital improvements made by Windstream.

(6) Represents the percentage of the copper network that is part of our Master Lease agreements with Windstream that has been overbuilt with fiber from TCI and GCI investments.

(7) Represents new fiber route miles constructed at Uniti Fiber since 1/1/2018, and new fiber route miles constructed associated with the Windstream GCI program.

# Cumulative Uniti Lease-Up

- Initial Aggregate Cash Yields on Major Wireless Anchor Builds of ~7%
- Cumulative Lease-Up Sold Expected to Generate Incremental Cash Yields of ~33%
- Results in Combined Anchor and Lease-Up Cash Yield of ~22%



**Proven Track Record of Lease-up Provides Significant Upside on Fiber Acquired from Windstream**

(1) Calculated as expected annualized recurring cash flow on major wireless anchor builds at Uniti Fiber divided by the related net capital investment on the anchor builds of ~\$205 million.

(2) Calculated as expected annualized recurring cash flow from lease-up sold on major wireless anchor builds from the time the project started through September 30, 2022, divided by the related net capital investment on the lease-up of ~\$317 million.

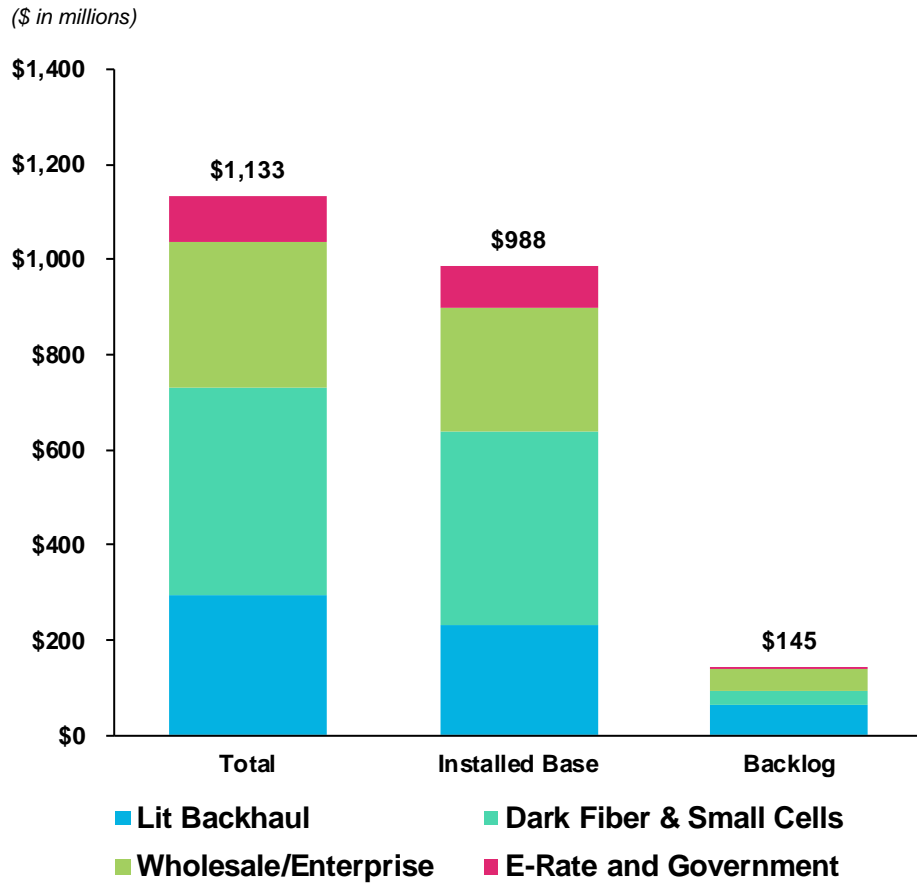
(3) Represents expected initial cash yield on major wireless anchor builds plus expected incremental yield from lease-up sold to-date.

(4) Calculated as expected annualized recurring cash flow from lease-up sold to-date through September 30, 2022 at Uniti Leasing divided by capital spent to acquire fiber assets from Lumen Technologies (formerly CenturyLink), net of upfront customer IRU payments received.

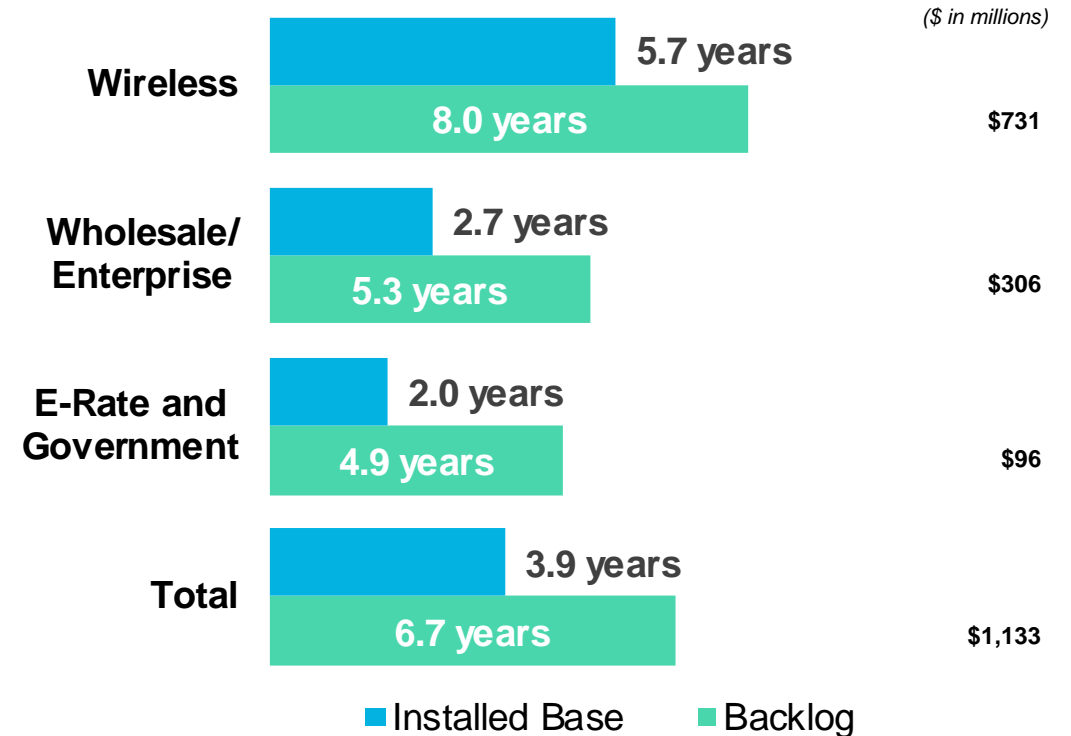
(5) Represents expected cumulative cash yield on major wireless anchor builds plus lease-up at Uniti Fiber and reflects capital spent to acquire fiber assets from Lumen Technologies (formerly CenturyLink) and lease-up of those assets at Uniti Leasing.

# Uniti Fiber Revenues Under Contract<sup>(1)</sup>

## 3Q22 Revenues Under Contract



## Remaining Contract Life



**Total Revenues Under Contract of ~\$1.1 Billion with Average Remaining Term of ~4 Years**

# Uniti Facts

| S&P SmallCap 600 Company                         | Uniti Leasing   | Uniti Fiber   | Small Cells  |
|--|---|---|--|
| ~ <b>\$7.1B</b><br>Enterprise Value              | ~ <b>\$6.1B</b><br>Revenues Under Contract <sup>(2)</sup> | ~ <b>\$1.1B</b><br>Revenues Under Contract <sup>(2)</sup> | ~ <b>2,550</b><br>Installed or in Backlog                |
| Annual Revenue <sup>(1)</sup><br>~ <b>\$1.1B</b> | Net Leverage <sup>(3)(4)</sup><br><b>5.80x</b>            | Net Secured Leverage <sup>(3)(4)</sup><br><b>3.41x</b>    | Near Term Debt Maturities <sup>(4)</sup><br><b>0%</b>    |
| Fiber Route Miles<br>~ <b>134,000</b>            | Leasing Segment EBITDA Margin<br><b>97%</b>               | Cumulative Investments <sup>(5)</sup><br>~ <b>\$2.0B</b>  | Annual Maintenance Capex <sup>(6)</sup><br>~ <b>\$9M</b> |

## First Diversified Communication Infrastructure REIT

Note: All information is as of September 30, 2022, unless otherwise noted. Market data as of November 11, 2022.

(1) Based on the mid-point of 2022 Outlook range provided in the Company's Earnings Release dated November 3, 2022.

(2) Contracts are subject to termination under certain conditions and/or may not be renewed, so actual revenue under contract could vary materially.

(3) Net Debt or Net Secured Debt, as applicable, to 3Q22 annualized Adjusted EBITDA. See Appendix for a reconciliation of annualized Adjusted EBITDA to Net Income, the most closely comparable GAAP metric.

(4) Reflects debt that matures within the next twelve months. Excludes settlement payable of \$248 million related to the Windstream settlement agreement.

(5) Represents purchase price of TPx, CableSouth, and Bluebird transactions, fiber acquisition from Lumen Technologies (formerly CenturyLink), the net fair value of the dark fiber IRU and other assets acquired from Windstream as part of our settlement agreement, and aggregate purchase price of acquired entities at Uniti Fiber.

(6) Based on management's estimate.

# Uniti is a Unique Opportunity in Communications Infrastructure

Capitalizing on Strong Demand for Communications Infrastructure

Fiber Focused Diversified Communications REIT

Proven Track Record of Value Creating M&A

Creating Significant Value Through Proven Execution

- Wireless Carrier Multi-Year Investment Cycle Required for 5G Network Densification
- Increased Exposure to Growing Broadband Infrastructure (i.e. Fiber-to-the-Home) Through GCI Program
- Evolving Technologies, Architectures, and New Use Cases Require Deep Dense Fiber
- Differentiated Fiber Centric Investment Strategy Focused on Tier II and Tier III Markets
- Diversified Business Platforms
- Multiple Proprietary Private Letter Rulings Enhance Unique REIT Advantages
- ~ \$2 Billion of Capital Deployed Since Spin in April 2015<sup>(1)</sup>
- Executed Numerous Transactions – Acquisitions, Sale-Leasebacks, Minority Investments and Dark Fiber IRU's
- Created 8<sup>th</sup> Largest Fiber Network Through Proprietary Transactions<sup>(2)</sup>
- ~95% of Uniti's Revenue is Recurring
- Company Wide Monthly Churn of ~0.2%
- Company Wide Net Success Based Capex Intensity of ~35%
- ~ \$7.2 Billion of Revenues Under Contract with ~ 8 Years of Contract Term Remaining

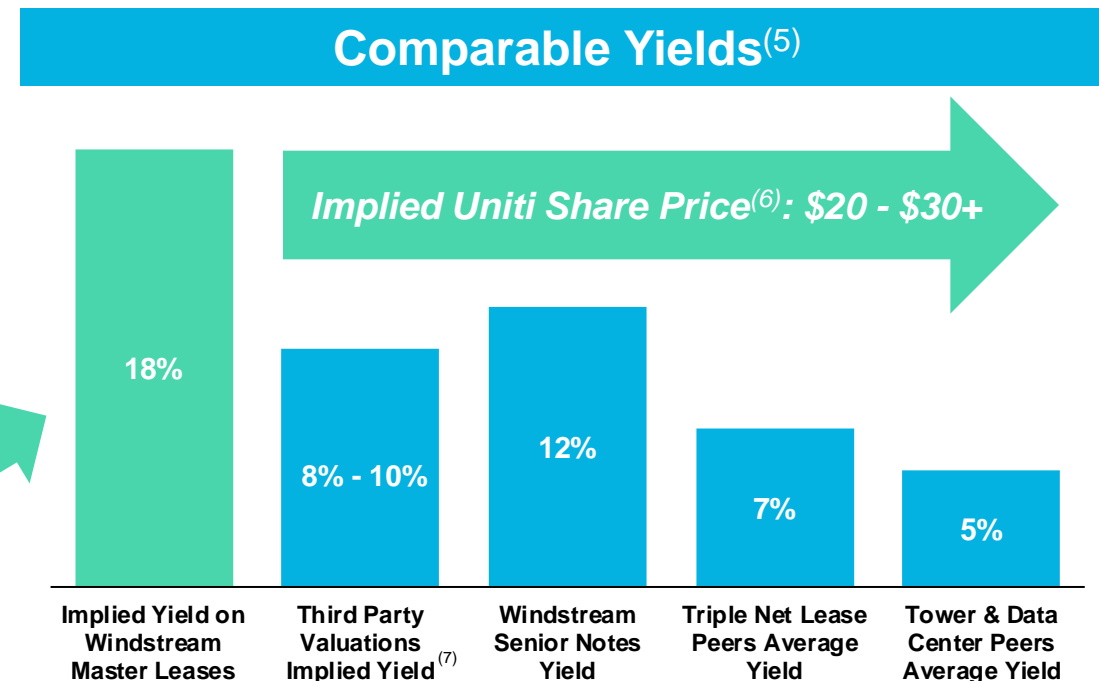
A photograph of a city skyline at dusk. The sky is a deep blue with some light clouds. In the foreground, a river reflects the lights from the buildings and the bridge. A bridge with a decorative railing and a small tower-like structure on the right spans across the river. The bridge is illuminated with warm lights. In the background, several tall skyscrapers are visible. The central-most skyscraper is the tallest and has a distinctive gothic-style top with pointed arches. To its left is a tall, white, rectangular skyscraper. To its right is a shorter, brown, cylindrical skyscraper. Further right is a tall, blue, rectangular skyscraper. On the far right is a shorter, blue, cylindrical skyscraper. The word "Appendix" is written in white, sans-serif font across the middle of the image, overlapping the buildings.

# Appendix

# Uniti Valuation Compared to Peers

\$ in millions

|  |                |
|--|----------------|
| <b>Current Firm Value<sup>(1)</sup></b>                  | <b>\$7,070</b> |
| Uniti 2022 Non-Windstream Adjusted EBITDA <sup>(2)</sup> | \$180          |
| Assumed Valuation Multiple <sup>(3)</sup>                | 15x - 20x      |
| <b>Non-Windstream Asset Value<sup>(4)</sup></b>          | <b>\$3,142</b> |
| <b>Implied Value of Windstream Master Leases</b>         | <b>\$3,928</b> |
| Uniti 2022 Remaining Adjusted EBITDA <sup>(2)</sup>      | \$720          |
| <b>Implied Yield on Windstream Master Leases</b>         | <b>18%</b>     |



**Uniti Continues to Trade at a Substantial Discount to its Peers**

(1) Represents Uniti's enterprise value. Net debt is as of September 30, 2022. Market data is as of November 11, 2022.

(2) Based on the mid-point of 2022 Outlook range provided in the Company's Earnings Release dated November 3, 2022. Non-Windstream Adjusted EBITDA includes Uniti Fiber and non-Windstream Uniti Leasing Adjusted EBITDA. 2022 Remaining Adjusted EBITDA includes Adjusted EBITDA related to the Windstream Master Lease agreements, net of corporate expenses of \$26 million.

(3) Illustrative of representative precedent fiber transactions.

(4) Represents the mid-point of the assumed valuation multiple of 17.5x multiplied by 2022 Non-Windstream Adjusted EBITDA.

(5) Tower, data center, and triple net lease peers source: Green Street Research. Peers average reflects weighted average nominal cap rates for each sector. Windstream senior notes yield reflects recent yield to worst on Windstream's 7.750% 1<sup>st</sup> lien notes due 2028.

(6) Reflects implied share price range of Uniti common shares based on the implied comparable yield on the Windstream Master Lease agreements.

(7) Represents third party valuations received in 2015 as part of the spin-off from Windstream and received in 2020 in connection with Windstream's emergence from bankruptcy.



# Reconciliation of Uniti Non-GAAP Financial Measures<sup>(1)</sup>

*\$ in Millions*

|  | Uniti<br>3Q22  |
|--|----------------|
| Net loss <sup>(2)</sup>                          | (\$155.7)      |
| Depreciation and amortization                    | 73.5           |
| Interest expense                                 | 97.7           |
| Income tax benefit                               | (13.1)         |
| <b>EBITDA</b>                                    | <b>\$2.4</b>   |
| Stock-based compensation                         | 3.2            |
| Adjustments for unconsolidated entities          | 0.8            |
| Transaction related costs & Other <sup>(2)</sup> | 218.7          |
| <b>Adjusted EBITDA</b>                           | <b>\$225.1</b> |
| <b>Annualized Adjusted EBITDA<sup>(3)</sup></b>  | <b>\$900.2</b> |

# Reconciliation of Uniti Non-GAAP Financial Measures<sup>(1)</sup>

\$ in millions

|  | 2022 Outlook <sup>(2)</sup> |                            |                          |                      |
|--|-----------------------------|----------------------------|--------------------------|----------------------|
|  | Leasing <sup>(2)</sup>      | Uniti Fiber <sup>(2)</sup> | Corporate <sup>(2)</sup> | Uniti <sup>(2)</sup> |
| Net income (loss) <sup>(3)</sup>                 | \$627                       | (\$195)                    | (\$432)                  | \$-                  |
| Depreciation and amortization                    | 169                         | 120                        | -                        | 290                  |
| Interest expense                                 | -                           | -                          | 390                      | 390                  |
| Income tax expense (benefit) <sup>(3)</sup>      | 12                          | (23)                       | -                        | (11)                 |
| <b>EBITDA</b>                                    | <b>\$809</b>                | <b>(\$98)</b>              | <b>(\$42)</b>            | <b>\$669</b>         |
| Stock-based compensation                         | 1                           | 3                          | 9                        | 13                   |
| Adjustments for unconsolidated entities          | 3                           | -                          | -                        | 3                    |
| Transaction related costs & Other <sup>(3)</sup> | (8)                         | 216                        | 7                        | 215                  |
| <b>Adjusted EBITDA</b>                           | <b>\$805</b>                | <b>\$121</b>               | <b>(\$26)</b>            | <b>\$900</b>         |



(1) Amounts may not foot due to rounding.

(2) 2022 Outlook is based on the mid-point of 2022 Outlook range provided in the Company's Earnings Release dated November 3, 2022. Our 2022 Outlook excludes future acquisitions, capital market transactions, and future transaction related and other costs. Actual results could differ materially from these forward-looking statements.

(3) Includes gain of \$8 million on the sale of the remaining investment interest in Harmoni Towers and \$7 million of related tax expense within the Leasing segment, and \$216 million goodwill impairment charge related to our Uniti Fiber segment.

# Non-GAAP Financial Measures

We refer to EBITDA, Adjusted EBITDA, Funds From Operations (“FFO”) (as defined by the National Association of Real Estate Investment Trusts (“NAREIT”)) and Adjusted Funds From Operations (“AFFO”) in our analysis of our results of operations, which are not required by, or presented in accordance with, accounting principles generally accepted in the United States (“GAAP”). While we believe that net income, as defined by GAAP, is the most appropriate earnings measure, we also believe that EBITDA, Adjusted EBITDA, FFO and AFFO are important non-GAAP supplemental measures of operating performance for a REIT.

We define “EBITDA” as net income, as defined by GAAP, before interest expense, provision for income taxes and depreciation and amortization. We define “Adjusted EBITDA” as EBITDA before stock-based compensation expense and the impact, which may be recurring in nature, of transaction and integration related costs, costs associated with Windstream’s bankruptcy, costs associated with litigation claims made against us, and costs associated with the implementation of our enterprise resource planning system, (collectively, “Transaction Related and Other Costs”), costs related to the settlement with Windstream, goodwill impairment charges, executive severance costs, amortization of non-cash rights-of-use assets, the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, including early tender and redemption premiums and costs associated with the termination of related hedging activities, gains or losses on dispositions, changes in the fair value of contingent consideration and financial instruments, and other similar or infrequent items (although we may not have had such charges in the periods presented). Adjusted EBITDA includes adjustments to reflect the Company’s share of Adjusted EBITDA from unconsolidated entities. We believe EBITDA and Adjusted EBITDA are important supplemental measures to net income because they provide additional information to evaluate our operating performance on an unleveraged basis. In addition, Adjusted EBITDA is calculated similar to defined terms in our material debt agreements used to determine compliance with specific financial covenants. Since EBITDA and Adjusted EBITDA are not measures calculated in accordance with GAAP, they should not be considered as alternatives to net income determined in accordance with GAAP.

Because the historical cost accounting convention used for real estate assets requires the recognition of depreciation expense except on land, such accounting presentation implies that the value of real estate assets diminishes predictably over time. However, since real estate values have historically risen or fallen with market and other conditions, presentations of operating results for a REIT that uses historical cost accounting for depreciation could be less informative. Thus, NAREIT created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. FFO is defined by NAREIT as net income attributable to common shareholders computed in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization and impairment charges, and includes adjustments to reflect the Company’s share of FFO from unconsolidated entities. We compute FFO in accordance with NAREIT’s definition.

The Company defines AFFO, as FFO excluding (i) Transaction Related and Other Costs; (ii) costs related to the litigation settlement with Windstream, accretion on our settlement obligation, and gains on the prepayment of our settlement obligation as these items are not reflective of ongoing operating performance; (iii) goodwill impairment charges; (iv) certain non-cash revenues and expenses such as stock-based compensation expense, amortization of debt and equity discounts, amortization of deferred financing costs, depreciation and amortization of non-real estate assets, amortization of non-cash rights-of-use assets, straight line revenues, non-cash income taxes, and the amortization of other non-cash revenues to the extent that cash has not been received, such as revenue associated with the amortization of tenant capital improvements; and (v) the impact, which may be recurring in nature, of the write-off of unamortized deferred financing fees, additional costs incurred as a result of the early repayment of debt, including early tender and redemption premiums and costs associated with the termination of related hedging activities, executive severance costs, taxes associated with tax basis cancellation of debt, gains or losses on dispositions, changes in the fair value of contingent consideration and financial instruments and similar or infrequent items less maintenance capital expenditures. AFFO includes adjustments to reflect the Company’s share of AFFO from unconsolidated entities. We believe that the use of FFO and AFFO, and their respective per share amounts, combined with the required GAAP presentations, improves the understanding of operating results of REITs among investors and analysts, and makes comparisons of operating results among such companies more meaningful. We consider FFO and AFFO to be useful measures for reviewing comparative operating performance. In particular, we believe AFFO, by excluding certain revenue and expense items, can help investors compare our operating performance between periods and to other REITs on a consistent basis without having to account for differences caused by unanticipated items and events, such as transaction and integration related costs. The Company uses FFO and AFFO, and their respective per share amounts, only as performance measures, and FFO and AFFO do not purport to be indicative of cash available to fund our future cash requirements. While FFO and AFFO are relevant and widely used measures of operating performance of REITs, they do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity or operating performance.

Further, our computations of EBITDA, Adjusted EBITDA, FFO and AFFO may not be comparable to that reported by other REITs or companies that do not define FFO in accordance with the current NAREIT definition or that interpret the current NAREIT definition or define EBITDA, Adjusted EBITDA and AFFO differently than we do.

# Glossary

**4G:** The fourth generation of cellular wireless standards that is widely deployed by cellular operators today with the ability to transport data at rates up to 100 MBPS Internet access for mobile users.

**5G:** The fifth generation of cellular wireless standards that began to be deployed in 2019, with expected wide scale deployment over the next year. 5G has the ability to transport data with low latency and at rates of up to 1 GBPS for both stationary and mobile users.

**Adjusted EBITDA:** Adjusted EBITDA is defined as EBITDA before stock-based compensation expense and the impact, which may be recurring in nature, of transaction and integration related costs, costs associated with Windstream's bankruptcy, costs associated with litigation claims made against us, and costs associated with the implementation of our new enterprise resource planning system (collectively, "Transaction Related and Other Costs"), the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, gains or losses on dispositions, changes in the fair value of contingent consideration and financial instruments, and other similar or infrequent items.

**Backbone:** A major fiber optic network that interconnects smaller networks including regional and metropolitan networks. It is the through-portion of a transmission network, as opposed to laterals and spurs which branch off to connect customer locations.

**Bandwidth Infrastructure:** Lit and dark bandwidth provided over fiber networks. These services are commonly used to transport telecom services, such as wireless, data, voice, Internet and video traffic between locations. These locations frequently include cellular towers, network-neutral and network specific data centers, carrier hotels, mobile switching centers, CATV head ends and satellite uplink sites, ILEC central offices, and other key buildings that house telecommunications and computer equipment. Bandwidth Infrastructure services that are lit (i.e. provided by using optronics that "light" the fiber) include Ethernet and Wavelength services. Bandwidth Infrastructure services that are not lit are sold as dark-fiber capacity.

**Churn:** Decline in MRR, such as disconnects, bandwidth downgrades, and price reductions. Includes decline in MRR related to lit backhaul sites converting to dark fiber.

**Conduit:** A pipe, usually made of metal, ceramic or plastic, that protects buried fiber optic cables.

**Core Adjusted EBITDA:** Represents Adjusted EBITDA principally generated from leasing and lit services of the fiber network, as well as Adjusted EBITDA that are ancillary to the fiber network, including managed services. Core Adjusted EBITDA also includes non-recurring Adjusted EBITDA that is related to our core operations, such as equipment sales, certain construction projects, and early termination fees. Core Adjusted EBITDA excludes non-recurring Adjusted EBITDA that is not core to our operations, such as non-core construction projects.

# Glossary

**Core Revenue:** Represents revenue principally generated from leasing and lit services of the fiber network, as well as revenues that are ancillary to the fiber network, including managed services. Core Revenue also includes non-recurring revenue that is related to our core operations, such as equipment sales, certain construction projects, and early termination fees. Core Revenue excludes non-recurring revenue that is not core to our operations, such as non-core construction projects.

**Dark Fiber:** Fiber that has not yet been connected to telecommunications transmission equipment or optronics and, therefore, has not yet been activated or “lit”.

**Enterprise Value:** Net Debt plus fair value of preferred equity plus market value of outstanding common stock and OP units.

**Ethernet:** Ethernet is the standard local area network (LAN) protocol. Ethernet was originally specified to connect devices on a company or home network as well as to a cable modem or DSL modem for Internet access. Due to its ubiquity in the LAN, Ethernet has become a popular transmission protocol in metropolitan, regional and long haul networks as well.

**Fiber Optics:** Fiber, or fiber optic cables, are thin filaments of glass through which light beams are transmitted over long distances.

**Fiber Strand Miles:** Fiber strand miles are the number of route miles in a network multiplied by the number of fiber strands within each cable on the network. For example, if a ten mile network segment has a 24 count fiber installed, it would represent 10 x 24 or 240 fiber miles.

**FTT (Fiber-to-the-Tower):** FTT are laterals or spurs that connect cell sites to the wider terrestrial network via fiber optic connections.

**Gross Installs:** MRR related to services that have been installed and are billable in a given period. Includes MRR related to new services installed and bandwidth upgrades.

**Growth Capital Investments (“GCI”):** Capital expenditures on long-term, value-accretive fiber and related assets in the ILEC and CLEC territories owned by Uniti and leased to Windstream.

**Integration Capex:** Capital expenditures made specifically with respect to recent acquisitions that are essential to integrating acquired companies in our business.

# Glossary

**Lateral/Spur:** An extension from the main or core portion of a network to a customer's premises or other connection point.

**Maintenance Capex:** Capital expenditures related to maintaining and preserving the existing network and related equipment.

**Mbps:** A measure of telecommunications transmission speed. One megabit equals one million bits of information.

**Mobile Switching Centers:** Buildings where wireless service providers house their Internet routers and voice switching equipment.

**Monthly Churn Rate:** Monthly churn rate is calculated as monthly Churn divided by MRR on the last day of the preceding period.

**MRR (Monthly recurring revenue):** Monthly recurring revenue generated based on the price that the customer is expected to pay over the initial term, including any pricing escalators or discounts. MRR also includes monthly revenue related to the amortization of upfront payments by customers. Our presentation of MRR is not a guarantee of future revenues and should not be viewed as a predictor of future annual revenues.

**Net Debt:** Principal amount of debt outstanding, less unrestricted cash and cash equivalents.

**Net Secured Debt:** Principal amount of secured debt outstanding, less unrestricted cash and cash equivalents.

**Net Success-Based Capex:** Success-Based Capex less associated upfront customer payments. Does not include net capital expenditures related to integration, maintenance, and other, such as IT-related capex.

**NOC:** Network operations center is a location that is used to monitor networks, troubleshoot network degradations and outages, and ensure customer network outages and other network degradations are restored.

**Nodes:** Points on a network that can receive, create, or transmit communication services.

**NRC (non-recurring charge):** Upfront customer payments that are primarily associated with an executed fiber-related contract that utilizes either newly constructed or already owned fiber, and the fiber is intended to be owned by Uniti on a long-term basis.

**Optronics:** Various types of equipment that are commonly used to light fiber. Optronics include systems that are capable of providing Ethernet, Wavelengths, and other service over fiber optic cable.

# Glossary

**Pipeline:** Reflects sales opportunities or transactions we are currently pursuing. Sales pipeline values represent total contract value of the opportunities we are currently pursuing. M&A pipeline values represent estimated purchase price of deals we are currently pursuing. We have not signed an agreement and are not otherwise committed to consummating any of these sales opportunities or transactions and there can be no assurances that any of these sales opportunities or transactions will be completed. Completed transactions may be realized over several years.

**Recurring Revenue:** Revenue recognized for ongoing services based on the price that the customer is expected to pay over the initial term, including any pricing escalators or discounts. Recurring Revenue also includes revenue related to the amortization of upfront payments by customers. Our presentation of Recurring Revenue is not a guarantee of future revenues and should not be viewed as a predictor of future annual revenues.

**Revenues Under Contract:** Total contract value remaining pursuant to existing contracts, some of which may be past their expiration date and currently on a month to month basis. A portion of these contracts are subject to renewal each year, and there can be no assurances that the contracts will be renewed at all or, if they are renewed, that the renewal will not provide for lower rates.

**Route miles:** Route miles are the length, measured in non-overlapping miles, of a fiber network. Route miles are distinct from fiber strand miles, which is the number of route miles in a network multiplied by the number of fiber strands within each conduit on the network.

**Sales Bookings:** MRR in a given period relating to orders that have been signed by the customer and accepted by order management.

**Small Cells:** A site where antennae, electronic communications equipment and power are placed on a utility pole, street light pole or other structure that are generally 25 feet from the ground to create a cell with a smaller radius than that of a Cell Site. By reducing the distance between the antennae, electronic communication equipment and mobile user equipment, small cells can transport data at faster speeds than from a Cell Site. Small cells are connected the cellular network by fiber to a close Cell Site.

**Success-Based Capex:** Gross capital expenditures related to installing existing or anticipated contractual customer service orders. Does not include capital expenditures related to integration, maintenance, and other, such as IT-related capex.

**Switch:** A switch is an electronic device that selects the path that voice, data, and Internet traffic take or use on a network.

**Total Contract Value:** Contract MRR multiplied by the term of the contract in months.

# Glossary

**Tower:** A free standing tower made of steel generally 200 to 400 feet above the ground with a triangular base and three to four sides built on leased parcels of land. Most towers can accommodate Multiple Cell Sites (and multiple tenants).

**Transport:** A telecommunication service to move data, Internet, voice, video, or wireless traffic from one location to another.

**Wavelength:** A channel of light that carries telecommunications traffic through the process of wavelength division multiplexing.