

Christopher Yost, General Counsel  
1111 Stewart Avenue Bethpage NY 11714  
(303) 956-9050

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Application	)	
<b>CABLEVISION LIGHTPATH LLC</b> , for a	)	
Certificate of Public Convenience and Necessity	)	DOCKET NO. _____
to Provide Facilities-Based and Resold Local	)	
Exchange, Access, and Interexchange	)	Type of Pleading
Telecommunications Services in the State of	)	
Utah.	)	
	)	
	)	
	)	

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Cablevision Lightpath LLC ("Applicant", "Lightpath"), by its undersigned counsel and pursuant to Chapter 8b of Title 54 of the Utah Code, Utah Admin. Code § 746-100 et seq., and the rules and regulations of the Utah Public Service Commission ("Commission"), hereby applies for a Certificate of Public Convenience and Necessity to authorize Applicant to provide facilities-based and resold local exchange telecommunications service in the State of Utah. In support of this Application, Applicant states the following:

**GENERAL INFORMATION:**

The Applicant’s legal name is Cablevision Lightpath LLC. Applicant is a limited liability company organized under the laws of Delaware in 1991 and was authorized to do business in the State of Utah on November 8, 2024 (Utah Business Entity Number: 14517617-0161). Copies of Applicant's Articles of Incorporation and authority to transact business as a foreign corporation are attached hereto as **Exhibit A**.

**Principal Address:** Applicant’s Principal Address is 1111 Stewart Avenue, Bethpage NY 11714  
**Telephone:** (866) 611-3434  
**Toll-Free Number:** (866) 611-3434  
**Fax:** N/A  
**Website:** <https://lightpathfiber.com/>  
**Email Address:** legal@lightpathfiber.com

**Contact Information during Application Process:**

**Name:** Amy Rowe  
**Title:** Director of Legal Operations & ESG  
**Email:** [contracts@lightpathfiber.com](mailto:contracts@lightpathfiber.com)

**Telephone:** (720) 201-7203  
**Toll-Free Number:** (866) 611-3434  
**Fax:** N/A

**Regulatory Contact Person:**

**Name:** Christopher Yost  
**Title:** General Counsel  
**Email:** [christopher.yost@lightpathfiber.com](mailto:christopher.yost@lightpathfiber.com)

**Telephone:** (303) 956-9050  
**Toll-Free Number:** (866) 611-3434  
**Fax:** N/A

**Complaint Contact Person:**

**Name:** Denise Anderson  
**Title:** Director of Customer Care  
**Email:** [care@lightpathfiber.com](mailto:care@lightpathfiber.com) and [denise.narine-anderson@lightpathfiber.com](mailto:denise.narine-anderson@lightpathfiber.com)

**Telephone:** (866) 611-3434  
**Toll-Free Number:** (866) 611-3434  
**Fax:** N/A

## **APPLICATION / CHECKLIST**

**\*\*\* KEY:** *essential facilities, imputation, public utilities, telecommunications, UUSF, carrier of last resort, competitive entry*

*Date of Last Change: November 21, 2022*

*Notice of Continuation: January 27, 2022*

*Authorizing, and Implemented or Interpreted Law: 54-7-25 through 28; 54-8b-2; 54-8b-3.3; 63G-4; 54-8b-2.1; 54-8b-15 \*\*\**

### **R746-349 Competitive Entry and Reporting Requirements**

#### **R746-349-1. Applicability**

These rules shall be applicable to each telecommunications corporation applying to be a provider of local exchange services or other public telecommunications services in the service territory of an incumbent telephone corporation.

#### **R746-349-2 Definitions**

As used in this rule:

- (1) "CLEC" stands for competitive local exchange carrier and means a public telecommunications service provider that did not hold a certificate to provide public telecommunications service as of May 1, 1995.
- (2) "COLR" means carrier of last resort.
- (3) "Division" means the Division of Public Utilities.
- (4) "GAAP" means generally accepted accounting principles.
- (5) "ILEC" stands for incumbent local exchange carrier and means an incumbent telephone corporation which held a certificate to provide public telecommunications service as of May 1, 1995.

#### **R746-349-3 Filing Requirements**

**R746-349-3(1)** In addition to any other requirements of the Commission or of **Title 63G, Chapter 4** and pursuant to **54-8b-2.1**, each applicant for a certificate, as defined in Section **54-8b-2(4)**, shall file, in addition to its application:

**R746-349-3(1)(a)(i)** testimony and exhibits in support of the company's technical, financial, and managerial abilities to provide the telecommunications services applied for and a showing that the granting of a certificate is in the public interest; and

**R746-349-3(1)(a)(ii)** informational requirements made elsewhere in these rules can be included in testimony and exhibits;"

**Response:** Applicant has sufficient financial resources and managerial and technical qualifications to manage the services and related operations in Utah as proposed in this Application. Applicant's financial, technical, and managerial qualifications are stated in the body of this Application and in the Exhibits herewith, along with information showing that the granting of the certificate is in the public interest.

**R746-349-3(1)(b)(i)** proof of a bond in the amount of \$100,000;

**R746-349-3(1)(b)(ii)** this bond is to provide security for customer deposits or other liabilities to telecommunications customers of the Telecommunications Corporation or liabilities to the Utah Public Telecommunications Service Support Fund, 54-8b-15, or the Hearing and Speech Impaired Fund, 54-8b-10 and

**R746-349-3(1)(b)(iii)** an applicant may request a waiver of R746-349-3(1)(b) from the Commission if it can show that adequate provisions exist to protect customer deposits or other customer liabilities;”

**Response:** Cablevision Lightpath LLC does not provide services to residential customers and therefore does not request deposits from individuals. On occasion, Applicant will request deposits from enterprise customers, where the deposit stays on file (to a separate deposit account) for the life of the contract with no expectation of interest. Accordingly, Applicant hereby requests a waiver of this bond requirement.

**R746-349-3(1)(c)** a statement as to whether the telecommunications corporation intends to construct its own facilities or acquire use of facilities from other than the incumbent local exchange carrier, or whether it intends to resell an incumbent local exchange carrier’s and other telecommunications corporation’s services;

**Response:** Applicant proposes to build a fiber-based network in support of carrier and enterprise customers in Utah. Applicant will primarily provide dark fiber services, high-capacity conduit and fiber optic telecommunications services. Our primary services will be conduit, dark fiber, Ethernet, IP and high-capacity Wavelength services. End users will typically connect to the service via direct connections at carrier hotels, data centers, customer premises and other common meet points. We anticipate none of Lightpath services will connect via ILEC local loops, but rather direct connections to customers. No broadband connections will be used in our services. Lightpath will provide services primarily using its own facilities and may occasionally use facilities leased from other carriers, but also seeks authority to provide service via resale arrangements. Applicant provides its services using fiber optic cable along with other equipment and facilities. Lightpath will perform network and equipment maintenance necessary to ensure compliance with any quality of service (QOS) requirements. Lightpath will comply with all applicable Commission rules, regulations and standards, and will provide safe, reliable and high-quality telecommunications services in Utah.

Wherever feasible, Applicant will install or use facilities in or on existing structures. In some instances, however, existing structures or routes may not be available, and Applicant will install new infrastructure such as fiber and conduit. Such facilities will typically be constructed in response to specific requests from customers seeking facilities between points or along particular routes. Applicant does not currently intend to offer voice services. However, Applicant’s facilities will be capable of transmitting communications of any nature, and Applicant expects that some of its customers will use the facilities to provide regulated voice or data communications services and that other customers will use Applicant’s facilities for the provisioning of Internet access service or other unregulated services. Cablevision Lightpath LLC therefore requests to be granted a CPCN.

**R746-349-3(1)(d)** a statement regarding the services to be offered including;

**R746-349-3(1)(d)(i)** “which classes of customer the applicant intends to serve,”

**Response:** Applicant intends to offer its services to business and other non-residential customers including Fortune 500 companies, digital infrastructure providers such as telecommunications carriers, data centers, hospitals and health care, along with customers in government, education, religious organizations and other

enterprises. Lightpath provides services to businesses of all sizes. Lightpath does not intend to provide telecommunications services to residential customers.

**R746-349-3(1)(d)(ii)** “the locations where the applicant intends to provide services,”

**Response:** Applicant seeks authority to offer local exchange services throughout the State of Utah to and from all points in the state that are currently or become open to competition.

**R746-349-3(1)(d)(iii)** “the types of services to be offered;”

**Response:** As described above, Applicant proposes to provide dark fiber services, high-capacity conduit and fiber optic telecommunications services and construct a fiber-based network in Utah. Lightpath will primarily provide dark fiber services, high-capacity conduit and fiber optic telecommunications services. Our primary services will be conduit, dark fiber, Ethernet, IP and high-capacity Wavelength services. Applicant will provide services primarily using its own facilities and facilities leased from other carriers, but also seeks authority to provide service via resale arrangements. Applicant does not plan to furnish switched voice services or dial tone currently, and therefore requirements to provide access to directory assistance, directory listings, operator services and emergency services do not apply. If Lightpath desires to provide local exchange service to end users in the future, it will seek to amend its CPCN to provide local exchange service and, at that time, explain how it proposes to provide access to ordinary intraLATA and interLATA message toll calling, operator services, directory assistance, directory listings, and emergency services.

**R746-349-3(1)(f)** ”an implementation schedule pursuant to **47 U.S.C. 252(c)(3)** of the Telecommunications Act of 1996 which shall include the date local exchange service for residential and business customers will begin;”

**Response:** Applicant anticipates offering services in Utah as soon as reasonably practicable after it has obtained approval of its Application for a CPCN and completed the construction of its network.

**R746-349-3(1)(g)** “summaries of the professional experience and education of all managerial personnel who will have responsibilities for the applicant’s proposed Utah operations;”

**Response:** Applicant has the managerial and technical qualifications necessary to provide the proposed services in Utah. Lightpath is managed by a highly skilled team with substantial expertise and experience in the communications industry, including extensive telecommunications business, technical, and managerial expertise. Descriptions of the qualifications and backgrounds for the key personnel of Cablevision Lightpath LLC, including its officers and directors, are attached hereto as **Exhibit B**. These biographies reflect management’s substantial communications industry experience and expertise and demonstrate that the Applicant possesses significant managerial and technical expertise operating a variety of communications services. The following are the officers of Lightpath:

1. Chris Morley, Chief Executive Officer
2. Christopher Yost, Chief Legal Officer & General Counsel
3. Rachel Stack, Chief Financial Officer
4. Doug Turtz, Chief Revenue Officer
5. Jason Tibbs, Chief Information Officer

The following are the key personnel of Lightpath that would be involved in the implementation:

1. Massimo Cardarelli, Senior Vice President of Operations
2. Tim Haverkate, Senior Vice President of Commercial Operations
3. Nat Tafuri, Vice President of Construction and Operations

**R746-349-3(1)(h)** “an organization chart listing all the applicant’s employees currently working or that plan to be working in or for Utah operations and their job titles;”

**Response:** An organization chart of the Applicant is included herein as **Exhibit C**. Applicant may utilize local Utah-based contractors and personnel to construct and maintain networks in Utah.

**R746-349-3(1)(i)** “a chart of accounts that includes account numbers, names and brief descriptions;”

**Response:** The requirement for a chart of accounts is typically necessary with an entity using regulated rate base or rate of return methodology so that authorities can be confident of the proper classification of revenue and expenses for end user price calculations in a monopoly environment. This is not the financial environment surrounding the services Lightpath will offer. Therefore, Applicant asks that the requirement for a chart of accounts be waived. Applicant will utilize Generally Accepted Accounting Principles (“GAAP”) and be able to track its revenue in Utah for financial reporting.

**R746-349-3(1)(j)** “financial statements that at a minimum include:”

**R746-349-3(1)(j)(i)** “the most recent balance sheet, income statement and cash flow statement and any accompanying notes, prepared according to GAAP,”

**R746-349-3(1)(j)(ii)** “a letter from management attesting to their accuracy, integrity and objectivity, and that the statements were prepared in accordance with GAAP,”

**R746-349-3(1)(j)(iii)** “if the applicant is a start-up company, a balance sheet following the above principles in **Subsection R746-349-3(1)(j)** must be filed,”

**R746-349-3(1)(j)(iv)** “if the applicant is a subsidiary of another corporation, financial statements following the above principles in **Subsection R746-349-3(1)(j)** must also be filed for the parent corporation;”

**Response:** Applicant’s Annual Report is included as **Exhibit D**. An electronic copy can also be found [here](#). The audited financials begin on Page 44.

**R746-349-3(1)(k)** “financial statements to demonstrate sufficient financial ability on the part of the applicant. At a minimum, the applicant’s statements must show:”

**R746-349-3(1)(k)(i)** “positive net worth for the applicant CLEC,”

**R746-349-3(1)(k)(ii)** “sufficient projected and verifiable cash flow to meet cash needs as shown in a five-year projection of expected operations,”

**R746-349-3(1)(k)(iii)** “proof of bond as specified in **R746-349-3(1)(b)**,”

**Response:** Applicant’s Annual Report is included as **Exhibit D**. An electronic copy can also be found [here](#). Lightpath is requesting a waiver of the bond requirement.

**R746-349-3(1)(l)** “a five-year projection of expected operations including the following:”

**R746-349-3(1)(l)(i)** “proforma income statements and proforma cash flow statements,”

**R746-349-3(1)(l)(ii)** “when applicable, a technical description of the types of technology to be deployed in Utah including types of switches and transmission facilities, and”

**R746-349-3(1)(l)(iii)** “when applicable, detailed maps of proposed locations of facilities including a description of the specific facilities and services to be deployed at each location;”

**Response:** Applicant will provide a Confidential – **Exhibit E** for our five-year projections. Cablevision Lightpath LLC is looking to provide services throughout the State of Utah and does not have existing facilities at this time.

**R746-349-3(1)(m)** “an implementation schedule pursuant to 47 U.S.C. 252(c)(3) of the Telecommunications Act of 1996 which shall include the date local exchange service for residential and business customers will begin;”

**Response:** Applicant anticipates offering services in Utah as soon as reasonably practicable after it has obtained approval of its Application for a CPCN and completed the construction of its network. Lightpath is not offering services to residential customers. Lightpath anticipates construction will take approximately 6 months to complete and anticipates providing services within 12-24 months.

**R746-349-3(1)(n)** “evidence of sufficient managerial and technical ability to provide the public telecommunications services contemplated by the application must be demonstrated by a showing of at least the following;

**R746-349-3(1)(n)(i)** “proof of certification in other jurisdictions; and that service is currently being offered in other jurisdictions by the applicant;”

**R746-349-3(1)(n)(ii)** “or the corporation has had at least two years of recent experience in providing telecommunications services related to the type of services the CLEC intends to provide;”

**Response:** Applicant has the managerial and technical qualifications necessary to provide the proposed services in Utah. Lightpath is managed by a highly skilled team with substantial expertise and experience in the communications industry, including extensive telecommunications business, technical, and managerial expertise. Descriptions of the qualifications and backgrounds for the key personnel are included herein as **Exhibit B**. These biographies reflect management’s substantial industry experience and expertise and demonstrate that Lightpath possesses significant managerial and technical expertise operating a variety of communications services. Therefore, Lightpath possesses the managerial and technical qualifications necessary to operate a competitive telecommunications company in Utah, consistent with the Commission’s requirements.

Cablevision Lightpath LLC is a network operator and owner with over 30 years of experience. Lightpath is headquartered in New York, with offices and services in Massachusetts, New Jersey, New York, and Florida. Applicant has not had a certification or authorization denied, suspended, terminated, or revoked by any state. Applicant holds CPCNs in the below states:



Entity	State	Year Received
Cablevision Lightpath CT	CT	1996
Cablevision Lightpath LLC	FL	2022
Cablevision Lightpath LLC	GA	2024
Lightpath of New England	MA	2021
Cablevision Lightpath LLC	MN	2024
Cablevision Lightpath NJ	NJ	1997
Cablevision Lightpath LLC	NY	1993
Cablevision Lightpath LLC	OH	2024
Cablevision Lightpath LLC	VA	2024

**R746-349-3(1)(o)** “a statement as to why entry by the applicant is in the public interest;

**Response:** The grant of this Application will promote the public interest by increasing competition in the provision of high-speed telecommunications services in Utah. Lightpath's network deployment will also benefit Utah by providing jobs to the local community. The Applicant intends to offer dark fiber services, high-capacity conduit and fiber optic telecommunications services and to expand the telecommunications infrastructure in the state. In doing so, Lightpath will participate in the competitive telecommunications market in Utah, which will contribute to reducing prices to competitive levels and to enhancing the availability of high-quality transport services. Lightpath provides services to the local education sector, governments, public facilities, hospitals and health care facilities, and businesses of all sizes in our current service areas and hopes to provide the same services to Utah businesses.

**R746-349-3(1)(p)** “proof of authority to conduct business in Utah;

**Response:** Included herein as **Exhibit A**.

**R746-349-3(1)(q)** “a statement regarding complaints or investigations of unauthorized switching, otherwise known as slamming, or other illegal activities of the applicant or any of its affiliates in any jurisdiction. This statement should include the following”

**R746-349-3(1)(q)(i)** “sanctions imposed against the applicant for any of these activities,”

**R746-349-3(1)(q)(ii)** “copies of any written documents related to these complaints, investigations, or sanctions, including: orders or other materials from the FCC or state commissions, any courts, or other government bodies, and any complaint letters or other documents from any non-government entities or persons,”

**R746-349-3(1)(q)(iii)** “the applicant’s responses to any of these issues;”



**Response:** No complaints have been made, nor has any investigation or sanction been undertaken, against Applicant for unauthorized switching (“slamming”) or any other illegal activities. Applicant will not provide switched voice services, including dial tone in the State of Utah.

**R746-349-3(1)(r)** “statement about the applicant’s written policies regarding the solicitation of new customers and a description of efforts made by the applicant’s to prevent unauthorized switching of Utah local service by the applicant, its employees, or its agents.”

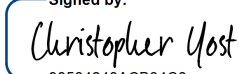
**Response:** Applicant does not have a written solicitation policy. Lightpath does not sell or solicit to residential customers. In the event that Applicant decides to provide local exchange services to end users in the future, Applicant will comply with all applicable laws and regulations to prevent the unauthorized switching of local service customers by the Applicant, its employees or agents.

**R746-349-3(2)** “Additional questions relating to the technical, financial, and managerial capabilities of the applicant and public interest issues may be submitted by the Division or other parties in accordance with **R746-1-501, Discovery.**”

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WHEREFORE, Cablevision Lightpath LLC respectfully requests that the Utah Public Service Commission issue a CPCN authorizing Applicant to provide, throughout the State of Utah, facilities-based public telecommunications services without authority to provide local exchange service (as defined in Utah Code § 54-8b-2(11)) or other circuit-switched services within any local exchange that has fewer than 5,000 lines and that is owned or controlled by an incumbent telephone corporation with fewer than 30,000 access lines in the state. Applicant further respectfully requests that the Commission issue a CPCN to Applicant through an informal adjudication process, to the extent permitted under Utah Code section 54-8b-3(1)(b).

Respectfully submitted,

Cablevision Lightpath LLC

Signed by:  
  
98584248ACB34C8...

Christopher Yost  
General Counsel & Chief Legal Officer  
1111 Stewart Avenue  
Bethpage NY 11714  
(303) 956-9050

*Dated December 10, 2024*

## **Exhibit A – Formation Documents and Utah Business Registration**

# Delaware

The First State

Page 1

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CONVERSION OF A DELAWARE CORPORATION UNDER THE NAME OF "CABLEVISION LIGHTPATH, INC." TO A DELAWARE LIMITED LIABILITY COMPANY, CHANGING ITS NAME FROM "CABLEVISION LIGHTPATH, INC." TO "CABLEVISION LIGHTPATH LLC", FILED IN THIS OFFICE ON THE SECOND DAY OF JULY, A.D. 2020, AT 8:01 O`CLOCK A.M.*



Jeffrey W. Bullock, Secretary of State

2253570 8100V  
SR# 20206036435

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

Authentication: 203215357  
Date: 07-02-20

**CERTIFICATE OF CONVERSION  
TO LIMITED LIABILITY COMPANY  
OF  
CABLEVISION LIGHTPATH, INC.  
TO  
CABLEVISION LIGHTPATH LLC**

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 08:01 AM 07/02/2020  
FILED 08:01 AM 07/02/2020  
SR 20206036435 - File Number 2253570

This Certificate of Conversion to Limited Liability Company (this “Certificate”), dated as of July 2, 2020 has been duly executed and is being filed by the undersigned, as an authorized person, to convert Cablevision Lightpath, Inc., a Delaware corporation (the “Corporation”), to Cablevision Lightpath LLC, a Delaware limited liability company, pursuant to Sections 18-204 and 18-214 of the Delaware Limited Liability Company Act, 6 Del. C. §§ 18-101, et seq. (the “Act”), and Section 266 of the General Corporation Law of the State of Delaware, 8 Del. C. §§ 101, et seq. (the “DGCL”).

1. The Corporation filed its original certificate of incorporation with the Secretary of State of the State of Delaware on January 30, 1991.

2. The name of the Corporation immediately prior to the filing of this Certificate is Cablevision Lightpath, Inc.

3. The name of the limited liability company into which the Corporation shall be converted as set forth in its Certificate of Formation being filed in accordance with Section 18-214(b) of the Act is Cablevision Lightpath LLC.

4. The conversion of the Corporation to a limited liability company shall be effective upon filing.

5. The conversion of the Corporation to a limited liability company has been approved in accordance with Section 266 of the DGCL and Section 18-214 of the Act.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the date first written above.

By:   
Name: Michael Olsen  
Title: Authorized Person

# Delaware

The First State

Page 1

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF  
DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND  
CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "CABLEVISION  
LIGHTPATH LLC" FILED IN THIS OFFICE ON THE SECOND DAY OF JULY,  
A.D. 2020, AT 8:01 O`CLOCK A.M.*

  
Jeffrey W. Bullock, Secretary of State

2253570 8100V  
SR# 20206036435

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

Authentication: 203215357  
Date: 07-02-20

**CERTIFICATE OF FORMATION**

**OF**

**CABLEVISION LIGHTPATH LLC**

This Certificate of Formation of Cablevision Lightpath LLC (the "Company"), dated as of July 2, 2020, has been duly executed and is being filed by the undersigned, as an authorized person, in connection with the conversion of Cablevision Lightpath, Inc., a Delaware corporation, to a Delaware limited liability company under the Delaware Limited Liability Company Act, 6 Del. C. §§ 18-101, et seq.

FIRST: The name of the limited liability company formed hereby is Cablevision Lightpath LLC.

SECOND: The address of the registered office of the Company in the State of Delaware is 251 Little Falls Drive, Wilmington, County of New Castle, Delaware 19808.

THIRD: The name and address of the registered agent for service of process on the Company in the State of Delaware are Corporation Service Company and 251 Little Falls Drive, Wilmington, County of New Castle, Delaware 19808.

FOURTH: This Certificate of Formation shall be effective upon filing.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first written above.

By: \_\_\_\_\_



Name: Michael Olsen

Title: Authorized Person

State of Delaware

Secretary of State

Division of Corporations

Delivered 08:01 AM 07/02/2020

FILED 08:01 AM 07/02/2020

SR 20206036435 - File Number 2253570



SPENCER J. COX  
Governor

DEIDRE M. HENDERSON  
Lieutenant Governor

## UTAH DEPARTMENT OF COMMERCE

### Division of Corporations and Commercial Code

MARGARET W. BUSSE  
Executive Director

ADAM WATSON  
Division Director

11/08/2024

<b>Filing Type</b>	Foreign Limited Liability Company - Foreign Registration Statement		
<b>Filing/EffectiveDate</b>	11/8/2024 12:00:00 AM effective, 11/8/2024 11:40:46 AM		
<b>Entity Name</b>	Cablevision Lightpath LLC		
<b>Entity Number</b>	14517617-0161	<b>Entity Status</b>	Active Current

The Foreign Limited Liability Company Foreign Registration Statement for Cablevision Lightpath LLC was/were filed with the Utah Division of Corporations and Commercial Code on 11/08/2024, effective 11/08/2024.

#### Reference Information:

Work Order Item #	Tracking/Filing #	Submitter Name	Submitter Number
W20241108118659 - 157562	241206093615B	Corporation Service Company	7333

Division of Corporations and Commercial Code

Heber M. Wells Building • 160 East 300 South • P.O. Box 146705 Salt Lake City, UT 84114-6741  
[www.corporations.utah.gov](http://www.corporations.utah.gov) • telephone (801) 530-4849 • toll-free in Utah (877) 526-3994 • fax (801) 530-6438





Filed in the Office of <i>Adam Watson</i> Director, Division of Corporations and Commercial Code Filed in the State of Utah	Filing Number <b>241206093615B</b> Filed On <b>November 08, 2024</b> Entity ID <b>14517617-0161</b> Number of Pages <b>1</b>
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***State of Utah***  
***Department of Commerce***  
***Division of Corporations and Commercial Code***

**Foreign Limited Liability Company - Foreign Registration Statement**

**ENTITY INFORMATION**

Entity Name: Cablevision Lightpath LLC  
Entity Number: 14517617-0161  
Effective Date: November 08, 2024  
Effective Time: 11:40 AM

**BUSINESS DETAILS**

**FOREIGN DETAILS**

Jurisdiction  
Country: USA  
State: DE  
Federal Employer Identification Number: FEIN Status: N/A  
Purpose Statement: Telecommunications

**PRINCIPAL OFFICE INFORMATION:**

Principal Office Address: 1111 Stewart Avenue, Bethpage, NY 11714  
Mailing Address: 1111 Stewart Avenue, Bethpage, NY 11714

**FOREIGN OFFICE STREET INFORMATION:**

Foreign Business Address: UT  
Foreign Mailing Address: UT

**REGISTERED AGENT**

Agent Type: Entity  
Name: CORPORATION SERVICE COMPANY  
Address: 15 WEST SOUTH TEMPLE, SUITE 600, Salt Lake City, UT 84101

**ACTIVE PRINCIPAL INFORMATION**

Title: Manager  
Name: Chris Morley  
Address: 1111 Stewart Avenue , Bethpage, NY 11714

**Title:** Manager

**Name:** Christopher Yost

**Address:** 1111 Stewart Avenue , Bethpage, NY 11714

**Title:** Member

**Name:** Lightpath Holdings LLC

**Address:** 1111 Stewart Avenue , Bethpage, NY 11714

#### **SUPPORTING DOCUMENTATION**

No Supporting Documentation Provided.

#### **REQUIRED SIGNATURES**

- **Electronic Signature:**Christopher Yost  
**Title/Capacity:**Manager

## **Exhibit B – Officers and Key Personnel Biographies**

## Exhibit B

### **Chief Executive Officer - Chris Morley**

Chris Morley was appointed Lightpath's CEO in January 2021. Morley has more than 25 years of experience in the communications infrastructure and telecommunications industry. Prior to joining Lightpath he served as a Senior Operating Partner Advisor for Stonepeak Infrastructure Partners and other Private Equity and Infrastructure investors from 2019-2021. Prior to that, Mr. Morley spent nearly a decade at Zayo Group, a leading communications infrastructure provider in the US, Canada and western Europe, where he served in various roles of increasing responsibility including most recently as Chief Operating Officer, leading the company's fiber infrastructure, data center, enterprise networks, and transport service business segments. He joined Zayo in 2009 and served as Chief Financial Officer and Head of Product Management for the Zayo Bandwidth business unit until December 2010. From December 2010 through May 2012, Mr. Morley served as the President of zColo. He served as President of IP, Colocation, and Ethernet from May 2012 and the Network Control Center from June 2013, President of Waves and SONET from December 2013, and as President, Sales and Marketing from April 2014 until February 2014, when he became President of the Zayo Lit Services business segment (later renamed Zayo Cloud and Connectivity). Zayo Group went public in 2014 and delivered 10-11x returns on Series A/B investor investments. Prior to joining Zayo group, Mr. Morley acted as an independent consultant advising telecommunications companies and private equity investors on strategy, merger and acquisition due diligence, execution, and operational improvements. During 2006 and 2007, Mr. Morley served as part of the management team for One Communications Corporation, serving as Chief Integration Officer and the Executive Vice President of Operations and Networks. From 1999 to 2006, Mr. Morley served as part of the management team for Conversent Communications, LLC, serving as Executive Vice President of Operations and Engineering. Conversent was owned by Bob Fanch, a cable entrepreneur and later sold to an entity that became One Communications. Mr. Morley received his B.S. in Finance from the University of Denver.

### **Chief Legal Officer & General Counsel - Christopher Yost**

Chris Yost was appointed Lightpath's General Counsel in February 2021. Mr. Yost is a seasoned General Counsel with nearly 25 years of experience building and providing the myriad components of legal services and operations for several telecommunications' infrastructure businesses. His experience includes key roles at Level 3 Communications as it built and deployed a multi-conduit and fiber long haul and metro network system throughout the United States and globally. In 2007, Chris assumed a General Counsel role at Zayo Group as it acquired and integrated the telecom infrastructure businesses of more than 40 businesses through the United States. Mr. Yost has broad experience guiding successful business decision making in complex commercial transactions, M&A, litigation, employment, regulatory, real estate, and corporate compliance. Prior to joining Lightpath, Chris served as General Counsel at startup Bandwidth Infrastructure Group where he was involved in the development of an advanced fiber infrastructure buildout around and across the San Francisco Bay. Chris began his legal career as an associate in the litigation department at the global law firm Akin, Gump Strauss Hauer & Feld in Washington D.C. He received his B.S. Degree in Political Science and Government from Western Michigan University and his law degree from the Columbus School of Law at the Catholic University of America in Washington D.C.

## **Chief Financial Officer - Rachel Stack**

Rachel Stack joined Lightpath in August of 2024 as its Chief Financial Officer and oversees the Company's corporate finance, including accounting, financial planning and budgeting, treasury, tax and internal audit. In addition, she is responsible for corporate development, strategy and capital markets planning and execution. Prior to Lightpath, she served as the Chief Financial Officer of Cologix from 2020 to 2024. Cologix is a data center company that owns and operates more than 40 data centers in North America. During her time at Cologix, Rachel was responsible for four acquisitions, including one acquisition which enabled Cologix's presence in Silicon Valley. Ms. Stack led the Company's inaugural US Asset Backed Securitization (ABS) in December 2021, and the industry's first Canadian data center ABS in February 2022. In April 2022, Cologix completed a recapitalization that valued the Company at approximately \$5 billion. Following the Company's recapitalization, Ms. Stack was responsible for the capital spend related to Cologix's \$1BN capital deployment plan. Prior to Cologix, Ms. Stack was the SVP, Corporate Development and Strategy at Zayo Group from 2016-2020. During her time at Zayo, she was responsible for all corporate development and treasury activities, including the acquisitions of Electric Lightwave, Spread Networks, Optic Zoo and Neutral Path. She also led the execution of the take private transaction by Digital Bridge and EQT in 2020. In addition to corporate development, she was responsible for revenue strategy, corporate real estate, compensation and ESG. Prior to Zayo, Ms. Stack was an investment banker at RBC Capital Markets focusing on the data infrastructure and fiber industries. Ms. Stack received her BA from Columbia University and her MBA from Columbia Business School. She enjoys running and traveling with her husband and two daughters.

## **Chief Revenue Officer - Doug Turtz**

Doug Turtz was appointed Lightpath's Chief Revenue Officer ("CRO") in April 2024. Turtz has more than 20 years of experience in the communications infrastructure and telecommunications industry. Turtz served as the CEO of Xchange Telecom / Skywire from January 2023 through March of 2024. Prior to Skywire he was the SVP of Sales at Lightpath from 2020 through December of 2022. Prior to that, Mr. Turtz served as the CRO at Sitehands, an IT Field Services Platform company in 2018 to August 2020. Additionally, from 2012 to January 2018, Turtz served as the SVP of Sales at Lighttower (acquired by Crown Castle) and the National VP of Fiber Sales at Crown Castle. This came after Mr. Turtz spent over a decade at AboveNet Communications (acquired by Zayo Group) from 2000 to 2012. During his time at AboveNet Mr. Turtz held roles in Field Marketing, Training, Sales and Sales leadership. He ultimately became the National VP of Enterprise Sales at AboveNet in late 2011 until the Zayo Group acquisition. Throughout his telecom tenure Turtz has led sales, retention and sales engineering teams ranging from 10 to over 400 people. In doing so he has helped build and deliver business plans for go to market, acquisition and expansion. Mr. Turtz received his B.A. in Economics from Washington University in St. Louis and his M.S. in Mass Communications from Boston University.

## **Chief Information Officer – Jason Tibbs**

Mr. Tibbs was appointed Chief Information Officer in February 2024. Jason completed his B.S. in Telecom Management from DeVry in Kansas City and began his telecom career working for Sprint. Jason left Sprint in 1996 to move to Colorado where he worked at TCG, ATT, ICG, Level 3, and Zayo in which he continued to grow as a professional. At Zayo, he played a critical role to

help build the company to from \$0 to \$1B in revenue, from 0 to 92,000 route miles of fiber spanning the US and Europe. In 2017, Jason started his own consulting business and started working with mid-sized telecommunications companies to improve systems and process. In 2020, Jason became the CIO at Wyverd a high growth residential fiber to the home business.

## **Key Staff - Massimo Cardarelli**

Massimo Cardarelli is Senior Vice President of Operations at Lightpath, with responsibility for service delivery, network design and construction, and sales engineering throughout the Lightpath footprint. Mr. Cardarelli has over 25 years of experience in the telecommunications industry, in a variety of operational and sales support roles. He has worked with numerous governments, financial, healthcare, enterprise customers including equipment manufactures and contractors to deliver custom, reliable solutions. Mr. Cardarelli has managed multiple greenfield network expansion projects, including most recently in Miami and Boston. Over the course of his career, he has constructed and enabled thousands of fiber route miles on public and private rights of ways connecting enterprise and critical public and private data centers. Before joining Lightpath in 2021, Mr. Cardarelli held leadership positions at several companies, including Verizon, AboveNet, Lighttower and Crown Castle. He served as Head of Sales Engineering at Crown Castle Fiber from 2015-2021. During his time at Lighttower, from 2010-2015, Mr. Cardarelli oversaw multiple acquisitions and expansion into Washington D.C., Virginia, and Chicago. Mr. Cardarelli was with AboveNet from 1999 through 2010 and helped build out and expand the network in New Jersey, New York City, Connecticut, and Baltimore. Prior to joining AboveNet, Mr. Cardarelli was with Verizon from 1997-1999. Mr. Cardarelli received his bachelor's degree in finance from St. John's University in New York.

## **Key Staff - Tim Haverkate**

Tim Haverkate is Lightpath's Senior Vice President of Commercial Operations and was appointed in October of 2023. Mr. Haverkate has over a decade of experience in the telecommunications sector. Prior to being appointed SVP of Commercial Operations, Mr. Haverkate served as Vice President of Operations and Vice President of Offer Management at Lightpath and has been with the company since 2021. He has a wide range of skills and experience including financial analysis, reporting, business strategy, and more that make him an asset to Lightpath's growth and development. Prior to joining Lightpath, Mr. Haverkate held many leadership roles at Zayo Group, from 2012 through 2021. He served in product, finance, and sales positions at Zayo from 2015 through 2021. During this time Mr. Haverkate helped lead expansions into 10+ new markets, building out 3,500+ route miles of network in support of customers and the community. Mr. Haverkate received his bachelor's degree in finance from the University of Northern Colorado, and his MBA at University of Colorado at Denver.

## **Key Staff - Nat Tafuri**

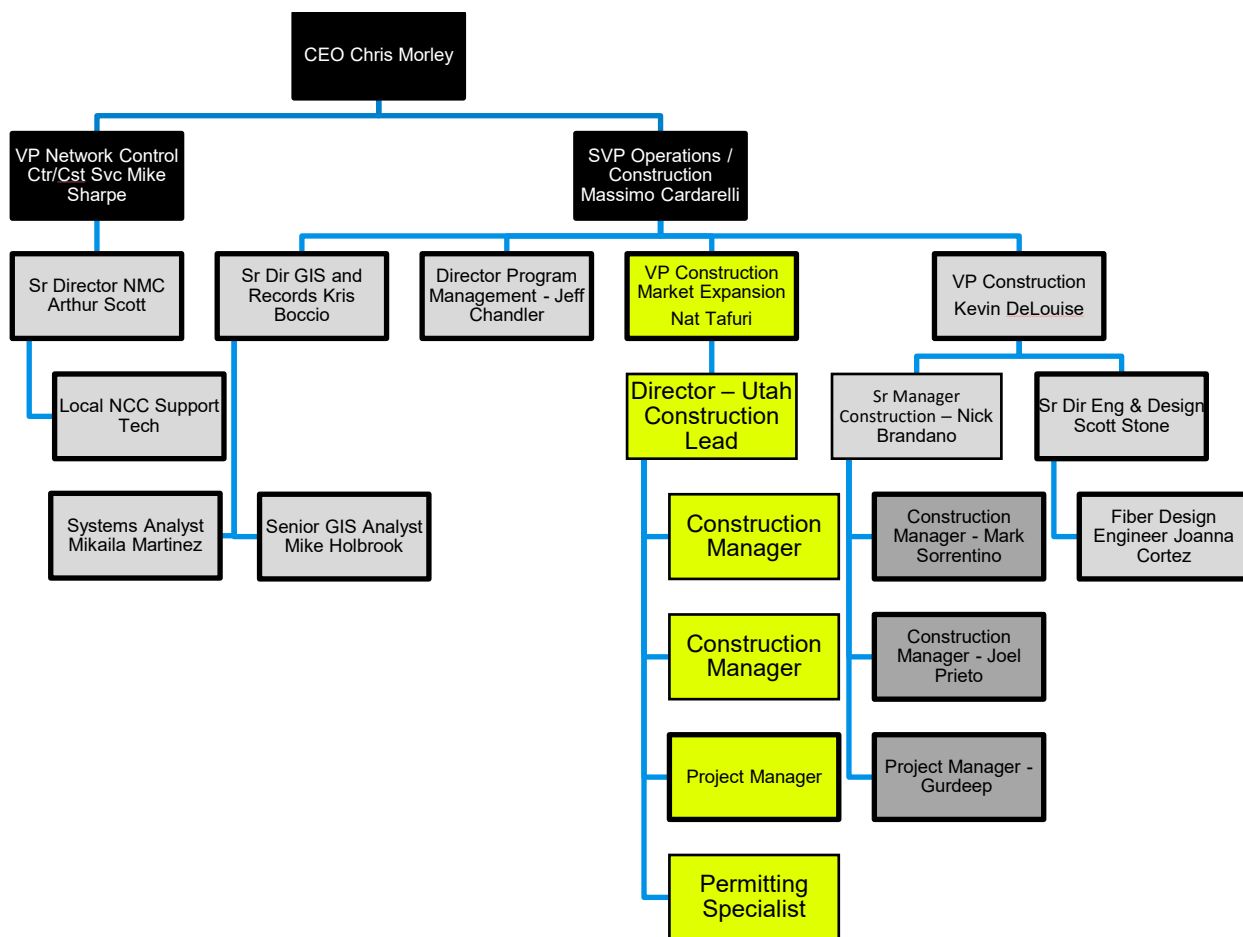
Nat Tafuri has recently joined Lightpath Fiber as the Vice President of Construction and Operations. His responsibilities include the engineering and construction of fiber networks throughout the US. Prior to joining Lightpath, Nat Tafuri was the Executive Vice President of fiber engineering and construction at Wyverd Group. In his role, Mr. Tafuri lead a team of professionals to drive low-cost fiber internet connectivity across communities throughout the US. His responsibilities included FTTH engineering, construction, procurement, materials management, and overall internal and external project management. Mr. Tafuri managed a team

of professionals that self-performed fiber installation, fiber splicing, open trench conduit placement and a horizontal boring. As senior vice president of data center operations at DataBank, after the recent acquisition of Zayo's colocation segment, zColo, Mr Tafuri lead global data center operations for the DataBank portfolio, which includes more than 60+ facilities in North America and Europe. Mr. Tafuri was responsible for managing teams that oversaw engineering, construction, maintenance, service delivery, and data center operations. With nearly 30 years of experience, Mr. Tafuri has held leadership positions with telecommunications and data center companies beginning with MFS Communications in 1991. At MFS, he managed the national deployment of switch and colocation facilities during deregulation in the telecommunications industry. Mr. Tafuri held a similar role with Level 3 Communications building facilities across their national network. When he joined Zayo Group in 2009, Mr. Tafuri took on the challenge of network deployment across all cell tower projects in the United States for the Fiber-to-the-Tower (FTT) group. In 2011, he moved into his current position, leading the launch of Zayo's colocation business. He has also led due diligence and integration efforts for Zayo's data center acquisitions. Nat's Core Focus is in the day-to-day operations, customer service delivery, design, construction and maintaining of Telecommunication/Data Center facilities at the national/global level. Job function includes the re-design of existing facilities to drive high power density customer requirements as well as ensuring energy efficiency across the facility infrastructure. He supports the Sales & Marketing organization from a product perspective to help drive sales of space and power products within the data center facilities. Mr. Tafuri specializes in creating custom designs/solutions for customer special needs in order to minimize expense for both sides.



## **Exhibit C – Organizational Chart**

## Lightpath's Proposed Utah Organization



## **Exhibit D – Lightpath’s Annual Financial Report**

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**ANNUAL REPORT**  
**AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

**CABLEVISION LIGHTPATH LLC**

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## CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES

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## **Business**

### **Company Overview**

Cablevision Lightpath LLC (together with its subsidiaries, "Lightpath", "we", "us", "our" or the "Company") is a leading provider of communications and bandwidth infrastructure, with an extensive network spanning New York City (primarily Manhattan, the Bronx and Brooklyn), as well as northeastern New Jersey, southern New York State, Nassau and Suffolk Counties (Long Island) and southern Connecticut. We entered the Boston metropolitan area as a result of an acquisition of assets in June 2021 and entered the Miami metropolitan area in November 2022. Altice USA, Inc. ("Altice USA") indirectly holds a 50.01% interest and Morgan Stanley Infrastructure Partners ("MSIP") indirectly holds the remaining 49.99% interest in the Company.

As of December 31, 2023, we had approximately 15,100 locations connected to our fiber network, which currently includes approximately 21,300 miles of fiber sheaths ("route miles") (approximately 12,200 owned route miles and approximately 9,100 route miles pursuant to an indefeasible right of use ("IRU") from an indirect subsidiary of Altice USA ("CSC Holdings LLC" or "Altice Service Provider")) and approximately 1,285,500 fiber miles (i.e., route miles multiplied by the number of fiber strands within each fiber sheath; "fiber miles"). We also lease approximately 900 route miles and approximately 2,300 fiber miles from third parties.

Our fiber network as of December 31, 2023 excludes an approximate 8,800 route miles in the New York metropolitan area available to us on preferential terms via our IRU Agreement with Altice Service Provider. We supply enterprise-grade fiber connectivity, bandwidth and managed services to customers whose activities have required rapidly increasing bandwidth driven by secular trends in 5G, the Internet of Things ("IoT"), cloud-computing, video, voice, mobile, security and other bandwidth- intensive applications. We provide Ethernet, data transport, Dark fiber, Cloud connectivity, IP-based virtual private networks, Internet access, and telephony services, including Session Initiated Protocol ("SIP"), trunking and VoIP services. Our bandwidth connectivity offers speeds up to 400 Gbps. We also provide managed services to businesses, including hosted telephony services, managed WiFi and managed collaboration services, including audio and web conferencing. Additionally, we offer fiber-to-the-tower ("FTTT") services to wireless carriers. Approximately \$369.2 million and \$357.4 million of our total revenue of \$398.8 million and \$390.7 million for the years ended December 31, 2023 and 2022, respectively, is recurring revenue, consisting of recurring monthly charges to our customers.

We offer the following suite of Data, Voice, Managed Services and Dark Fiber Services, in addition to legacy services:

### ***Data Transport***

Data transport products and services represented 74% and 76% of our monthly recurring revenue (excluding taxes, allocated subscriber credits and discounts) for the years ended December 31, 2023 and 2022, respectively. Our Data products and services include:

- *Dedicated Internet*. Scalable 10 Mbps to 400 Gbps symmetrical business internet access.
- *E-Line*. Switched Ethernet point-to-point connectivity between 2 locations.
- *V-Line*. Simplified single Switched Ethernet connection over which multiple point-to-point connections can traverse.
- *E-LAN*. Flexible solution for multi-point ("any-to-any") Switched Ethernet connectivity.
- *Optical Transport*. Low-latency, dedicated high-speed transport to connect business locations, supporting emerging protocols and applications that are highly sensitive to delay and jitter.
- *Private Fiber Network*. Dedicated fiber, lit or dark, for any customer vertical.

### ***Voice***

Voice products and services represented 12% of our monthly recurring revenue (excluding taxes, allocated subscriber credits and discounts) for the years ended December 31, 2023 and 2022, respectively. Our Voice products and services include:

- *Enterprise Voice*. Simple voice connectivity solutions with multiple handoff options and flat-rate pricing.
- *Dedicated Toll Free*. Enhanced inbound voice connectivity packages with an intuitive portal managing usage and routing plans.

### **Managed Services**

Managed Services products and services represented 9% and 8% of our monthly recurring revenue (excluding taxes, allocated subscriber credits and discounts) for the years ended December 31, 2023 and 2022, respectively. These are typically next-generation products and services which have been launched more recently than our core Data products. Typically these offerings are "add-ons" to existing customer Data product contracts and are an opportunity to sell additional products and services to existing customers at lower incremental cost to us, with the added benefit of strengthening customer relationships.

Managed Services represent a significant growth opportunity to generate incremental revenue from our existing installed customer base. Our Managed Services products and services include:

- *Unified Communications-as-a-Service (UCaaS)*. Cloud-managed internet protocol ("IP") systems, audio, web, video 24-hour support.
- *Managed Anti-DDoS*. Detection and automatic mitigation of DDoS attacks.
- *SecureNet*. Symmetrical internet access, anti-DDoS protection, resiliency options
- *Audio / Web Conferencing*. Alternative connectivity to enable collaboration.
- *Student and Managed WiFi*. Cloud-based managed WiFi, intuitive portal, advanced analytics.
- *Software Defined Wide Area Network (SD-WAN)*. A virtual WAN architecture that allows for a blend of network transport types to be virtualized, bonded and centrally managed in software to securely and optimally connect users to applications across a customer's locations.

### **Dark Fiber**

Dark Fiber services represented 3% and 2% of our monthly recurring revenue (excluding taxes) for the years ended December 31, 2023, and 2022. Dark fiber services can be sold in the form of long-term or short-term IRU lease contracts.

### **Legacy Services**

Legacy Services represented 2% and 3% of our monthly recurring revenue (excluding taxes, allocated subscriber credits and discounts) for the years ended December 31, 2023 and 2022. These products typically represent legacy technologies from which we are migrating existing customers onto Ethernet based products and services. Our Legacy Services products and services include:

- *Time-Division Multiplexing ("TDM") Voice*. Centrex, POTS (business) lines, Lightlink (T1) services.
- *TDM Data*. T1 / DSx / OCx point-to-point transport between two locations.

### **Our Network**

Our premier network (excluding third party leased fiber miles) of approximately 21,300 route miles and approximately 1,285,500 fiber miles is the result of multiple decades of significant investment in and growth of key network assets. We own approximately 12,200 route miles with approximately 1,070,800 fiber miles in the New York, Boston and Miami metropolitan areas and have approximately 9,100 route miles and approximately 214,700 fiber miles via a long-term IRU from Altice Service Provider. We also lease approximately 900 route miles and approximately 2,300 fiber miles from third parties. Our fiber consists of fiber cables ranging from 2 to 1,728 fibers per sheath with overall utilization of approximately 13%, providing a strong foundation for incremental growth. Our fiber network connects approximately 15,100 locations within the New York, Boston and Miami metropolitan areas and also provides connectivity between Altice USA head ends and third-party datacenters in the footprint. Approximately 82% of our network is deployed on aerial infrastructure (i.e. telephone/utility poles) and 18% in underground infrastructure (i.e. buried conduit). In urban areas such as Manhattan, the percentage of underground infrastructure is higher.



Within the approximate 12,200 owned route miles and 1,070,800 owned fiber miles, we provide certain strands of fiber for use to Altice USA in the form of a long-term fiber IRU. The fiber we provide to Altice USA encompasses approximately 760 route miles and approximately 4,900 fiber miles in total, representing less than 0.50% utilization in aggregate.

In addition to directly owned fiber, we have approximately 9,100 route miles with approximately 214,700 fiber miles via a long-term network access agreement in the form of an IRU from Altice Service Provider. The IRU agreement has an initial term of 20 years with two 10-year automatic renewals. In connection with the agreement, we pay Altice USA recurring fees in exchange for access to and maintenance of the fiber that is made available to us under the IRU. We have exclusive control over network and service configurations, designs, routing configurations, re-grooming, rearrangements or consolidations of circuits, and all related functions related to the fiber under the IRU from Altice USA.

## **Network Design**

Our network includes a physical layer, an optical transport layer, a core transport layer and a services layer, with peering at key interconnection points.

Our fiber constitutes the physical layer and the foundation of our network that has been purpose-built to provide enterprise-grade services to customers across the New York, Boston and Miami metropolitan areas with high bandwidth, service flexibility, and reliability in mind. We connect more than 85 headends and hub sites distributed across the footprint, providing aggregation and interconnection point options for our customers.

High bandwidth connections between these sites are facilitated by our optical transport layer which includes high-capacity ROADM-based (Reconfigurable Optical Add/Drop Multiplexer) and DWDM (Dense Wave Division Multiplexing) optical transport platforms allowing for up to 42 x 800 Gbps wavelengths per pair of fibers. Access and distribution links (outside the core) are supplemented by CWDM (Coarse Wave Division Multiplexing) and DWDM links to ensure ready access to capacity and flexible growth options to customer sites.

These optical transport platforms perform a dual purpose, acting as a service platform for those customers who desire Optical Transport as the end service, but also as the underpinning of our Metro Ethernet platforms. Beginning with the deployment of our first Metro Ethernet platform over a decade ago, the Metro Ethernet network was designed to ensure the carrier-grade reliability and performance that had been the de-facto standard set by SONET-based systems used to deploy TDM services up until that time. All core and aggregation devices are deployed with sufficient redundancy to be able to absorb typical network failure events without disruption to end-user services, including redundant power supplies, controller cards, and physical paths between core sites. The Metro Ethernet networks serve as the basis for the majority of the Data products offered, including Dedicated Internet, E-Line, V-Line, E-LAN and many of the Managed Services products with speeds up to 100 Gbps. The Ethernet data network rides over all fiber high bandwidth optical infrastructure. There are interconnection nodes on the Metro Ethernet network in major datacenters across the footprint, enabling our customers to establish dedicated connections with cloud services providers such as AWS, Google, and Microsoft Azure, as well as other telecom providers for out-of-footprint connectivity needs. In addition to our fiber network and connected locations noted above, we rely on third party Type II circuits to provide last mile connectivity to certain customer locations out of market and within market in instances where new build construction costs are prohibitively expensive.

The Metro Ethernet platforms also provide access for our customers to our voice and internet infrastructure. We own and operate both a traditional TDM and next-generation VoIP softswitch infrastructure to provide Voice services to our customers. There are seven Nokia (formerly Lucent) 5ESS switches as well as two geo-redundant Metaswitch softswitch clusters deployed across the New York metropolitan area. These platforms are the basis for all of the voice services product offerings, including TDM & SIP trunking, Enterprise Voice and Hosted Voice. We share an ASN (Autonomous Systems Number) and interface with Altice USA for peering and IP transit purposes. We interface with multiple peering locations across the New York, Boston and Miami metropolitan areas to ensure ultra-high availability and sufficient capacity for growth of customers' internet access needs.

## **Operations**

Our operations organization enables the delivery and support of our services. This organization consists of back office and field-based teams that interact directly with our customers to perform functions including order entry,

service delivery, network design, field installation, provisioning and support. These teams, typically made up of employees with long tenure as well as substantial industry experience, are a key component of our ability to deliver superior customer experience through all stages of the customer relationship. The operational teams are based out of five primary locations in the New York metropolitan area: Bethpage, Lindenhurst and Elmsford in New York, and Randolph and Piscataway in New Jersey, as well as in the Boston metropolitan area (Cambridge, Massachusetts) and Miami, Florida. The primary back office teams such as network design, provisioning and service delivery are performed by centralized teams using an innovative set of tools and systems to ensure a smooth and predictable installation process. Customers are assigned a project manager for each of their ordered services, who are responsible for direct communication with the customers along with the management of the end-to-end installation process. This team delivers the products and services sold by the sales teams in a professional and consistent manner with industry-leading installation intervals — a key element of our ability to secure add-on business from customers. The field operations teams are made up of enterprise grade technicians with deep experience installing and testing optical fiber-based telecommunications services. This team is responsible for site surveys, installation, and testing of new orders, but also handle the post-installation maintenance and break-fix activities across customer locations and Lightpath hub sites.

## **Sales**

Our sales organization includes a sales team with deep industry experience and key enterprise relationships flanked by an account services team well suited to execute growth strategies. We utilize a multi-channel approach designed to optimize sales alignment with how enterprise customers procure services. The largest part of our sales organization is our direct channel whereby account executives develop relationships with, and sell to, enterprise business decision makers directly. All of our sales personnel are trained in selling the full suite of our products and services which we believe maximizes opportunity to gain wallet share in our base. We complement our direct sales channel with two alternate channels. We deploy our agent channel to gain access to businesses that rely on an intermediary to procure technology services. We utilize our carrier/wholesale channel to opportunistically drive revenue from other service providers requiring connectivity in our footprint and to service demand from Wireless and Content providers.

Our sales compensation strategy is tightly aligned with the strategic objectives of the business — new revenue generation, new product sell-in, lit location monetization and revenue retention. Sales representative and management performance is measured against monthly quotas with commissions paid 50% on bookings and 50% at the time of service installation.

Our sales team operates from six regional offices — Bethpage, Elmsford and New York City in New York, Oakland, New Jersey, Wakefield, Massachusetts and Miami, Florida. This regional approach supports the close relationships with customers that we believe is fundamental to our business and could service additional expansion opportunities within the New York, Boston and Miami metropolitan areas.

Our sales team is supported by a group of pre-sales engineers. The sales engineers help sales and our customers design solutions, provide value added technical oversight and ensure that we maximize our network and solutions to differentiate us in the market.

The account services team further complements the sales team by providing "white glove" treatment to our top accounts. This extra level of care deepens our relationships and enables the sales team to remain focused on new revenue generation.

## **Marketing**

We acquire new customers through digital marketing campaigns, email campaigns, social media, public relations, partners, and other tactics. Our new account lead generation focuses on generating leads of targeted organizations that are within certain proximities to our network. Digital strategies, combined with targeting network proximity, allows us to reach prospects and customers in a cost effective manner. Digital/social media efforts include both paid and organic search efforts in display and search. Our website is where we drive a majority of our tactics, with substantially all of our marketing generated leads coming from our 877 number or web-to-lead forms on our site.

Our on-net location penetration plan coordinates with the sales organization and focuses on acquiring new tenants in on-net locations, incentivizing existing customers to refer businesses in their locations, and encouraging landlord/property manager efforts to help 'market' us to new and existing tenants.

We support a large number of events throughout the year, including tradeshow, golf outings, and roundtables. We also plan and execute our own signature events depending upon product launches, company initiatives, and budget. We currently have two marketing run referral programs: employees may refer new business to us and existing customers may refer a new business to us. For both referral programs, the referrer may be eligible to receive a limited one-time payment depending on how much the referred business spends per month.

## **Capital Investment**

Our capital expenditures are primarily success-based, meaning before we commit resources to expand our network, we typically have a signed customer contract that will provide us with an attractive return on the required incremental capital investment. Within our customer relationship management system, we have standard on-net pricing for certain products and programs which enables quick quoting for on-net and near net builds. Based on historical construction costs and return parameters, on-net and near net locations have pre-established monthly recurring revenue thresholds that sales must obtain in order to sell new locations. Large, complex sales involve our custom solutions group to develop a custom business case. Upfront customer non-recurring charges may also be used to defray construction costs. We may elect to sell into new locations that fall below our target thresholds for a variety of reasons such as extending network to increase addressable market, extension of an existing customer relationship, deal is tied to additional on-net monthly recurring revenue, opportunity to break into new customer relationship with future upside, industry vertical with high propensity to renew or expand, defensive competitive response among others. Additional sales into network on-net or near net locations to both new and existing customers are highly capital efficient and the sales teams prioritize on-net location sales as part of our go to market strategy. We have historically used third party Type II circuits to connect to off network locations where construction would be cost prohibitive. We believe there are opportunities to edge out our network into adjacent markets and may use a combination of success based sales, proactive new builds and Type II circuits to expand where we can achieve attractive financial returns. Maintenance capital is typically a relatively small percentage of overall capital spend and may be tied to certain IT or network upgrades over time. We typically manage transitions to new network equipment by having new customers and services installed on new technology while existing customers continue to use prior equipment. Network capacity is tracked and network overbuilds to relieve potential future capacity constraints are frequently incorporated into existing success based customer installations.

## **Affiliate Agreements**

Altice USA maintains majority control over us, subject to certain shareholder protections for MSIP, and will continue to consolidate our results within Altice USA's financial reporting. In connection with our corporate carve out from Altice USA, we entered into certain agreements with Altice USA on December 1, 2020 to ensure business continuity, transitional support, access to network assets and marketing engagement rules. Our longer-term strategic vision is to continue to increase our independence from Altice USA via the transition of Altice USA owned fiber route miles and operational and network services.

**Services Agreement:** Certain operational and network services are provided to us by Altice Service Provider in the form of the Services Agreement. Altice Service Provider provides select operational functions, such as splicing, network security, colocation, facilities management and voice operations, as well as corporate functions including IT systems, human resources, accounting, tax, treasury, insurance, procurement, legal and government affairs. We pay Altice Service Provider recurring fees in connection with these services, which may be amended over time as scope of work changes. The Services Agreement is designed to limit and control disruption to our operations through the completion of our corporate carve out process, and as our controlling shareholder, Altice USA, the parent company of Altice Service Provider, is economically aligned to support us.

**Market Engagement Agreement:** The Market Engagement Agreement (as defined herein) enables us to resell Altice USA SMB services and includes operational boundaries around Altice USA residential and Lightpath enterprise accounts. Such delineations and boundaries support the ongoing momentum of our sales efforts and simplify certain processes like customer support and billing. The ability to resell Altice USA SMB services ensures that cross-sell opportunities will not be lost through the business separation and that we can continue to support our clients with a comprehensive suite of offerings.

**IRU Agreement:** The IRU Agreement carries an initial term of 20 years with two 10-year automatic renewals. Under the agreement, we have access to existing fiber assets subject to the IRU. The IRU Agreement also provides us with the ability to purchase certain incremental fiber strands from Altice USA's network at preferred rates to support future growth and expansion.

## **Key Customer Verticals**

Over the past 30 years, we have developed a critical mass of customers across a diverse range of industries in our market. As of December 31, 2023, we had approximately 6,400 customers, including approximately 4,000 individual enterprise customers, approximately 860 financial services companies, approximately 540 healthcare institutions, approximately 570 educational and academic institutions, 230 individual government entities, approximately 175 wholesale customers, and six emerging hyperscaler customers. We believe this diversified mix of customers provides additional revenue stability through economic cycles and sector trends that may impact an individual category of business.

Service attributes such as product speed and features, customer service and support, service reliability, network reach, ability to provide dark fiber vs. lit services, need for voice or other managed services, flexible product bundles and price are frequently part of customer conversations across verticals. In addition, we have identified some common interests for certain customer verticals including enterprise (benefits of single source provider, network reach), finance (low latency, specific routes, security), healthcare (rigid SLAs, resilient network with failover, security), education (resilient internet, advanced voice features, compressed installation intervals), government (ubiquity of network, customer service) and carrier / wholesale (scalability and local access).

## **Franchises**

We rely on state and local franchise authority to install, maintain and operate facilities in public rights of way, on poles, and underground. We directly hold 136 telecommunications franchises, and we also rely upon the right of way authority of the cable television franchises of our parent company, Altice USA, and its operating subsidiaries, which under applicable law authorize the operation of a cable television system and the delivery of ancillary services, including telecommunications, broadband and Internet services.

As a general matter, our franchises are typically granted for terms ranging from 10 to 50 years and are subject to a legal framework for renewal after their initial and any renewal term. Other than some costs and typical administrative fees associated with acquiring franchises, rights of way access, permits, and similar authorizations, our telecommunications and information services are not subject to recurring franchise fees either in connection with our directly held franchises or as a result of the Altice USA cable franchisees, for which fees are limited to a percent of receipts associated with "cable services" only. Franchises can be terminated, after appropriate judicial process, for material noncompliance and default.

Historically, Altice USA's and our franchises have been renewed without incurring significant costs, although it is possible that any franchise may not be renewed on commercially favorable terms, if at all. See "Risks Related to our Business — Portions of our property, plant and equipment are located on property owned by third parties" and "Risks Related to our Business — We rely in part on franchise agreements for access to rights-of way, which subjects us to risk of nonrenewal or termination" under "Risk Factors" included in this annual report. Based on our experience, and the experience of Altice USA, we expect to renew or continue to operate under all, or substantially all, of these franchises. Additionally, we expect, over time, to supplant our reliance on Altice USA's cable franchises by obtaining additional franchises directly or through our operating subsidiaries.

## **Suppliers**

We use products, systems and services provided by a variety of suppliers that are critical to the operation of our network and business as a whole. In the network hardware space, we use equipment from several different manufacturers for optical fiber cable, optical transport (WDM) equipment, as well as routers and switches to deliver Ethernet/IP services — including Commscope (fiber cable), Cisco, ADVA, Infinera and Ciena. Our voice switch infrastructure deployed in support of both legacy and current-generation voice services is primarily supplied by Nokia (Lucent) for TDM voice and Metaswitch for VoIP services. There are key sales and operational IT systems in use from external suppliers, some of whom are associated with the hardware manufacturers mentioned above, but also

Salesforce.com, and Netcracker. We rely on these and other suppliers for the products they provide, as well as their ongoing service and support contracts in certain cases.

We utilize certain suppliers to provide temporary and/or contract labor including Infosys and TEKsystems. We also use certain partners as suppliers for a portion of the services that we provide to end user customers, including Toll Free Service, Audio/Web Conferencing, and certain other managed services vendors. We also use the services of other telecommunication service providers when serving customers in locations that do not fall within our service areas (i.e. Type 2 circuits), consisting of a combination of incumbent and alternative telecom carriers.

## Customer Experience

We believe customer service is a cornerstone of our business. Our strategy is to demonstrate that we are reliable, technical experts, easy to interact with and, in the event of a service failure, responsive and courteous as we work to resolve the issue. Accordingly, we make a concerted effort to continually improve each customer's experience and, as such, have made significant investments in our people, processes and technology.

Our Customer Care organization is committed to providing our enterprise business, carrier customers, and healthcare and education customers, the best customer experience possible through high-touch interactions at all stages of their lifecycle. There are several key components of this customer experience, including a Customer Care team, Network Management Center, Account Service Management team, and Field Maintenance technicians who all work seamlessly to provide the 24x7, 365 day award-winning post-installation customer support for which we have become known. The Customer Care team takes the first call from customers and is responsible for triaging their needs. When requests are billing or administrative in nature, this team will frequently resolve issues on the first contact, but when requests are associated with technical issues, the care team will open a ticket and perform a warm handoff to the Network Management Center ("NMC"). The NMC technicians work directly with customers to diagnose the root cause of the trouble, and then drive that trouble to resolution. The NMC team has resources capable of providing 2nd, 3rd, and 4th level support via an Advanced Support team as well as interaction with Engineering and other internal teams for resolution of complex or long-term issues. The NMC staff makes use of a number of alarm management, trouble-ticketing, network inventory and element management systems to perform their monitoring, management, and troubleshooting of the network.

We provide technical service to our customers 24 hours a day, seven days a week, and we have systems that allow our customer care centers to be accessed and managed remotely in the event that system functionality is temporarily lost, which provides our customers access to customer service with limited disruption. When a field dispatch to the customer site or a network location is required, the NMC works directly with the Field Maintenance staff to implement necessary restoration activities. The Account Service Management team provides a "white glove" experience for our most strategic customers, allowing them to focus on their business.

## Competition

We operate in a highly competitive business telecommunications market.

Competition for customers is based on many factors including price, bandwidth, ability to provide entire customer solution, customer-sales relationships, individual product features, quality, reliability, installation intervals, flexibility and customer support. As bandwidth and data services have become more central to customers' core business, their expectations with respect to variety, reliability and quality of services have increased. Depending on the scope of their network, switching bandwidth and voice providers can be an inconvenient undertaking for customers so a customer's current provider often has an advantage to renewing or adding services.

We categorize the participants in today's bandwidth infrastructure and communications service industry as follows:

- **ILECs, CLECs, and Other National Providers** are long-standing competitors that own and provide enterprise connectivity within and between most major US markets. Verizon Communications Inc. ("Verizon"), AT&T Inc. ("AT&T"), Zayo Group LLC, Lumen Technologies Inc. ("Lumen"), Crown Castle, Inc., and Windstream Holdings Inc. all operate within the broad definitions of incumbent local exchange carriers ("ILEC") or competitive local exchange carriers ("CLEC"). Their competitive strengths include their incumbency, national coverage and breadth of traditional offerings. We will typically compete with these providers based on network quality, excellent customer service, installation intervals and flexibility to

customize solutions to specifically meet a customer's needs. In addition, Lightpath also competes on network scope when compared to CLECs or national providers who may not have broad network coverage in the footprint.

- **Multiple-Service Operators ("MSOs")** are primarily operators of multiple cable or direct-broadcast satellite television systems, many of whom also provide fiber offerings. MSOs typically have robust regional coverage in their respective franchise areas based on their coax plant infrastructure. Traditionally, MSOs have focused on small and medium-sized businesses ("SMB") with less focus on Enterprise offerings. As MSOs continue to increase Internet speeds at limited additional cost to customers they can potentially create overlap with smaller enterprise customers. We compete with MSOs based on higher available network speeds, reliability, symmetrical speeds, improved latency, excellent customer service, ability to develop higher level customized solutions and other product features more appropriate for enterprises than traditional SMBs. Key MSOs in the New York metropolitan area include Altice USA, Comcast Corporation, Charter Communications, Inc., Astound Broadband, LLC, and Frontier Communications Parent, Inc ("Frontier").
- **Niche Providers** are operators of fiber offerings with pockets of network within a limited region. They typically focus on a Data centric product suite, which is typically more limited in scope than those of the larger players. Coverage is more limited to core areas of operation with high fiber count connectivity to interconnection hubs, data centers and primary business locations. They historically have targeted enterprise and carrier customers. Lightpath competes with niche providers based on network scope, reliability, breadth of product offering, installation intervals, ability to be a single source provider of services to a customer and excellent customer service. Notable regional or niche providers within or near our footprint include FirstLight, ZenFi Networks, OCG Networks and Pilot Fiber.

## **Regulatory Environment**

### **General Company Regulation**

Our services are subject to a variety of federal, state and local law and regulations. The Communications Act and the rules, regulations and policies of the Federal Communications Commission ("FCC"), as well as other federal, state and other laws governing communications, consumer protection, privacy and related matters, affect significant aspects of our operations.

The following paragraphs describe the existing legal and regulatory requirements we believe are most significant to our operations today. Our business can be dramatically impacted by changes to the existing regulatory framework, whether triggered by legislative, administrative or judicial rulings. See also "Risk Factors".

**Pole Attachments.** We make extensive direct and indirect use of utility poles and conduits to attach and install the facilities that are integral to our network and services. The Communications Act requires most utilities to provide cable systems and telephone companies with access to poles and conduits to attach such facilities at regulated rates, but does not extend these requirements to other entities, such as municipalities and electric cooperatives. States (or, where states choose not to regulate, the FCC) regulate utility company rates for the rental of pole and conduit space used by companies, including operators like us, to provide telecommunications services and Internet access services. Many states in which we operate have elected to set their own pole attachment rules. Adverse changes to the pole attachment rate structure, rates, classifications, and access could increase our annual pole attachment costs.

**Privacy and Data Security.** In the course of providing our services, we may receive certain information about our business customers and their use of our services. We also may obtain certain information regarding potential customers. Our receipt, use, disclosure and other handling of information is subject to a variety of federal and state privacy requirements, including those imposed specifically on cable operators and telecommunications service providers by the Communications Act. We are also subject to data security obligations, as well as requirements to provide notice to individuals and governmental entities in the event of certain data security breaches, and such breaches, depending on their scope and consequences, may lead to litigation and enforcement actions with the potential for substantial monetary forfeitures or to adversely affect our brand.

**Other Regulation.** We are subject to various other regulations, including those related to equal employment opportunity obligations. It is possible that Congress or the FCC will expand or modify its regulations in the future, and we cannot predict at this time how that might impact our business.

## **Broadband**

*Regulatory Classification.* Broadband Internet access services were traditionally classified by the FCC as "information services" for regulatory purposes, a type of service that is subject to a lesser degree of regulation than "telecommunications services." In 2015, the FCC reversed this determination and classified broadband Internet access services as "telecommunications services" and in December 2017, reversed it again, when the FCC adopted an order that reestablished the "information service" classification for broadband Internet access service. The 2017 Order (as defined below) was affirmed in part on appeal in October 2019 insofar as it classified broadband Internet access services as information services subject to lesser federal regulation. However, the 2017 Order was also vacated in part on appeal insofar as it preempted states from subjecting broadband Internet access services to any requirements more stringent than the federal requirements. As a result, the precise extent to which state rules may impose requirements on broadband Internet access service providers, including us, is not fully settled. The FCC, in 2023, proposed reclassifying broadband service as a common carrier telecommunications service under similar terms and conditions as the 2015 Order. The FCC is expected to act on this proposal by mid-2024.

*Net Neutrality.* Congress and some states are considering legislation that may codify "net neutrality" rules, which could include prohibitions on blocking, throttling and prioritizing Internet traffic. A number of states, including California and New York, have adopted legislation and/or executive orders that apply "net neutrality" rules to Internet service providers ("ISPs"). The California legislation took effect in March 2021, and was upheld in 2022 by the Ninth Circuit Court of Appeals against a challenge by internet service providers. New York has in place an executive order that requires entities contracting with state agencies to commit to and certify compliance with net neutrality principles across the market.

*Digital Discrimination.* Pursuant to a Congressional directive, the FCC adopted rules in 2023 to facilitate equal access to broadband internet access service by preventing digital discrimination of access, which the FCC defined as "policies or practices, not justified by genuine issues of technical or economic feasibility, that differentially impact consumers' access to broadband internet access service based on their income level, race, ethnicity, color, religion or national origin, or are intended to have such differential impact." The FCC rules include a process for bringing complaints against broadband providers that relate to digital discrimination. The rules take effect in March 2024 and have been challenged in court. We cannot predict the outcome of the litigation or how these rules will affect our broadband business, including deployment and pricing.

*Access for Persons with Disabilities.* The FCC's rules require us to ensure that persons with disabilities have access to "advanced communications services," such as electronic messaging TTY, and related technologies to assist in the use of our services.

*Government Subsidies.* The FCC and other federal agencies, as well as some states, direct subsidies to entities deploying broadband to areas deemed to be "unserved" or "underserved." Federal legislation and state programs have substantially increased the amount of such subsidies in the past years, and eligibility criteria for the use of such subsidies do not always limit their use exclusively to areas lacking broadband access. While we have also opposed subsidies directed to areas that we already serve, there is a risk that some of our competitors will receive funding to compete with our service offerings.

*Other Regulation.* Providers of broadband Internet access services must comply with the Communications Assistance for Law Enforcement Act ("CALEA"), which requires providers to make their services and facilities accessible for law enforcement intercept requests.

Other forms of regulation of broadband Internet access service currently being considered by the FCC, Congress or state legislatures include consumer protection requirements, billing and notifications requirements, cybersecurity requirements, consumer service standards, requirements to contribute to universal service programs and requirements to protect personally identifiable customer data from theft. Pending and future legislation in this area could adversely affect our operations as a service provider and our relationship with our Internet customers.

Additionally, from time to time the FCC and Congress have considered whether to subject broadband Internet access services to the federal Universal Service Fund ("USF") contribution requirements. Any contribution requirements adopted for Internet access services could impose new costs on our broadband Internet service. The impact of other proposals including requiring other technology and edge companies to contribute to USF is uncertain and hard to



predict. At the same time, the FCC may also change the manner in which Universal Service funds are distributed. It is possible that any changes could assist some of our competitors in more effectively competing with our service offerings.

### **Telephony Services**

We provide telephony services using VoIP technology ("interconnected VoIP") and traditional circuit-switched technology. The FCC has adopted several regulations for interconnected VoIP services, as have several states, especially as it relates to core customer and safety issues such as E911, local number portability, disability access, outage reporting, universal service contributions, and regulatory reporting requirements. The FCC has not, however, formally classified interconnected VoIP services as either information services or telecommunications services. In this vacuum, some states have asserted more expansive rights to regulate interconnected VoIP services, while others have adopted laws that bar the state commission from regulating VoIP service. Several advocacy and labor organizations petitioned the FCC in 2022 to formally classify VoIP as a telecommunications service; however, the FCC has not taken any action on the petition. Classification of our VoIP services as telecommunications services could result in additional regulatory requirements and compliance costs.

*Universal Service.* Circuit-switched voice providers and Interconnected VoIP services must contribute to the USF used to subsidize communication services provided to low income households, to customers in rural and high cost areas, and to schools, libraries, and rural health care providers. The amount of universal service contribution required is based on a percentage of revenues earned from interstate and international services provided to end users. We allocate our end user revenues and remit payments to the universal service fund in accordance with FCC rules. The FCC has ruled that states may impose state universal service fees on interconnected VoIP providers.

*Local Number Portability.* The FCC requires circuit-switched voice providers and interconnected VoIP service providers and their "numbering partners" to ensure that their customers have the ability to port their telephone numbers when changing providers. We also contribute to federal funds to meet the shared costs of local number portability and the costs of North American Numbering Plan Administration.

*Other Regulation.* Circuit-switched and Interconnected VoIP service providers are required to provide enhanced 911 emergency services to their customers; protect customer proprietary network information from unauthorized disclosure to third parties; report to the FCC on service outages; comply with telemarketing regulations and other privacy and data security requirements (see "Privacy Regulations" below); comply with disabilities access requirements and service discontinuance obligations; comply with call signaling requirements; and comply with CALEA standards. In August 2015, the FCC adopted new rules to improve the resiliency of the communications network. Under the new rules, providers of telephony services, including interconnected VoIP service providers, must make available twenty-four hours of standby backup power for consumers to purchase at the point of sale. The rules also require that providers inform new and current customers about service limitations during power outages and steps that consumers can take to address those risks. In addition, the FCC is currently considering whether to require VoIP providers to maintain backup power for certain network equipment. The FCC also requires interconnect VoIP providers to report network outages that exceed a specified threshold.

We provide traditional telecommunications services in various states through our operating subsidiaries, and those services are largely governed under rules established for CLECs under the Communications Act. The Communications Act entitles our CLEC subsidiaries to certain rights, but as telecommunications carriers, it also subjects them to regulation by the FCC and the states. Their designation as telecommunications carriers results in other regulations that may affect them and the services they offer.

*Interconnection and Intercarrier Compensation.* The Communications Act requires telecommunications carriers to interconnect directly or indirectly with other telecommunications carriers and networks, including VoIP. Under the FCC's intercarrier compensation rules, we are entitled, in some cases, to compensation from carriers when they use our network to terminate or originate calls and in other cases are required to compensate another carrier for using its network to originate or terminate traffic. The FCC and state regulatory commissions, including those in the states in which we operate, have adopted limits on the amounts of compensation that may be charged for certain types of traffic. In an October 2011 Order, the FCC determined that intercarrier compensation for all terminating traffic would be phased down over several years to a "bill-and-keep" regime, with no compensation between carriers for most terminating traffic. In 2020, the FCC adopted further reforms to phase down the rates for the origination of "toll-free"

calls. The FCC also has a pending proceeding that could further reduce or eliminate compensation for remaining traffic.

*Universal Service.* Our CLEC subsidiaries are required to contribute to the USF. The amount of universal service contribution required of us is based on a percentage of revenues earned from interstate and international telecommunications services provided to end users. We allocate our end user revenues and remit payments to the universal service fund in accordance with FCC rules. The FCC has ruled that states may also impose their own universal service fees on CLEC telecommunications services.

*Other Regulation.* Our CLEC subsidiaries' telecommunications services are subject to other FCC requirements, including protecting the use and disclosure of customer proprietary network information; meeting certain notice requirements in the event of service termination; compliance with disabilities access requirements; compliance with CALEA standards; outage reporting; and the payment of fees to fund local number portability administration and the North American Numbering Plan. As noted above, the FCC and states are examining whether new requirements are necessary to improve the resiliency of communications networks, including heightened backup power requirements within the provider's network. Communications with our customers are also subject to FCC, FTC and state regulations on telemarketing and the sending of unsolicited commercial e-mail and fax messages, as well as additional privacy and data security requirements.

*State Regulation.* Our CLEC subsidiaries' telecommunications services are subject to regulation by state commissions in each state where we provide services. In order to provide our services, we must seek approval from the state regulatory commission or be registered to provide services in each state where we operate and may at times require local approval to construct facilities. Regulatory obligations vary from state to state and include some or all of the following requirements: filing tariffs (rates, terms and conditions); filing operational, financial, and customer service reports; seeking approval to transfer the assets or capital stock of the broadband communications company; network resiliency and disaster recovery requirements; seeking approval to issue stocks, bonds and other forms of indebtedness of the broadband communications company; reporting customer service and quality of service requirements; outage reporting; making contributions to state universal service support programs; paying regulatory and state Telecommunications Relay Service and E911 fees; geographic build-out; and other matters relating to competition.

### ***Other Services***

We may provide other services and features over our network, such as data security, and wide area access networks, which may be subject to a range of federal, state and local laws, such as privacy and consumer protection regulations and federal and state standards and regulations. We also maintain a website that provides information and content regarding our businesses. The operation of this website is also subject to a similar range of regulations.

### ***Privacy regulations***

Our telecommunications, data, Internet and voice services are subject to various federal, state and local laws and regulations, as may also be, in instances where our services are used outside of the U.S., subject to foreign laws regarding subscriber privacy, data security, data protection, and data use. Our provision of Internet services subjects us to the limitations on use and disclosure of user communications and records contained in the Electronic Communications Privacy Act of 1986. Broadband Internet access service is also subject to various privacy laws applicable to electronic communications. We are subject to various state regulations and enforcement oversight related to our policies and practices covering the collection, use, and disclosure of personal information. Connecticut adopted a comprehensive privacy act in 2022 that imposes disclosure requirements, privacy protections, and the rights of consumers to opt out of certain data sharing. Those laws took effect in 2023. Similarly, the New Jersey legislature passed a comprehensive consumer privacy law in January 2024, which will take effect in January 2025. We expect further scrutiny of privacy practices at all levels of government in the areas where we operate, and implementing systems to comply with new rules could impact our business opportunities and impose operating costs on the business.

### ***Environmental regulations***

Our business operations are subject to environmental laws and regulations, including regulations governing the use, storage, disposal of, and exposure to hazardous materials, the release of pollutants into the environment and the

remediation of contamination. In part as a result of the increasing public awareness concerning the importance of environmental regulations, these regulations have become more stringent over time. Amended or new regulations could impact our operations and costs.

## **Intellectual Property**

We rely on patents, copyrights, trademarks and trade secrets, as well as licenses and other agreements with our vendors and third parties, to use our technologies, conduct our operations, and sell our products and services. In addition to licenses included in vendor agreements, we also rely on affiliates of ours, including Altice USA, for access to certain proprietary technology, intellectual property, licenses, trademarks and trade secrets. We own the name "Lightpath," and the use of the name "Altice," as well as derivatives, is licensed to us through an arrangement for the benefit of Altice USA and its subsidiaries. We believe we own or have the right to use all the intellectual property that is necessary for the operation of our business as we currently conduct it.

## **Employees**

As of December 31, 2023, there were approximately 530 employees comprised of field personnel, sales, call center, engineering, technical and other support staff. As of December 31, 2023, none of the employees described above are represented by unions or covered by collective bargaining agreements. We consider our relations with such employees to be good.

## **Property, Plant and Equipment**

We own or control, including through the IRU Agreement entered into with Altice Service Provider, licenses or easements, the property, plant and equipment necessary to provide telecommunications services to customers in each of the states in which we operate.

The property, plant and equipment comprises exchange, data switching, routing, transmission and receiving equipment; computer systems, connecting lines (cables, wires, fibers, poles, antennas, towers and other support structures, ducting and similar items); and other miscellaneous property including retail equipment, furniture and other office equipment, and plants under construction.

The physical components of the connectivity and transmission systems require maintenance and periodic upgrading to improve system performance and capacity.

## **Insurance**

Our business is covered by insurance policies through Altice USA that are consistent with the industry and markets in which we operate. The main insurance policies have deductibles, retentions and policy exclusions that are consistent with the industry and with the size of the business. These deductibles, retentions and policy exclusions would be self-funded if a claim were to arise. We consider our insurance coverage to be adequate both as to risks and amounts for the business currently conducted by us.

## **Legal Proceedings**

Refer to [Note 13](#) to our audited consolidated financial statements included in this Annual Report for a discussion of our legal proceedings.

## **Management and Principal Shareholders**

### *Board of Managers*

Pursuant to the LLC Agreement, the general authority to make any and all of the day-to-day management decisions for Lightpath Holdings LLC ("Parent") and its subsidiaries, which includes us, will be delegated to the board of managers of Parent (the "Board").

The Board consists of ten members, including five managers appointed by Altice USA and its subsidiaries (the "Altice Members") and four managers appointed by NHIP III Lantern Holding LLC (the "MSIP Member", and together with the Altice Members, the "Members" and each a "Member"). The Board also includes one non-voting executive manager. The Board has a compensation committee and may have additional committees, as determined from time to time.

Pursuant to the LLC Agreement, a Member who holds: (i) 50% or more of the common units of Parent shall be entitled to appoint five managers; (ii) less than 50% but 40% or more of the common units of Parent shall be entitled to appoint four managers; (iii) less than 40% but 30% or more of the common units of Parent shall be entitled to appoint three managers; (iv) less than 30% but 20% or more of the common units of Parent shall be entitled to appoint two managers; and (v) less than 20% of the common units of Parent shall not be entitled to appoint any managers. In the event that a Member holds less than 20% but at least 10% of the common units of Parent, such member will be entitled to appoint one observer to attend Board meetings. In addition, the LLC Agreement will require that the chairman of the Board be a manager jointly appointed by the Altice Members and the MSIP Member so long as the MSIP Member holds at least 40% or more of the common units of Parent. If the MSIP Member's ownership of common units of the Company falls below 40%, then the chairman will resign as chairman if he or she was a manager appointed by the MSIP Member, and the Altice Members shall have the right to appoint the new chairman.

All decisions of the Board shall be adopted by a simple majority vote of the Board members present or duly represented, except as otherwise described below. Meetings of the Board shall only be validly held if at least 50% of the members of the Board are present or represented including at least one manager appointed by each member entitled to appoint a manager to the Board.

### *Protective Rights*

For so long as a Member holds at least 35% of the common units of Parent, certain matters will require the approval of at least one manager designated by such Member, including, among other things and subject to certain exceptions, approval of: the Annual Business Plan (as defined in the LLC Agreement Term Sheet); certain unbudgeted capital expenditures; certain actions with respect to material agreements, including those valued at \$20 million or more and entered into outside the ordinary course of Parent's business; certain actions with respect to the Services Agreement or the IRU Agreement; mergers, acquisitions, divestitures, consolidations or joint ventures; an initial public offering by Parent, any of its subsidiaries or any other newly formed parent company of Parent formed for such purposes (an "IPO"); the incurrence of new indebtedness over a specified threshold; and initiating, discontinuing or settling any disputes or litigation valued at, on an individual basis, \$5 million or more.

In addition, for so long as a Member holds at least 20% of the common units of Parent, certain matters will require the approval of at least one manager designated by such Member, including, among other things and subject to certain exceptions, approval of: transactions between Parent or its subsidiaries, on the one hand, and Altice USA or its affiliates, on the other hand; certain issuances of equity interests or equity repurchases or reductions (or similar transactions); undertaking any fundamental changes to Parent's business or entering into any significant line of business; dissolving, liquidating or winding up of Parent; modifying the distribution policy of Parent or declaring or paying any distributions outside of such distribution policy; appointing auditors or making any change to Parent's auditors; certain changes and decisions regarding tax or certain compliance policies of Parent; and certain material changes to executive compensation or termination of certain executive officers.

The protective rights to be set forth in the LLC Agreement will terminate upon the consummation of an IPO.

For so long as the MSIP Member owns at least 20% of the common units of Parent, under certain limited circumstances involving a material breach by Altice Service Provider under the Services Agreement or IRU Agreement, the MSIP Member will be permitted to cause the Company to enforce its rights under such agreements.

### ***Indemnification of Managers and Officers***

Parent will indemnify each of its managers, officers and members, to the fullest extent permitted by applicable law, against claims arising out of, relating to, or in connection with, any action or omission performed or omitted or alleged to have to have been performed or omitted, in good faith on behalf of Parent or any of its subsidiaries.

The biographies of our executive officers as of December 31, 2023 are as follows:

Chris Morley, 49, was appointed our Chief Executive Officer (CEO) in January 2021. Prior to becoming our CEO, Mr. Morley served as Chief Operating Officer (COO) for Zayo Group. Mr. Morley studied at University of Denver and holds a BSBA degree in Business, Finance.

Chris Yost, 60, was appointed our General Counsel in February 2021. In this role, he oversees the Company's legal and regulatory matters as well as human resources. Mr. Yost previously served as General Counsel and other leadership roles at Bandwidth Infrastructure Group, Zayo Group, and Level 3 Communications (now Lumen). Earlier in his career he was an associate in litigation and labor and employment at the global law firm Akin, Gump, Strauss, Hauer & Feld in the firm's Washington D.C. office. Mr. Yost earned his bachelor's degree from Western Michigan University and his law degree from Catholic University.

Doug Dalissandro, 58, was appointed our Chief Revenue Officer (CRO) in December 2020 and served in this position until March 1, 2024. Prior to becoming our CRO, Mr. Dalissandro served as CRO for Lightower Fiber Networks. Mr. Dalissandro studied at Ohio University and holds a Bachelor of Science degree in Communications.

Phil Olivero, 58, was appointed our Chief Technology Officer (CTO) in March 2021. Prior to becoming our CTO, Mr. Olivero served as CTO for the Fiber Services division of Crown Castle and also served as CTO at Lightower Fiber Networks. Mr. Olivero studied at the University of Waterloo and holds a Bachelor of Applied Science in Electrical Engineering.

Eric Swanholm, 58, was appointed our Executive Vice President of Finance in April 2021. He is responsible for all finance activities for the Company. Mr. Swanholm previously served in senior financial roles for the Fiber Services division of Crown Castle, Lightower Fiber Networks, and Convergent Communications. Mr. Swanholm studied at the University of Rhode Island, holds a Bachelor of Science degree in Accounting and is a Certified Public Accountant.

### **Principal Shareholders**

We are an indirect subsidiary of Altice USA, which holds a 50.01% interest and an indirect subsidiary of MSIP, which holds the remaining 49.99% interest.

Altice USA is a holding company, which, through its subsidiaries, principally provides broadband communications and video services in the United States and markets its services primarily under the Optimum brand. Altice USA delivers broadband, video, telephony, and mobile services to approximately 4.7 million residential and business customers. Altice USA's footprint extends across 21 states through a fiber-rich hybrid-fiber coaxial broadband network and a fiber-to-the-home network with approximately 9.6 million total passings as of December 31, 2023.

MSIP is an infrastructure private equity company, which targets assets that provide essential public goods and services primarily located in Organization for Economic Co-operation and Development (OECD) countries.

### **Risk Factors**

#### **Summary of Risk Factors**

Our business is subject to a number of risks that may impact our business and prospects. The following summary identifies certain risk factors that may prevent us from achieving our business objectives or may adversely affect our business, financial condition and results of operations. These and other risks are discussed in detail in the section that follows.

#### ***Risks Related to our Capital Structure***

- Our substantial indebtedness could adversely affect our business, financial condition and results of operations and prevent us from fulfilling our debt obligations.
- Our ability to service all of our indebtedness depends on many factors beyond our control, and if we cannot generate enough cash to service our indebtedness, we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.
- Our debt agreements contain restrictions that could limit our flexibility in operating our business.
- Prior to or when our Senior Secured Notes mature, we may not be able to refinance or replace them.
- Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.
- Changes or uncertainty in respect of interest rate benchmarks may affect our sources of funding.
- A downgrade in our credit rating may negatively impact the trading prices of and market for our debt securities.
- The financial markets are subject to volatility and disruptions, which have in the past, and may in the future, adversely affect our business, including by affecting the cost of new capital and our ability to fund acquisitions or other strategic transactions.

### ***Risks Related to our Business***

- Our rights to the use of fiber that we do not own and that comprises a significant portion of our network may be affected by the ability to continue long-term contracts and the financial stability of Altice USA and Altice Service Provider.
- Our operations require substantial capital expenditures and the costs of such capital expenditures could be higher than currently anticipated by our management and, as a result, our business, financial condition, results of operations and liquidity may be impacted if funds for capital expenditures are not available when needed.
- We are heavily dependent on our ability to renew our contracts with our customers and we could lose substantial revenue if we are unable to renew certain of these contracts.
- Our major contracts subject us to various risks.
- We may make tax distributions to our ultimate equityholders in amounts in excess of the tax expense that we would incur if we were a similarly situated corporate taxpayer.
- We expect to periodically require financing, and we cannot assure you that we will be able to obtain such financing on terms that are acceptable to us, or at all.
- Parent's current distribution practices could limit our ability to deploy cash for other beneficial purposes.
- If conditions or assumptions differ from the judgments, assumptions or estimates used in our critical accounting policies or forward-looking statements, our consolidated financial statements and related disclosures could be materially affected.
- If our goodwill or other intangible assets become impaired, we may be required to record a significant charge to earnings and reduce our member's equity.
- We are growing and may not efficiently manage our growth.
- Our operations, financial performance and liquidity are materially reliant on various third parties.
- Portions of our property, plant and equipment are located on property owned by third parties.
- We may be subject to litigation that could have a substantial, adverse impact on our business.
- Our business depends on intellectual property rights and on not infringing on the intellectual property rights of others.
- We may be liable for the material that content providers distribute over our networks.
- If we fail to hire and retain an experienced and effective management team and qualified personnel, our business, financial condition and results of operations could be adversely affected.

- We rely on Altice Service Provider's network and information systems for our operations and a disruption or failure of, or defects in, those systems may disrupt our operations, damage our reputation with customers and adversely affect our results of operations.
- If we experience a significant data security breach or fail to detect and appropriately respond to a significant data security breach, our results of operations and reputation could suffer.
- Our future growth potential depends in part on the continued development and expansion of data demand and the Internet and other business trends.
- We are required to maintain, repair, upgrade, and replace our network and our facilities, the cost of which could materially impact our results and our failure to do so could irreparably harm our business.
- Rapid technological changes could significantly impact our competitive and financial position.
- Our failure to meet the evolving needs of our customers could adversely impact our competitive position.
- Increases in broadband usage may cause network capacity limitations, potentially resulting in service disruptions.
- Our failure to meet performance or service standards under our agreements could result in customers terminating their relationships with us, or customers being entitled to receive financial compensation, leading to reduced revenue or increased costs.
- The geographic concentration of our operations in New York, New Jersey, Connecticut and Massachusetts makes our business susceptible to local economic and regulatory conditions, business trends, and natural and man-made disasters in those states.
- We have agreements with customers that are dependent on government funding, which may not be available.
- Our business is sensitive to the creditworthiness of our wholesale customers.
- We may seek to engage in strategic transactions that could significantly impact our business.
- We may not be able to compete successfully against current or future competitors.
- Negative publicity surrounding us or Altice USA may adversely affect current and future customers' perception of us.
- Unfavorable general economic and industry conditions could negatively impact our operating results and financial condition.
- We face risks from natural disasters and extreme weather, which can disrupt our operations and cause us to incur substantial additional capital and operating costs.
- Various events could disrupt our networks, infrastructure and facilities and could impair our operating activities and negatively impact our reputation and financial results.
- Terrorist attacks and other acts of violence or war may adversely affect the financial markets and our business.
- Our business is subject to governmental oversight, legislation and regulation, which could adversely affect our business, increase our operational and administrative expenses and impact our revenues.
- We rely in part on franchise agreements for access to rights-of-way, which subjects us to risks of nonrenewal or termination.
- Local franchising authorities have the ability to impose additional regulatory constraints on our business, which could reduce our revenues or increase our expenses.
- We may be adversely affected by regulatory changes related to pole attachments.
- Increasing regulation of our Internet-based products and services could adversely affect our ability to provide new products and services.
- Offering telephone services may subject us to additional regulatory burdens, causing us to incur additional costs.
- We may be materially adversely affected by regulatory, legal and economic changes relating to our physical plant.

- FCC rulemakings and state regulatory proceedings, including those relating to intercarrier compensation, universal service and broadband services, could have a material adverse effect on our operations.
- We are subject to the oversight of certain federal and state agencies that have in the past, and may in the future, investigate or pursue enforcement actions against us relating to consumer protection matters.
- Regulation may limit our ability to make required investments or adopt business models that are needed to continue to provide robust high-speed data service.
- Compliance with, and changes to, environmental, safety and health laws and regulations could result in significant costs.
- Regulation of the Internet and data privacy could substantially impact us.
- Additional changes in tax laws or tax audits could adversely affect us.
- Changes in any of the above-described laws or regulations may limit our ability to plan, and could subject us to further costs or constraints.
- Our inability to transition successfully to being a standalone business may have a material adverse effect on our business, financial condition, results of operations and reputation.
- Any failure by Altice USA, Altice Service Provider or any of their affiliates to deliver the services to be provided under the Services Agreement could have a material adverse effect on our business, financial condition and results of operations.
- We are subject to business uncertainties that could materially and adversely affect our business.

### ***Risks Related to our Capital Structure***

***Our substantial indebtedness could adversely affect our business, financial condition and results of operations and prevent us from fulfilling our debt obligations.***

We have a substantial amount of indebtedness, which will require significant interest and principal payments. As of December 31, 2023, we have approximately \$1,447 million in aggregate principal amount of indebtedness. We also had unused availability under the revolving credit facility of \$100 million as of December 31, 2023.

Our and our subsidiaries' substantial amount of indebtedness could have important consequences, including, but not limited, to the following:

- requiring us and certain of our subsidiaries to dedicate a substantial portion of our cash flow from operations to the payment of principal of and interest on our indebtedness, thereby reducing the funds available to us to finance our operations, capital expenditures and any future business opportunities;
- limiting flexibility in planning for, or reacting to, changes in our business or the industry in which we operate;
- placing us at a competitive disadvantage compared to our competitors that have less indebtedness;
- increasing our vulnerability to adverse general economic or industry conditions;
- making us and our subsidiaries more vulnerable to increases in interest rates, as borrowings under our revolving and term loan facilities are at variable rates; and
- limiting our ability to obtain additional financing to fund working capital, capital expenditures, acquisitions or other general corporate requirements and increasing our cost of borrowing.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations.

The terms of the agreements and instruments governing our debt, including the indentures governing our 5.625% senior notes due 2028 (the "Senior Notes") and 3.875% senior secured notes due 2027 (the "Senior Secured Notes" and together with the Senior Notes, the "Notes") (the "Indentures") and the credit facilities agreement, dated September 29, 2020, as amended on June 20, 2023, between, amongst others, the Company as borrower and Goldman Sachs Bank USA as administrative agent (as amended, the "Credit Facilities Agreement"), restrict, but do not prohibit, us from incurring additional debt. The restrictive covenants in these agreements and instruments (and the Indentures) do not apply to our unrestricted subsidiaries. We may refinance our debt, and we may increase our consolidated debt for various business reasons, which might include, among other things, financing acquisitions,



funding the prepayment premiums, if any, on debt we refinance, funding distributions to our shareholders or general corporate purposes. If new debt is added to our consolidated debt described above, the related risks that we now face will intensify.

In addition, the Indentures and the Credit Facilities Agreement contain restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our debt.

***Our ability to service all of our indebtedness depends on many factors beyond our control, and if we cannot generate enough cash to service our indebtedness, we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.***

Our ability to make scheduled payments on or to refinance our obligations with respect to our debt will depend on our financial and operating performance, which, in turn, are subject to prevailing economic, financial, competitive, legislative, legal and regulatory factors and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to fund our day-to-day operations or to pay the principal, premium, if any, and interest on our indebtedness, including the Notes.

Cash flows from operations are the principal source of funding for us. Our business may not generate cash flow from operations in an amount sufficient to fund our liquidity needs. If our cash flows are insufficient to service our indebtedness, we may be forced to reduce or delay capital expenditures, lay off or otherwise reduce our employee headcount, reduce or delay discretionary spending, sell assets, seek additional capital or restructure or refinance our indebtedness, each of which could have a material adverse effect on our business. Our ability to restructure or refinance our debt will depend on the condition of the capital and credit markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations and limit our financial flexibility. In addition, the terms of existing or future debt agreements may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. These alternative measures may not be successful and, as a result, our liquidity and financial condition could be adversely affected and we may not be able to meet our scheduled debt service obligations.

***Our debt agreements contain restrictions that could limit our flexibility in operating our business.***

The operating and financial covenants and restrictions in the Credit Facilities Agreement, the Indentures and other debt that we incur in the future may adversely affect our ability to finance our future operations or capital needs or engage in other business activities that may be in our interest. The agreements governing our indebtedness restrict, subject to certain important exceptions and qualifications, our and our subsidiaries' ability to, among other things:

- incur additional indebtedness or guarantee indebtedness;
- pay dividends or make distributions or make certain other restricted payments;
- make certain investments;
- create liens on our or our subsidiaries' assets;
- sell or otherwise dispose of assets;
- enter into transactions with affiliates;
- enter into agreements restricting our subsidiaries' ability to pay dividends;
- designate our subsidiaries as unrestricted subsidiaries; and
- enter into mergers or consolidations or sell all or substantially all of our or our restricted subsidiaries' assets.

A breach of the covenants or restrictions under the Indentures or under the Credit Facilities Agreement could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under the Credit Facilities Agreement would permit the lenders under our revolving credit facility to terminate all commitments to extend further credit under that facility.

Furthermore, if an event of default occurs under the Credit Facilities Agreement or in respect of the Senior Secured Notes, those lenders or noteholders, as the case may be, could proceed against the Collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. As a result of these restrictions, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect our ability to grow in accordance with our strategy. In addition, our financial results, our substantial indebtedness and our credit ratings could adversely affect the availability and terms of our financing.

***Prior to or when the Senior Secured Notes mature, we may not be able to refinance or replace them.***

The Senior Secured Notes have an earlier maturity date than the Senior Notes. Prior to or on the maturity date of the Senior Secured Notes, we may need to refinance them and may not be able to do so on favorable terms or at all. If we are able to refinance maturing indebtedness, the terms of any refinancing or alternate credit arrangements may contain terms and covenants that restrict our financial and operating flexibility. If we are unable to refinance the Senior Secured Notes prior to or when they mature it could result in an event of default under the Senior Secured Notes Indenture if we are unable to redeem the Senior Secured Notes on the maturity date. Moreover, the occurrence of an event of default under the Senior Secured Notes Indenture could result in an event of default under our other indebtedness, including the Senior Notes Indenture.

***Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.***

Borrowings under our revolving and term loan facilities are at variable rates of interest and expose us to interest rate risk. Interest rates increased significantly during 2023 and may increase in 2024 depending on economic conditions including the inflation rate. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. Each quarter point change in interest rates would result in an approximate \$1.5 million change in annual interest expense on our indebtedness under the term loan facility. We have entered into, and in the future we may enter into, additional interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

***Changes or uncertainty in respect of interest rate benchmarks may affect our sources of funding.***

In the past, borrowings under the revolving and term loan facilities bore interest at floating rates of interest per annum linked to LIBOR. Certain LIBOR settings were discontinued at the end of 2021, and the remaining settings were phased out by the end of June 2023.

In the United States, the Alternative Reference Rates Committee proposed the Secured Overnight Financing Rate (“SOFR”) as an alternative to LIBOR for use in contracts that were indexed to U.S. dollar LIBOR and proposed a phased market transition plan to SOFR. Pursuant to the amendment of the Credit Facilities Agreement in June 2023, prior to the phase-out of LIBOR on June 30, 2023, the LIBOR-based benchmark rates applicable to borrowings under the Credit Facilities Agreement were replaced with SOFR-based benchmark rates.

SOFR significantly differs from LIBOR and may not yield the same or similar economic results as LIBOR which could have a material adverse effect on the liquidity of, and the amount payable under, our sources of funding.

***A downgrade in our credit rating may negatively impact the trading prices of and market for our debt securities.***

Our credit rating (including the credit rating assigned to our debt securities) may be impacted by a number of factors, including the effects of the U.S. economy experiencing an uneven recovery following a protracted slowdown, and the future economic environment may continue to be challenging. A continuation or further weakening of these economic

conditions could lead to further reductions in demand for our services, which could negatively impact our business, financial condition and results of operations.

***The financial markets are subject to volatility and disruptions, which may adversely affect our business, including by affecting the cost of new capital and our ability to fund acquisitions or other strategic transactions.***

From time to time the capital markets experience volatility and disruption. Volatility in the capital markets may be impacted by a number of factors. Some of the main factors which contributed to capital markets volatility include, but are not limited to inflationary pressures, the outlook for interest rates, the military conflict between Russia and Ukraine and in the Middle East. There can be no assurance that market conditions will not continue to be volatile or worsen in the future.

Historical market disruptions have typically been accompanied by a broader economic downturn, which has historically led to lower demand for our products and increased incidence of customers' inability to pay for the services we provide. A recurrence of these conditions may further adversely impact our business, financial condition and results of operations.

We may rely on the capital markets, particularly for offerings of debt securities and borrowings under syndicated facilities, to meet our financial commitments and liquidity needs if we are unable to generate sufficient cash from operations to fund such anticipated commitments and needs and to fund acquisitions or other strategic transactions. Disruptions or volatility in the capital markets could also adversely affect our ability to refinance on satisfactory terms, or at all, our scheduled debt maturities and could adversely affect our ability to draw on our revolving credit facilities.

Disruptions in the capital markets as well as the broader global financial market can also result in higher interest rates on any new debt securities we issue and increased costs under credit facilities which bear floating interest rates. Such disruptions could increase our interest expense, adversely affecting our business, financial position and results of operations.

Our access to funds under our revolving credit facility is dependent on the ability of the financial institutions that are parties to those facilities to meet their funding commitments. Those financial institutions may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time.

Moreover, the obligations of the financial institutions under our revolving credit facility are several and not joint and, as a result, a funding default by one or more institutions does not need to be made up by the others.

Longer term, volatility and disruptions in the capital markets and the broader global financial market as a result of changing or increased regulation of financial institutions, reduced alternatives or failures of significant financial institutions could adversely affect our access to the liquidity needed for our businesses. Such disruptions could require us to take measures to conserve cash or impede or delay potential acquisitions, strategic transactions and refinancing transactions until the markets stabilize or until alternative credit arrangements or other funding for our business needs can be arranged.

### ***Risks Related to our Business***

***Our rights to the use of fiber that we do not own and that comprises a significant portion of our network may be affected by the ability to continue long-term contracts and the financial stability of Altice USA and Altice Service Provider.***

Our services are provided, in significant part, on network fiber facilities leased from Altice Service Provider through an IRU to be granted pursuant to the IRU Agreement with Altice Service Provider. Pursuant to the IRU Agreement and the Services Agreement with Altice Service Provider, Altice Service Provider is responsible for network maintenance, splicing and connecting fiber within the hybrid fiber optic communication system owned and operated by Altice Service Provider and its affiliates in the New York metropolitan area, and for other services integral to the installation, maintenance and operation of the network fiber facilities that are critical to our business. We pay Altice Service Provider for these services pursuant to the terms of the IRU Agreement and the Services Agreement, and in some cases Altice Service Provider will be the exclusive provider of these services to us. If Altice Service Provider experiences financial trouble or distress, or is otherwise incapable of performing, or unwilling to perform, its

obligations under the IRU Agreement or the Services Agreement to maintain the fiber facilities subject to the IRU, our costs, including maintenance costs, would increase substantially and our ability to deliver service to our customers would be materially adversely affected. In addition, if Altice Service Provider is unable to obtain and maintain necessary rights-of-way, access to pole attachments and similar rights for its fiber networks or if it fails to renew or extend those rights, our operations may be interrupted or we could incur material expenses if we were required to relocate to alternative network assets or secure directly our own rights-of-way authority, pole attachments or similar rights.

***Our operations require substantial capital expenditures and the costs of such capital expenditures could be higher than currently anticipated by our management and, as a result, our business, financial condition, results of operations and liquidity may be impacted if funds for capital expenditures are not available when needed.***

Our business is capital intensive. We require, and expect to continue to require, significant capital expenditures to expand, maintain, upgrade and enhance our network facilities and operations as a result of several factors, including:

- our customers' increasing needs to transmit larger amounts of data at faster speeds;
- our need to (i) consolidate and simplify our various legacy systems and (ii) support the development and launch of new products and services; and
- technological advances of our competitors, which may increase the likelihood that our customers may switch providers.

We may be unable to expand or adapt our network infrastructure to respond to these developments in a timely manner, at a commercially reasonable cost or on terms producing satisfactory returns on our investment. In addition to investing in expanded networks, new products or new technologies, we must from time to time invest capital to (i) replace some of our aging equipment that supports many of our traditional services that are experiencing revenue declines or (ii) convert older systems to simplify and modernize our network. While we believe that our currently planned level of capital expenditures will meet both our maintenance and core growth requirements, this may not be the case if demands on our network continue to accelerate or other circumstances underlying our expectations change. Increased spending could, among other things, adversely affect our operating margins, cash flows, results of operations and financial position. Similarly, we continue to anticipate incurring substantial operating expenses to support and maintain our operations. If we are unable to attain our objectives for managing or reducing these costs, our operating margins will be adversely impacted.

In addition, we expect that we will incur significant capital expenditures with respect to success-based installation costs related to connecting enterprise customers to our network (meaning that the cost to connect is only incurred when a new premise signs up for service) and success-based installation costs related to other commercial opportunities. This would result in our cash flow being materially adversely affected, and could materially adversely affect our business, financial condition, results of operations and liquidity. We plan to fund our operations and capital expenditures using cash on hand, internally generated cash flow and, if necessary, borrowings under the revolving credit facility. To the extent that our sources of liquidity are not adequate to fund our operations or our planned capital expenditures as a result of increased costs or otherwise, then we may need to raise additional debt or equity capital. If this were to occur, there is no assurance that we will be able to raise any debt or equity capital on favorable terms or at all. This also could materially adversely affect our business, financial condition, results of operations and liquidity.

***We are heavily dependent on our ability to renew our contracts with our customers and we could lose substantial revenue if we are unable to renew certain of these contracts.***

Generally, our contracts are for initial terms of 3 to 5 years. The average remaining contract term for these contracts is 2.2 years. At any given time, we have multiple substantial customer contracts that have years to run and others that may be nearing expiration or renewal, which we may lose if we cannot compete effectively to retain their business. As of December 31, 2023, approximately 57% of our current monthly recurring revenue is subject to long-term contracts (longer than twelve months) and the remaining 43% is subject to month-to-month arrangements. There can be no assurance that these contracts will be extended or that we will be awarded contract extensions or new contracts as a result of competitive bidding processes or otherwise. The termination, expiration or failure to renew some or all of our high-value customer contracts could cause us to lose substantial revenue, which would materially adversely

affect our business, financial condition, results of operations and liquidity. We may not be able to accurately predict future trends in customer renewals, and our customers' renewal rates may decline or fluctuate because of several factors, including their dissatisfaction with our services, the cost of our services compared to the cost of services offered by our competitors and reductions in our customers' spending levels.

***Our major contracts subject us to various risks.***

We furnish to and receive from our business customers indemnities relating to damages caused or sustained by us in connection with certain of our operations. Our customers' changing views on risk allocation could cause us to accept greater risk to win new business or could result in us losing business if we are not prepared to take such risks. To the extent that we accept such additional risk, and seek to insure against it, our insurance premiums could rise.

We have several complex high-value customer contracts. The revenue and profitability of these contracts could be impacted by a variety of factors, including pricing upon renewal, variations in cost, meeting service level commitments, service outages, changes in our customers' needs, and our suppliers' performance. Any of these factors could reduce or eliminate the profitability of these contracts. Moreover, we would be adversely impacted if we were unable to renew some or all of our high-value customer contracts upon their expiration.

***We may make tax distributions to our ultimate equityholders in amounts in excess of the tax expense that we would incur if we were a similarly situated corporate taxpayer.***

We may make distributions in respect of taxes to our ultimate equityholders based on an assumed tax rate equal to the highest combined marginal federal, state and local income tax rate applicable to a U.S. individual resident in New York, New York, which may be higher than the blended tax rate applicable to us if we were a similarly-situated standalone corporate taxpayer. Thus, we may make tax distributions to our ultimate equityholders that potentially substantially exceed, in the aggregate and on a net basis, the tax liabilities that such equityholders have incurred in respect of their indirect ownership of us. After taking into account such tax distributions, we may have less capital available to reinvest in our business and to fund future growth than we would have had if we were a similarly-situated corporate taxpayer, and had not made corresponding distributions to our equityholders.

***We expect to periodically require financing, and we cannot assure you that we will be able to obtain such financing on terms that are acceptable to us, or at all.***

We have a significant amount of indebtedness that we may seek to refinance in the future, principally through the issuance of additional debt securities or amendments to the Credit Facilities Agreement. We may also need to obtain additional financing under a variety of other circumstances, including if:

- we engage in acquisitions or undertake substantial capital projects or other initiatives that increase our cash requirements;
- we become subject to significant judgments or settlements; or
- we otherwise require additional cash to fund our cash requirements described elsewhere herein.

Our ability to arrange additional financing will depend on, among other factors, our financial position, performance and credit ratings, as well as prevailing market conditions and other factors beyond our control. Prevailing market conditions could be adversely affected by (i) general market conditions, such as disruptions in domestic or overseas sovereign or corporate debt markets, geopolitical instabilities, contractions or limited growth in the economy or other similar adverse economic developments in the U.S. or abroad, and (ii) specific conditions in the telecommunications industry. Instability in the domestic or global financial markets has from time to time resulted in periodic volatility and disruptions in the capital markets. In addition, ongoing uncertainty regarding worldwide trade, the strength of various global and supranational governing bodies and other geopolitical events, have affected and could continue to significantly affect global financial markets in 2024. Volatility in the global markets could limit our access to the credit markets, leading to higher borrowing costs or, in some cases, the inability to obtain financing on terms that are as favorable as those from which we previously benefited, on terms that are acceptable to us or at all. In addition, our ability to borrow funds in the future will depend in part on the satisfaction of the covenants in our Credit Facilities Agreement and other debt instruments, including the Indentures.

Our access to funds under the revolving credit facility is further dependent upon the ability of the facility's lenders to meet their funding commitments. Stricter capital-related and other regulations could hamper the ability of these lenders to continue to fund their commitments.

For all the reasons mentioned above, we can give no assurance that additional financing for any of these purposes will be available on terms that are acceptable to us, or at all.

If we are unable to make required debt payments or refinance our debt, we would likely have to consider other options, such as selling assets, issuing additional securities, reducing or terminating our distributions, cutting or delaying costs or otherwise reducing our cash requirements, or negotiating with our lenders to restructure our applicable debt. Our current and future debt instruments may restrict, or market or business conditions may limit, our ability to complete some of these actions on favorable terms, or at all. For these and other reasons, we cannot assure you that we could implement these steps in a sufficient or timely manner, or at all. Moreover, any steps taken to strengthen our liquidity, such as cutting costs, could adversely impact our business or operations.

***Parent's current distribution practices could limit our ability to deploy cash for other beneficial purposes.***

The LLC Agreement requires that Parent distribute to its members 100% of any cash included on Parent's year-end balance sheet in excess of \$50 million, subject to certain conditions and exceptions, including that no distributions are required to be made unless and until Parent has made, starting from January 1, 2021, \$240 million in capital expenditures. As a result, we may not be able to retain a sufficient amount of cash to apply to other transactions that could be beneficial to our debtholders, including debt payments or capital expenditures that strengthen our business. In addition, our ability to pursue any material expansion of our business through acquisitions or increased capital spending may depend more than it otherwise would on our ability to obtain third party financing.

***If conditions or assumptions differ from the judgments, assumptions or estimates used in our critical accounting policies or forward-looking statements, our consolidated financial statements and related disclosures could be materially affected.***

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make judgments, assumptions and estimates that affect the amounts reported in our consolidated financial statements and accompanying notes, including the judgments, assumptions and estimates applied pursuant to our critical accounting policies, which are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates" elsewhere in this Annual Report. If future events or assumptions differ significantly from the judgments, assumptions and estimates applied in connection with preparing our historical financial statements, our future financial statements could be materially impacted.

***If our goodwill or other intangible assets become impaired, we may be required to record a significant charge to earnings and reduce our member's equity.***

As of December 31, 2023, approximately 36% of our total consolidated assets consisted of goodwill, indefinite-lived franchise costs, customer relationships and trade names. Under GAAP, these intangible assets must be tested for impairment on an annual basis or more frequently whenever events or circumstances indicate that their carrying value may not be recoverable. If our intangible assets are determined to be impaired in the future, we may be required to record additional significant, non-cash charges to earnings during the period in which the impairment is determined to have occurred. Any such charges could, in turn, have a material adverse effect on our results of operation.

***We are growing and may not efficiently manage our growth.***

We have grown our company through expansion of our network and the acquisition of new customers through our sales efforts. We intend to continue to grow our company, including, potentially, through acquisitions. While we will seek to add new customers, changing providers of bandwidth infrastructure can involve substantial expense and technical difficulty, which we expect will make it harder for us to acquire new customers through our sales efforts. Our expansion may place strains on our management and our operational and financial infrastructure. Our ability to manage our growth will be particularly dependent upon our ability to:

- expand, develop, and retain qualified personnel;
- maintain the quality of our offerings;

- attract customers to switch from their current providers to us in spite of the costs associated with switching providers; and
- expand our operational information systems in order to support our growth.

***Our operations, financial performance and liquidity are materially reliant on various third parties.***

*Reliance on other communications providers.* To offer certain services in certain of our markets or beyond our markets, we must either purchase services or lease network capacity from, or interconnect our network with the infrastructure of, other communications carriers or cloud companies who typically compete against us in those markets. In particular, our services are provided, in significant part, on network fiber facilities leased from Altice Service Provider through an IRU granted pursuant to the IRU Agreement with Altice Service Provider. Our reliance on these services, interconnection, IRU and similar arrangements exposes us to multiple risks. Typically, these arrangements limit our control over the quality of our services and expose us to the risk that our ability to market our services could be adversely impacted by changes in the plans or properties of the carriers upon which we rely. In addition, we are exposed to the risk that the other carriers may be unwilling or unable to continue or renew these arrangements in the future on terms favorable to us, or at all. This risk is heightened when the other carrier is a competitor who may benefit from terminating the agreement or imposing price increases, or a carrier who suffers financial distress or bankruptcy. If we lose these arrangements and cannot timely replace them, our ability to provide services to our customers and conduct our business could be materially adversely affected. Moreover, many of our arrangements with other carriers are regulated by domestic agencies, which subject us to the additional risk that changes in regulation could increase our costs or otherwise adversely affect our ability to provide services. Finally, even when another carrier agrees or is obligated to provide services to us to permit us to obtain new customers, it is frequently expensive, difficult and time-consuming to switch the new customers to our network, especially if the other carrier fails to provide timely and efficient cooperation.

Conversely, certain of our operations carry a significant amount of voice or data traffic for other communications providers. Their reliance on our services exposes us to the risk that they may transfer all or a portion of this traffic from our network to existing or newly-built networks owned or leased by them, thereby reducing our revenue.

Our operations and financial performance could be adversely affected if any of these other communications companies are unable or unwilling to continue to engage with us for any reason, including financial distress, bankruptcy, strikes, regulatory impediments, legal disputes or commercial differences.

*Reliance on other key suppliers and vendors.* We depend on a limited number of suppliers and vendors for equipment and services relating to our network infrastructure, including fiber optic cable, software, optronics, transmission electronics, digital switches and related components. We also rely on a limited number of software vendors or other parties to assist us with operating, maintaining and administering our business. If any of these suppliers experience interruptions or other problems delivering their products and services on a timely basis, our operations could suffer significantly. To the extent that proprietary technology of a supplier is an integral component of our network, we may have limited flexibility to purchase key network components from alternative suppliers and may be adversely affected if third parties assert patent infringement claims against our suppliers or us. Similarly, in certain instances we have access to only a limited number of alternative suppliers or vendors. Moreover, in the event it becomes necessary to seek alternative suppliers and vendors, we may be unable to obtain satisfactory replacement supplies, services, utilities or programming on economically attractive terms, on a timely basis, or at all, which could increase costs or cause disruptions in our services. In recent months, certain of our third party suppliers and service providers have been disrupted by worker absenteeism, quarantines, restrictions, employees' ability to work, closures, disruptions to ports and other shipping infrastructure, and other travel or health-related restrictions. To date, these types of supply chain disruptions have had limited impact on our business, but if they persist, they could negatively impact our ability to attain our growth plans and provide services to our customers.

*Reliance on utility providers and landlords.* Our energy costs can fluctuate significantly or increase for a variety of reasons, including changes in legislation and regulation. Several pending proposals designed to reduce greenhouse emissions, along with macroeconomic and geopolitical events, could substantially increase our energy costs, which we may not be able to pass on to our customers. We lease office, network or colocation facilities, which subjects us to risk of higher future rent payments or non-renewals when our current lease expires.

*Reliance on governmental payments.* We provide products or services to various federal, state and local entities. Our failure to comply with complex governmental regulations and laws applicable to these programs, or the terms of our governmental contracts, could result in us being suspended or disbarred from future governmental programs or contracts for a significant period of time. Moreover, certain governmental agencies frequently reserve the right to terminate their contracts for convenience or if funding is unavailable. If our governmental contracts are terminated for any reason, or if we are suspended or debarred from governmental programs or contracts, our results of operations and financial condition could be materially adversely affected.

***Portions of our property, plant and equipment are located on property owned by third parties.***

We rely on rights-of-way, easements, colocation agreements, franchises and other authorizations granted by governmental bodies, railway companies, utilities, carriers and other third parties to locate our fiber, conduit and other network equipment on or under their respective properties. Some of these authorizations may be short-term or revocable at will, and we cannot be certain that we will continue to have access after the governing agreements terminate or expire. A significant number of these authorizations are also scheduled to lapse over the next five to fifteen years, unless we are able to extend or renew them. Additionally, there can be no assurance that we will be able to comply with all provisions of authorizations and a failure to materially comply may lead to termination. Our operations could be adversely affected if any of these authorizations terminate or lapse, or if a landowner requests price increases. Moreover, our ability to expand our network could depend in part on obtaining additional authorizations, the receipt of which is not assured. Further, customer installations frequently require landlord consent to place our equipment in a common space within the location. Although we are generally able to obtain consents without any incremental fees, failure to obtain consents would negatively impact our ability to install new customers or result in incremental costs.

The Company holds a franchise from New York City to provide service citywide that permits the Company to deliver its telecommunications, data and Internet services. The New York City franchise term ended on December 20, 2008 and is operating pursuant to a letter extension from NYC Department of Information Technology and Telecommunications (since renamed the “NYC Office of Technology and Innovation”). While we believe that NYC’s letter extends the franchise until a formal determination on renewal is made, there can be no assurance that we will be successful in renewing this franchise on anticipated terms or at all.

In many localities, we rely on our affiliate Altice USA, and its operating subsidiaries, who hold cable franchise agreements that allow rights-of-way use for cable and non-cable services. In many cases, Altice USA’s franchises are terminable if it fails to comply with material provisions set forth in the franchise agreements. To the extent that Altice USA fails to maintain the franchises that the Company relies on to install, maintain and operate its facilities, the Company’s revenue and operations would be at significant risk, including potentially prohibiting the Company from continuing services in those areas without franchise rights. Franchises are generally granted for fixed terms and must be periodically renewed. Franchising authorities may resist granting a renewal if either past performance or the prospective operating proposal is considered inadequate according to criteria established by Federal and state law. Franchising authorities often demand concessions or other commitments as a condition to renewal. In some instances, local franchises have not been renewed at expiration, and Altice USA and its operating subsidiaries have maintained access to rights-of-way under either Temporary Operating Authority or without a franchise while negotiating renewal terms with the local franchising authorities.

As of December 31, 2023, two of Altice USA’s largest franchises, namely the Town of Brookhaven, New York and the New York City franchise were expired. Altice USA is currently lawfully operating in these franchise areas under temporary authority recognized by the State of New York. Additionally, although Lightpath has relied on Altice USA’s franchise agreements for rights-of-way access without incident for many years, it is possible that some franchisors will use the change in Lightpath’s ownership structure as a basis to demand additional compensation or to challenge Lightpath’s right to continue to use rights-of-way.

The Company expects, over time, to supplant the reliance on Altice USA cable franchises by obtaining its own franchises directly through the Company or its operating subsidiaries. However, there is no guarantee that the Company can successfully implement the strategy of replacing the Altice USA franchises in a manner that is both timely and economic. In the event that the Company is unable to rely on its parent Altice USA’s cable franchises to install, maintain and operate its facilities, the failure of the Company to obtain direct franchises could subject the



Company to significant operating risks, additional costs, or inability to provide services to customers, which would result in additional potential liability to the Company.

Over the past few years, certain utilities, cooperatives and municipalities in certain of the states in which we operate have requested significant rate increases for attaching our plant to their facilities. To the extent that these entities are successful in increasing the amount we pay for these attachments, our future operating costs will increase.

***We may be subject to litigation that could have a substantial, adverse impact on our business.***

From time to time, we or our affiliates are subject to litigation, including claims related to patent infringement, employee matters, commercial transactions, and construction that affect our business. Irrespective of its merits, litigation may be both time-consuming and disruptive to our operations and could cause significant expenditure and diversion of management attention. While we do not view any of our current litigation to be material to our business, current or future litigation could have a material adverse effect on our financial position and operating results. For more information, see Note 13 to our audited consolidated financial statements included in this Annual Report.

***Our business depends on intellectual property rights and on not infringing on the intellectual property rights of others.***

We rely on our patents, copyrights, trademarks and trade secrets, as well as licenses and other agreements with our vendors and other parties, to use our technologies, conduct our operations and sell our products and services. Our intellectual property rights may be challenged and invalidated by third parties and may not be strong enough to provide meaningful commercial competitive advantage.

Third parties have in the past, and may in the future, assert claims or initiate litigation related to exclusive patent, copyright, trademark and other intellectual property rights to technologies and related standards that are relevant to us. These assertions have increased over time as a result of the general increase in the pace of patent claims assertions, particularly in the United States. Because of the existence of a large number of patents in the networking field, the secrecy of some pending patents and the rapid rate of issuance of new patents, we believe it is not possible to determine in advance whether a product, service or process or any of its components infringes or will infringe on the patent rights of others. Asserted claims or initiated litigation can include claims against us or our manufacturers, suppliers or customers, alleging infringement of their proprietary rights with respect to our existing or future products, services or processes, or components of those products, services or processes.

Regardless of the merit of these claims, they can be time-consuming, result in costly litigation and diversion of technical and management personnel, or require us to modify our business, develop a non-infringing technology, be enjoined from use of certain intellectual property, use alternate technology or enter into license and royalty agreements. There can be no assurance that licenses will be available on acceptable terms and conditions, if at all, or that our indemnification by our suppliers will be adequate to cover our costs if a claim were brought directly against us or our customers. Furthermore, because of the potential for high damage awards that are not necessarily predictable, it is not unusual to find even arguably unmeritorious claims settled for significant amounts. If any infringement or other intellectual property claim made against us by any third-party is successful, if we are required to indemnify a customer with respect to a claim against the customer, or if we fail to modify our business, develop non-infringing technology, use alternate technology or license the proprietary rights on commercially reasonable terms and conditions, our business, financial condition and results of operations could be materially adversely affected.

***We may be liable for the material that content providers distribute over our networks.***

The law in most cases limits the liability of private network operators for information carried on, stored on or disseminated through their networks. However, these limitations on liability are subject to certain exceptions and the contours of those exceptions are not fully settled. Among other things, the limitation of copyright liability for network operators with respect to materials transmitted over their networks is conditioned upon the network operators' terminating the accounts of repeat infringers in certain circumstances, and the law is unsettled as to the circumstances in which such termination is required to maintain the operator's limitation of liability. As such, we could be exposed to legal claims relating to content disseminated on our networks or asserting that we are not eligible for statutory limitations on liability for network operators with respect to such content. Claims could involve matters such as defamation, invasion of privacy or copyright infringement. If we need to take costly measures to reduce our exposure

to these risks or are required to settle or pay damages in relation to such claims, our business, reputation, financial condition and results of operations could be materially adversely affected.

***If we fail to hire and retain an experienced and effective management team and qualified personnel, our business, financial condition and results of operations could be adversely affected.***

Our success will depend in part on our management team. We may not be able to identify, hire or retain suitable candidates to complete our management team, and if we are unable to hire or retain an experienced and effective management team, our business, financial condition and results of operations could be adversely affected.

In addition, our future success depends on our ability to identify, hire, train and retain executives, managers and employees with technological, engineering, software, product development, operational, provisioning, marketing, sales, customer service, administrative, managerial and other key skills. There is a shortage of qualified personnel in several of these fields, particularly in certain functions, such as IP network engineers, voice engineering, (especially those with legacy TDM (5ESS) knowledge), network security, IT/application development and experienced product development personnel. We compete with several other companies for this limited pool of potential employees. As our industry increasingly becomes more competitive, it could become especially difficult to attract and retain top personnel with skills in high demand. In addition, we, like many other U.S. organizations, have been impacted by the recent tightening of labor markets. For all these reasons, there is no assurance that our efforts to recruit and retain qualified personnel will be successful, and the failure to do so could have a material impact on our business.

***We rely on Altice Service Provider's network and information systems for our operations and a disruption or failure of, or defects in, those systems may disrupt our operations, damage our reputation with customers and adversely affect our results of operations.***

Pursuant to the terms of the Services Agreement, Altice Service Provider provides us with various network and information systems that, in addition to our own systems and infrastructure, are essential to our ability to conduct our business and deliver our services to our customers. While we and Altice Service Provider have in place multiple security systems designed to protect against intentional or unintentional disruption, failure, misappropriation or corruption of our network and information systems, there can be no assurance that these efforts to protect network and information systems will be effective, including against problems caused by events such as computer hacking, computer viruses, worms and other destructive or disruptive software, "cyber-attacks," phishing attacks and other malicious activity, defects in the hardware and software comprising our network and information systems, as well as natural disasters, power outages, terrorist attacks and similar events. Such events could have an adverse impact on us and our customers, including degradation of service, service disruption, excessive call volume to call centers, theft and damage to our plant, equipment and data, costs associated with remediation, notification, and potential damages to third parties affected by such malicious activities. Operational or business delays may result from the disruption of network or information systems and the subsequent remediation activities. Moreover, these events, even if occurring on the systems maintained by Altice Service Provider, may create negative publicity resulting in reputation or brand damage with customers and our results of operations could suffer.

Altice Service Provider also uses certain vendors to supply some of the hardware, software and support for our network, some of which have been customized or altered to fit our business needs. Certain of these vendors and suppliers may have leverage over Altice Service Provider considering that there are limited suppliers of certain products and services, or that there is a long lead time or significant expense required to transition to another provider. In addition, some of these vendors and suppliers do not have a long operating history or may not be able to continue to supply the equipment and services we or Altice Service Provider desires. Some of our hardware, software and operational support vendors and some these service providers represent our or Altice Service Provider's sole source of supply or have, either through contract or as a result of intellectual property rights, a position of some exclusivity. In addition, because of the pace at which technological innovations occur in our industry, we or Altice Service Provider may not be able to obtain access to the latest technology on reasonable terms. Any delays or the termination or disruption in these relationships as a result of contractual disagreements, operational or financial failures on the part of vendors and suppliers, or other adverse events that prevent such vendors and suppliers from providing the equipment or services we or Altice Service Provider need, with the level of quality we require, in a timely manner and at reasonable prices, could result in significant costs to Altice Service Provider, which would be passed on to us pursuant to the terms of the Services Agreement, and have a negative effect on our ability to provide services and roll out advanced services. Altice Service Provider's ability to replace such vendors and suppliers may

be limited and, as a result, our business, financial condition, results of operations and liquidity could be materially adversely affected.

***If we experience a significant data security breach or fail to detect and appropriately respond to a significant data security breach, our results of operations and reputation could suffer.***

The nature of our business involves the receipt and storage of information about our customers and employees. Altice Service Provider, which provides us with data security services pursuant to the terms of the Services Agreement, has procedures in place to detect and respond to data security incidents. However, because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time, we or Altice Service Provider may be unable to anticipate these techniques or implement adequate preventive measures. In addition, hardware, software or applications that Altice Service Provider develops or procures from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Unauthorized parties may also attempt to gain access to our systems or facilities and to our proprietary business information. We or Altice Service Provider have been and continue to be the target of attempted cyber intrusions, for example by means of hacking, phishing, denial of services attacks and dissemination of computer viruses, ransomware and other malicious software. If our efforts to protect the security of information about our customers and employees are unsuccessful, a significant data security breach may result in costly government enforcement actions, private litigation and negative publicity resulting in reputation or brand damage with customers, and our financial condition and results of operations could suffer.

***Our future growth potential depends in part on the continued development and expansion of data demand and the Internet and other business trends.***

Our future growth potential depends in part upon the continued development and expansion of data demand and the Internet as a communication medium and marketplace for the distribution of data, video, voice and other products by businesses and governments. Business consumption of data and use of the Internet may not grow and expand at the rate anticipated by us or others, or may be restricted by factors outside of our control, including (i) actions by other carriers or governmental authorities that restrict us from delivering traffic over other parties' networks, (ii) changes in regulations, (iii) technological stagnation, (iv) increased concerns regarding cyber threats or (v) changes in data usage.

***We are required to maintain, repair, upgrade, and replace our network and our facilities, the cost of which could materially impact our results and our failure to do so could irreparably harm our business.***

Our business requires that we maintain, repair, upgrade, and periodically replace our facilities, IT systems and portions of our network. This requires management time and capital expenditures. In the event that we fail to maintain, repair, upgrade, or replace essential portions of our network, IT systems or facilities, it could lead to a material degradation in the level of access and service that we provide to our customers. We have legacy equipment and software in our network that is beyond its useful life and is no longer supported by original equipment vendors. While we believe such equipment and software is generally functioning acceptably currently, potential acceleration of failure rates or incompatibility with newer technology could have negative impacts on network performance or require costly upgrades.

Portions of our network can be damaged in a number of ways, including by other parties engaged in construction close to our network facilities. In the event of such damage, we will be required to incur expenses to repair the network. We could be subject to significant network repair and replacement expenses in the event a terrorist attack, cyber-attack or a natural disaster damages our network.

Further, the operation of our network requires the coordination and integration of sophisticated and highly specialized hardware and software. Our failure to maintain or properly operate this can lead to degradations to or interruptions of customer access and services. Our failure to provide proper or satisfactory access or services could result in claims from our customers, early termination of contracts, and damage to our reputation.

***Rapid technological changes could significantly impact our competitive and financial position.***

The telecommunications industry has been and continues to be impacted by significant technological changes, which in general are enabling companies to compete with us that may not have done so in the past. Many of these

technological changes are (i) enabling customers to reduce or bypass use of our networks, (ii) displacing or reducing demand for our services or (iii) enabling the development of competitive products or services. Continuous improvements in wireless data technologies have and will continue to enable wireless carriers to deliver greater amounts of data faster and with less latency, which may allow such companies to become more competitive with enterprise fiber service providers, such as us, over time.

We may not be able to accurately predict or respond to changes in technology or industry standards, or to the introduction of newly offered services. Any of these developments could make some or all of our offerings less desirable or even obsolete, which would place downward pressure on our market share and revenue. These developments could also require us to (i) expend capital or other resources in excess of currently contemplated levels, (ii) forego the development or provision of products or services that others can provide more efficiently or (iii) make other changes to our operating plans, corporate strategies or capital allocation plans, any of which could be contrary to the expectations of our security holders or could adversely impact our business operating results.

Even if we succeed in adapting to changes in technology or industry standards by developing new products or services, there is no assurance that the new products or services would have a positive impact on our profit margins or financial performance.

In addition to introducing new technologies and offerings, we may need, from time to time, to phase out outdated and unprofitable technologies and services. If we are unable to do so on a cost-effective basis, we could experience reduced profits. Similarly, if new market entrants are not burdened by an installed base of outdated equipment or obsolete technology, they may have a competitive advantage over us.

For additional information on the risks of increased expenditures, see "Our operations require substantial capital expenditures and the costs of such capital expenditures could be higher than currently anticipated by our management and, as a result, our business, financial condition, results of operations and liquidity may be impacted if funds for capital expenditures are not available when needed."

***Our failure to meet the evolving needs of our customers could adversely impact our competitive position.***

In order to compete effectively and respond to changing market conditions, we must continuously offer products and services on terms and conditions that allow us to retain and attract customers and to meet their evolving needs. To do so, we must continuously (i) invest in our network, (ii) develop, test and introduce new products and services and (iii) rationalize and simplify our offerings by eliminating older or overlapping products or services. Our ability to maintain attractive products and services and to successfully introduce new product or service offerings on a timely and cost-effective basis could be constrained by a range of factors, including network limitations, support system limitations, limited capital, an inability to attract key personnel with the necessary skills, intellectual property constraints, inadequate digitization or automation, technological limits or an inability to act as quickly or efficiently as other competitors. Network service enhancements and product launches could take longer or cost more than expected due to a range of factors, including software issues, supplier delays, testing delays, permitting delays or network incompatibility issues. In addition, new product or service offerings may not be widely accepted by our customers. Further, even if we are successful in expanding or adapting our network infrastructure and introducing new products and services, our customers may switch to other service providers on account of their technological advances, competitive pricing or for any other reason. Our business could be materially adversely affected if we are unable to maintain competitive products and services and to timely and successfully develop and introduce new products or services.

***Increases in broadband usage may cause network capacity limitations, potentially resulting in service disruptions.***

As businesses use increased data intensive applications and move services to the cloud, our customers will likely use much more bandwidth than in the past. If this occurs, we could be required to make significant budgeted or unbudgeted capital expenditures to increase core network capacity in order to avoid service disruptions, service degradation or slower transmission speeds for our customers. Any failure by us to provide the increased network capacity that our customers require in order to meet their business needs could adversely affect our reputation, which could cause us to lose customers, and materially adversely affect our operating margins, results of operations, financial condition and cash flows.

***Our failure to meet performance or service standards under our agreements could result in customers terminating their relationships with us, or customers being entitled to receive financial compensation, leading to reduced revenue or increased costs.***

Our agreements with certain of our customers contain various requirements regarding performance and levels of service. If we fail to provide the levels of performance or service required by our agreements, such customers may be able to receive financial compensation or terminate their relationship with us. The failure to address these or other events may result in a disruption of service. In addition, any inability to meet service level commitments or other performance standards could reduce the confidence of customers. Decreased customer confidence could impair our ability to attract and retain customers, which could materially adversely affect our ability to generate revenue and profit.

***The geographic concentration of our operations in New York, New Jersey, Connecticut and Massachusetts makes our business susceptible to local economic and regulatory conditions, business trends, and natural and man-made disasters in those states.***

We provide our products and services principally to areas in New York, New Jersey, Connecticut and Massachusetts. We began providing products and services to Miami, Florida in January 2023. A stagnant or depressed economy in the United States, and in particular, in the northeast of the United States, could affect negatively all of our markets. If customer trends become adverse, or if state regulators or legislators in those states take an action that is adverse to our operations, we would not be able to offset the losses by gains from operations in other markets due to our lack of geographic diversity.

Our success depends on the efficient and uninterrupted operation of our communications services. Our network is attached to poles and other structures in many of our service areas, and our ability to provide service depends on the availability of electric power. Natural catastrophes or acts of sabotage or terrorism, among other events, could damage our network, interrupt our service and harm our business and because all of our markets are geographically close together, a single adverse event could damage our network in more than one market.

***We have agreements with customers that are dependent on government funding, which may not be available.***

We have contracts with customers that include appropriations clauses that permit the customer to terminate the contract if expected government funding is unavailable. There can be no assurance that such government funding will be available for these contracts and that they will not be terminated.

In recent years, the portion of our revenue relating to government-funded programs such as the E-rate program, a program mandated by Congress in 1996 and implemented by the FCC in 1997 in order to make telecommunications and information access and services more affordable for schools and libraries in America, has increased. There can be no assurance that the E-rate program and other such programs will continue or will continue to be funded at current levels in the future.

***Our business is sensitive to the creditworthiness of our wholesale customers.***

We have substantial business relationships with other communications carriers for which we provide services. While bankruptcies or insolvencies of these carriers have not had a material adverse effect on our business in the past, future bankruptcies or insolvencies in the telecommunications industry could result in the loss of significant customers and an increased allowance for doubtful accounts receivable. Such bankruptcies and insolvencies may be more likely in the immediate or longer-term future if economic conditions stagnate or decline. As a result, our revenue and results of operations could be materially adversely affected.

***We may seek to engage in strategic transactions that could significantly impact our business.***

We continuously evaluate and may in the future enter into additional strategic transactions. Any such transaction could happen at any time, be material to our business and take any number of forms, including, for example, an acquisition, merger, sale of certain of our assets, refinancing, or other recapitalization or other material strategic transaction. Evaluating potential transactions and integrating completed ones may divert the attention of our management from ordinary operating matters.

The success of potential acquisitions or mergers will depend, in part, on our ability to realize the anticipated growth opportunities and cost synergies through the successful integration of the businesses we acquire with our existing business. Even if we are successful in integrating acquired businesses, these integrations may not result in the realization of the full benefit of any anticipated growth opportunities or cost synergies or that these benefits will be realized within the expected time frames or at all. In addition, acquired businesses may have unanticipated liabilities or contingencies.

We may, from time to time, consider disposing of assets. We may not be able to dispose of any such assets on terms that are attractive to us, or at all, which could materially adversely impact our financial condition or results of operations. In addition, to the extent we consummate an agreement for the sale and disposition of an asset or asset group, we may experience operational difficulties segregating them from our retained assets and operations, which could impact the execution or timing for such dispositions and could result in disruptions to our operations or claims for damages, among other things.

If we complete an acquisition, merger, sale of certain assets, refinancing, recapitalization or material strategic transaction, we may require additional financing that could result in an increase in the aggregate amount or cost of our debt. The aggregate principal amount of our debt that we may issue may be significant. Moreover, the terms of any debt financing may be expensive.

***We may not be able to compete successfully against current or future competitors.***

Each of our offerings to our customers faces increasingly intense competition from a wide variety of sources under evolving market conditions. Aggressive competition from a wide range of communications and technology companies has limited the prospects for several of our offerings to our customers. We expect these trends to continue. Over the past several years, a range of competitive and technological factors, including robust network construction and intense competition, have lowered market prices for many of our products and services. If these market conditions persist, we may need to continue to reduce prices to retain customers and revenue.

In addition to competition from a wide range of technology companies and communications providers (including those described above), we are facing increasing competition from several other sources, including cloud companies, broadband providers, companies focusing on bandwidth infrastructure services, software developers, device providers, resellers, sales agents and facilities-based providers using their own networks as well as those leasing parts of our network. Further competition could arise through industry consolidation, technological innovation, or changes in regulation, including changes allowing foreign carriers to more extensively compete in the U.S. market.

The telecommunications industry continues to undergo significant consolidation. There are many reasons for consolidation in our industry, including the desire for telecommunications companies to acquire network assets in regions where they currently have no or insufficient amounts of owned network infrastructure. The consolidation within the industry may cause customers to disconnect from us and move to their own networks, or consolidate buying with other bandwidth infrastructure providers. Additionally, consolidation in the industry could further strengthen our competitors, give them greater financial resources and geographic reach, and allow them to put additional pressure on prices for bandwidth infrastructure.

Some of our current and potential competitors (i) offer a more comprehensive range of communications products and services, (ii) offer products or services with features that we cannot readily match in some or all of our markets, (iii) install their services more quickly than we do, (iv) have greater marketing, engineering, research, development, technical, provisioning, customer relations, financial or other resources, (v) have larger or more diverse networks with greater transmission capacity, (vi) conduct operations or raise capital at a lower cost than us, (vii) are subject to less regulation, which we believe enables such competitors to operate more flexibly than us with respect to certain offerings, (viii) offer services nationally or internationally to a larger geographic area or larger base of customers, (ix) have substantially stronger brand names, which may provide them with greater pricing power than ours, (x) have deeper or more longstanding relationships with key customers or (xi) have larger operations than ours, which may enable them to compete more successfully in recruiting top talent, entering into operational or strategic partnerships or acquiring companies. Consequently, these competitors may be better equipped to provide more attractive offerings, to charge lower prices for their products and services, to develop and expand their communications and network infrastructure more quickly, to adapt more swiftly to changes in technologies or customer requirements, to devote greater resources to the marketing and sale of their products and services, to provide more comprehensive customer

service, to provide greater resources to research and development initiatives and to take advantage of business or other opportunities more readily.

Competition could adversely impact us in several ways, including (i) the loss of customers, market share or traffic on our networks, (ii) our need to expend substantial time or money on new capital improvement projects, (iii) our need to lower prices or increase marketing expenses to remain competitive and (iv) our inability to diversify by successfully offering new products or services.

We are continually taking steps to respond to these competitive pressures, but these efforts may not be successful. Our operating results and financial condition would be adversely affected if these initiatives are unsuccessful or insufficient.

***Negative publicity surrounding us or Altice USA may adversely affect current and future customers' perception of us.***

We believe our industry is by its nature more prone to reputational risks than many other industries. This has been compounded in recent years by the free flow of unverified information on the Internet and, in particular, on social media. Our ability to attract and retain customers depends substantially upon external perceptions of our products, services management integrity and financial performance. Customer complaints, governmental investigations, outages or other service failures of networks operated by us could cause substantial adverse publicity affecting us. Similar events impacting other operators could indirectly harm us by causing substantial adverse publicity affecting our industry in general. In either case, press coverage, social media messaging or other public statements that insinuate improper actions by us or other operators, regardless of their factual accuracy or truthfulness, may result in negative publicity, litigation, governmental investigations or additional regulations. Addressing negative publicity and any resulting litigation or investigations may distract management, increase costs and divert resources. Negative publicity may have an adverse impact on our reputation and the morale of our employees. We could suffer similar adverse effects if financial analysts or other financial professionals issue public statements that cast us or our industry in a negative light. Any of these developments could adversely affect our business, results of operations, financial condition, cash flows and prospects.

In addition, our ability to attract and retain customers depends, in part, upon the external perceptions of Altice USA's reputation, the quality of its products and its corporate and management integrity. Impairment, including any loss of goodwill or reputational advantages, of Altice USA's reputation in markets in which we do not operate could adversely affect current and future customers' perception of us.

***Unfavorable general economic and industry conditions could negatively impact our operating results and financial condition.***

Unfavorable general economic and industry conditions, including unstable economic and credit markets or depressed economic activity caused by trade wars, epidemics, pandemics or other factors, could negatively affect our business. While it is difficult to predict the ultimate impact of these general economic or industry conditions, they could adversely affect demand for some of our products and services and could cause customers to shift to lower priced products and services, to delay or forego purchases of our products and services or cease operations entirely. These conditions impact, in particular, our ability to sell discretionary products or services to business customers that are under pressure to reduce costs or to governmental customers operating under budgetary constraints. Any one or more of these circumstances could continue to depress our revenue. Also, our customers may encounter financial hardships or may not be able to obtain adequate access to credit, which could negatively impact their ability to make timely payments to us. In addition, as discussed elsewhere herein, unstable economic and credit markets may preclude us from refinancing maturing debt at terms that are acceptable to us or at all. For these reasons, among others, weak economic and industry conditions could adversely affect our operating results, financial condition, and liquidity.

***We face risks from natural disasters and extreme weather, which can disrupt our operations and cause us to incur substantial additional capital and operating costs.***

A substantial number of our facilities are located in areas subject to the risk of severe tropical storms, hurricanes, floods or other similar casualty events. These events could cause substantial damage, including flooded facilities, power outages, fuel shortages, damaged or destroyed property and equipment and business interruptions. For example, in August 2020, Tropical Storm Isaias struck the New York metropolitan area with high winds and rain and

caused widespread and extended loss of commercial power, fallen trees, damage to poles, lines, network facilities and other infrastructure. These incidents damaged our plant, required emergency repairs and caused loss of service for some of our customers. Significant and persistent service outages could damage our reputation, customer relationships or result in adverse regulatory actions.

Although we maintain access to property and casualty insurance on our facilities and operations through Altice USA, only a portion of our damages related to natural disasters have historically been recoverable. We cannot predict the continued availability of insurance for catastrophic hazard-related losses or, if obtainable and carried, whether this insurance will be adequate to cover such losses. In addition, we expect any insurance of this nature to be subject to substantial deductibles, retentions and coverage exclusions, and the premiums may increase based on market conditions and our loss experience. Natural disasters and extreme weather events are increasingly common and are likely to continue to negatively impact services for our customers going forward. In addition, many climate experts have predicted an increase in extreme weather events in the future, which would increase our exposure to property and casualty risks. For all these reasons, any future hazard-related costs and business interruptions could adversely affect our operations and our financial condition.

***Various events could disrupt our networks, infrastructure and facilities and could impair our operating activities and negatively impact our reputation and financial results.***

Our network, infrastructure and facilities, including those we have access to under agreements with Altice Service Provider, are critical to our operating activities.

Events such as natural disasters, power outages, accidents, maintenance failures, telecommunications failures, degradation of plant assets, terrorist attacks and similar events pose risks of potentially significant service disruptions or possible shutdowns. While we or the Altice Service Provider develop and maintain system redundancy and disaster recovery plans designed to mitigate network and system-related disruptions and to expeditiously recover from such events, these measures may be ineffective or inadequate and our disaster recovery planning may not be sufficient for all eventualities.

Large expenditures may be necessary to repair or replace damaged property, networks and system infrastructure following one of the identified or similar events or to protect property, networks and infrastructure from other events in the future. Moreover, the amount and scope of insurance maintained against losses resulting from any such events may not be sufficient to cover our losses or otherwise adequately compensate us for any disruptions to our business that may result. A significant shutdown or service disruption could result in damage to our reputation and credibility, customer dissatisfaction and ultimately a loss of customers or revenue. Any significant loss of customers or revenue, or significant increase in costs of serving those customers, could adversely affect our growth, financial condition and results of operations. Further, any of such events could lead to claims against us and could result in regulatory penalties, particularly if we encounter difficulties in restoring service to our customers on a timely basis or if the related losses are found to be the result of our practices or failures.

The combined effects of extreme weather and climate change also impact this risk. Portions of our geographic service areas have experienced multiple severe weather and storm events over the past several years. Severe weather events and other natural disasters, including, storms, floods, tornadoes, rising sea levels, solar events, electromagnetic events, or other natural disasters, could result in severe business disruptions, property damage, prolonged service disruption, significant decreases in revenues and earnings, or significant additional costs, reputational and regulatory consequences.

***Our business is subject to governmental oversight, legislation and regulation, which could adversely affect our business, increase our operational and administrative expenses and impact our revenues.***

Regulation of the voice and broadband industries imposes operational and administrative expenses and limits their revenues. The Company is therefore subject to, among other things:

- rules governing the manner in which we advertise, market or price our products and services in the marketplace, and how we position those products and services against competing products and services;
- rules and regulations relating to data protection and customer and employee privacy;
- rules limiting the ability to enter into exclusive agreements with multiple dwelling units and control inside wiring;



- other requirements covering a variety of operational areas such as equal employment opportunity, emergency alert systems, disability access, technical standards and customer service and consumer protection requirements;
- rules, regulations and regulatory policies relating to the provision of broadband service, including "net neutrality" requirements; and
- rules, regulations and regulatory policies relating to the provision of telephony services.

Many aspects of these regulations are currently the subject of judicial proceedings and administrative or legislative proposals. There are also efforts to amend or expand the federal, state and local regulation of our network, which may compound the regulatory risks we already face, and proposals that might make it easier for our employees to unionize. The Permanent Internet Tax Freedom Act prohibits many taxes on Internet access service and the Federal Communications Commission has issued orders affirming that states and localities may not exercise their franchising authority to regulate our non-cable services, but certain states and localities are considering new taxes and fees on our provision of broadband and telecommunications that could increase operating expenses. Certain states are also considering adopting energy efficiency regulations governing the operation of equipment that we use, which could constrain innovation or increase our costs. Congress periodically considers whether to rewrite the entire Communications Act of 1934 (as amended, the "Communications Act") to account for changes in the communications marketplace or to adopt more focused changes. Congress has in the past considered, and continues to consider, additional regulations on ISPs to address specific consumer or customer issues. In response to recent data breaches and increasing concerns regarding the protection of consumers' personal information, Congress, states, and regulatory agencies are considering the adoption of new privacy and data security laws and regulations that could result in additional privacy, as well as network and information security, requirements for our business. These new laws, as well as existing legal and regulatory obligations, could require significant expenditures.

***We rely in part on franchise agreements for access to rights-of-way, which subjects us to risks of nonrenewal or termination.***

Operation of our business depends on the right to maintain our network in public rights-of-way. In some localities, we rely on Altice USA, and its operating subsidiaries, who hold franchise agreements that allow rights-of-way use for cable and non-cable services. In many cases, such franchises are terminable if the applicable entity fails to comply with material provisions set forth in the franchise agreement. To the extent that Altice USA, or its operating subsidiaries, as applicable, fails to maintain the franchises that the Company relies on to install, maintain and operate its facilities, the Company's revenue and operations would be at significant risk, including prohibiting the Company from continuing services in those areas. Franchises are generally granted for fixed terms and must be periodically renewed. Franchising authorities may resist granting a renewal if either past performance or the prospective operating proposal is considered inadequate. Franchising authorities often demand concessions or other commitments as a condition to renewal. In some instances, local franchises have not been renewed at expiration, and Altice USA and its operating subsidiaries have maintained access to rights-of-way under either temporary operating agreements or without a franchise while negotiating renewal terms with the local franchising authorities. As of December 31, 2023, two of Altice USA's largest franchises, namely the Town of Brookhaven, New York and the New York City franchise were expired. Altice USA is currently lawfully operating in these franchise areas under temporary authority recognized by the State of New York.

In addition to other franchises held directly or indirectly, the Company holds a franchise from New York City to provide service citywide that permits us to deliver telecommunications, data and Internet services. The New York City franchise term ended on December 20, 2008 and is operating pursuant to a letter extension from NYC Department of Information Technology and Telecommunications (since renamed the NYC Office of Technology and Innovation). While we believe that NYC's letter extends the franchise until a formal determination on renewal is made, there can be no assurance that we will be successful in renewing this franchise on anticipated terms or at all. Nevertheless, as a general matter we expect to renew or continue to operate under all or substantially all of our franchises.

There can be no assurance that we will be able to comply with all significant provisions of our franchise agreements and certain of our franchisors have from time to time alleged that we, or Altice USA or its operating subsidiaries, in the case of franchises held by such entities, have not complied with these agreements. Although Lightpath has relied

on Altice USA or its operating subsidiaries' franchise agreements for rights-of-way access without incident for many years, it is possible that some franchisors will use the change in Lightpath's ownership structure as a basis to demand additional compensation or to challenge Lightpath's right to continue to use rights-of-way.

The Company and its operating subsidiaries hold directly franchises authorizing access to public rights of way both within and outside of the service territory in which Altice USA offers cable service, and in the remainder of its service area relies on the franchises held by Altice USA and its operating subsidiaries. Consistent with applicable law, no franchise fees are currently applicable to the Company's revenues, although a change in law, regulation or judicial interpretation of law or regulation could subject the Company to franchise fees, either directly for its own franchises or indirectly for the facilities that it maintains pursuant to the franchises held by Altice USA.

The Company expects, over time, to supplant the reliance on Altice USA cable franchises by obtaining its own franchises directly through the Company or its operating subsidiaries. There is no guarantee that the Company can successfully implement the strategy of replacing the Altice USA franchises in a manner that is both timely and economic. In the event that the Company is unable to rely on its parent Altice USA's cable franchises to install, maintain and operate its facilities, the failure of the Company to obtain direct franchises could subject the Company to significant operating risks, additional costs, or inability to provide services to customers, which would result in additional potential liability to the Company.

***Local franchising authorities have the ability to impose additional regulatory constraints on our business, which could reduce our revenues or increase our expenses.***

In addition to the franchise agreement, local franchising authorities in some jurisdictions have adopted regulatory ordinances that further regulate the operation of cable systems, telecommunications or data and Internet services. This additional regulation increases the cost of operating our business.

There are no assurances that the local franchising authorities will not impose new and more restrictive requirements.

***We may be adversely affected by regulatory changes related to pole attachments.***

Pole attachments are the points at which wires that are attached to utility poles and allow us to install and maintain our facilities on the poles of third-party pole owners. Pole attachments to utility poles operated by investor-owned utilities historically have been regulated at the federal or state level. Any changes in the current pole attachment approach could result in a substantial increase in our pole attachment costs.

***Increasing regulation of our Internet-based products and services could adversely affect our ability to provide new products and services.***

On February 26, 2015, the FCC adopted a new "net neutrality" or Open Internet order (the "2015 Order") that: (1) reclassified broadband Internet access service from an information service to a Title II common carrier service, (2) applied certain existing Title II provisions and associated regulations; (3) forbore from applying a range of other existing Title II provisions and associated regulations, but to varying degrees indicated that this forbearance may be only temporary and (4) issued new rules expanding disclosure requirements and prohibiting blocking, throttling, paid prioritization and unreasonable interference with the ability of end users and edge providers to reach each other. The 2015 Order also subjected broadband providers' Internet traffic exchange rates and practices to potential FCC oversight and created a mechanism for third parties to file complaints regarding these matters. The 2015 Order could have had a material adverse impact on our business by limiting our ability to efficiently manage our services and respond to operational and competitive challenges. In December 2017, the FCC adopted an order (the "2017 Order") that in large part reverses the 2015 Order and reestablishes the "information service" classification for broadband services. The 2017 Order was affirmed in part on appeal in October 2019 insofar as it classified broadband Internet access services as information services subject to lesser federal regulation. However, the 2017 Order was also vacated in part on appeal insofar as it preempted states from subjecting broadband Internet access services to any requirements more stringent than the federal requirements. As a result, the precise extent to which state rules may impose such requirements on broadband Internet access service providers, as well as other regulations that differ from federal requirements, is not fully settled. Additionally, Congress and some states are considering legislation that may codify "net neutrality" rules, which could include prohibitions on blocking, throttling and prioritizing Internet traffic. A number of states have adopted legislation and/or executive orders that apply "net neutrality" rules to ISPs. Additionally, in 2023 the FCC proposed reclassifying broadband service as a common carrier telecommunications

service and reinstituting net neutrality rules substantially similar to those in the 2015 Order. It is possible that the FCC will give states leeway to adopt their own net neutrality rules or other requirements applicable to terms or pricing of broadband service. The FCC is expected to act on this proposal by mid-2024.

***Offering telephone services may subject us to additional regulatory burdens, causing us to incur additional costs.***

We offer telephone services over our broadband network and continue to develop and deploy switched and interconnected VoIP services. The FCC has ruled that competitive telephone companies that support VoIP services, such as those that we offer to our customers, are entitled to interconnect with incumbent providers of traditional telecommunications services, which ensures that our VoIP services can operate in the market. It remains unclear precisely to what extent federal and state regulators will subject VoIP services to traditional telephone service regulation. Expanding our offering of these services may require us to obtain certain authorizations, including federal and state licenses. We may not be able to obtain such authorizations in a timely manner, or conditions could be imposed upon such licenses or authorizations that may not be favorable to us. The FCC has already extended certain traditional telecommunications requirements, such as E911 capabilities, USF contribution, CALEA, measures to protect Customer Proprietary Network Information, customer privacy, disability access, number porting, battery back-up, network outage reporting, rural call completion reporting and other regulatory requirements to many VoIP providers such as us. If additional telecommunications regulations are applied to our VoIP service, it could cause us to incur additional costs and may otherwise materially adversely impact our operations. In 2011, the FCC released an order significantly changing the rules governing intercarrier compensation for the origination and termination of telephone traffic between interconnected carriers. In 2020, the FCC adopted further reforms to intercarrier compensation for the origination of certain calls. These rules have resulted in a substantial decrease in interstate compensation payments over a multi-year period, and additional reforms could further reduce interstate compensation payments.

***We may be materially adversely affected by regulatory, legal and economic changes relating to our physical plant.***

Our systems depend on physical facilities, including transmission equipment and fiber optic cable. Significant portions of those physical facilities occupy public rights-of-way and are subject to local ordinances and governmental regulations. Other portions occupy private property under express or implied easements, and many miles of the cable are attached to utility poles governed by pole attachment agreements. No assurances can be given that we will be able to maintain and use our facilities in their current locations and at their current costs. Changes in governmental regulations or changes in these relationships could have a material adverse effect on our business and our results of operations.

***FCC rulemakings and state regulatory proceedings, including those relating to intercarrier compensation, universal service and broadband services, could have a material adverse effect on our operations.***

Our operations are subject to regulation by the FCC and other federal, state and local agencies. We are required to maintain licenses for our operations and conduct our operations in accordance with prescribed standards. We are often involved in regulatory and other governmental proceedings or inquiries related to the application of these requirements. It is impossible to predict with any certainty the outcome of pending federal and state regulatory proceedings relating to our operations, or the reviews by federal or state courts of regulatory rulings. Existing laws and regulations may inhibit our ability to expand our business and introduce new products and services. New laws or regulations or changes to the existing regulatory framework at the federal, state, or local level could restrict the ways in which we manage our networks and operate our business, impose additional costs, impair revenue opportunities, and potentially impede our ability to provide services in a manner that would be attractive to us and our customers. Changes in regulation can have a material impact on our business, revenue or financial performance. Changes over the past couple of decades in federal regulations have substantially impacted our operations including recent orders or laws overhauling intercarrier compensation, revamping universal service funding, and increasing our responsibilities to assist various governmental agencies and safeguard customer data.

Our Internet access offerings could become subject to additional laws and regulations as they are adopted or applied to the Internet. As the significance of the Internet expands, federal, state and local governments may pass laws and adopt rules and regulations, including those directed at privacy, or apply existing laws and regulations to the Internet (including Internet access services), and related matters are under consideration in both federal and state legislative and regulatory bodies. Although the FCC recently attempted pre-empt state jurisdiction over network neutrality and

privacy, in 2019, the U.S. Court of Appeals for the District of Columbia upheld the FCC's information service reclassification, but vacated the FCC's blanket prohibition of state utility regulation of broadband services. The court left open the possibility that individual state laws could still be deemed preempted on a case by case basis if it is shown that they conflict with federal law. As a result, many states have considered or are moving forward with legislation on these or other Internet-related issues. Multiple states have taken executive or legislative action directed at reinstating aspects of the FCC's net neutrality regulations. We cannot predict whether the outcome of expected or pending challenges to the FCC's order or subsequent state actions will prove beneficial or detrimental to our competitive position.

***We are subject to the oversight of certain federal and state agencies that have in the past, and may in the future, investigate or pursue enforcement actions against us relating to consumer protection matters.***

The FCC and various state and local governmental agencies with jurisdiction over our operations have routinely in the past investigated our billing practices, surcharges and other business practices either in response to customer complaints or publicized customer service issues or disruptions, or on their own initiative, and are expected to continue to do the same in the future. Certain federal and state agencies, including state attorneys general, also monitor and exercise oversight related to consumer protection matters, including those affecting the telecommunications industry. Such inquiries or investigations could result in reputational harm, enforcement actions, litigation, fines, settlements or operational and financial conditions being placed on the company, any of which could materially adversely affect our business.

***Regulation may limit our ability to make required investments or adopt business models that are needed to continue to provide robust high-speed data service.***

The rising popularity of bandwidth-intensive Internet-based services increases the demand for, and usage of, our high-speed data services. We need flexibility to develop pricing and business models that will allow us to respond to changing business uses and demands and, if necessary, to invest more capital than currently expected to increase the bandwidth capacity of our systems. Our ability to do so could be restricted by legislative or regulatory efforts associated with "net neutrality" requirements. In addition, our business may become subject to greater regulation due to public pressure to make broadband Internet accessible to all.

***Compliance with, and changes to, environmental, safety and health laws and regulations could result in significant costs.***

We are subject to a variety of federal, state, and local environmental safety and health laws and regulations, including those governing such matters as the generation, storage, reporting, treating, handling, remediation, use, transportation and disposal of, and exposure to hazardous materials, the emission and discharge of hazardous materials into the atmosphere, the emission of electromagnetic radiation, the protection of wetlands, historic sites, and threatened and endangered species. Non-compliance with such laws and regulations can result in, among other consequences, imposition of civil or criminal penalties or fines, suspension or cessation of our operations. Such laws and regulations are becoming increasingly more stringent and we may incur significant costs to comply with, or liabilities under, such laws and regulations. It is possible that certain sites related to our business may have potential contamination risks from historical or surrounding activities. Under certain environmental laws and regulations, we may be liable for the costs of remediating contamination, regardless of fault, and these costs could be significant.

***Regulation of the Internet and data privacy could substantially impact us.***

Since the creation of the Internet, there has been extensive debate about whether and how to regulate Internet service providers. A significant number of U.S. congressional leaders, state elected officials and various consumer interest groups have long advocated in favor of extensive regulation. In 2015, the FCC adopted new regulations that regulated broadband services as a public utility under Title II of the Communications Act. The FCC voted to repeal most of those regulations in December 2017 and preempted states from substantial regulations of their own. Opponents of the rescission judicially challenged this action and continue to advocate in favor of reinstituting extensive federal regulation. In addition, California and other states have adopted, or are considering adopting, legislation or regulations that govern the terms of internet services. Additionally, in 2023 the FCC proposed reclassifying broadband service as a common carrier telecommunications service and reinstituting net neutrality rules substantially similar to those in the 2015 Order. It is possible that the FCC will give states leeway to adopt their own net neutrality

rules or other requirements applicable to terms or pricing of broadband service. The FCC is expected to act on this proposal by mid-2024.

Depending on the scope of such current and future federal or state regulation and judicial proceedings regarding these matters, the imposition of heightened regulation of our Internet operations could hamper our ability to operate our data networks efficiently, restrict our ability to implement network management practices necessary to ensure quality service, increase the cost of operating, maintaining and upgrading our network, and otherwise negatively impact our current operations.

A growing number of non-U.S. jurisdictions have adopted rigorous data privacy laws. For example, all current member states of the European Union have adopted new European data protection laws that have exposed our European operations to an increased risk of litigation and substantial regulatory fines. In the U.S., California and other states have adopted, or are considering adopting, comparable data privacy laws. These laws are complex and not consistent across jurisdictions. Although we cannot predict the ultimate outcomes of this growing trend toward additional regulation, we expect it will increase our operating costs and heighten our regulatory risk.

***Additional changes in tax laws or tax audits could adversely affect us.***

Like all large businesses, we are subject to multiple sets of complex and varying tax laws and rules. Legislators and regulators at all levels of government may from time to time change existing tax laws or regulations or enact new laws or regulations. In many cases, the application of existing, newly enacted or amended tax laws may be uncertain and subject to differing interpretations that could negatively impact our operating results or financial condition. We are also subject to frequent and regular audits by a broad range of federal, state and local tax authorities. These audits could subject us to tax liabilities if adverse positions are taken by these tax authorities.

We believe that we have adequately provided for tax contingencies. However, our tax audits and examinations may result in tax liabilities that differ materially from those that we have recognized in our consolidated financial statements. Because the ultimate outcomes of all of these matters are uncertain, we can give no assurance as to whether an adverse result from one or more of them will have a material effect on our financial results.

***Changes in any of the above-described laws or regulations may limit our ability to plan, and could subject us to further costs or constraints.***

From time to time, the laws or regulations governing us or our customers, or the government's policy of enforcing those laws or regulations, have changed frequently and materially. The variability of these laws could hamper the ability of us and our customers to plan for the future or establish long-term strategies. Moreover, future changes in these laws or regulations could further increase our operating or compliance costs, or further restrict our operational flexibility, any of which could have a material adverse effect on our results of operations, competitive position, financial condition or prospects.

***Our inability to transition successfully to being a standalone business may have a material adverse effect on our business, financial condition, results of operations and reputation.***

We have historically been a part of the operations of Altice USA, which provided us with operational, financial and other support. We are now a standalone company and, accordingly, following the termination of transition services to be provided to us by Altice Service Provider pursuant to the Services Agreement, must develop and implement the systems and infrastructure necessary to support our current and future business to the extent that we have not assumed or transitioned it from Altice USA. In addition, we must be able to operate effectively the systems that we assume or transition from Altice USA, including the operating support systems and business support system. We cannot assure you that we will continue to make the transition successfully.

For example, historically, certain of our accounting and information technology systems have been a part of Altice USA's larger operations. In addition, our management team and many of our employees may be new to the operational systems, information technology systems and business processes deployed by Altice USA. There can be no assurance that there will not be errors, delays, or other related issues resulting from the transition to a standalone company and adjustments to associated business processes and systems, or that we will be able to fix any error or issue. Any such errors or issues could have a material and adverse impact on our business, financial condition and results of operations.

We also incur costs in the future that have historically been part of Altice USA's larger cost structure, including costs associated with health and welfare benefits for our employees, as well as internal legal, tax, regulatory and treasury services. In particular, we need to bear the cost of hiring additional employees, including in the legal, finance, and human resources areas. We incur costs searching for and hiring individuals to fill the positions, and we may not be able to find qualified candidates at a reasonable cost or at all. Any delays in implementing required systems and services may lead to increased operating expenses.

Additionally, as part of Altice USA, we benefited from certain economies of scale, including with respect to our relationships with our suppliers. We cannot assure you that we will be able to maintain or build the independent relationships that are necessary for us to continue to benefit from such economies of scale or operate our business successfully. We also benefited from Altice USA's borrowing leverage and available capital for investments, to which we no longer have access. As a result, we may experience increased volatility in terms of cash flow, operating results, working capital and financing requirements.

Furthermore, we cannot assure you that the estimated costs to operate as a standalone company will be consistent on a forward-looking basis. Certain contracts may need to be renegotiated with third parties. It is possible that some costs will be greater for us than they were for Altice USA due to the loss of volume discounts and the position of being a large customer to service providers and suppliers. If we are unable to renegotiate such contracts on the same terms, the loss of these contracts could adversely affect our business and financial condition. Any failure to transition successfully to a standalone company may cause us to incur substantial expenses in addition to the anticipated separation costs, and would have a material adverse effect on our business, financial condition, and results of operations.

Disputes may arise between Altice USA and us in a number of areas relating to our past relationships, including, without limitation, labor, tax, employee benefit, indemnification and other matters arising from our separation from Altice USA. We may not be able to resolve any potential conflicts that may arise and we cannot foresee the scope, duration or impact on our business of any potential disputes that may arise.

Further, becoming a standalone company requires a significant amount of management's time and effort, which may divert management's attention from operating and growing our business. If we fail to achieve some or all of the benefits that are expected from becoming a standalone company, or do not achieve them in the expected time frame, there could be a material adverse effect on our business, financial condition, and results of operations.

While we have incurred and expect to continue to incur significant costs, there is no assurance that our accounting or internal control systems will be immediately successful or efficient enough. There can be no assurance that there will not be errors, delays, or other related issues resulting from the transition to a standalone company, our lack of experience as a standalone business and setting up our internal control system, or that we will be able to fix any error or issue. Any such errors or issues could have a material and adverse impact on our business, financial condition, and results of operations. Any delays in implementing required systems may lead to increased operating expenses and divert our management's attention.

***Any failure by Altice USA, Altice Service Provider or any of their affiliates to deliver the services to be provided under the Services Agreement could have a material adverse effect on our business, financial condition and results of operations.***

We and Altice Service Provider have entered into the Services Agreement pursuant to which Altice Service Provider or its affiliates provide to us various transition, ongoing and long-term services, including, but not limited to, certain legal services, human resources services, IT and technology development services, accounting, tax, treasury, procurement, insurance, maintenance, repair, splicing, relocation and reconfiguration services. If Altice Service Provider or its affiliates fail to provide or procure the services prescribed by the Services Agreement, or fail to provide such services in a consistent or timely manner, such failure could have a material adverse effect on our business, financial condition and results of operations. Altice Service Provider is required to provide transition services for a period of 12 months, ongoing services for a period of three years and long-term services for a period of at least twenty years. Once the transition and ongoing services are terminated, we would need to make alternative arrangements for the performance of these services or develop our own internal capabilities, thereby incurring additional costs. In such an event, we may not be able to obtain these services promptly or at reasonable rates, if at all.

*We are subject to business uncertainties that could materially and adversely affect our business.*

Uncertainty about the effect of the MS Investment on customers and suppliers may have an adverse effect on us. These uncertainties could cause customers, suppliers and others who deal with us to seek to change existing business relationships. If customers, suppliers or others seek to change their dealings with us as a result of the MS Investment, our business could be seriously harmed. In addition, the Company has diverted, and will continue to divert, significant management resources to address the business processes and procedures that were affected by the MS Investment, which could adversely affect our business, financial condition and results of operations and ability to service our indebtedness.

## **Management's Discussion and Analysis of Financial Condition and Results of Operations**

This management's discussion and analysis of financial condition and results of operations contains statements concerning our future operating results and future financial performance. Words such as "expects", "anticipates", "believes", "estimates", "may", "will", "should", "could", "potential", "continue", "intends", "plans" and similar words and terms used in the discussion of future operating results, future financial performance and future events identify forward-looking statements. Users are cautioned that such forward-looking statements are not guarantees of future performance, results or events and involve risks and uncertainties and that actual results or developments may differ materially from the forward-looking statements as a result of various factors.

We operate in a highly competitive, consumer and technology driven and rapidly changing business that is affected by government regulation and economic, strategic, technological, political and social conditions. Various factors could adversely affect our operations, business or financial results in the future and cause our actual results to differ materially from those contained in the forward-looking statements. In addition, important factors that could cause our actual results to differ materially from those in our forward-looking statements include:

- our rights to the use of fiber that we do not own and that comprises a significant portion of our network may be affected by the ability to continue long term contracts and the financial stability of Altice USA and Altice Service Provider;
- the substantial capital expenditures that our operations require;
- our dependency on our ability to renew our long-term contracts with our customers;
- risks related to our major contracts;
- tax distributions to our ultimate equity holders in amounts in excess of the tax expense that we would incur if we were a similarly situated corporate taxpayer;
- our ability to obtain financing on terms that are acceptable to us, or at all;
- the unpredictability of future tax liabilities;
- conditions or assumptions differing from the judgments, assumptions or estimates used in our critical accounting policies or forward-looking statements;
- impairment of goodwill or other intangible assets;
- our ability to efficiently manage our growth;
- our reliance on various third parties for our operations, financial performance and liquidity;
- portions of our property, plant and equipment that are located on property owned by third parties;
- the outcome of litigation and other proceedings;
- our dependence on intellectual property rights and non-infringement on the intellectual property rights of others;
- potential liability for the material that content providers distribute over our networks;

- our failure to hire and retain qualified personnel;
- our reliance on Altice Service Provider's network and information systems for our operations and a disruption or failure of, or defects in, those systems may disrupt our operations, damage our reputation with customers and adversely affect our results of operations;
- a significant data security breach or our failure to detect and appropriately respond to a significant data security breach;
- our substantial indebtedness and debt service obligations;
- the restrictions contained in our financing agreements;
- adverse changes in the credit market;
- our ability to generate sufficient cash flow to meet our debt service obligations;
- financial community and rating agency perceptions of our business, operations, financial condition and the industries in which we operate; and
- other risks and uncertainties inherent in business, including those listed under the caption "Risk Factors" included herein.

These factors are not necessarily all of the important factors that could cause our actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could cause our actual results to differ materially from those expressed in any of our forward-looking statements.

Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. Except to the extent required by law, we do not undertake, and specifically decline any obligation, to update any forward-looking statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

You should read this management's discussion and analysis of financial condition and results of operations with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect. We qualify all forward-looking statements by these cautionary statements.

Certain numerical figures included in this management's discussion and analysis of financial condition and results of operations have been subject to rounding adjustments. Accordingly, such numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

All dollar amounts included in the following discussion are presented in thousands.

## **Our Business**

We provide Ethernet, data transport, IP-based virtual private networks, Internet access, telephony services, including SIP trunking and VoIP services to the business market primarily in the New York, Boston and Miami metropolitan areas. We also provide managed services to businesses, including hosted telephony services, managed WiFi, managed desktop and server backup and managed collaboration services including audio and web conferencing. Additionally, we offer FTTT services to wireless carriers. Our customers include companies in health care, financial, education, legal and professional services, and other industries, as well as the public sector and communication providers, incumbent local exchange carriers, and competitive local exchange carriers.

As of December 31, 2023, we had approximately 15,100 locations connected to our fiber network, which currently includes approximately 21,300 route miles (approximately 12,200 owned route miles and approximately 9,100 route miles pursuant to an IRU from Altice Service Provider and approximately 1,285,500 fiber miles (i.e., route miles multiplied by the number of fiber strands within each cable sheath; "fiber miles"). Our fiber network as of December 31, 2023 excludes an approximate 8,700 fiber route miles in the New York metropolitan area available to us on preferential terms via its IRU Agreement with Altice Service Provider.



We operate in a highly competitive business telecommunications market and compete primarily with local incumbent telephone companies, especially AT&T, Lumen, Frontier and Verizon, as well as with a variety of other national and regional business services competitors.

### **Key Factors Impacting Operating Results and Financial Condition**

Our future performance is dependent, to a large extent, on the impact of direct competition, general economic conditions (including capital and credit market conditions), our ability to manage our business effectively, and our relative strength and leverage in the marketplace, both with suppliers and customers.

### **Non-GAAP Financial Measures**

We define Adjusted EBITDA, which is a non-GAAP financial measure, as net income (loss) excluding income taxes, non-operating income or expenses, gain (loss) on interest rate swap contracts, net interest expense, net, depreciation and amortization, share-based compensation, restructuring, impairments and other operating items (such as significant legal settlements and contractual payments for terminated employees). See reconciliation of net income to Adjusted EBITDA below.

Adjusted EBITDA eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of our business and from intangible assets recognized from acquisitions, as well as certain non-cash and other operating items that affect the period-to-period comparability of our operating performance. In addition, Adjusted EBITDA is unaffected by our capital and tax structures and by our investment activities.

We believe Adjusted EBITDA is an appropriate measure for evaluating the operating performance of the Company. Adjusted EBITDA and similar measures with similar titles are common performance measures used by investors, analysts and peers to compare performance in our industry. Internally, we use revenue and Adjusted EBITDA measures as important indicators of our business performance and evaluate management's effectiveness with specific reference to these indicators. We believe Adjusted EBITDA provides management and investors a useful measure for period-to-period comparisons of our core business and operating results by excluding items that are not comparable across reporting periods or that do not otherwise relate to the Company's ongoing operating results. Adjusted EBITDA should be viewed as a supplement to and not a substitute for operating income (loss), net income (loss), and other measures of performance presented in accordance with GAAP. Since Adjusted EBITDA is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similar measures with similar titles used by other companies.

We also use Operating Free Cash Flow (defined as Adjusted EBITDA less cash capital expenditures), and Free Cash Flow (defined as net cash flows from operating activities less cash capital expenditures) as indicators of the Company's financial performance. We believe these measures are two of several benchmarks used by investors, analysts and peers for comparison of performance in our industry, although they may not be directly comparable to similar measures reported by other companies.

## Results of Operations

	Years Ended December 31,	
	2023	2022
<b>Revenue:</b>		
Ethernet .....	\$ 339,195	\$ 329,779
Managed services .....	26,826	27,836
Time-division multiplexing ("TDM") services .....	8,926	9,369
Other .....	23,804	23,745
<b>Total revenue</b> .....	<b>398,751</b>	<b>390,729</b>
<b>Operating expenses:</b>		
Direct costs .....	32,297	40,748
Other operating expenses .....	120,737	124,743
Restructuring, impairments and other operating items .....	186	11,356
Depreciation and amortization .....	97,041	102,767
<b>Operating income</b> .....	<b>148,490</b>	<b>111,115</b>
Other income (expense):		
Interest expense, net .....	(93,659)	(74,940)
Gain on interest rate swap contracts, net .....	5,575	12,757
Other expense .....	(254)	(117)
<b>Income before income taxes</b> .....	<b>60,152</b>	<b>48,815</b>
Income tax benefit (expense) .....	1,228	(1,670)
<b>Net income</b> .....	<b>\$ 61,380</b>	<b>\$ 47,145</b>

The following is a reconciliation of net income to Adjusted EBITDA and Operating Free Cash Flow:

	Years Ended December 31,	
	2023	2022
Net income .....	\$ 61,380	\$ 47,145
Income tax expense (benefit) .....	(1,228)	1,670
Other expense .....	254	117
Gain on interest rate swap contracts, net .....	(5,575)	(12,757)
Interest expense, net .....	93,659	74,940
Depreciation and amortization .....	97,041	102,767
Restructuring, impairments and other operating items .....	186	11,356
Share-based compensation .....	2	35
<b>Adjusted EBITDA</b> .....	<b>245,719</b>	<b>225,273</b>
Capital Expenditures (cash) .....	214,037	136,559
<b>Operating Free Cash Flow</b> .....	<b>\$ 31,682</b>	<b>\$ 88,714</b>

The following is a reconciliation of net cash flow from operating activities to Free Cash Flow (Deficit):

	<b>Years Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Net cash flows from operating activities</b> .....	\$ 152,747	\$ 174,581
Capital Expenditures (cash) .....	214,037	136,559
<b>Free Cash Flow (Deficit)</b> .....	<u>\$ (61,290)</u>	<u>\$ 38,022</u>

## **Comparison of Results for the Year Ended December 31, 2023 to Results for the Year Ended December 31, 2022**

### **Revenue**

Revenue for the years ended December 31, 2023 and 2022 was \$398,751 and \$390,729, respectively. Our revenue is derived primarily from the sale of fiber-based broadband and telephony services, including bandwidth and managed services, to enterprise customers and carrier customers. Other revenue includes contract termination fees, indefeasible right to use ("IRU") contract fees, and fees for usage, access, installation, and other ancillary services. Revenue increased \$8,022 (2%) for the year ended December 31, 2023, as compared to the prior year. The increase was primarily due to an increase in Ethernet revenue and IRU contract fee revenue, partially offset by decreases in managed services, TDM revenue and contract termination fees.

### **Direct Costs**

Direct costs for the years ended December 31, 2023 and 2022 amounted to \$32,297 and \$40,748, respectively. These costs include taxes and surcharges which represent federal and state fees incurred by us to operate as a telecommunications carrier. These costs also include interconnection, call completion, circuit and transport fees paid to other telecommunication companies for the transport and termination of voice and data services, which typically vary based on rate changes and the level of usage by our customers.

The decrease of \$8,451 (21%) for the year ended December 31, 2023, as compared to the prior year was attributable to the following:

Decrease in taxes and surcharges primarily due to certain tax refunds (\$13,788 in 2023 and \$7,188 in 2022) .....	\$ (7,885)
Other net decreases .....	(566)
	<u>\$ (8,451)</u>

### **Other Operating Expenses**

Other operating expenses for the years ended December 31, 2023 and 2022 amounted to \$120,737, and \$124,743, respectively. Other operating expenses include (i) salaries and commissions of company employees and related taxes, benefits and other employee related expenses; (ii) costs associated with the repair and maintenance of our network, including costs of certain customer connections and other costs associated with providing and maintaining services to our customers; (iii) overhead and common support function costs (such as human resources, legal, government affairs, finance, accounting, tax, audit, treasury, information technology, and insurance, etc.) and facility costs; and (iv) various other operating expenses including agency fees, rent, subscriber billing costs, and marketing and advertising costs. See [Note 12](#) to our audited consolidated financial statements included in this Annual Report for a discussion of services performed by affiliates of the Company and the related charges for these services.

The decrease in other operating expenses of \$4,006 (3%) for the year ended December 31, 2023 as compared to the prior year was attributable to the following:

Decrease in property taxes primarily due to a refund of \$2,384 in 2023 .....	\$ (2,682)
Decrease in costs related to a services agreement with Altice USA .....	(1,033)
Net increase in labor costs and benefits, partially offset by an increase in capitalizable activity .....	1,137
Other net decreases .....	(1,428)
	<u>\$ (4,006)</u>

***Restructuring, Impairments and Other Operating Items***

Restructuring, impairments and other operating items for the years ended December 31, 2023 and 2022 amounted to \$186 and \$11,356, respectively. Restructuring, impairments and other operating items includes severance and other employee related costs and transactions costs for acquisitions. For the year ended December 31, 2022, it also included \$10,665 relating to a litigation settlement.

***Depreciation and Amortization***

Depreciation and amortization for the years ended December 31, 2023 and 2022 amounted to \$97,041 and \$102,767, respectively. The decrease in depreciation and amortization of \$5,726 (6%) for the year ended December 31, 2023 as compared to the prior year was primarily due to certain fixed assets becoming fully depreciated, offset by an increase in depreciation as a result of asset additions.

***Adjusted EBITDA***

Adjusted EBITDA amounted to \$245,719 and \$225,273 for the years ended December 31, 2023 and 2022, respectively. Adjusted EBITDA is a non-GAAP measure. See the definition of Adjusted EBITDA above under "Non-GAAP Financial Measures" and the reconciliation of net income to adjusted EBITDA above.

The increase in Adjusted EBITDA of \$20,446 (9%) for the year ended December 31, 2023 as compared to the prior year was due to the decrease in operating expenses (excluding depreciation and amortization, restructuring, impairments and other operating items and share-based compensation), and an increase in revenue, as discussed above.

***Operating Free Cash Flow***

Operating free cash flow was \$31,682 and \$88,714 for the years ended December 31, 2023 and 2022, respectively. The decrease in operating free cash flow of \$57,032 (64%) in 2023 as compared to 2022 was due to an increase in capital expenditures, offset by an increase in Adjusted EBITDA.

***Free Cash Flow (Deficit)***

Free cash flow (deficit) was \$(61,290) and \$38,022 for the years ended December 31, 2023 and 2022, respectively. The decrease in free cash flow in 2023 as compared to 2022 was primarily due to an increase in capital expenditures, and a decrease in net cash provided by operating activities.

***Interest Expense, Net***

Interest expense, net was \$93,659 and \$74,940 for the years ended December 31, 2023 and 2022, respectively. The increase of \$18,719 (25%) was primarily due to an increase in interest rates, partially offset by a decrease in average debt balances.

***Gain on Interest Rate Swap Contracts, Net***

Gain on interest rate swap contracts, net was \$5,575 and \$12,757 for the years ended December 31, 2023 and 2022, respectively. These amounts represent the change in the fair value on the interest rate swap contracts we entered into in March 2022 and April 2023. These contracts are not designated as hedges for accounting purposes.

***Other Expense***

Other expense amounted to \$254 and \$117 for the years ended December 31, 2023 and 2022, respectively. These amounts primarily relate to the non-service cost components of Altice USA's pension expense allocated to us.

***Income Tax Benefit (Expense)***

We are treated as a partnership for income tax purposes and are subject to tax in New York City (Unincorporated Business Tax). We recorded an income tax benefit (expense) of \$1,228 and \$(1,670) for the years ended December 31, 2023 and 2022, respectively. The primary drivers of the tax benefit (expense) relate to the remeasurement of the net deferred tax liability, tax-effect on earnings, and nondeductible interest expense.

## **Liquidity and Capital Resources**

### **Cash and Debt Profile**

As of December 31, 2023, our consolidated cash and cash equivalents amounted to \$25,839. The Company has principal debt outstanding of \$1,447,000.

Our most significant financial obligations are our debt obligations. The terms of the debt instruments contain certain restrictions, including covenants that restrict our ability to incur additional debt. As a result, additional debt financing is only a potential source of liquidity if the incurrence of any new debt is permitted by the terms of our existing debt instruments.

### **Sources of Liquidity**

Our principal sources of liquidity are our existing cash balances, operating cash flows of our operating subsidiaries and availability under our revolving credit facility, which we believe will provide adequate funds to support our current operating plan, make planned capital expenditures, and fulfill our debt service requirements pursuant to our outstanding indebtedness, for the next twelve months. The availability of borrowings under our credit facility is conditioned upon compliance with specified leverage ratios. Our ability to fund our operations, make planned capital expenditures, and make scheduled payments on our indebtedness and repay our indebtedness depends on our future operating performance and cash flows and our ability to access the capital markets, which, in turn, are subject to prevailing economic conditions and to financial, business and other factors, some of which are beyond our control. Competition, market disruptions or a deterioration in economic conditions could lead to lower demand for our products and increased incidence of customers' inability to pay for the services we provide. These events would adversely impact our results of operations, cash flows and financial position.

In the longer term, we may not be able to generate sufficient cash from operations to fund anticipated capital expenditures or meet all existing future contractual payment obligations. As a result, we could be dependent upon our access to the capital and credit markets to issue debt or equity. We believe we have the ability to access the credit markets if needed, however, we can provide no assurance that access to such funds will not be impacted by adverse conditions in the financial markets or other conditions. We intend to raise significant amounts of funding over the next several years to extend our debt maturities, repay existing obligations and meet other obligations, and the failure to do so successfully could adversely affect our business. If we are unable to do so, we will need to take other actions including deferring capital expenditures, selling assets, seeking strategic investments from third parties or reducing or eliminating discretionary uses of cash.

Debt issued by us is subject to certain restrictive covenants. We are subject to incurrence based covenants, which do not require ongoing compliance with financial ratios, but place certain limitations on our ability to, among other things, incur or guarantee additional debt (including to finance new acquisitions), create liens, pay dividends and other distributions to its member or prepay subordinated indebtedness, make investments, sell assets, engage in affiliate transactions or engage in mergers or consolidations. These covenants are subject to several important exceptions and qualifications.

To be able to incur additional debt under an applicable debt instrument, we must either meet the ratio test described below (on a pro forma basis for any contemplated transaction giving rise to the debt incurrence) or have available capacity under the general debt basket or meet certain other exceptions to the limitation on indebtedness covenant in such debt instrument. Our senior debt will be subject to an incurrence test of 6.75:1 (Consolidated Net Leverage to L2QA Pro Forma EBITDA (each as defined in the relevant debt instruments)) and our senior secured debt will be subject to an incurrence test of 4.75:1 (Consolidated Net Senior Secured Leverage (as defined in the relevant debt instrument) to L2QA Pro Forma EBITDA). We will be allowed to fully consolidate the EBITDA from any subsidiaries in which we have a controlling interest and that are contained in the restricted group as defined in the relevant debt instruments.

### **Credit Facility**

We are party to a credit agreement which originally provided for a term loan in an aggregate principal amount of \$600,000 (\$582,000 outstanding at December 31, 2023) and revolving loan commitments in an aggregate principal amount of \$100,000 (the "Credit Agreement"). As of December 31, 2023, there were no borrowings outstanding under the revolving credit facility.

On February 9, 2024, we entered into an extension and incremental amendment to the Credit Agreement (the “Extension Amendment” and, the Credit Agreement as amended by the Extension Amendment, the “Amended Credit Agreement”) that provides for, among other things, (a) an extension of the scheduled maturity date with respect to the 2027 Revolving Credit Commitments (as defined in the Extension Amendment) under the Credit Agreement to the date that is the later of (x) November 30, 2025 and (y) the earlier of (i) June 15, 2027 and (ii) the date that is 5 business days after any Extension Breach Date (as defined in the Amended Credit Agreement) (such date, the “New Maturity Date”) and (b) incremental revolving credit commitments in an aggregate principal amount of \$15,000 which shall be of the same class and type as the 2027 Revolving Credit Commitments and will, for the avoidance of doubt, mature on the New Maturity Date. After giving effect to the Extension Amendment, the aggregate principal amount of revolving loan commitments available under the Credit Agreement equaled \$115,000.

See [Note 8](#) and [Note 15](#) to our consolidated financial statements for further information regarding the Credit Agreement.

As of December 31, 2023, we were in compliance with applicable financial covenants under the Credit Agreement and with applicable financial covenants under each respective indenture by which our senior secured notes and senior notes were issued.

### Senior Secured Notes and Senior Notes

In 2020, we issued \$450,000 in aggregate principal amount of senior secured notes that bear interest at a rate of 3.875% and mature on September 15, 2027 and \$415,000 in aggregate principal amount of senior notes that bear interest at a rate of 5.625% and mature on September 15, 2028.

As of December 31, 2023, we were in compliance with applicable financial covenants under each respective indenture by which the senior secured notes and senior notes were issued.

### Interest Rate Swap Contracts

In April 2023, we entered into an interest rate swap contract, effective June 2023 on a notional amount of \$180,000, whereby we pay interest of 3.523% through December 2026 and receive interest based on one-month SOFR.

See [Note 9](#) of our consolidated financial statements for further details of our outstanding interest rate swap contracts.

### Capital Expenditures

The following table presents our capital expenditures for the periods indicated:

	Years Ended December 31,	
	2023	2022
Fiber network (a) .....	\$ 171,583	\$ 97,894
Network and customer equipment (b) .....	32,917	29,558
Support and other (c) .....	9,537	9,107
Capital purchases (cash basis) .....	214,037	136,559
Change in accrued and unpaid purchases and other .....	5,206	5,775
Capital purchases (including accrued but not paid) (d) .....	<u>\$ 219,243</u>	<u>\$ 142,334</u>

- (a) Fiber network includes the cost of design, engineering and construction of our fiber backbone and fiber connections to customer locations.
- (b) Network and customer equipment includes routing and interconnection equipment at our network locations, as well as equipment collocated in customer facilities.
- (c) Support and other includes costs associated with the replacement or enhancement of non-network assets, such as software systems, office equipment, and facilities.
- (d) Amounts are comprised of the following:

	Years Ended December 31,	
	2023	2022
Success-based .....	\$ 187,998	\$ 124,449
Maintenance, support and other .....	31,245	17,885
Capital purchases (including accrued not paid) .....	<u>\$ 219,243</u>	<u>\$ 142,334</u>

## **Cash Flow - Years Ended December 31, 2023 and 2022**

### *Operating Activities*

Net cash provided by operating activities amounted to \$152,747 and \$174,581 for the years ended December 31, 2023 and 2022, respectively.

The decrease in cash provided by operating activities of \$21,834 in 2023 as compared to 2022 resulted from an increase in net income before depreciation and amortization and other non-cash items of \$5,721, and a decrease of \$27,555 due to changes in working capital (including an increase in interest payments of \$20,042), as well as the timing of payments and collections of accounts receivable, among other items.

### *Investing Activities*

Net cash used in investing activities for the years ended December 31, 2023 and 2022 was \$214,128 and \$136,509, respectively, consisting primarily of capital expenditures.

### *Financing Activities*

Net cash used in financing activities amounted to \$12,954 and \$11,355 for the years ended December 31, 2023 and 2022. The cash used in financing activities related to repayments of long-term debt of \$6,000 and distributions to the parent entity, net of \$6,954 and \$5,355 for the years ended December 31, 2023 and 2022, respectively.

## **Critical Accounting Policies and Estimates**

In preparing our financial statements, we are required to make certain estimates, judgments and assumptions that we believe are reasonable based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. We believe that the application of the following accounting policy requires significant estimates and is the most critical to aid in fully understanding and evaluating our reported financial results:

### ***Capitalization of Costs***

Costs incurred in the construction of our fiber network, including line extensions to, and upgrade of, our fiber infrastructure are capitalized. This includes initial placement of the feeder cable to connect a customer that had not been previously connected, and network equipment. These costs consist of materials, subcontractor labor, and internal labor and related costs associated with the construction activities. The internal costs that are capitalized consist of salaries and benefits of our employees and the portion of facility costs, including rent, taxes, insurance and utilities, that supports the construction activities. Such costs are depreciated over the estimated life of the fiber (5 to 40 years) and network equipment (5 to 15 years). Costs of operating the plant and the technical facilities, including repairs and maintenance, are expensed as incurred. Refer to [Note 2](#) to our audited consolidated financial statements included in this Annual Report for a discussion of our accounting policies.



345 Park Avenue  
New York, NY 10154-0102

## **Independent Auditors' Report**

The Member and Management  
Cablevision Lightpath LLC:

### *Opinion*

We have audited the consolidated financial statements of Cablevision Lightpath LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations and comprehensive income, member's deficiency, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.





In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Other Information Included in the Annual Report*

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

KPMG LLP

New York, New York  
March 29, 2024

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands)

	December 31,	
	2023	2022
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents .....	\$ 25,839	\$ 100,174
Accounts receivable, trade (less allowance for doubtful accounts of \$2,076 and \$2,583, respectively) .....	18,568	11,744
Prepaid expenses and other current assets (\$334 and \$1,591 due from affiliates, respectively) .....	26,162	16,037
Total current assets .....	70,569	127,955
Property, plant and equipment, net of accumulated depreciation of \$758,850 and \$724,552, respectively .....	857,842	714,849
Right-of-use operating lease assets .....	21,322	24,364
Other assets .....	12,107	6,170
Derivative contracts .....	8,046	12,725
Amortizable intangibles, net of accumulated amortization of \$256,499 and \$235,798, respectively .....	105,795	126,496
Indefinite-lived franchise costs .....	340,000	340,000
Goodwill .....	105,894	105,894
Total assets .....	<u>\$ 1,521,575</u>	<u>\$ 1,458,453</u>
<b>LIABILITIES AND MEMBER'S DEFICIENCY</b>		
Current Liabilities:		
Accounts payable .....	\$ 25,215	\$ 16,018
Interest payable .....	14,515	14,215
Accrued employee related costs .....	10,720	9,341
Amounts due to affiliates .....	32,277	31,165
Deferred revenue .....	3,019	1,869
Debt .....	6,000	6,000
Other current liabilities .....	11,949	12,065
Total current liabilities .....	103,695	90,673
Other liabilities .....	19,417	21,034
Deferred tax liability, net .....	3,034	4,575
Long-term debt, net of current maturities .....	1,419,444	1,420,614
Total liabilities .....	1,545,590	1,536,896
Commitments and contingencies (Note 13)		
Member's deficiency .....	(24,015)	(78,443)
	<u>\$ 1,521,575</u>	<u>\$ 1,458,453</u>

See accompanying notes to consolidated financial statements.

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**  
(In thousands)

	Years ended December 31,	
	2023	2022
Revenue (including revenue from affiliates of \$6,759 and \$6,775, respectively. See Note 12) .....	\$ 398,751	\$ 390,729
Operating expenses:		
Direct costs (including charges from affiliates of \$382 and \$512, respectively. See Note 12) .....	32,297	40,748
Other operating expenses (including charges from affiliates of \$20,612 and \$22,959, respectively. See Note 12) .....	120,737	124,743
Restructuring, impairments and other operating items .....	186	11,356
Depreciation and amortization .....	97,041	102,767
	<u>250,261</u>	<u>279,614</u>
Operating income .....	<u>148,490</u>	<u>111,115</u>
Other expense:		
Interest expense, net .....	(93,659)	(74,940)
Gain on interest rate swap contracts, net .....	5,575	12,757
Other expense (See Note 12) .....	(254)	(117)
	<u>(88,338)</u>	<u>(62,300)</u>
Income before income taxes .....	60,152	48,815
Income tax benefit (expense) .....	1,228	(1,670)
Net income .....	<u>\$ 61,380</u>	<u>\$ 47,145</u>
Comprehensive income .....	<u>\$ 61,380</u>	<u>\$ 47,145</u>

See accompanying notes to consolidated financial statements.

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF MEMBER'S DEFICIENCY**  
(In thousands)

Balance at December 31, 2021 .....	\$ (120,317)
Net income .....	47,145
Share-based compensation expense .....	84
Distributions to parent .....	(5,355)
Balance at December 31, 2022 .....	<u>\$ (78,443)</u>
Net income .....	61,380
Share-based compensation expense .....	2
Distributions to parent .....	(6,954)
Balance at December 31, 2023 .....	<u><u>\$ (24,015)</u></u>

See accompanying notes to consolidated financial statements.

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	Years Ended December 31,	
	2023	2022
Cash flows from operating activities:		
Net income .....	\$ 61,380	\$ 47,145
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization .....	97,041	102,767
Share-based compensation expense .....	2	35
Deferred income taxes .....	(1,541)	1,307
Decrease in right-of-use assets .....	8,020	7,565
Amortization of deferred financing costs .....	4,830	4,652
Provision for doubtful accounts .....	21	561
Change in assets and liabilities:		
Accounts receivable, trade .....	(6,845)	4,921
Prepaid expenses and other assets .....	(17,303)	1,183
Amounts due to affiliates .....	2,369	20,751
Accounts payable .....	3,991	(2,907)
Accrued liabilities .....	(6,153)	(3,695)
Deferred revenue .....	2,256	3,021
Interest rate swap contracts .....	4,679	(12,725)
Net cash provided by operating activities .....	<u>152,747</u>	<u>174,581</u>
Cash flows from investing activities:		
Capital expenditures .....	(214,037)	(136,559)
Other .....	(91)	50
Net cash used in investing activities .....	<u>(214,128)</u>	<u>(136,509)</u>
Cash flows from financing activities:		
Repayment of debt .....	(6,000)	(6,000)
Distributions to parent .....	(6,954)	(5,355)
Cash used in financing activities .....	<u>(12,954)</u>	<u>(11,355)</u>
Net increase (decrease) in cash and cash equivalents .....	(74,335)	26,717
Cash and cash equivalents at beginning of year .....	100,174	73,457
Cash and cash equivalents at end of year .....	<u>\$ 25,839</u>	<u>\$ 100,174</u>

See accompanying notes to consolidated financial statements.

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Dollars in thousands)

**NOTE 1. DESCRIPTION OF BUSINESS AND RELATED MATTERS**

**The Company and Related Matters**

Cablevision Lightpath LLC (together with its subsidiaries, "we", "us", "our" or the "Company") provides Ethernet, data transport, IP-based virtual private networks, Internet access, telephony services, including Session-Initiated Protocol ("SIP") trunking, and voice over Internet protocol ("VoIP") services to the business market primarily in the New York, Boston and Miami metropolitan areas. We also provide managed services to businesses, including hosted telephony services, managed WiFi, managed desktop and server backup and managed collaboration services including audio and web conferencing. Additionally, we offer fiber-to-the-tower services to wireless carriers. Our direct parent, Lightpath Holdings LLC ("Lightpath Holdings") is owned 49.99% by Morgan Stanley Infrastructure Partners ("MSIP") and 50.01% by Altice USA, Inc. ("Altice USA") who also maintains control over us. We classify our operations in one segment.

**Basis of Presentation**

Our accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), and have been derived from the consolidating financial statements and accounting records of Altice USA and reflect certain assumptions and allocations. Subsequent to the closing of MSIP's purchase of its 49.99% interest in our direct parent on December 1, 2020 (the "Lightpath Transaction"), charges for certain services provided by Altice USA to us are outlined in a services agreement entered into with Altice USA (see Note 12 for a description of the services provided). Our financial position, results of operations and cash flows could differ from those that might have resulted had we been operated autonomously or as an entity independent of Altice USA.

As of December 31, 2023, our current liabilities exceeded our current assets. We believe future operating cash flows and availability under our revolving credit facility will provide adequate funds to support our operations.

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of the Company and our wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

**Use of Estimates in Preparation of Financial Statements**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions, including estimated allocations, which affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Summary of Significant Accounting Policies**

***Revenue Recognition***

Our service offerings consist of various telecommunications services to large enterprise businesses, including broadband, telephony and networking services. We satisfy our performance obligations to provide services to customers over time as the services are rendered. The amount of revenue recognized reflects the consideration which we expect to be entitled to receive in exchange for these services. Fixed fees are billed monthly in advance and usage fees are billed monthly in arrears. Amounts billed are due upon receipt and contract lengths typically range from three to five years. To the extent a customer contract is terminated prior to its contractual end, the customer is subject to termination fees. We recognize termination fees as they are collected, unless they are paid in advance, in which case they are recognized through actual termination dates. In certain instances, upon expiration of a contract and prior to its renewal, we continue to provide services on a month to month basis. Installation revenue is deferred and recognized generally over the average contract term. We periodically enter into contractual agreements to grant an indefeasible right of use of dark fiber for a specified term, typically 20 years. These transactions are accounted for under Topic 842 as sales-type leases and revenue is recognized at the time of delivery and acceptance by the customer.

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands)

We are assessed non-income related taxes and fees by governmental authorities and we collect such taxes from our customers. In instances where the tax and fee is being assessed directly on us, amounts paid to the governmental authorities are recorded as direct costs, and amounts received from the customers are recorded as revenue. For the years ended December 31, 2023 and 2022, the amount of these non-income related taxes and fees included as a component of revenue aggregated \$17,751 and \$19,428, respectively.

The following table presents the composition of revenue:

	Years Ended December 31,	
	2023	2022
Ethernet .....	\$ 339,195	\$ 329,779
Managed services .....	26,826	27,836
Time-division multiplexing ("TDM") services .....	8,926	9,369
Other .....	23,804	23,745
	<u>\$ 398,751</u>	<u>\$ 390,729</u>

**Contract Assets**

Incremental costs incurred in obtaining a contract with a customer are deferred and recorded as a contract asset if the period of benefit is expected to be greater than one year. Commissions related to customer sales are deferred and amortized over the average contract term.

Deferred commission costs are included in other current and noncurrent assets in the accompanying consolidated balance sheets and totaled \$12,970 and \$11,564 as of December 31, 2023 and 2022, respectively.

**Direct Expenses**

Costs of revenue related to delivery of services, including call completion, interconnection, transmission, and indefeasible right of use costs are classified as "direct costs" in the accompanying consolidated statements of operations and comprehensive income.

**Advertising Expenses**

Advertising costs are charged to expense when incurred and are reflected in "other operating expenses" in the accompanying consolidated statements of operations and comprehensive income. Advertising costs amounted to \$1,497 and \$1,186 for the years ended December 31, 2023 and 2022, respectively.

**Share-Based Compensation**

Altice USA charges us for costs related to certain awards granted under Altice USA's long term incentive plan. Share-based compensation expense relates to awards of stock options and is based on the fair value of share-based payment awards at the date of grant. Altice USA measures compensation expense based on the estimated grant date fair value using the Black-Scholes valuation model. The fair value of our allocated share of these awards are amortized to share-based compensation expense over the requisite service period.

See Note 12 to the consolidated financial statements for additional information related to our share-based compensation.

**Income Taxes**

We are not a taxable entity for federal income tax purposes and the results of our operations are included in the federal tax returns of our members. However, we are subject to New York City Unincorporated Business Tax ("NYC UBT").

**Cash and Cash Equivalents**

Our cash investments are placed with money market funds and financial institutions that are investment grade as rated by S&P Global Ratings and Moody's Investors Service. We select money market funds that predominantly invest in

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands)

marketable, direct obligations issued or guaranteed by the United States government or its agencies, commercial paper, fully collateralized repurchase agreements, certificates of deposit, and time deposits.

We consider the balance of our investment in funds that substantially hold securities that mature within three months or less from the date the fund purchases these securities to be cash equivalents. The carrying amount of cash and cash equivalents either approximates fair value due to the short-term maturity of these instruments or are at fair value.

***Accounts Receivable***

Accounts receivable are recorded at net realizable value. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amounts.

***Long-Lived Assets and Amortizable Intangible Assets***

Property, plant and equipment, including construction materials, are carried at cost, and include all direct costs and certain indirect costs associated with fiber construction, and the costs of new equipment installations. Equipment under finance leases is recorded at the present value of the total minimum lease payments. Depreciation on equipment is calculated on the straight-line basis over the estimated useful lives of the assets or, with respect to equipment under finance leases and leasehold improvements, amortized over the shorter of the lease term or the assets' useful lives, and reported in depreciation and amortization in the consolidated statements of operations and comprehensive income.

We capitalize certain internal and external costs incurred to acquire or develop internal-use software. Capitalized software costs are amortized over the estimated useful life of the software and reported in depreciation and amortization.

Customer relationships and trade names established in connection with acquisitions that are finite-lived are amortized in a manner that reflects the pattern in which the projected net cash inflows to the Company are expected to occur, such as the sum of the years' digits method over their respective estimated useful lives.

We review our long-lived assets (property, plant and equipment, and intangible assets subject to amortization that arose from acquisitions) for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected cash flows, undiscounted and without interest, is less than the carrying amount of the asset, an impairment loss is recognized as the amount by which the carrying amount of the asset exceeds its fair value.

***Goodwill and Indefinite-Lived Intangible Assets***

Goodwill and the value of indefinite-lived franchise rights acquired in business combinations are not amortized. Rather, such assets are tested for impairment annually or whenever events or changes in circumstances indicate that it is more likely than not that the assets may be impaired.

The assessment of recoverability may first consider qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit or the indefinite-lived franchise right is less than its carrying amount. These qualitative factors include macroeconomic conditions such as changes in interest rates, industry and market considerations, recent and projected financial performance of the reporting units, as well as other factors. A quantitative test is performed if we conclude that it is more likely than not that the fair value of a reporting unit or an indefinite-lived franchise right is less than its carrying amount or if a qualitative assessment is not performed. In 2023 and 2022, we performed a qualitative assessment for both our goodwill recoverability test and our indefinite-lived franchise rights recoverability test noting no impairments.

***Goodwill***

Goodwill resulted from business combinations and represents the excess amount of the consideration paid over the identifiable assets and liabilities recorded in the acquisition.



**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands)

*Indefinite-lived Franchise Rights*

Our indefinite-lived franchise rights reflect the value of agreements we have with state and local governments that allow us to construct and operate a telecommunications business within a specified geographic area and allow us to solicit and service potential customers in the service areas defined by the franchise rights currently held by us. We have concluded that our franchise rights have an indefinite useful life since there are no legal, regulatory, contractual, competitive, economic or other factors that limit the period over which these rights will contribute to our cash flows.

**Deferred Financing Costs**

Deferred financing costs, which are presented as a reduction of debt, are amortized to interest expense using the effective interest method over the term of the related debt.

**Commitments and Contingencies**

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when we believe it is probable that a liability has been incurred and the amount of the contingency can be reasonably estimated.

**Concentrations of Credit Risk**

Financial instruments that may potentially subject us to a concentration of credit risk consist primarily of cash and cash equivalents and trade accounts receivable. We monitor the financial institutions and money market funds where we invest our cash and cash equivalents with diversification among counterparties to mitigate exposure to any single financial institution. Our emphasis is primarily on safety of principal and liquidity and secondarily on maximizing the yield on our investments. Management believes that no significant concentration of credit risk exists with respect to its cash and cash equivalents because of its assessment of the creditworthiness and financial viability of the respective financial institutions.

We did not have a single customer that represented 10% or more of our consolidated revenues for the years ended December 31, 2023 and 2022. There was one customer who accounted for approximately 24% and another customer who accounted for approximately 11% of the balances of consolidated trade receivables, net, as of December 31, 2023 and 2022, respectively.

**NOTE 3. ACCOUNTING PRONOUNCEMENTS**

***Recently Issued But Not Yet Adopted Accounting Pronouncements***

***ASU No. 2023-07 Segment Reporting—Improvements to Reportable Segment Disclosures***

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting—Improvements to Reportable Segment Disclosures*, to improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities. ASU No. 2023-07 is meant to enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, and provide new segment disclosure requirements for entities with a single reportable segment. ASU No. 2023-07 is effective for us for the year ended December 31, 2024, although early adoption is permitted. We are currently evaluating the impact of adopting ASU 2023-07.

***ASU No. 2023-09 Income Taxes—Improvements to Income Tax Disclosures***

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes—Improvements to Income Tax Disclosures*, which require greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid. ASU No. 2023-09 is effective for us for the year ending December 31, 2025, although early adoption is permitted. We are currently evaluating the impact of adopting ASU No. 2023-09.

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands)

**NOTE 4. SUPPLEMENTAL CASH FLOW INFORMATION**

Our non-cash investing and financing activities and other supplemental data were as follows:

	Years Ended December 31,	
	2023	2022
<u>Non-Cash Investing and Financing Activities:</u>		
Property and equipment accrued but unpaid .....	\$ 17,633	\$ 12,427
<u>Supplemental Data:</u>		
Interest paid .....	90,694	70,652
Income taxes paid, net .....	330	323

**NOTE 5. PROPERTY, PLANT AND EQUIPMENT**

Costs incurred in the construction of our fiber network, including line extensions to, and upgrade of, our fiber infrastructure are capitalized. This includes initial placement of the feeder cable to connect a customer that had not been previously connected, and network equipment. These costs consist of materials, subcontractor labor, direct consulting fees, and internal labor and related costs associated with the construction activities. The internal costs that are capitalized consist of salaries and benefits of our employees and the portion of facility costs that supports the construction activities. These costs are depreciated over the estimated life of the fiber (5 to 40 years) and network equipment (5 to 15 years). Costs of operating the plant and the technical facilities, including repairs and maintenance, are expensed as incurred.

The estimated useful lives assigned to our property, plant and equipment are reviewed on an annual basis or more frequently if circumstances warrant and such lives are revised to the extent necessary due to changing facts and circumstances. Any changes in estimated useful lives are reflected prospectively.

Property, plant and equipment (including equipment under finance leases) consist of the following assets, which are depreciated or amortized on a straight-line basis over the estimated useful lives shown below:

	December 31, 2023	December 31, 2022	Estimated Useful Lives
Fiber and conduit .....	\$ 1,131,527	\$ 974,033	5 to 40 years
Network equipment .....	361,570	336,789	5 to 15 years
Customer premise equipment .....	17,551	18,635	3 years
Equipment and software .....	49,756	47,635	3 to 10 years
Furniture and fixtures .....	1,623	2,265	8 years
Transportation equipment .....	1,524	1,669	10 years
Buildings and building improvements .....	7,535	7,524	10-40 years
Leasehold improvements .....	5,883	5,804	Term of lease
Construction in progress (including materials and supplies) .....	39,723	45,047	
	1,616,692	1,439,401	
Less accumulated depreciation and amortization .....	(758,850)	(724,552)	
	<u>\$ 857,842</u>	<u>\$ 714,849</u>	

For the years ended December 31, 2023 and 2022, we capitalized certain costs aggregating \$11,779 and \$7,388, respectively, related to the acquisition and development of internal use software, which are included in the table above.

Depreciation expense on property, plant and equipment (including finance leases) for the years ended December 31, 2023 and 2022 amounted to \$76,340 and \$79,930, respectively.

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands)

**NOTE 6. LEASES**

Our operating leases are comprised primarily of facility leases and our finance leases are comprised primarily of indefeasible right of use ("IRU") leases for fiber and/or conduit where the lease liability for the initial term is paid at lease inception. These IRUs typically have initial terms of 20 or more years and may include renewal options after the initial lease term. We determine if an arrangement is a lease at inception and lease assets and liabilities are recognized upon commencement of the lease based on the present value of the future minimum lease payments over the lease term. Lease assets and liabilities are not recorded for leases with an initial term of one year or less. We generally use our incremental borrowing rate as the discount rate for leases, unless an interest rate is implicitly stated in the lease agreement. The lease term will include options to extend the lease when it is reasonably certain that we will exercise that option.

Balance sheet information related to our leases is presented below:

	Balance Sheet location	December 31, 2023	December 31, 2022
<i>Operating leases:</i>			
Right-of-use lease assets .....	Right-of-use operating lease assets	\$ 21,322	\$ 24,364
Right-of-use lease liability, current .....	Other current liabilities	7,616	7,418
Right-of-use lease liability, long-term ...	Other liabilities	14,255	17,220
<i>Finance leases:</i>			
Right-of-use lease assets .....	Property, plant and equipment	34,526	28,655

Operating lease expense amounted to \$9,295 and \$8,520 for the years ended December 31, 2023 and 2022, respectively. Amortization of right-of-use assets acquired pursuant to a finance lease amounted to \$1,784 and \$1,634 for the years ended December 31, 2023 and 2022, respectively.

Other information related to our leases is presented below:

	As of December 31,	
	2023	2022
<i>Operating leases:</i>		
Right-of-use assets acquired in exchange for operating lease obligations .....	\$ 4,994	\$ 8,963
Operating cash flows .....	9,036	8,585
Weighted Average Remaining Lease Term .....	4.0 years	4.3 years
Weighted Average Discount Rate .....	5.97 %	4.42 %

The minimum future annual payments under our outstanding non-cancellable leases are as follows:

	Operating leases
2024 .....	\$ 8,694
2025 .....	4,850
2026 .....	3,882
2027 .....	3,523
2028 .....	3,257
Thereafter .....	512
Total future minimum lease payments, undiscounted .....	24,718
Less: Imputed interest .....	(2,847)
Present value of future minimum lease payments .....	<u>\$ 21,871</u>

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands)

**NOTE 7. INTANGIBLE ASSETS**

The following table summarizes information relating to our amortizable intangible assets:

	As of December 31, 2023			As of December 31, 2022			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Estimated Useful Lives
Customer relationships .....	\$ 302,294	\$ (196,499)	\$ 105,795	\$ 302,294	\$ (175,798)	\$ 126,496	3 to 18 years
Trade names .....	60,000	(60,000)	—	60,000	(60,000)	—	4 years
	<u>\$ 362,294</u>	<u>\$ (256,499)</u>	<u>\$ 105,795</u>	<u>\$ 362,294</u>	<u>\$ (235,798)</u>	<u>\$ 126,496</u>	

Amortization expense for the years ended December 31, 2023 and 2022 aggregated \$20,701 and \$22,837, respectively.

The following table sets forth the future estimated amortization expense on intangible assets:

Estimated amortization expense

Year Ending December 31, 2024 .....	\$ 18,563
Year Ending December 31, 2025 .....	16,618
Year Ending December 31, 2026 .....	14,864
Year Ending December 31, 2027 .....	13,109
Year Ending December 31, 2028 .....	11,355

Goodwill and the value of indefinite-lived franchise rights acquired in business combinations are not amortized. Rather, such assets are tested for impairment annually or whenever events or changes in circumstances indicate that it is more likely than not that the assets may be impaired. See Note 2 for additional information. The carrying amounts of indefinite-lived franchise rights and goodwill amounted to \$340,000 and \$105,894, respectively, as of December 31, 2023 and 2022.

**NOTE 8. DEBT**

The following provides a summary of our outstanding debt:

				December 31, 2023		December 31, 2022	
	Date Issued	Maturity Date	Interest Rate	Principal Amount	Carrying Amount (a)	Principal Amount	Carrying Amount (a)
Senior Notes .....	September 29, 2020	September 15, 2028	5.625 %	\$ 415,000	\$ 409,136	\$ 415,000	\$ 408,090
Senior Secured Notes .....	September 29, 2020	September 15, 2027	3.875 %	450,000	444,410	450,000	443,046
Term Loan Facility .....	November 30, 2020	November 30, 2027	8.726 %	582,000	571,898	588,000	575,478
Revolving Credit Facility ..	—	November 30, 2025	(b)	—	—	—	—
				<u>1,447,000</u>	<u>1,425,444</u>	<u>1,453,000</u>	<u>1,426,614</u>
Less: current portion of credit facility debt .....				<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>
Long-term debt, net of current maturities .....				<u>\$ 1,441,000</u>	<u>\$ 1,419,444</u>	<u>\$ 1,447,000</u>	<u>\$ 1,420,614</u>

(a) The carrying amount is net of the unamortized deferred financing costs and discounts.

(b) There were no borrowings outstanding under the Revolving Credit Facility which provides for commitments in an aggregate principal amount of \$100,000. See discussion below.

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands)

*Senior Secured Notes and Senior Notes*

The indentures under which the Senior Secured Notes and Senior Notes were issued contain certain customary covenants and agreements, including limitations on our ability to (i) incur or guarantee additional indebtedness, (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem our capital stock or subordinated debt, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances, and (viii) engage in mergers or consolidations, in each case subject to certain exceptions. The indentures also contain certain customary events of default. If an event of default occurs, the obligations under the notes may be accelerated.

Subject to customary conditions, we may redeem some or all of the notes at the redemption price set forth in the relevant indenture, plus accrued and unpaid interest, plus a specified "make-whole" premium (in the event the notes are redeemed prior to a certain specified time set forth in the indentures).

*Credit Facility*

On September 29, 2020, we entered into a credit agreement between, inter alios, certain lenders party thereto and Goldman Sachs Bank USA, as administrative agent, and Deutsche Bank Trust Company Americas, as collateral agent, (the "Credit Agreement") which provides for, among other things, (i) a term loan in an aggregate principal amount of \$600,000 (the "Term Loan Facility") at a price of 99.50% of the aggregate principal amount, which was drawn on November 30, 2020, and (ii) revolving loan commitments in an aggregate principal amount of \$100,000 (the "Revolving Credit Facility") (See Note 15).

As of December 31, 2023 and 2022, there were no borrowings outstanding under the Revolving Credit Facility. We are required to make scheduled quarterly payments of \$1,500 pursuant to the Term Loan Facility.

In June 2023, we entered into an amendment (the "First Amendment") under the Credit Agreement to replace LIBOR-based benchmark rates with SOFR-based benchmark rates. The First Amendment provides for interest on borrowings under the Term Loan Facility and the Revolving Credit Facility to be calculated for any (i) SOFR loan, at a rate per annum equal to the Term SOFR (plus spread adjustments of 0.11448%, 0.26161% and 0.42826% for interest periods of one, three and six months, respectively) or (ii) the alternate base rate loan, at the alternative base rate as applicable, plus the applicable margin in each case, where the applicable margin is 2.25% per annum with respect to any alternate base rate loan and 3.25% per annum with respect to any SOFR loan.

Debt issued by us is subject to certain restrictive covenants. We are subject to incurrence based covenants, which do not require ongoing compliance with financial ratios, but place certain limitations on our ability to, among other things, incur or guarantee additional debt (including to finance new acquisitions), create liens, pay dividends and other distributions or prepay subordinated indebtedness, make investments, sell assets, engage in affiliate transactions or engage in mergers or consolidations. These covenants are subject to several important exceptions and qualifications.

To be able to incur additional debt under an applicable debt instrument, we must either meet the ratio test described below (on a pro forma basis for any contemplated transaction giving rise to the debt incurrence) or have available capacity under the general debt basket or meet certain other exceptions to the limitation on indebtedness covenant in such debt instrument. Our senior debt will be subject to an incurrence test of 6.75:1.00 (Consolidated Net Leverage to L2QA Pro Forma EBITDA (each as defined in the relevant debt instruments)) and our senior secured debt will be subject to an incurrence test of 4.75:1.00 (Consolidated Net Senior Secured Leverage (as defined in the relevant debt instrument) to L2QA Pro Forma EBITDA).

*Debt Compliance*

As of December 31, 2023, we were in compliance with applicable financial covenants under the Revolving Credit Facility and with applicable financial covenants under each respective indenture by which the senior secured notes and senior notes were issued.

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands)

*Summary of Debt Maturities*

The future principal payments under our various debt obligations outstanding as of December 31, 2023, are as follows:

<u>Years Ending December 31,</u>	
2024 .....	\$ 6,000
2025 .....	6,000
2026 .....	6,000
2027 .....	1,014,000
2028 .....	415,000
Thereafter .....	—

**NOTE 9. DERIVATIVES**

*Interest Rate Swap Contracts*

To manage interest rate risk, we have from time to time entered into interest rate swap contracts to adjust the proportion of total debt that is subject to variable and fixed interest rates. Such contracts effectively fix the borrowing rates on floating rate debt to provide an economic hedge against the risk of rising rates and/or effectively convert fixed rate borrowings to variable rates to permit us to realize lower interest expense in a declining interest rate environment. We monitor the financial institutions that are counterparties to our interest rate swap contracts and we only enter into interest rate swap contracts with financial institutions that are rated investment grade. All such contracts are not designated as hedges for accounting purposes and are carried at their fair market values on our consolidated balance sheets as derivative contracts, long-term, with changes in fair value reflected in the consolidated statements of operations.

In April 2023, we entered into an interest rate swap contract, effective June 2023, on a notional amount of \$180,000, whereby we pay interest of 3.523% through December 2026 and receive interest based on the one-month Secured Overnight Financing Rate ("SOFR").

In connection with the phase-out of London Interbank Offered Rate ("LIBOR") as of June 30, 2023, we entered into an amendment to our existing \$300,000 interest rate swap contract maturing in December 2026 that transitioned the reference rates from LIBOR to SOFR. Prior to the amendment, we paid interest of 2.161% while receiving interest based on one month LIBOR. During the third quarter of 2023, we began to pay interest of 2.11% while receiving interest based on one-month SOFR. This amendment had no impact to our consolidated financial statements as we utilized the expedients set forth in FASB Topic 848, *Reference Rate Reform*.

For the years ended December 31, 2023 and 2022, we recorded a gain on the interest rate swap contracts of \$5,575 and \$12,757, respectively.

**NOTE 10. FAIR VALUE MEASUREMENT**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

- Level I - Quoted prices for identical instruments in active markets.
- Level II - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level III - Instruments whose significant value drivers are unobservable.

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands)

Our money market funds of \$10,666 and \$94,297 as of December 31, 2023 and 2022, respectively, are recorded as cash equivalents and classified within Level I of the fair value hierarchy because they are valued using quoted market prices.

Our interest rate swap contracts are valued using market-based inputs to valuation models. These valuation models require a variety of inputs, including contractual terms, market prices, yield curves, and measures of volatility. When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit risk considerations. Such adjustments are generally based on available market evidence. Since model inputs can generally be verified and do not involve significant management judgment, we have concluded that these instruments should be classified within Level II of the fair value hierarchy.

The carrying values of cash, accounts receivable, accounts payable, and accrued expenses approximate their fair value due to the short-term maturity of these instruments.

*Credit Facility Debt, Senior Secured Notes and Senior Notes*

The fair values of each of our debt instruments are based on quoted market prices for the same or similar issues or on the current rates offered to us for instruments of the same remaining maturities.

The carrying values, estimated fair values, and classification under the fair value hierarchy of our financial instruments are summarized below:

	Fair Value Hierarchy	December 31, 2023		December 31, 2022	
		Carrying Amount (a)	Estimated Fair Value	Carrying Amount (a)	Estimated Fair Value
Term Loan.....	Level II	\$ 571,898	\$ 582,000	\$ 575,478	\$ 588,000
Senior secured notes .....	Level II	444,410	391,500	443,046	373,500
Senior notes .....	Level II	409,136	325,775	408,090	298,800
		<u>\$ 1,425,444</u>	<u>\$ 1,299,275</u>	<u>\$ 1,426,614</u>	<u>\$ 1,260,300</u>

(a) Amounts are net of unamortized deferred financing costs and discounts.

The fair value estimates related to our debt instruments presented above are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgments and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

**NOTE 11. INCOME TAXES**

As discussed in Note 2, we are treated as a partnership for income tax purposes, thus the taxability of our income is passed to our members. However, we are subject to NYC UBT, thus both current and deferred tax expense is recorded.

Income tax expense (benefit) consists of the following components:

	Years Ended December 31,	
	2023	2022
Current expense (benefit) .....	\$ 313	\$ 363
Deferred expense (benefit) .....	(1,541)	1,307
Income tax expense (benefit) .....	<u>\$ (1,228)</u>	<u>\$ 1,670</u>

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands)

The tax effects of temporary differences which give rise to significant portions of deferred tax assets or liabilities and the corresponding valuation allowance at December 31, 2023 and 2022 are as follows:

	December 31,	
	2023	2022
<i>Noncurrent</i>		
Compensation and benefit plans .....	\$ 81	\$ 91
Research and experimental expenditures .....	11	12
Operating lease liability .....	79	105
Other .....	47	47
Deferred tax asset, noncurrent .....	218	255
Property, plant, equipment and intangibles .....	(3,098)	(4,620)
Liabilities under derivative contracts .....	(29)	(54)
Deferred commission expense .....	(46)	(49)
Operating lease asset .....	(77)	(104)
Other .....	(2)	(3)
Deferred tax liability, noncurrent .....	(3,252)	(4,830)
Total net deferred tax liability .....	<u>\$ (3,034)</u>	<u>\$ (4,575)</u>

Management has evaluated the realizability of the deferred tax assets and the need for a valuation allowance, on a stand-alone basis and concluded that it is more likely than not that we will realize all of our gross deferred tax assets.

For the periods presented, we determined that no unrecognized tax benefits need to be recorded.

**NOTE 12. AFFILIATE AND RELATED PARTY TRANSACTIONS**

We are a majority-owned indirect subsidiary of Altice USA, which is controlled by Patrick Drahi who is also the controlling stockholder of other entities. In connection with the operation of our business, we receive certain services from and provides certain services to affiliates, primarily Altice USA and its subsidiaries.

As the transactions discussed below were conducted between entities under common control, amounts charged for certain services may not have represented amounts that might have been received or incurred if the transactions were based upon arm's length negotiations. It is not practicable to determine whether the amounts charged for such services represent amounts that it might have incurred on a standalone basis. Management believes that the assumptions underlying the allocations of corporate general and administration expenses from Altice USA are reasonable.



**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands)

The following table summarizes the revenue and costs related to services provided to or received from affiliates and related parties:

	Years Ended December 31,	
	2023	2022
Revenue .....	\$ 6,759	\$ 6,775
Operating expenses:		
Direct costs .....	(382)	(512)
Other operating expenses, net:		
Technical and network support personnel .....	(1,205)	(1,526)
Corporate overhead and support .....	(10,415)	(12,707)
Network support services .....	(8,320)	(6,740)
Health and welfare plans .....	(6,898)	(6,119)
401(k) plan .....	(2,633)	(2,438)
Share-based compensation .....	(2)	(35)
Capitalized costs .....	8,861	6,606
	<u>(20,612)</u>	<u>(22,959)</u>
Total operating expenses .....	<u>(20,994)</u>	<u>(23,471)</u>
Other expense .....	(254)	(69)
Net charges .....	<u>\$ (14,489)</u>	<u>\$ (16,765)</u>
Capital expenditures .....	<u>\$ 8,861</u>	<u>\$ 11,143</u>

**Revenue**

Revenue amounts reflected in the table above relate to certain technical services provided primarily to Altice USA, including Ethernet, multiplexing and usage.

**Direct Costs**

Direct costs relate to data usage and call completion costs charged to us by our affiliates.

**Technical and Network Support Personnel**

We were charged for salaries and benefits of technical and network support personnel of Altice USA who performed services exclusively for us based upon actual costs incurred by Altice USA.

**Corporate Overhead and Support**

Certain operating costs are charged by Altice USA to us, including overhead and common support function costs (such as human resources, legal, finance, accounting, tax, audit, treasury, information technology, and insurance, etc.) and facility costs based on an estimated level of effort and actual costs incurred by Altice USA as outlined in a services agreement entered into with Altice USA. These charges are net of amounts charged to Altice USA for services provided by us of \$1,010 for the year ended December 31, 2023 related to certain billing software support.

**Network Support Services**

We were charged a fixed fee per fiber route mile as outlined in a services agreement entered into with Altice USA.

**Health and Welfare Plans**

Our employees participate in health and welfare plans sponsored by Altice USA. Health and welfare benefit costs are generally charged by Altice USA to us based upon the proportionate number of participants in the plans.

**401(k) Savings Plan**

Altice USA sponsors a qualified defined contribution 401(k) savings plan and a nonqualified excess savings plan in which certain of our employees participate. We make matching contributions for a portion of employee voluntary contributions. Amounts in the table above reflect the total expense related to these employee plans.

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands)

*Share-based Compensation*

Altice USA charged us for share-based compensation related to awards granted to our employees pursuant to Altice USA's long term incentive plan.

*Capitalized Costs*

Amounts in the table above reflect the portion of the costs allocated to us that were capitalized and reflected as property, plant, and equipment.

*Other Expense*

Altice USA sponsors a non-contributory qualified defined benefit cash balance pension plan and a noncontributory non-qualified defined benefit excess cash balance plan in which the benefits earned by our employees who participate are "frozen." Amounts in the table above reflect total income or benefit allocated to us related to these plans. We do not provide post-retirement benefits for any of our employees. In addition, the year ended December 31, 2022 includes other credits of \$48.

*Capital Expenditures*

Certain Altice USA employees performed network construction activities for us. For the years ended December 31, 2023 and 2022, \$8,861 and \$6,606, respectively, of costs allocated to us were capitalized and reflected as property, plant and equipment. Additionally, we recorded capital expenditures of \$4,537 for the year ended December 31, 2022, primarily related to fiber assets acquired from Altice USA.

Aggregate amounts that were due from and due to related parties are summarized below:

	December 31,	
	2023	2022
Due from affiliates, current .....	\$ 334	\$ 1,591
Due to affiliates, current .....	\$ (32,277)	\$ (31,165)

*Equity Contributions and Distributions, Net*

For the year ended December 31, 2023 and 2022, we recorded net equity distributions to our parent amounting to \$6,954 and \$5,355, respectively.

**NOTE 13. COMMITMENTS AND CONTINGENCIES**

**Commitments**

Future cash payments and commitments required under arrangements pursuant to contracts entered into by us in the normal course of business as of December 31, 2023 are as follows:

	Payments Due by Period				
	Total	Year 1	Years 2-3	Years 4-5	More than 5 years
Off balance sheet arrangements:					
Purchase obligations (a) .....	\$ 11,211	\$ 5,471	\$ 3,221	\$ 1,264	\$ 1,255
Guarantees (b) .....	5,475	5,475	—	—	—
	<u>\$ 16,686</u>	<u>\$ 10,946</u>	<u>\$ 3,221</u>	<u>\$ 1,264</u>	<u>\$ 1,255</u>

(a) Purchase obligations primarily include minimum purchase obligations to purchase goods or services.

(b) Includes primarily franchise and performance surety bonds. Payments due by period for these arrangements represent the year in which the commitment expires.

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands)

Many of our franchise agreements and utility pole leases require us to remove our cable wires and other equipment upon termination of the respective agreements. We have concluded that the fair value of these asset retirement obligations cannot be reasonably estimated since the range of potential settlement dates is not determinable.

The table above does not include obligations for rent related to utility poles used in its operations. Our pole rental agreements are for varying terms, and management anticipates renewals as they expire. Rent expense incurred for pole rental attachments for the years ended December 31, 2023 and 2022 was \$2,924 and \$2,834, respectively.

**Legal Matters**

In 2014, plaintiff Phone Administrative Services Inc. filed a New York False Claims Act complaint against numerous telephone providers in New York asserting knowing underpayment of 911 and Emergency Response fees. In October 2019, plaintiff filed a Second Amended Complaint that added the Company as a defendant. Defendants filed a motion to dismiss on February 14, 2020. In response to the motion, plaintiff's counsel advised that it would again amend the complaint and the parties agreed to hold the motion in abeyance until the complaint was amended. Plaintiff filed its Third Amended Complaint on or about April 29, 2021 and its Fourth Amended Complaint on May 19, 2021. Defendants moved to dismiss that complaint; the Court denied that motion with a limited exception on March 11, 2022. On September 4, 2022, plaintiff served its Fifth Amended Complaint and, on February 20, 2023, plaintiff served its Sixth Amended Complaint. Defendants have filed a motion for summary judgment dismissing the Sixth Amended Complaint. Plaintiff has filed two motions for partial summary judgment, only one of which is directed to the Company. The motions will be submitted to the Court on April 15, 2024 and scheduled for oral argument on a date thereafter. Although the outcome of the matter cannot be predicted and the impact of the final resolution of this matter on the Company's results of operations in any particular subsequent reporting period is not known at this time, management does not believe that the ultimate resolution of the matter will have a material adverse effect on the operations or financial position of the Company or the ability of the Company to meet its financial obligations as they become due.

In connection with the Lightpath Transaction, an affiliate of Altice USA agreed to indemnify the Company and Lightpath Holdings for liabilities incurred by them that are related to the above listed matter, in addition to certain other matters, and that exceed \$10,000 in the aggregate.

In addition to the matters discussed above, Altice USA and the Company are party to various other lawsuits, disputes and investigations, some of which may involve claims for substantial damages, fines or penalties. Although the outcome of these other matters cannot be predicted and the impact of the final resolution of these other matters on the Company's results of operations in a particular subsequent reporting period is not known, management does not believe that the resolution of these other lawsuits, or an allocation of liability from Altice USA to the Company related thereto, will have a material adverse effect on the operations or financial position of the Company or the ability of the Company to meet its financial obligations as they become due.

**NOTE 14. MANAGEMENT INCENTIVE PLAN**

In the third quarter of 2021, Lightpath Management Incentive Aggregator LLC ("LMIA") established a Management Incentive Plan (the "Lightpath Plan") for the benefit of employees of Lightpath by issuing equity interests in LMIA which holds an equivalent number of equity interests in Lightpath Holdings LLC ("Holdings"), the parent of Lightpath. These equity interests allow employees to participate in the long-term growth of Lightpath. The Lightpath Plan provides for an aggregate of 650,000 Class A-1 management incentive units and 350,000 Class A-2 management incentive units for issuance.

As of December 31, 2023, 536,140 Class A-1 management incentive units and 273,538 Class A-2 management incentive units ("Award Units") granted to certain employees of Lightpath were outstanding. Vested units will be redeemed upon a partial exit, a change in control or the completion of an initial public offering, as defined in the Holdings LLC agreement. The grant date fair value of the Award Units outstanding aggregated \$32,687 and will be expensed in the period in which a partial exit or a liquidity event is consummated.

**CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
(Dollars in thousands)

**NOTE 15. SUBSEQUENT EVENTS**

The Company has updated its review of subsequent events as of March 29, 2024 (the date available for issuance) and other than the item discussed below there were no other events that require disclosure.

In February 2024, we entered into an extension amendment to the Credit Agreement that provides for, among other things, (a) an extension of the scheduled maturity date with respect to the 2027 Revolving Credit Commitments (as defined in the Extension Amendment) under the Credit Agreement to the date that is the later of (x) November 30, 2025 and (y) the earlier of (i) June 15, 2027 and (ii) the date that is five business days after any Extension Breach Date (as defined in the Amended Credit Agreement) and (b) incremental revolving credit commitments in an aggregate principal amount of \$15,000 which shall be of the same class and type as the 2027 Revolving Credit Commitments and will, for the avoidance of doubt, mature on the New Maturity Date. After giving effect to the Extension Amendment, the aggregate principal amount of revolving loan commitments available under the Credit Agreement equaled \$115,000.

Under the Extension Amendment, the aggregate principal amount of 2027 Revolving Credit Commitments equaled \$95,000 and the aggregate principal amount of 2025 Revolving Credit Commitments equaled \$20,000. Interest will be calculated at a rate per annum equal to the adjusted Term SOFR rate or the alternate base rate, as applicable, plus the applicable margin, where the applicable margin is (i) with respect to any alternate base rate loan, 2.25% per annum and (ii) with respect to any Term SOFR loan, 3.25% per annum.

**Exhibit E – Confidential Projections : To be filed Separately and Confidentially**