Hey, Burlington!

A great town deserves great Internet.

September 2017
About Tucows and Ting
About Tucows

• Ting’s parent company
• Founded 1993, public since 2001 (Nasdaq: TCX)
• 500+ employees
• $280m yearly revenue
• U.S. offices: Kirkland, WA; Charlottesville, VA; Starkville, MS; Westminster, MD; Holly Springs, NC
• Headquartered in Toronto, Canada
About Tucows and Ting

About Ting

• 280k mobile devices across the USA
• Provider of all-fiber, symmetrical gigabit Internet in several markets:
  • Charlottesville, VA (live)
  • Westminster, MD (live)
  • Holly Springs, NC (live)
  • Sandpoint, ID (starting construction)
  • Centennial, CO (starting construction)
Our focus on service is second to none.

- We are consistently a top-rated wireless provider by Consumer Reports Magazine.
- Our Net Promoter Score (NPS) is >70, highest in the world for a mobile operator. Incumbent providers are typically <20.
- Our focus on customer service dovetails with BT’s commitment to and reputation for customer satisfaction.
We Believe in Local Presence, Community Engagement

To us, community is key.

A thriving community is beneficial to both the City and Ting as a potential local partner. We support local initiatives that:

- Close the digital divide
- Foster entrepreneurship, innovation and education
- Support local non-profits
Ting’s Offer: Key Terms
Offer: Key Points

$28.8 million (total value)

- $27.5 million cash payable on closing
- Additional $0.5 million if BT reaches $4.25 million in FY 2018 EBITDA
- Tucows will be responsible for moving out of the Memorial Auditorium data center, an estimated $800,000 cost
- Subject to final negotiation and a Definitive Agreement
Offer: Key Points

$250k on BTV Ignite, free community advertising and other programs like:

- Free co-working space
- Zones with free gigabit-powered wifi
- Free service to select, local non-profits
- Sponsorship of local events and programs
- Low-income Internet service subsidies
- Internship programs
- Public, educational and government access channels
- Small business (“shark tank”) challenges
Minority interest available

• A percentage of the offer’s value can be made available to the City for a stake in the operation.
• The City can later divest this interest if it so chooses.
Investment guarantee

• Cash generated by the business will first be invested to support BT’s expansion plans:
  – Completing New North End and Downtown
  – Completing remaining areas identified by BT within City
  – Embarking on expansion beyond Burlington
• This is detailed further later in this document
Our Track Record and Our Commitment
We believe actions speak louder than words.

• We are an Internet company whose history spans three decades.
• During this time, we’ve acquired companies of various sizes and types.
• We have a **proven track record** of investing in these companies, keeping them local, and providing growth opportunities for employees.
• Very few **strategic buyers** have our history of maintaining and growing acquisitions; we don’t set timeframes on returns that other groups, such as financial institutions, may have.
• **We’ve never subsequently sold an asset we’ve acquired.**
Boardtown developed Platypus, an ISP billing solution. We have hundreds of ISP clients today.

In 2014, we leveraged the Platypus invoice printing and mailing operation to serve as our worldwide logistics hub for mobile and phone operations.

Today, this office manages all mobile and fiber inventory and shipping across our organization.

One of the original support staff now manages Hover, our $20 million retail domain operation.
Example: EPAG Domainservices GmbH

Originally acquired: 2011
Bonn, Germany | epag.de

- EPAG was acquired to help us grow our international domain name business.
- EPAG’s Bonn office now serves as our hub for international domain registrar operations, and EPAG’s systems power all of our international domain extensions.
- Our $100 million registrar operation, which is second largest worldwide, is run by EPAG’s original Managing Director.
Example: Blue Ridge Internetworks (BRI)

Originally acquired: 2015
Charlottesville, VA | bri.works

- BRI was acquired to help grow our FTTH business.
- Since purchase, we have **doubled the network size** and **tripled the number of staff**.
- Many team members have grown their roles and responsibilities. Examples include:
  - BRI’s lead programmer now works on large corporate initiatives on a national level.
  - Support staff in Charlottesville work on supporting both local and national markets.
Example: eNom

Originally acquired: 2017
Kirkland, WA | enom.com

• This acquisition grew our domain business to second largest in the world, second only to GoDaddy.com.
• Since the acquisition closed in January:
  – eNom’s head of product now leads a critical, worldwide systems initiative for us.
  – eNom’s payroll manager now leads our entire U.S. payroll/benefits operation (for approximately 150 employees).
Our Commitment to BT and the City of Burlington

Bringing Ting to town is bringing an innovative, growing national employer to town!

WE'RE HIRING!
Our Guarantee to Keep BT Local
Keeping BT Local

A fiber business needs to be “hyper-local” to thrive.

• We believe a deeply local operation is key to any successful ISP.
• We want to make sure the jobs, operations and facilities in Burlington not only remain, but grow.
• We believe BT is solid operationally, leaving no reason to make drastic organizational changes.
• We want to retain all team members who are driven and interested in the future of BT.
Keeping BT Local

Sales, support and account management staff

- Technical support for BT customers will continue to be provided by local staff in Burlington.
- Sales and account management will also continue to be provided by local staff in Burlington.
- In addition, staff will have the opportunity to support other markets, while being based locally in Burlington, as we expand the scope of our operation and introduce extended support hours to match national support levels.
Keeping BT Local

Outside plant (OSP), installation and engineering staff

• All Ting OSP functions are performed by local employees of Ting. We do not outsource any positions. We will not change this in Burlington.
• All BT plant installation and construction will remain in Burlington.
• Network design and engineering will continue to be led from Burlington.
• Staff will have access to support and resources available from our national OSP, installation and engineering teams.
Keeping BT Local

Finance and marketing

• Finance positions will remain in Burlington, focused on the BT business but also supporting the larger organization as necessary.
• Marketing will remain in Burlington, focused on growing the BT business, with **additional financial and operational resources** to market locally.
• All local facilities and stores will continue to be locally operated and maintained in Burlington.
Our Pricing Commitment

We will guarantee customer rates for 30 months.

• Customers on existing pricing/packages will have those honored for a minimum of four years, with no price increase (aside from any TV programming cost increases).

• Our long term view is generally that technology developments drive pricing downward and not upward.

• We have not raised prices in the history of our mobile and fiber businesses.
Operational Improvements
Provide Enhanced, Integrated Services

We will improve ease of doing business with BT.

- Our much-heralded user experience will be expanded to Burlington.
- Unlike many providers and companies, this is a position of strength for Ting, and we constantly strive to better our online tools.
BT customers will benefit from our attention to detail.

- BT customers will be able to perform many new functions, including:
  - Checking service availability online.
  - Ordering online.
  - Managing their account (billing, etc.) online.
Support services will be expanded.

• We will complement existing phone support with Ting’s additional tools (such as web forums).
Our Commitment to Network Growth
Our commitment is to fund BT’s efforts to reach more parts of Burlington, and beyond.

- We have the ability and capacity to build large areas/neighborhood “footprints” at once, as opposed to small areas or individual streets (when applicable).
- We employ a full field operations project team that can assist, in co-ordination with local BT staff, on each, where local staff would be responsible for managing pipeline, strategy and build.
Goal 1: Support ongoing BT construction projects, building “footprints” where applicable.

- We pledge to continue to support and ensure completion of BT’s builds in New North End and Downtown in accordance with BT’s proposed schedule.
Goal 2: Continue building to new neighborhoods and buildings in key areas identified by BT.

- The City has identified an additional ~1,190 addresses that could potentially be serviced. We would fund this build, and support BT’s proposed timelines for completion.
- We would support additional MDU opportunities, new builds, multi-year projects, greenfield areas, etc. as they present themselves.
Goal 3: Support expansion projects beyond the City.

- Our goal would be to also build key projects identified by the City, including:
  - Winooski
  - Essex
  - Williston
  - Chittenden County
- We can provide financial and operational resources and help to concurrently support these builds.
- Further evaluation of costs and methodologies will be necessary.
The Burlington Telecom Brand
Maintaining the BT Brand

We know the BT brand is meaningful to Burlingtonians. We will combine and communicate the best that each brand brings.

Accountability
Familiar faces, local presence and insight, years of easy (human) access and interactions, dedication and great service

Usability
Modern online tools for ordering and management, expanded support channels, improved product features
Documentation and Links
Hello Burlington video:
www.bit.ly/hellobt

Tucows website:
www.tucows.com

Ting Internet website:
www.ting.com/internet

Ting YouTube channel:
www.youtube.com/user/ting

Contact us: burlington@ting.com