DRAFT - CONFIDENTIAL

STARKNET

CONFIDENTIAL INFORMATION MEMORANDUM

Q2 2025

LOGAN GROWTH ADVISORS

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StarkNet BROADBAND

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EXECUTIVE SUMMARY

StarkNet
BROADBAND

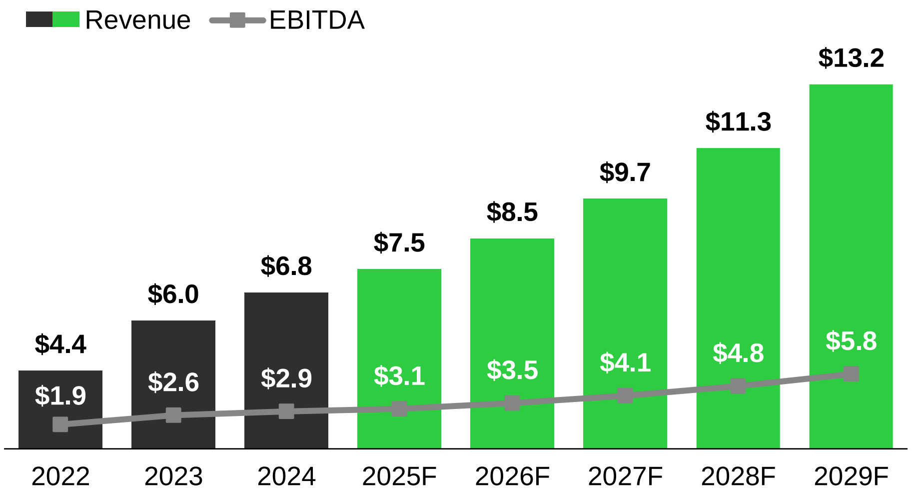
EXECUTIVE SUMMARY: Company Overview

StarkNet ("StarkNet" or the "Company") is an Internet Service Provider (ISP) bringing high quality and affordable internet to the US Mountain West region.

- StarkNet is an ISP dedicated to delivering exceptional network and customer service to both urban and rural areas across Utah, Colorado, Idaho, and Nevada. The Company's primary deployment model leverages next-generation fixed wireless technology, capable of delivering near gigabit speeds to individual users in sparsely populated areas. StarkNet also employs the latest underground fiber-optic technology to bring reliable, high-speed broadband access to St. George, Utah.
- Headquartered in St. George, Utah, StarkNet was established in 2014 to meet the needs of underserved suburban areas surrounding St. George. The founder later identified the significant gap in service between urban and rural areas of Utah, where outdated telecom networks struggled to meet the growing demand for bandwidth as technologies like streaming, telehealth, and remote education rapidly gained widespread adoption. StarkNet became dedicated to deploying fixed wireless towers to bring affordable, high-quality access to rural regions.
- The Company grew organically over the last decade and now covers over 20,800 households, with more than 7,600 subscribers and a $74.6 monthly ARPU. What began as a small fiber provider has since evolved into a cross-state fiber and fixed wireless provider that faces little to no competition in most of StarkNet's geography.
- In 2024, StarkNet generated $6.8M in revenue and $2.9M in EBITDA, and is expected to reach $13.2M in revenue by 2029 through continued fiber deployment, additional fixed wireless towers, and sustained organic growth within existing builds.
- The founder at StarkNet is seeking a major liquidity event and is committed to assisting with the sales transition process. Having built the Company out of a need for broadband access in his own community, he understands the importance of keeping the community connected through StarkNet.

2022-2029F REVENUE AND ADJUSTED EBITDA

($ in millions)



GEOGRAPHIC PRESENCE

StarkNet BROADBAND

EXECUTIVE SUMMARY: Investment Highlights

StarkNet's goal of bringing reliable internet to the US is driven by a highly qualified management team, leveraging competitive advantages and robust existing infrastructure.

COMPANY

EXPERIENCED EXECUTIVE TEAM

The management team at StarkNet combines decades of experience in technology, telecommunications, and business leadership. The CEO brings extensive experience in finance and private equity. The COO has a strong background in field engineering and leadership, having previously worked at a major telecom company. The CTO holds expertise in network architecture and enterprise technology, while the VP of regional operations has over a decade of leadership experience in technology and professional services.

COST AND BUILD ADVANTAGE

The Company has a robust fixed wireless strategy and has consistently shown that it can build an entire rural region in 120 days. StarkNet can install non-line-of-sight customers and penetrate most tree foliage over long distances, blanketing all households with a per passing cost[1] of $150 per home. The Company also has an advantage in fiber deployment through a long-term exclusive contract with StarkNet's construction contractor, laying fiber at the cheap cost of $1,500 per home passed, even in challenging geographies.

EXISTING NETWORK CAPACITY

The Company's current penetration rate of 36% could be significantly increased through added marketing and advertisement, which has been minimal since StarkNet's inception. The Company's existing infrastructure offers a capacity of more than three times the current subscriber amount with no added towers or fiber deployment. Until today, StarkNet's growth has been attributed to word-of-mouth along with the founder's solid relationships with community leaders only and could grow significantly with more capital allocation towards marketing.

INDUSTRY

HUGE GRANT POTENTIAL

The industry offers numerous grant opportunities to improve broadband access in rural areas. The Broadband Equity Access and Deployment (BEAD) program has allocated $42B divided among the US's 50 states to expand access to high-speed broadband in underserved areas by 2030. Given the Company's current footprint in rural areas across four states, StarkNet is well positioned to apply and win the BEAD grant to continue expanding the Company's geography through underserved areas.

FAVORABLE DEMOGRAPHICS

The trend of declining rural population has reversed over the last few years, with rural America forecasted to grow at a 23% higher rate than urban areas by 2030[2]. Moreover, people aged 26-40 accounted for approximately two-thirds of the population that moved from urban to rural areas, an age group that is heavily reliant on internet access for both studying, as well as working.[3]

PROMISING MARKET OUTLOOK

The US Wireless ISP industry is expected to grow at a forecasted annual growth rate of 6.4% between 2022 and 2028.[4] Government organizations, like the Federal Communications Commission, have made one of their top priorities being to bring access to basic telecommunication services to rural America, and encourage the deployment of advanced services through multi-billion-dollar grants to companies with the same objective.

Note: (1) Per passing costs are to compare a fixed wireless deployment to a fiber-to-the-home deployment by taking the total cost of fixed wireless deployment for a region divided by the number of households in the region, even if the household is not a subscribe.
Sources: (2) Carolina Public Press: "Is rural America growing again? Recent data suggest yes"; (3) Owl Labs: "State of Remote Work – 2021"; (4) IBIS World: "Internet Service Providers in the US Industry Report".

EXECUTIVE SUMMARY: Transaction Rationale

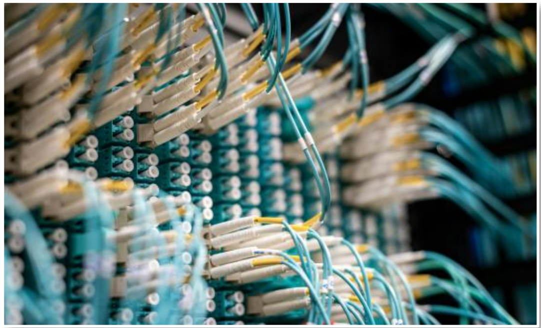
The founder at StarkNet is seeking a majority partner who can help execute on the Company's growth strategy and reach StarkNet's true potential.

TRANSACTION RATIONALE

- The founder at StarkNet is seeking a major liquidity event to cash out and retire but recognizes the necessity to find the right partner who will keep the business as reliable and healthy as it's always been given the relationships he established along the way. The founder is willing to help with the ownership transition at every step of the process.

STRUCTURE

- The capitalization table is simple, and the transaction will be unencumbered and efficient. Daniel owns 80% of the Company and Neighborhood, LLC. owns the other 20% as an initial seed investment and are all flexible regarding structure.
- The transaction should benefit from the favorable tax treatment of an asset sale.



PROCESS

- Priority will be given to the party that exhibits the most interest, most certain and fastest close, the least-disruptive confirmatory due-diligence process, and a strong desire to help StarkNet realize its true growth potential.

COMPANY OVERVIEW

StarkNet
BROADBAND

COMPANY OVERVIEW: Current Infrastructure

StarkNet's existing network is comprised of 70 towers covering more than 20k households in rural Utah, Colorado, Nevada and Idaho, as well as 170 miles of underground fiber in Utah.

COVERAGE AREAS OVERVIEW[1]

COLORADO

FIXED WIRELESS
1,569 households covered
412 subscribers

NEVADA

FIXED WIRELESS
7,855 households covered
1,523 subscribers

StarkNet BROADBAND

UTAH

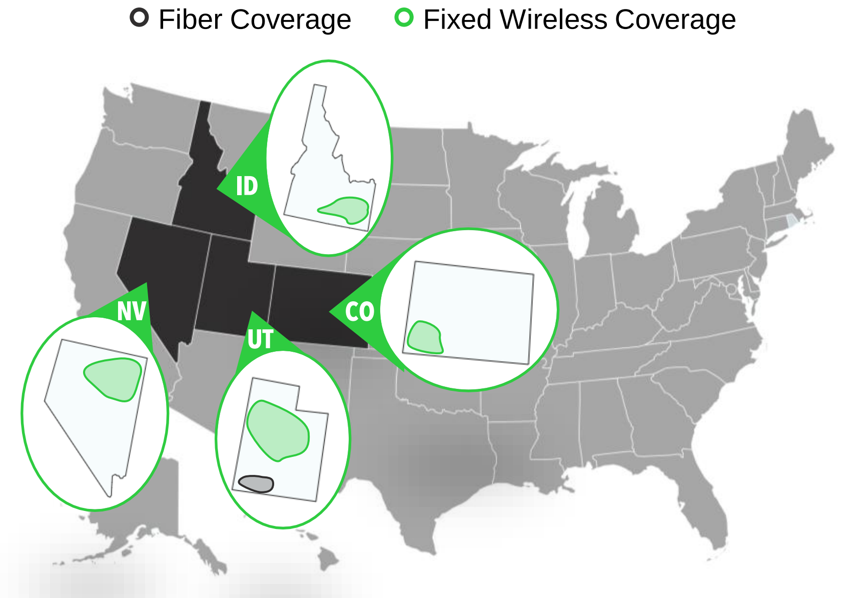
FIXED WIRELESS
7,865 households covered
2,067 subscribers

FIBER
10,241 households covered
2,689 subscribers

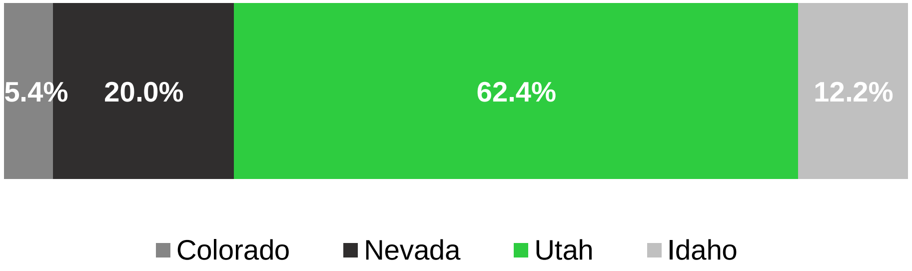
IDAHO

FIXED WIRELESS
3,565 households covered
926 subscribers

COVERAGE AREAS[1]

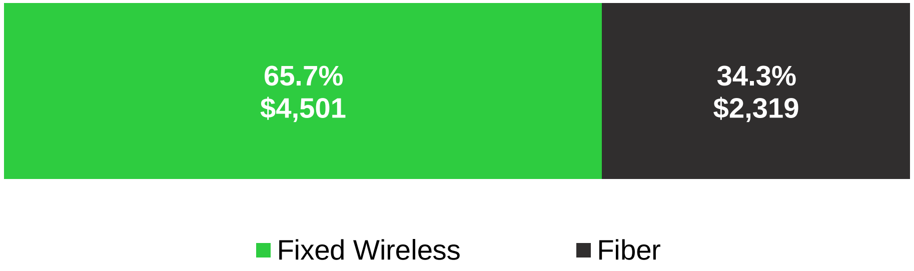


REVENUE BREAKDOWN BY STATE[1]



REVENUE BREAKDOWN BY TECHNOLOGY[1]

($ in thousands)



Note: (1) Data as of December 2024.

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StarkNet BROADBAND

COMPANY OVERVIEW: Packages

StarkNet has four internet packages priced according to speed, enabling customers to subscribe to the service that best suits their needs and budget, also offering discounted pricing for a 2-year commitment.

BASIC
150 Mbps

• Speeds up to 150 Mbps.
• 1 Person Household.
• Panoramic Wi-Fi Coverage up to 1500 sq feet. Ask us about larger houses.
• Wi-Fi Gateway Included
• Remote school, remote meetings, VPN.
• Free Professional Installation, No Data Caps, No Throttling.

$79.90/MONTHLY

ADVANCED
500 Mbps

• Speeds up to 500 Mbps.
• 2 Person Household.
• Panoramic Wi-Fi Coverage up to 1500 sq feet. Ask us about larger houses.
• Wi-Fi Gateway Included.
• Remote school, remote meetings, VPN, and real-time gaming.
• Free Professional Installation, No Data Caps, No Throttling.

$89.90/MONTHLY

SUPREME
1 Gbps

• Speeds up to 1 Gbps.
• 2 to 4 Person Household.
• Best for Average User.
• Panoramic Wi-Fi Coverage up to 1500 sq feet. Ask us about larger houses.
• Wi-Fi Gateway Included.
• Remote school, remote meetings, VPN, and real-time gaming.
• Free Professional Installation, No Data Caps, No Throttling.

$129.90/MONTHLY

STARKNET+
2 Gbps

• Speeds up to 2 Gbps.
• Ultra Gaming Package or Heavy User!
• 5+ Person Household.
• Panoramic Wi-Fi Coverage up to 1500 sq feet. Ask us about larger houses.
• Wi-Fi Gateway Included.
• Remote school, remote meetings, VPN, and real-time gaming.
• Free Professional Installation, No Data Caps, No Throttling.

$169.90/MONTHLY

- StarkNet offers a range of pricing tiers, a strategy that ensures customers can find the perfect plan for their households.
- The Company's pricing strategy includes discounts for commitment plans, attracting new customers, and contributing to subscriber retention, resulting in lower churn rates.
- StarkNet entry plan offers 150 Mbps for a competitive low price, an effective way to gain market share from competitors and attract new customers who are not currently subscribed to any internet service.
- The possibility to upgrade to higher speed through higher priced plans improves profitability, as the increased average revenue per account surpasses the marginal increase in cost.
- StarkNet provides free installation, lowering customer's upfront costs to zero, a key advantage over satellite competitors.

COMPANY OVERVIEW: Employees & Third Parties

StarkNet's team of full-time employees is complemented by reliable contractors to allow for flexibility while reducing fixed operational costs.

EMPLOYEE OVERVIEW, HANDBOOK & AGREEMENTS

Job Position	Current Number of Employees	Average Tenure
Executives	4	5.3 years
Management	2	2.0 years
Admin	4	2.4 years
Technicians	9	1.7 years
Total	**19**	**2.8 years**

CONTRACTORS

- The Company outsources specialized tasks like tower crews, cranes and electricians at the site-builds and selects highly qualified contractors to ensure top-notch performance and seamless coordination on-site.
- StarkNet also repeatedly contracts with SkyWheel, a leading network consulting company that protects and enhances the reliability of the Company's network and provides technical support to the team whenever needed.

TARANA - TECHNOLOGY PROVIDER[1]

- StarkNet provides internet using Tarana's next-generation fixed wireless internet (ngFWA), a technology that addresses the drawbacks of traditional fixed wireless access (FWA). NgFWA is an award-winning technology developed by Tarana, a US company with a market valuation of $1B that has been consistently successful in attracting capital to fuel growth and R&D through funding rounds.
- Tarana has been in the spotlight for significant advancements in the fixed wireless space. Tarana has received multiple 2023 Visionary Spotlight Awards from ChannelVision Magazine in "Innovations in Digital Transformation, International Deployment, and Telecom Legal/Regulatory" and LightReading's 2023 Leading Lights Awards for Company of the Year (Private) and Digital Equity All-Stars.
- R&D is cost and time intensive, by using Tarana's ngFWA, StarkNet has access to top-notch technology continuously being improved by a large team of highly specialized professionals. This allows the Company to focus on business development while decreasing time to market, increasing cost efficiency, and better target rural areas.

Source: (1) Tarana Wireless Website: "The Technology", accessed on October 19th, 2024.

COMPANY OVERVIEW: Fixed Wireless Technology

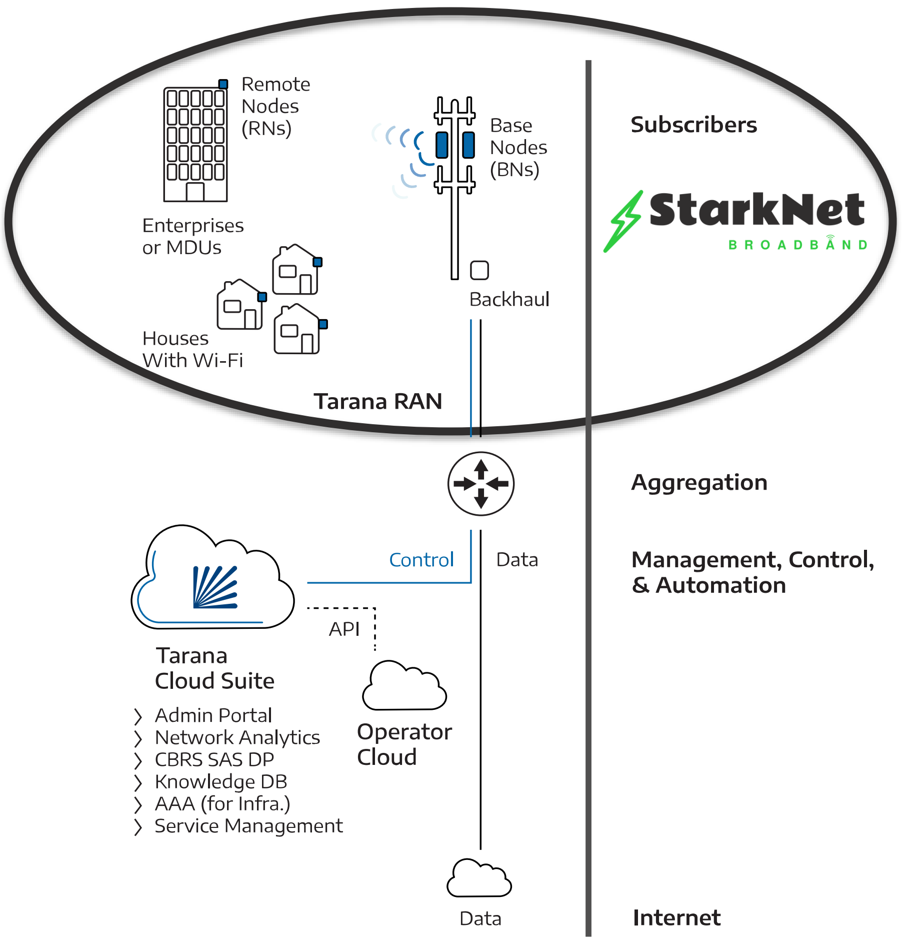
StarkNet delivers fiber-class quality in the Company's fixed wireless service at lower costs using the latest wireless internet technology developed with $400M and over a decade of R&D.

NEXT-GENERATION FIXED WIRELESS ACCESS – ADVANTAGES

The ngFWA technology allows StarkNet to achieve a significant competitive advantage over other rural providers and succeed in challenging markets, such as in the difficult terrains of rural Utah, Colorado, Nevada and Idaho. StarkNet has been delivering speeds well beyond SLA requirements.

- **SPEED[1]**: Fiber-class (150 Mbps to 2.0 Gbps) per-household speeds.
- **LATENCY**: Low latency at long range, with support for symmetric (100 Mbps down / 100 Mbps upstream) service where desired.
- **TOWER CAPACITY**: High capacity per neighborhood for economically scalable deployment.
- **NON-LINE-OF-SIGHT:** Solid connections despite obstacles in the way (like other houses, trees, and vehicles moving on the streets) and interference from other wireless networks.
- **RELIABILITY:** Consistent service quality throughout the neighborhood, to support clean subscription plan marketing, sales, and fulfillment.
- **INSTALLATION**: Straight-forward installation at home that requires only an antenna, a router, and a CAT5 cable, all provided by the Company.

TARANA INFRASTRUCTURE



Note: (1) Speeds lower than 100MBPS are considered slow for most internet-intensive activities, such as streaming videos, file sharing and online meetings. - BROADBANDNOW: "Internet Service Providers in Colorado".

COMPANY OVERVIEW: Executive Team

The Company's team has spent years living in the rural communities where StarkNet operates, boasting first-hand experience of the unique needs of the rural market and better ability to create tailored solutions.

DANIEL STARK
CEO

Daniel began his career at KPMG and performed hundreds of due diligence quality of earnings studies over eight years, primarily for private equity investors seeking businesses to purchase. He later became CFO of a 20+ location dental group before founding StarkNet. Daniel majored in Business Administration, Accounting, and earned a Master of Science in Finance at Texas A&M University.

VICTOR VILLALTA
COO

Victor has 12 years of experience as a field engineer and leader in the telecommunications industry. Prior to joining StarkNet, he previously worked at Verizon, where he helped develop their fiber and cloud business operations in Texas. With over a decade of experience managing a successful service provider, Victor brings valuable expertise to his role as COO at StarkNet.

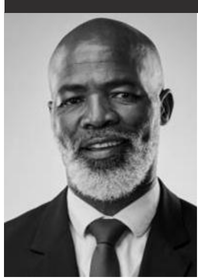
DONNA DALEY
CHIEF OF STAFF

Donna is certified in Information Technology and Cybersecurity from Samson Technology College, where she also teaches. With nine years of IT and telecom experience, she brings expertise in network and cybersecurity project management to support strategic initiatives. Donna's work includes leading rural connectivity and WAN transformation projects, often in partnership with electric cooperatives.

ANJIT SUMARAJAN
CTO

Anjit holds a Bachelor of Science in Economics from Utah Science College and has 7 years of experience as a field engineer. His background includes technology consulting for enterprise clients and carrier-scale network architecture. Fluent in Spanish, Anjit's strong community connections have fostered successful partnerships, including sourcing one of StarkNet's acquisitions.

CHRIS CARTER
VP OF REGIONAL OPS



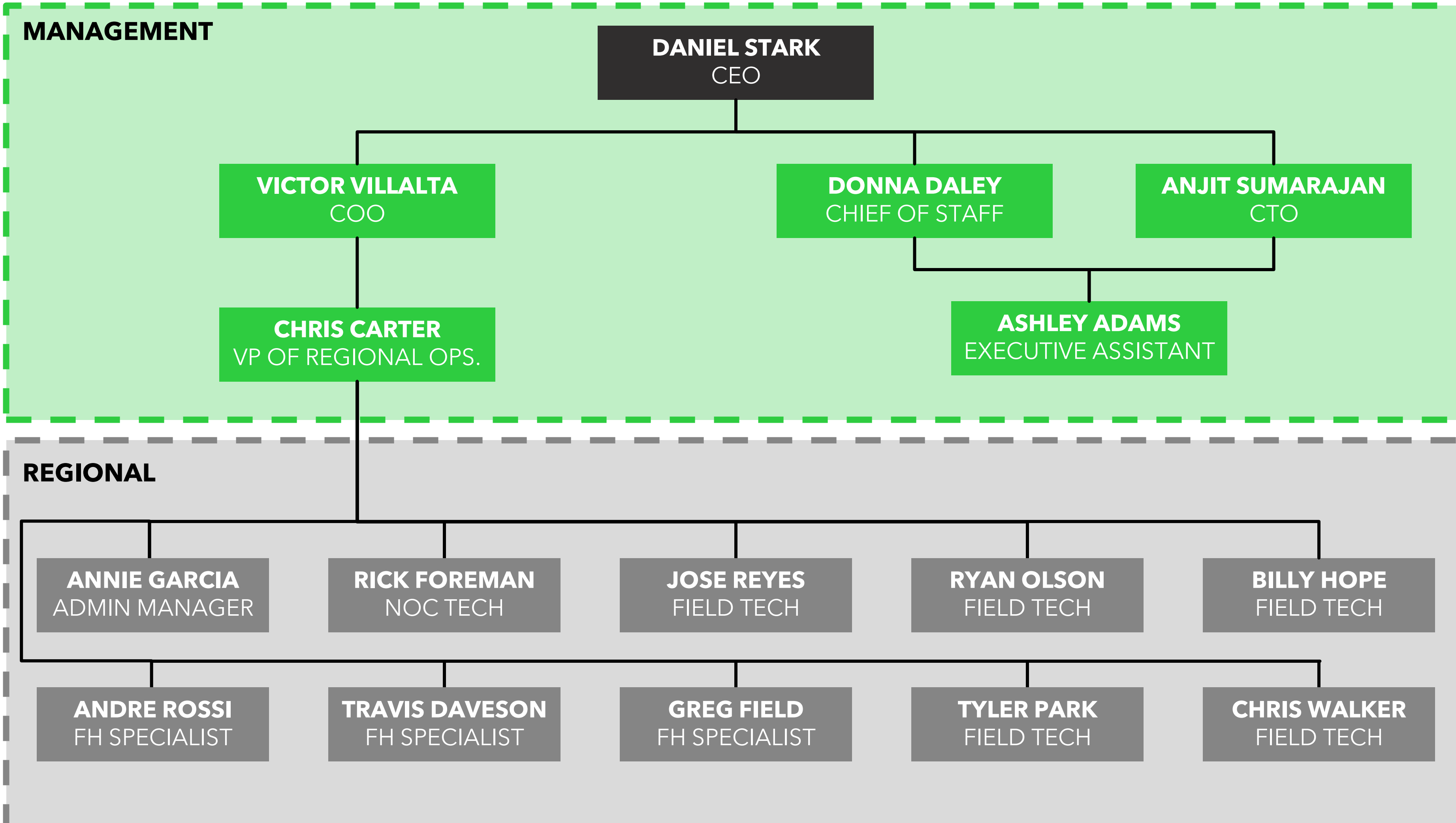
Chris brings over 10 years of leadership experience in the technology and professional services industries. A proven entrepreneur, he has successfully founded and sold three companies. His expertise includes telecommunications and electrical system construction & design, with a portfolio of 300+ cell site construction and upgrade projects for T-Mobile and other clients.

ASHLEY ADAMS
EXECUTIVE ASSISTANT

Ashley, a Business Studies graduate from Aspen Alpine University, has 5 years of experience managing customer service teams. With a recent project management certification, she excels in calendar management, travel coordination, and project execution, driving productivity and collaboration at StarkNet.

COMPANY OVERVIEW: Organizational Chart

StarkNet boasts a highly skilled and qualified team with first-hand experience in building and running communications systems in rural areas across the US.



COMPANY OVERVIEW: Timeline

Since the Company's inception, StarkNet has proven that it can efficiently bring broadband services to rural regions, efficiently deploy capital, and scale operations.

COMPANY INCEPTION

The Company was started when founder Daniel Stark noticed the lack of access to reliable, high-quality internet in St. George, Utah. He started the Company by deploying a few miles of fiber in his local neighborhood and connecting friends and family in the area.

2014

ORGANIC GROWTH

As more members of the community heard about his initiative and reached out, Daniel began laying more fiber to nearby neighborhoods, which resulted in increased demand. He formalized the Company and raised his rates to make StarkNet his full-time job. Friends and family in his community formed a family office and invested in StarkNet to help Daniel expand operations.

2015

NEW TECHNOLOGIES

As an avid hunter and nature-lover, Daniel visited the Zion National Park area frequently and realized that the rural areas were in dire need of broadband access. The lack of access was the main reason preventing people from living in rural areas. Daniel leased his first fixed wireless tower and quickly escalated his subscriber base.

2016

EXPONENTIAL GROWTH

By 2020, with the increased demand for internet access brought about by the pandemic, the Company invested heavily and hired specialists in multiple fields, implemented cost optimization strategies, and expanded into Colorado & Idaho through fixed wireless towers, still seeing more demand than StarkNet was capable of sustaining.

2020

PRESENT

Now in 2024, StarkNet is a successful ISP with over 7k subscribers and has established a reputation for delivering excellent customer service and high-quality internet to urban and rural areas alike. The Company boasts strong financial health and currently competes with the greatest ISPs in the country.

2024

METRICS & FINANCIALS

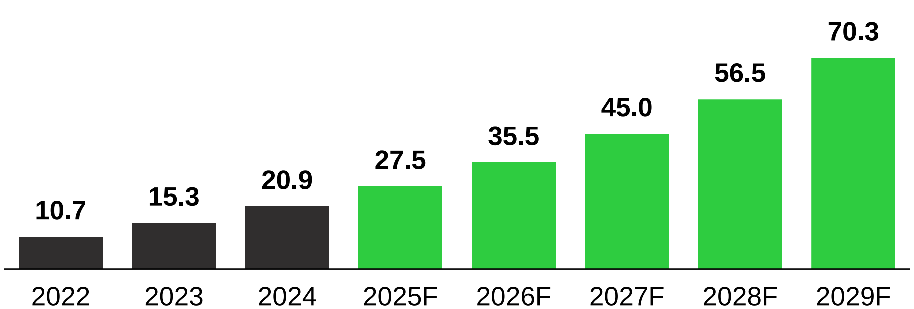
StarkNet
BROADBAND

METRICS & FINANCIALS: Historical and Forecasted Metrics

StarkNet boasts robust subscriber and coverage metrics, demonstrating not only the Company's capacity for sustained growth, but also customer loyalty and trust.

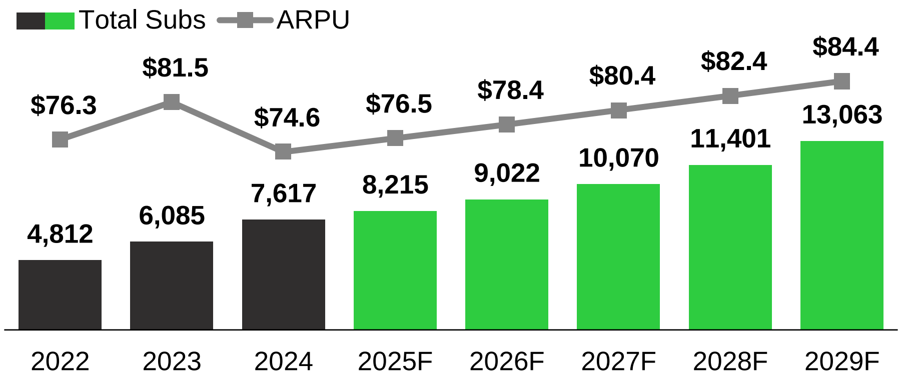
- StarkNet has a proven track record of significantly increasing number of subscribers while keeping ARPU steady. Over the last two years, the Company's subscriber base grew by around 25% per year, and is expected to have over 13k subscribers by 2029 with an ARPU of $84.4.
- The Company's growth can be attributed to StarkNet's capacity of deploying new miles of fiber and additional towers quickly. Between 2022 and 2024, the Company has added coverage to over 10.2k households, and by maintaining the founder's growth strategy, StarkNet expects to cover over 70k households by 2029.
- StarkNet's high-quality internet and excellent service are demonstrated by the notably low churn rates in subscriptions while the total number of subscribers increase. The Company has grown total subscriber numbers by 15.2% over the last two quarters alone, with no signs of slowing down. Over this period of rapid growth, StarkNet's churn rate has increased by a mere 0.1%.

NUMBER OF HOUSEHOLDS COVERED *(in thousands)*

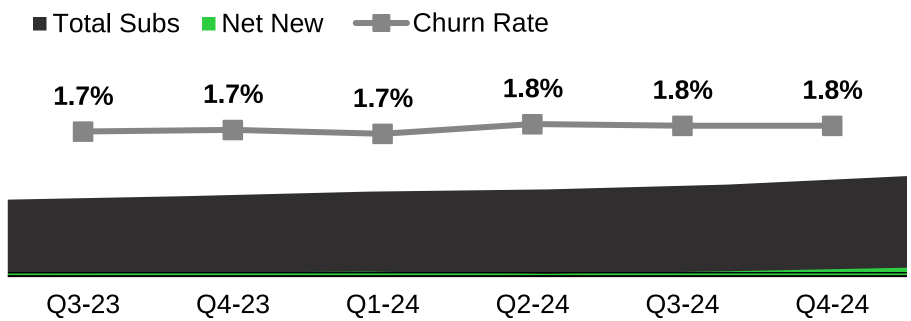


CAPEX SPEND *($ in thousands)*							
$2,615	$3,002	$3,617	$4,340	$5,208	$6,249	$7,499	$8,999

NUMBER OF SUBSCRIBERS AND ARPU



NLE ANALYSIS AND CHURN RATE[1] – TOTAL SUBSCRIBERS



TOTAL SUBSCRIBERS					
5,823	**6,085**	**6,429**	**6,611**	**6,973**	**7,617**
NET NEW					
204	262	344	182	362	644

Notes: (1) NLE (New – Lost – Existing): Analysis of new, lost and existing subscribers.

StarkNet BROADBAND

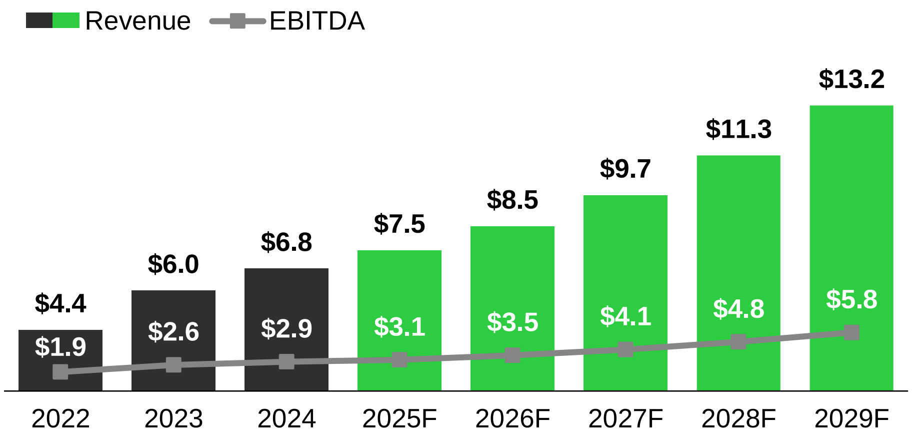
METRICS & FINANCIALS: Historical and Forecasted P&L

The Company's strong metrics are backed by financial health, achieved through StarkNet's cost containment strategies and operational efficiency.

- Given the need for extensive CAPEX in the industry, the Company hasn't always turned a profit through StarkNet's decade of existence. Once the Company had deployed the initial fiber builds and leased a few additional Fixed Wireless towers, StarkNet started to turn a profit. Now an established ISP, the Company has generated $6.8M in revenue in 2024 and $2.9M in adjusted EBITDA, with an EBITDA margin of 42.2%.
- Since 2020, StarkNet has implemented cost-saving strategies and exclusive contractor agreements, expanding household coverage and subscribers without incurring long-term debt.
- StarkNet expects to maintain the Company's successful growth strategy of rapidly deploying more fiber and fixed wireless towers to reach over $13.2M in revenue and $5.8M in EBITDA by 2029, while maintaining StarkNet's identity of a reliable, locally owned and operated ISP created by the community, for the community.

2022-2029F REVENUE AND ADJUSTED EBITDA

($ in millions)



HISTORICAL PROFIT & LOSS STATEMENT

($ in thousands)

$000	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	2022	2023	2024
Total Revenue	1,152	1,162	1,502	1,435	1,413	1,604	1,727	1,765	1,838	1,490	4,409	5,954	6,820
Total COGS	164	168	286	192	230	295	238	332	300	176	748	1,002	1,046
Gross Profit	**989**	**994**	**1,217**	**1,243**	**1,183**	**1,309**	**1,490**	**1,433**	**1,538**	**1,314**	**3,661**	**4,952**	**5,774**
Total Expenses	514	544	612	662	657	732	687	688	936	935	1,965	2,662	3,247
Net Income	**474**	**450**	**605**	**582**	**526**	**577**	**802**	**745**	**602**	**378**	**1,696**	**2,289**	**2,528**
Add-Backs	45	46	63	68	78	84	88	88	88	88	176	293	352
EBITDA	**519**	**496**	**667**	**649**	**605**	**661**	**890**	**833**	**690**	**466**	**1,872**	**2,582**	**2,880**
EBITDA Margin	***45.1%***	***42.7%***	***44.4%***	***45.3%***	***42.8%***	***41.2%***	***51.6%***	***47.2%***	***37.6%***	***31.3%***	***42.5%***	***43.4%***	***42.2%***

METRICS & FINANCIALS: Detailed Forecasted P&L

StarkNet is expected to achieve $13.2M in revenue by 2029, delivering consistent profits and maintaining efficiency to achieve a 43.5% EBITDA margin.

DETAILED FORECAST

($ in thousands)

$000		ACTUALS				FORECAST		
INCOME STATEMENT	**2022**	**2023**	**2024**	**2025F**	**2026F**	**2027F**	**2028F**	**2029F**
Total Revenue	4,409	5,954	6,820	7,540	8,487	9,710	11,268	13,234
Total COGS	748	1,002	1,046	1,508	1,697	1,942	2,254	2,647
Gross Profit	**3,661**	**4,952**	**5,774**	**6,032**	**6,790**	**7,768**	**9,015**	**10,587**
Total Expenses	1,965	2,662	3,247	3,302	3,658	4,117	4,699	5,426
Net Income	**1,696**	**2,289**	**2,528**	**2,730**	**3,132**	**3,651**	**4,316**	**5,161**
Add-Backs	176	293	352	342	387	443	514	602
EBITDA	**1,872**	**2,582**	**2,880**	**3,071**	**3,519**	**4,094**	**4,830**	**5,763**
EBITDA Margin	***42.5%***	***43.4%***	***42.2%***	***40.7%***	***41.5%***	***42.2%***	***42.9%***	***43.5%***
BALANCE SHEET	**2022**	**2023**	**2024**	**2025F**	**2026F**	**2027F**	**2028F**	**2029F**
Cash & cash equivalents	4,127	4,790	2,252	2,475	2,897	3,580	4,718	6,568
Accounts receivable	233	341	413	475	546	628	722	831
Other current assets	0	0	1	1	1	1	1	1
Total current assets	**4,360**	**5,132**	**2,665**	**2,951**	**3,444**	**4,209**	**5,441**	**7,400**
Fixed assets	2,853	8,446	12,051	16,359	21,524	27,718	35,144	44,052
Other assets	11	14	13	1	0	0	0	0
Total non-current assets	**2,864**	**8,460**	**12,064**	**16,361**	**21,525**	**27,718**	**35,144**	**44,052**
Accounts payable	104	956	1,056	2,578	4,600	7,205	10,614	15,113
Credit cards	1	56	2	2	2	2	2	2
Short-term debt	1,653	1,856	1,256	1,168	1,086	1,010	940	874
Total current liabilities	**1,758**	**2,868**	**2,314**	**3,748**	**5,688**	**8,217**	**11,556**	**15,988**
Other long-term liabilities	1,039	2,456	4,352	4,047	3,764	3,501	3,256	3,028
CAPEX credit facility	2,615	3,002	3,617	4,340	5,208	6,249	7,499	8,999
Total non-current liabilities	**3,654**	**5,458**	**7,969**	**8,387**	**8,972**	**9,750**	**10,755**	**12,027**
Retained earnings	-	1,696	2,289	5,019	8,151	11,802	16,118	21,279
Equity	1,812	3,569	2,157	2,157	2,157	2,157	2,157	2,157
Total Equity	**1,812**	**5,266**	**4,447**	**7,176**	**10,308**	**13,959**	**18,275**	**23,437**

COMPETITIVE LANDSCAPE

StarkNet
BROADBAND

COMPETITIVE LANDSCAPE: Providers in Utah & Colorado

Utah and Colorado both have reliable internet service closer to cities and areas with denser populations; however, the states lack options for some suburban and rural internet users.

BROADBAND PROVIDERS AND MAIN COMPETITORS IN UTAH[1, 2]

- Utah internet coverage and availability is higher than average in the US. The state currently ranks 13th in the country based on coverage, speed and availability. Approximately 97% of Utah residents can purchase internet plans with speeds of at least 25 Mbps. The biggest issue in the state is pricing, since only about 50% of the state has access to broadband plans at prices lower than $60 per month.
- According to CNET, Xfinity is currently rated as the best internet provider in the state, although availability may be limited to metropolitan areas. The state's dispersed demographics makes fiber access more challenging in areas outside of Salt Lake City and Provo.
- Rural areas in Utah are best serviced by fixed wireless or satellite internet providers, such as Rise Broadband and CenturyLink.

Company	Avg. Reported Speed[4]	Price Range
xfinity	50 - 100 MBPS	$35 - $300
Rise Broadband	5 - 50 MPBS	$30 - $75
CenturyLink	50 - 100 MPBS	$50 - $75
T 5G HOME INTERNET	10 - 35 MBPS	$60
verizon	5 - 15 MBPS	$40 - $75
Average	**24 - 60 MBPS**	**$39 - $117**

BROADBAND PROVIDERS AND MAIN COMPETITORS IN COLORADO[3]

- Rural Colorado relies on broadband, yet only 94% of residents have access to speeds of 25 Mbps, which is insufficient for activities like streaming and online meetings. Fiber-optic service, offering faster speeds, reaches just 37% of the state due to high deployment costs.
- Fixed wireless is a common alternative, providing better affordability and speed than satellite, though it requires a clear line-of-sight. Spectrum is a leading provider for reliability and service, while CenturyLink offers affordable and stable fixed wireless options. Rural options remain limited overall.

Company	Avg. Reported Speed[4]	Price Range
Spectrum Authorized Reseller	50 - 100 MBPS	$50 - $80
CenturyLink	10 - 20 MBPS	$50 - $75
Viasat	2 - 15 MBPS	$65 - $250
hughesnet	5 - 15 MBPS	$50 - $150
VIAERO WIRELESS	10 - 15 MBPS	$35 - $85
VISTABEAM INTERNET	20 - 30 MBPS	$48 - $100
Average	**16 - 33 MBPS**	**$50 - $123**

Company	Speed Range	Price Range
StarkNet Broadband	**60 - 500 MBPS**	**$50 - $140**

Sources: (1) BROADBANDNOW: "Internet Service Providers in Utah", accessed on December 12th, 2024; (2) CNET: "Best Internet Providers in Utah", accessed on December 12th, 2024; (3) BROADBANDNOW: "Internet Service Providers in Colorado", accessed on December 12th, 2024. Note: (4) Average reported speed as measured by the ISP users through speed tests on estimates based on similar markets available on BROADBANDNOW and PCMAG, accessed on April 15th, 2024.

COMPETITIVE LANDSCAPE: Providers in Idaho & Nevada

Idaho and Nevada struggle with limited broadband access, affordability, and low-speed options, leaving many residents underserved, making StarkNet a reliable, higher-speed alternative across both states.

BROADBAND PROVIDERS AND MAIN COMPETITORS IN IDAHO[1]

- In Idaho, 89% of households have internet access, leaving 11% without connectivity. Approximately 88.3% of residents can access wired or fixed wireless broadband with speeds of at least 25 Mbps download and 3 Mbps upload, but one in ten still lack reliable internet. While 68.4% of residents can access 1G broadband, placing Idaho 32nd among states, only 79.8% have access to 100 Mbps broadband, ranking it 46th. Fiber-optic service is available to just 42.7% of the population.
- Affordability remains a challenge, with 57.1% of residents able to access a wired broadband plan priced at $60/month or less, leaving nearly four in ten without affordable options. Sparklight, the state's leading provider, offers coverage to 56.8% of Idahoans, serving as a key resource in addressing connectivity gaps. Despite these services, Idaho's broadband landscape highlights significant disparities in both speed and affordability.

Company	Avg. Reported Speed[4]	Price Range
Sparklight	10 - 100 MPBS	$40 - $105
Rise Broadband	5 - 50 MBPS	$30 - $75
CenturyLink	10 - 20 MBPS	$50 - $75
White Cloud	10 - 20 MBPS	$55 - $150
Anthem Broadband	5 - 200 MBPS	$70 - $250
Average	**8 - 78 MBPS**	**$49 - $131**

BROADBAND PROVIDERS AND MAIN COMPETITORS IN NEVADA[2,3]

- Nevada's two largest metropolitan areas have access to several cable and fiber internet providers. Las Vegas is covered by Cox and Century Link, while Reno has Spectrum and AT&T. Cox is the main cable internet provider in the state and offers the best cost-benefit for residents who are more sensitive to price; however, the provider does not offer the fastest internet plan in Nevada.
- Nevada currently ranks 34th among states based on internet coverage, speed and availability. Over 60% of Nevadans are not able to purchase broadband at prices lower than $60 per month.

Company	Avg. Reported Speed[4]	Price Range
Cox	50 - 100 MPBS	$50 - $150
CenturyLink	10 - 20 MBPS	$50 - $75
T-Mobile 5G Home Internet	10 - 35 MBPS	$60
Spectrum Authorized Reseller	50 - 100 MBPS	$50 - $80
Verizon	5 - 15 MBPS	$40 - $75
Rise Broadband	5 - 50 MBPS	$30 - $75
Average	**22 - 59 MBPS**	**$48 - $95**

Company	Speed Range	Price Range
StarkNet Broadband	**60 - 500 MBPS**	**$50 - $140**

Sources: (1) BROADBANDNOW: "Internet Service Providers in Idaho", accessed on December 12nd, 2024; (2) BROADBANDNOW: "Internet Service Providers in Nevada", accessed on December 12th, 2024; (3) CNET: "Best Internet Providers in Nevada", accessed on December 12th, 2024. Note: (4) Average reported speed as measured by the ISP users through speed tests on estimates based on similar markets available on BROADBANDNOW and PCMAG, accessed on December 12th, 2024.

INDUSTRY OVERVIEW

StarkNet
BROADBAND

INDUSTRY OVERVIEW: Underground vs Aerial Fiber

Underground fiber infrastructure presents significant advantages when compared to aerial cables, including protection from weather, lower maintenance costs and longer cable lifespan.

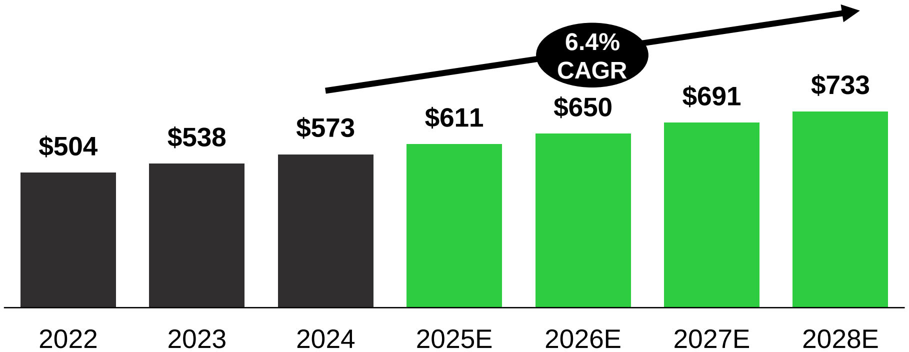
	UNDERGROUND	AERIAL
ENVIRONMENTAL HAZARD PROTECTION	▪ Protected from weather-related damage such as storms, wind, and ice, enhancing network reliability in adverse conditions and minimizing maintenance requirements.	▪ Aerial fiber leaves the cables exposed to weather damage, leading to more frequent disruptions and reduced reliability in adverse weather conditions.
MAINTENANCE COSTS	▪ Lower maintenance costs due to reduced exposure to physical damage, making it a more cost-effective long-term solution.	▪ Higher maintenance costs due to frequent repairs and replacements from environmental and physical exposure.
AESTHETICS AND COMPLIANCE	▪ Preserves visual appeal by avoiding visible poles; aligns with local regulations for discreet infrastructure.	▪ Often requires visible poles and aerial lines, which can detract from community aesthetics and may face regulatory issues.
SECURITY	▪ Less accessible to vandalism or sabotage, providing enhanced security and a more resilient network.	▪ More accessible to external threats like vandalism, making it less secure.
CABLE LIFESPAN	▪ Avoids exposure to UV rays and temperature extremes, leading to a longer cable lifespan and fewer replacements.	▪ Exposed to UV and temperature variations, reducing cable lifespan and increasing the need for replacements.

INDUSTRY OVERVIEW: US ISP Industry Overview

The US Wireless ISP industry is poised for growth over the next five years. As internet access becomes increasingly more essential in virtually every sphere, opportunities for new players increase.

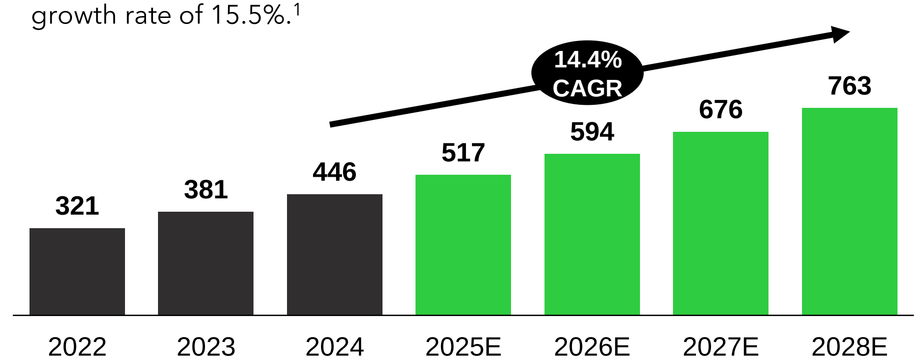
US WIRELESS ISP REVENUE *($ in millions)*

The US Wireless ISP industry is expected to reach $733M by 2028, representing a forecasted annual growth rate of 6.4%.[1]



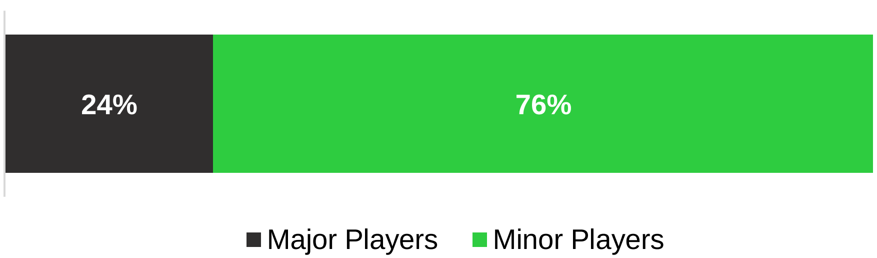
NUMBER OF ESTABLISHMENTS IN THE US

The number of ISP establishments in the US is expected to increase from 446 to 763 over the next four years, at a compound annual growth rate of 15.5%.[1]



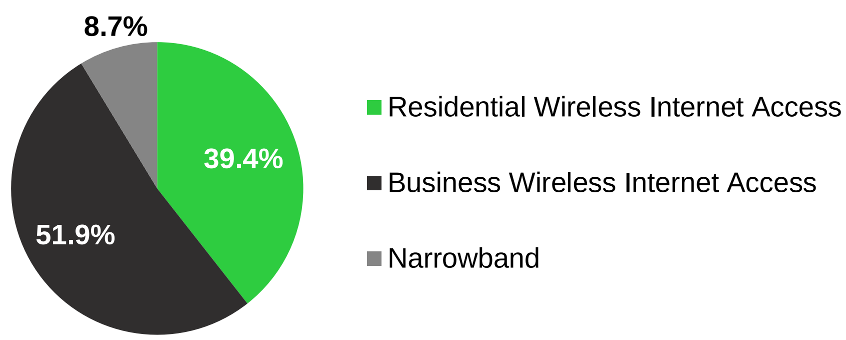
MARKET SHARE CONCENTRATION

The industry shows a low level of market share concentration, with the two largest operators accounting for just under 20% of total industry revenue in 2023.[1] Most enterprises are privately owned, locally focused and are typically found to operate in areas that either lack broadband access or have fewer options to choose from.[1]



SERVICES SEGMENTATION

The demand for residential broadband internet swelled during the pandemic, whereas businesses in rural areas strongly rely on wireless broadband services to remain competitive in the modern economy, a trend that is likely to increase in the coming years.[1]



Source: (1) IBIS World: "Internet Service Providers in the US Industry Report".

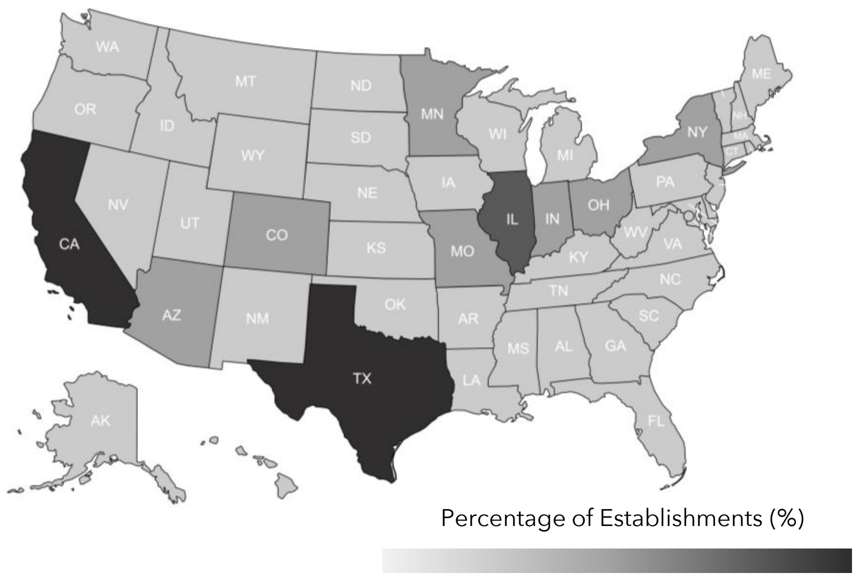
StarkNet BROADBAND

INDUSTRY OVERVIEW: US ISP Industry Geography

The US Wireless ISP establishments are focused on the Southwest region of the country, indicating room for growth through the Midwest and Western states.

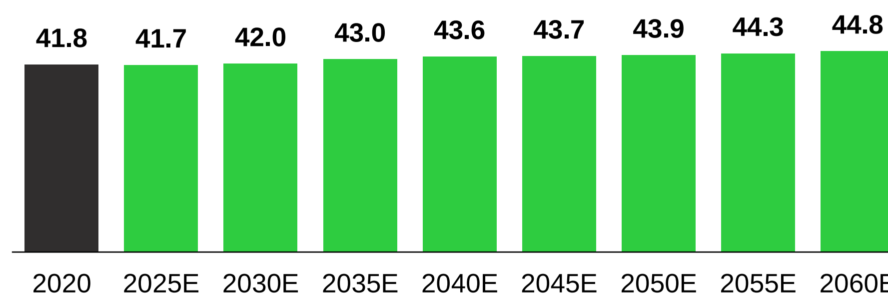
BUSINESS CONCENTRATION IN THE US[1]

- States in the Southwest flock towards wireless internet service. Texas composes a prominent share of total industry establishments, higher than that of any other state.
- California contains 4.1% of industry establishments (second largest share in the country). That containment can be attributed to household income levels that are above the national average, as well as the importance of Silicon Valley: a hotbed for tech and internet companies that highly rely on internet access.
- Generally, business activity is indicative of coverage, thus indicating that the Great Plains region is still heavily deprived of internet access.



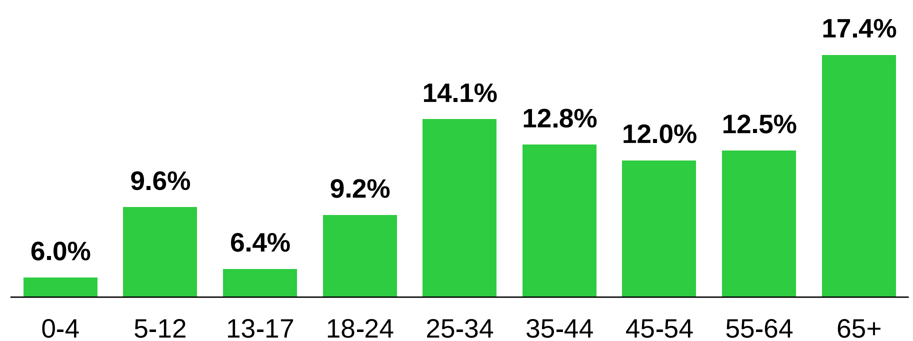
POPULATION OF CHILDREN AND ADOLESCENTS AGES 10-19 *(in millions)*

The total population of children and adolescents ages 10-19 is projected to increase in the following decades, and the steady rise of this demographic should contribute to demand for broadband services.[2]



US POPULATION BY AGE

Given the current distribution of US population by age, over 65% of Americans lie within age ranges where internet usage is the most frequent. With an overall increase in population expected in the coming years, this trend should continue to increase.[2]



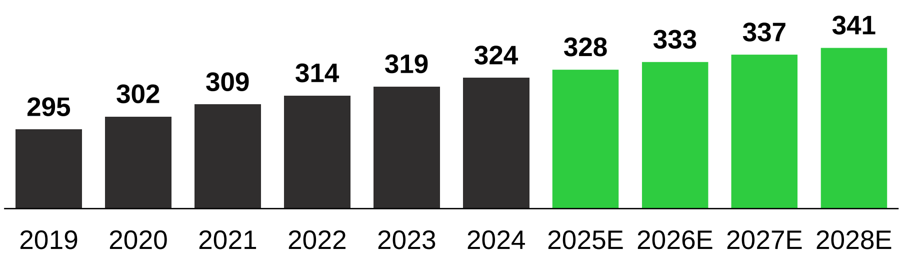
Sources: (1) IBIS World: "Internet Service Providers in the US Industry Report"; (2) US Census Bureau: "2017 National Population Projections Tables: Main Series".

INDUSTRY OVERVIEW: Internet Traffic in the U.S.

Internet traffic and the demand for data are constantly growing and internet usage has become part of daily life, encompassing work, school, entertainment, communication and shopping.

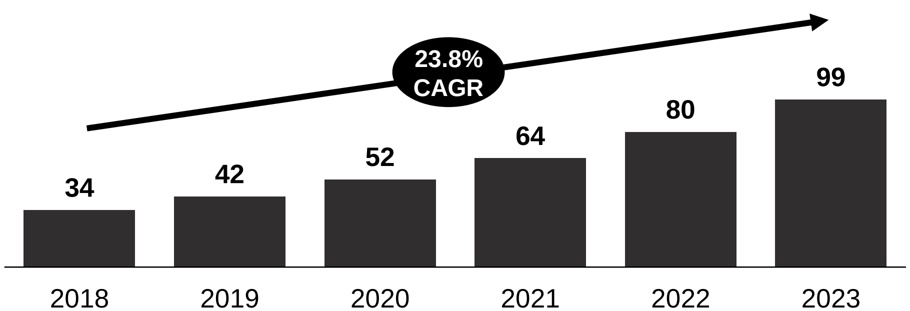
NUMBER OF INTERNET USERS IN THE U.S.[1] *(in millions)*

The number of internet users in the United States is forecast to continuously increase between 2024 and 2028 by 17M users (+5.3%), estimated to reach 340.5M. Notably, internet users have continuously increased over previous years.

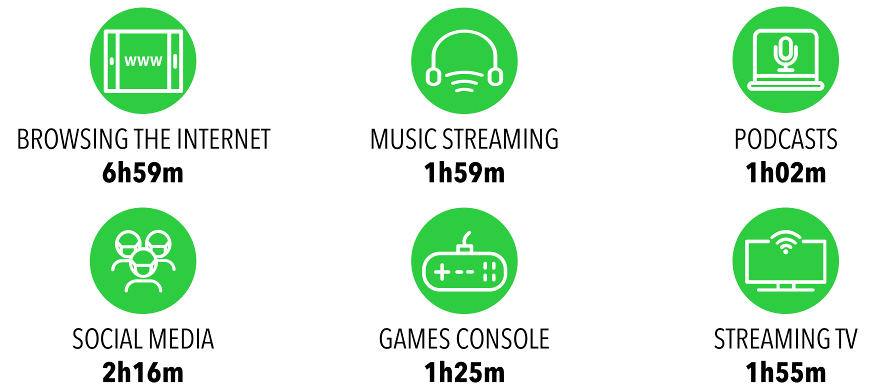


ESTIMATED MONTHLY INTERNET TRAFFIC IN THE U.S.[2] *(in millions exabytes)*

Monthly internet traffic is continuously expanding as the usage is common in everyday life, especially, in activities demanding huge amounts of data flow, such as video and music streaming, remote work and education, cloud services, AI, Internet of Things, and Big Data.



U.S. POPULATION - DAILY TIME SPENT WITH MEDIA[3,4]



Using the internet to access media is now commonplace, continuously replacing time spent with traditional forms of media and exponentially increasing the demand for data.

- Data usage from video sites increased by 24% year-over-year, and video now accounts for 65% of all internet traffic.
- Streaming video had already established itself as the internet's predominant traffic source, even before the onset of the pandemic. With that category's share only growing, service providers will have to figure out how to meet the growing demand for data.
- Social media has evolved into predominantly video-oriented platforms, becoming a crucial form of communication not only between people, but between social classes and cultures, and tends to increase in use and accessibility.

Sources: (1) Statista: "Number of Internet users in the United States from 2019 to 2028; (2) Statista: "Estimated Monthly Internet Traffic in the U.S."; (3) Data Reportal: "Digital 2023: The United States of America"; (4) Sandvine: "2023 Global Internet Phenomenon Report".

INDUSTRY OVERVIEW: Internet and Rural Growth

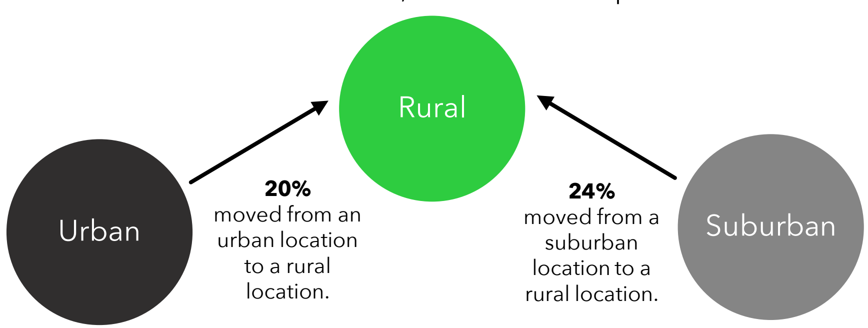
The pandemic contributed to the growth of the rural population, as rising housing costs, coupled with the surge in remote work, led to more people opting to relocate, with access to internet as a key deciding factor.

INTERNET AS A CATALYST FOR RURAL GROWTH

- After a historic loss in population in the previous decade, rural areas are growing again, making access to the internet fundamental in keeping this new demographic trend afloat.
- The influx of people moving to rural areas stimulates the local economy, and having reliable internet access is crucial to facilitating this growth. It is vital in making rural areas more attractive and sustainable for newcomers.
- Access to high-speed internet can create jobs and boost economic activity in rural communities, further strengthening the demand for ISPs.

REMOTE WORKERS RELOCATIONS[1]

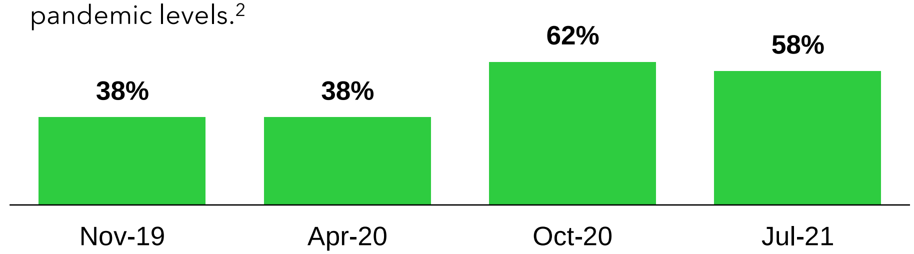
In 2021, more than a quarter of remote workers have relocated to accommodate their needs better, a trend that is expected to continue.



- Ages 26-40 accounted for approximately two-thirds of the move from urban to rural (63%), and more than half (57%) of the suburban to rural moves, an age group that relies on the internet for day-to-day activities.

REMOTE WORK

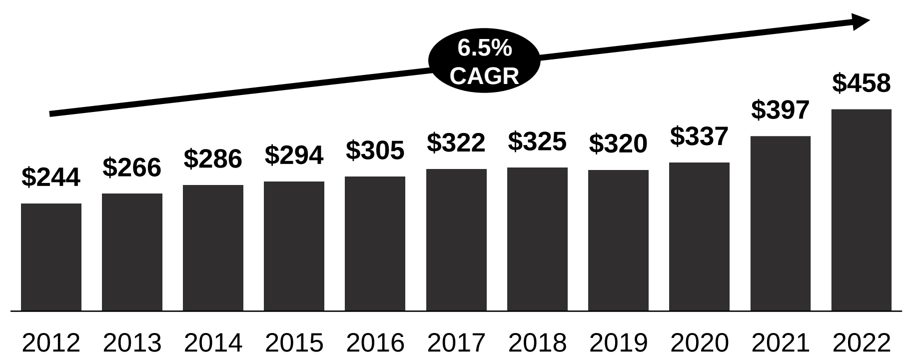
The widespread adoption of remote work has sparked fundamental changes in the labor market. An estimated 40.7M workers in the United States will be working remotely by 2025, almost doubling pre-pandemic levels.[2]



HOUSING PRICES[3]

($ in thousands)

During the pandemic, housing prices soared. The steep increase of over 30% from 2020 to 2022 also drove up the cost of rent, especially in urban areas. The high cost of living in large cities led many people to consider relocating to more affordable locations, contributing to the growth of the rural population.



Sources: (1) Owl Labs: "State of Remote Work – 2021"; (2) Upwork: "Future Workforce Report 2021: How Remote Work is Changing Business Forever"; (3) Federal Reserve Economic Data: "Median Sales Price of Houses Sold for the United States, Dollars, Annual, Not Seasonally Adjusted".

INDUSTRY OVERVIEW: 5G Wireless Broadband Internet

5G's touted speeds appear to be a game-changer at first glance, but actual performance and availability show significant limitations, proving 5G networks need to expand and mature to reach their full potential.

5G WIRELESS BROADBAND INTERNET

- 5G is the next generation of mobile broadband that will replace and supplement 4G LTE. The subscriber base is rapidly growing, reaching a total of 119M connections in North America in 2021.[1]
- 5G works through a network of small cells and towers using radio frequencies. The technology encompasses three bands – low-band with a 100+ mile range (30-250 Mbps speed); mid-band with a 5+ mile range (100-900 Mbps speeds), and high band with a range of ~1,000 feet (1,000-3,000 Mbps). Actual speeds and ranges are much lower than advertised, with the vast majority of 5G coverage ends up being low band and slightly faster than 4G - barely keeping up with immense data traffic growth.[2]
- Signal is also available as home internet, offered as a solution in areas with sparse cable or fiber internet; however, it doesn't offer the high speed and low latency of traditional home internet, incapable of replacing and competing with traditional ISPs[2].

KEY PLAYERS

KEY DISADVANTAGES IN RURAL AREAS

- Industry specialists predict a cost north of $1 trillion to build out an entire 5G network capable of handling current data needs. Cell towers and sites cost $30k - $50k each to build, and effective ranges are much smaller than 4G towers. 5G unfortunately has limited availability and is unlikely to cover all 128M+ households in the US, further dampening actual usability for daily broadband, especially in rural areas.[3]
- In addition to the availability of 5G connections, users also need to have access to a 5G compatible mobile device, which is limited to newer and more expensive cell phones. A recent survey reported that 77% of consumers who purchased a phone less than one year ago had 5G capability and the number of consumers planning to get a new phone in the next year has declined, indicating uneasiness about the economy and personal finance. Consumers in rural areas are less likely to be the first adopters of new technologies, and the lower availability of disposable income hinders the pace of 5G growth in comparison to urban areas.[4]
- As of April 2023, 5G Network access was available in 503 cities in the United States, and even though it's the most of any country worldwide, the rollout to rural areas is likely to be slow.[5]

Sources: (1) 5G Americas: "Global 5G Connections Increase 76% Annually and Now Reaches 1.05 Billion""; (2) Futurithmic: "5G Spectrum Bands Explained – Low, Mid and High Band"; (3) Ian Fogg: "Quantifying the Global 5G Experience Across Ten Operators"; (4) Deloitte: "Future of 5G"; (5) Statista: "Countries with the highest number of cities in which 5G is available 2023".

INDUSTRY OVERVIEW: Cable Broadband Internet

Cable internet grew by relying on the infrastructure laid out for cable TV , offering advantages of higher speed, quick installation and convenient bundles, but deep market changes are impacting the service.

CABLE BROADBAND INTERNET

- Cable internet first became widespread in 1996 by providing broadband internet via coaxial copper cable television lines without impacting television service and has been the dominant broadband internet provider for nearly two decades experiencing steady growth. The technology is currently outdated, and providers are rolling out the switch from cable internet to fiber, prioritizing large cities.[1]
- Triple-play bundles of television, internet, and phone service had provided a significant boost to cable providers prior to over-the-top streaming services gaining widespread appeal, to which cable companies responded with bandwidth data caps.
- Signal degradation starts after 340 feet, and the network is plagued by low speeds during peak hours as the technology is a shared connection, resulting in speeds at peak usage times that may be reduced by 20-40%.[1,2]

KEY PLAYERS

KEY DISADVANTAGES IN RURAL AREAS

- Cable internet relies on the same infrastructure as cable television, requiring the cable service to be available in the area in order to work; however, cable TV is suffering to keep its current subscribers in the face of multiple digital streaming service competitors in the market, halting the expansion of the service to rural areas.
- Customers in rural areas typically pay more and have less speed than customers in urban areas. Incumbent providers usually try to push bundles to consumers, leveraging their power in low competition markets, as is the case in many rural areas. The pricing strategy includes setting a high price for the subscription of only one of the services provided, making the subscription to a cable, telephone and internet bundle seem like a better deal, leading to customers paying more for services they might not need or use, or leaving customers completely priced out from the internet service they need.[3]

Sources: (1) James Varner: "Types of Internet Connections; (2) Linus: "Tech Tips"; (3) NBC News: "No Bundle of Joy: Cost of TV, Internet and Phone Service Rising".

INDUSTRY OVERVIEW: DSL Broadband Internet

DSL ISPs are struggling to keep outdated networks functioning while aggressively acquiring and building fiber networks, but, due to cost and logistic challenges, the transition is thought to be slow in rural America.

5G WIRELESS BROADBAND INTERNET

- DSL, short for digital subscriber line, was first introduced in 1988 with the underlying copper telephone infrastructure that was strung across overhead telephone poles starting in the 1890's.[1]
- Over a century later, these 2-wire, or 4-wire, copper telephone networks are still in use via continued technological improvements on existing infrastructure. DSL technology allows digital data to be transmitted at a high speed over telephone lines without impacting phone service.[1]
- Coverage is estimated to be at 90% of households, making DSL one of the most widely available internet services[3]; however, DSL will no longer be considered broadband internet as the FCC is increasing the minimum download speed for broadband, and the service is becoming irrelevant from exploding traffic growth.[2]
- The cost to install and maintain is less than many other broadband technologies, such as fiber.

KEY PLAYERS

AT&T

verizon

EarthLink

CenturyLink

optimum.

FRONTIER

KEY DISADVANTAGES IN RURAL AREAS[3]

- DSL speed is even slower in rural areas, generally between 128 Kbps and 3 Mbps, deeming the service obsolete and incapable of keeping up with the huge amount of data demanded nowadays, making users struggle to even use the internet for simpler and less data hungry activities, like sending and receiving e-mails.
- The circuit quality relies heavily on the distance from the ISP's central hub, which becomes especially challenging in rural areas, resulting in inconsistent network quality and reliability.
- The service is usually provided by phone companies, which may require customers to sign up for a phone service as well.

Sources: (1) Martin Clark: "Guide to Broadband & ADSL"; (2) FCC: "Measuring Broadband America Report"; (3) Trailrunner Broadband Internet: "Rural Internet Options".

INDUSTRY OVERVIEW: Satellite Broadband Internet

Sometimes the only option for remote areas, satellite internet bears the highest cost-to-broadband- speed ratio with intermittent performance during inclement weather and high latency.

SATELLITE BROADBAND INTERNET

- Satellite broadband internet was first successfully launched in the late 1990s with three original providers remaining. Speeds are relatively slower than other broadband options.
- Many satellites have 200-300 Gbps of total bandwidth capacity shared across users resulting in limited speeds. Satellites in geostationary orbit, located 22,000 miles from Earth, face high latency due to the speed of light acting as a limiting factor for widespread adoption. Their reliability can be affected by weather conditions such as rain, clouds, snow, and extreme heat.[2]
- Satellite internet plans usually cost more than their land-based counterparts, mostly because of the natural restrictions of the technology. These include speed, data, and equipment like home satellite dishes and geostationary, or low-earth orbit, satellite infrastructure.[1]

KEY PLAYERS

Viasat
STARLINK
KYMETA MAKING MOBILE GLOBAL
ASTRANIS
HughesNet
X2nSat extending your reach

KEY DISADVANTAGES IN RURAL AREAS

- Satellite internet needs a satellite dish installed at the client's home in order to work, leading to higher setup costs when compared to other providers. The equipment must be acquired from the provider and only a few companies also offer the option to lease. Viasat charges $9.99 per month for equipment rentals, with the option to pay for a lifetime equipment lease of $299.99. HughesNet charges $14.99 per month with a $449.99 purchase price. Starlink charges a mandatory $499.00 equipment fee – leasing it monthly isn't an option. In case the customer is unhappy with the service and has purchased the dish, the investment will be a sunk cost.[2]
- The satellite dish must be installed in an area that has a clear view path to the sky. Finding an unobstructed spot to install the dish can be challenging depending on the terrain characteristics of the area, and even when it's possible, in some cases it must be installed in difficult to access spots, such as roofs, requiring professional installation and equipment, incurring additional costs.
- In addition to setup costs, satellite providers usually charge more per MB than other options, making it the most expensive internet in the market. Customers opt for satellite when there is no other option or only a legacy solution, such as DSL, that will provide very low speeds.

Sources: (1) Satellite Internet: "Best Internet in Rural Areas"; (2) Satellite Internet: "How Much Does Satellite Cost?".

INDUSTRY OVERVIEW: Broadband Options Comparison

Fixed wireless excels at bringing internet to rural areas, while fiber offers the best quality, reliability and longevity in the market.

Criteria	Weight	Fixed Wireless	Fiber	Satellite	Cable	DSL
Cost to Providers (CAPEX, Fixed and Variable Costs)	15%	5.0	1.5	2.0	4.0	4.0
Cost to Subscribers (Upfront and Monthly)	25%	4.5	4.0	1.0	2.0	2.0
Availability (Current and ease to expand)	30%	4.0	2.5	4.0	3.0	3.0
Longevity (Network capable of handling current and upcoming demand for data and speed)	10%	4.5	5.0	4.0	1.5	1.0
Quality and Reliability (Speed, Latency, Uptime)	20%	4.0	5.0	3.5	2.0	1.0
Suitability Score(weighted average):		**4.3**	**3.5**	**2.9**	**2.6**	**2.3**

INDUSTRY OVERVIEW: U.S. Government Incentives (1/2)

The U.S. government has established internet access as a priority and has been implementing major broadband funding initiatives, in an effort to bridge the gap between urban and rural areas.

INTERNET ACCESS – GOVERNMENTAL EFFORTS

- Access to high-speed internet has become a fundamental requirement for economic growth, education, healthcare, and social inclusion. However, a persistent and troubling issue in many regions is the lack of high-speed internet availability in rural areas. This digital divide exacerbates existing inequalities and hinders rural communities' development.
- To bridge this gap, and unlock the potential of rural areas, the United States government is implementing major broadband funding programs and many other targeted initiatives.[1] Access to the internet is now considered a utility and, similarly to what happened with electricity and telephones, the government continuously creates incentives to bring high-speed internet to rural areas.
- As the investment in broadband infrastructure in many rural areas is more expensive than many urban and suburban areas, the government offers many funding programs to incentivize the build out of networks, aiming to address the lack of coverage of broadband in remote areas.
- The FCC (Federal Communications Commission) has listed bringing the benefits of mobile broadband to Rural America as one of their top priorities. The FCC pursues policies to ensure that consumers in rural areas have access to basic telecommunication services and to encourage the deployment of advanced telecommunication services to rural communities. The government has recently announced the Broadband Equity Access and Deployment (BEAD) Program, the largest investment ever made to improve internet access in the country.

BEAD - BROADBAND EQUITY ACCESS AND DEPLOYMENT[2,3]

- Founded by the Bipartisan Infrastructure Law, BEAD is a federal grant program that aims to get all Americans online by funding partnerships between states or territories, communities, and stakeholders, to build infrastructure to increase the adoption of high-speed internet.
- BEAD prioritizes unserved, or underserved, locations that have no internet access or that only have access under 25/3 Mbps.

FEDERAL FUNDING:

$42B divided among the US's 50 states to expand access to high-speed broadband by 2030

BEAD - EXAMPLES OF ELIGIBLE USES OF FUNDS

Planning high-speed internet deployment through research, data collection, outreach, and training.

Expanding or upgrading internet access in underserved areas and enhancing service for community hubs.

Installing internet and Wi-Fi in multi-unit residential buildings.

Digital equity programs.

Workforce development programs and vocational training.

Note: (1) The main programs are listed and briefly described in the Appendix Section.
Sources: (2) FCC: "Rural Access"; (3) Internet For All: "BEAD Info Sheet".

INDUSTRY OVERVIEW: U.S. Government Incentives (2/2)

The government also has the goal of amplifying internet access to low-income households, offering subsidies to improve the affordability of internet subscriptions and reduce inequalities.

FCC – AFFORDABLE CONNECTIVITY PROGRAM[1]

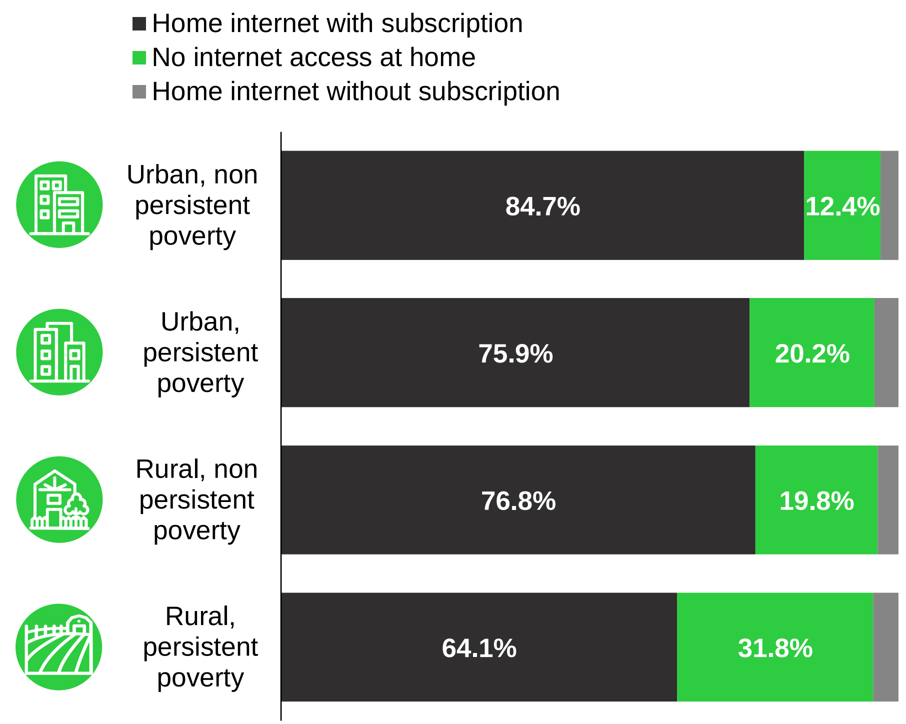
- On November 15, 2021, the Infrastructure Investment and Jobs Act (Infrastructure Act) became law. The Infrastructure Act provided $14.2 billion to modify and extend the Emergency Broadband Benefit Program to a longer-term broadband affordability program called the Affordable Connectivity Program (ACP).
- The Affordable Connectivity Program is an FCC benefit program that helps ensure that households can afford the broadband they need for work, school, healthcare and more.
- The benefit provides a discount of up to $30 per month toward internet service for eligible households and up to $75 per month for households on qualifying tribal lands.
- Eligible households need to apply for the program and then contact a preferred participating provider to select a plan and have the discount applied to the bill.
- The Federal Communications Commission (FCC) has launched the "Your Home, Your Internet" pilot program that is designed to raise awareness of the Affordable Connectivity Program (ACP) among households receiving federal housing assistance.

FCC AFFORDABLE CONNECTIVITY PROGRAM
Helping Households Connect

- The ACP is the country's largest internet affordability program in U.S. history.
- Rural households are enrolling at a higher rate than their urban peers.
- ~3 million rural households enrolled.

INTERNET SUBSCRIPTION AND ACCESS FOR HOUSEHOLDS[2,3]

- The lack of internet access at home is larger in rural areas than in urban areas, especially for residents in persistent poverty.
- Democratizing internet access at home for low-income citizens enables the pursuit of job opportunities, education and training, leading to better outcomes in income generation.



Sources: (1) FCC: "Affordable Connectivity Program"; (2) USDA: "Rural America at a Glance – 2021".
Note: (3) Values under 5% have been removed for visual purposes.

LOGAN GROWTH ADVISORS

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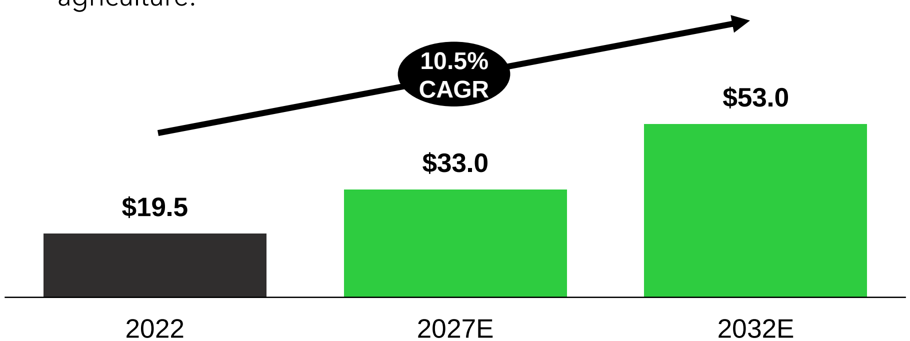
INDUSTRY OVERVIEW: Smart Farming

The smart farming market is forecasted to reach $33 billion by 2027, and the US is expected to be the main country driving growth, thus exponentially increasing the demand for data in rural areas.

GLOBAL SMART FARMING MARKET *($ in billions)*

- Smart farming, also known as precision agriculture, or agtech (agricultural technology), is an innovative approach to farming that utilizes modern technology and data-driven techniques to optimize various aspects of agricultural production.
- Smart farming involves the integration of information technology, sensors, automation, and data analytics into farming practices to increase efficiency, reduce resource wastage, and improve overall productivity and sustainability.
- North America is viewed as the most dominant market in the global smart farming market with a market share of 42.8%, due to the growing government initiatives and the growing number of technological advancements in the agriculture sector, during the forecasted period.
- Also, many agriculture organizations have come together to create North America Climate Smart Agriculture (NACSA), which is a platform for equipping and educating cultivators for sustainable agriculture.



PERCENTAGE OF RURAL POPULATION

Internet access enhances the capabilities and efficiency of smart farming practices, and it is a requirement to take full advantage of the latest technologies that allow real-time data transmission, monitoring, task automation, and cloud-based services.

SENSORS AND IOT DEVICES: These are used to collect data on soil conditions, weather, crop health, and livestock well-being. Sensors can monitor factors such as temperature, humidity, moisture levels, and nutrient content.

DATA ANALYTICS: Advanced data analysis tools process the information collected by sensors and provides insight to help make informed decisions. Farmers can use this data to optimize planting, irrigation, and harvesting schedules.

DRONES: Aerial vehicles equipped with cameras and sensors can monitor large agricultural areas quickly and provide real-time imagery and data. This information is valuable for assessing crop health and identifying potential issues early.

REMOTE MONITORING AND CONTROL: Farmers can remotely monitor various aspects of their operations using mobile apps or computer interfaces. This allows for real-time adjustments and management, even from a distance.

AUTONOMOUS VEHICLES: Farms are poised to be the place where autonomous vehicles' first breakthrough, as the less complex environment and predictable routes make the adoption easier, and regulation is less strict than it is for cars on public roads.

Source: (1) Global News Wire: "Smart Farming Market Poised for Substantial Growth, Forecasted to Surpass USD 53 Billion by 2032".

NOTES AND DEFINITIONS

- All financial and operational information contained within this memorandum, as well as graphic content, was crafted with the sole purpose of creating this presentation and does not reflect a real company.
- Numerical data is included in a supporting Excel Databook.

APPENDIX: Additional U.S. Government Incentives

All levels of government are involved in the planning, development, and execution of programs designed to improve access to broadband internet in rural areas, offering many funding opportunities.

FEDERAL FUNDING[1]

- **RURAL BROADBAND ACCESS LOAN**: This program provides loans and loan guarantees to telephone companies and cooperatives, municipalities, tribes and nonprofit organizations to deploy telecommunications infrastructure for broadband service in rural communities.
- **COMMUNITY CONNECT BROADBAND GRANTS**: These grants provide funding for broadband services through one-time grants to tribes, cooperatives, universities and private companies. The money is used to build broadband infrastructure that can further community development and improvement.
- **RECONNECT PROGRAM**: Established in 2018, the ReConnect program provides loans and grants to help cover the costs of constructing, improving or acquiring facilities for broadband service in eligible rural areas.
- **TELECOM INFRASTRUCTURE LOAN**: This program offers long-term guaranteed loans to qualified telephone companies or cooperatives, nonprofits, limited dividend associations, mutual associations or public bodies for the purpose of providing telecommunications services in rural areas.
- **DISTANCE LEARNING AND TELEMEDICINE PROGRAMS**: These offer loans and grants to rural community facilities such as schools, tribal offices, libraries and hospitals for specialized telecommunications systems that can support healthcare and educational applications in rural areas. The funds are only available to organizations that currently deliver or propose to deliver distance learning or telemedicine services.

FCC – UNIVERSAL SERVICE FUND[2]

- **CONNECT AMERICA FUND:** The Connect America Fund provides funding to Eligible Telecommunication Carriers (ETCs) to help cover the costs of deploying broadband service in areas that are deemed high-cost, rural or insular, where market conditions do not favor deployment with government intervention.
- **UNIVERSAL SERVICE SCHOOLS AND LIBRARIES PROGRAM**: Also known as E-Rate, this program offers discounts on telecommunication and broadband services to schools and libraries. E-Rate was first launched in 1996 and has helped the U.S. achieve a near-universal rate of broadband access in schools.
- **RURAL HEALTHCARE PROGRAM**: This program provides funding to eligible health care providers (HCPs) for telecommunication and broadband services in support of telemedicine applications. In the program, HCPs apply for discounts, and the USAC coordinates with telecom providers and internet service providers (ISPs) to deliver broadband service. The USAC then reimburses the ISPs.
- **RURAL DIGITAL OPPORTUNITY FUND**: The Rural Digital Opportunity Fund is a Federal Communications Commission program designed to close the digital divide in the United States by investing billions of dollars in the construction of rural broadband networks. The budget allocated for this funding initiative amounts to $20.4 billion, which will be awarded over a 10-year period to winning providers after the auction process is complete.

Sources: (1) Rural Development. U.S. Department of Agriculture; (2) Federal Communications Commission.