WINDSTREAM

4Q22 CEO Presentation
February 23, 2023

Fourth Quarter 2022 Highlights

kinetic by windstream

Strong Consumer Metrics

- 2% Kinetic consumer service revenue growth year-over-year
- Strong fiber additions of 24K in 4Q
- 610-basis point increase in fiber consumer penetration over last four quarters

Fiber Build Momentum Continues

- 63K new premises added in 4Q
- Over 1.4 million total premises now have access to FTTH services
- 29% coverage of consumer households was achieved by year end

WINDSTREAM ENTERPRISE & WHOLESALE

Strong Strategic Revenue Trends

- Strategic Services revenue now at 32% of total Enterprise services revenue; now ~$445 million on an annualized basis; up 13% YTD
- Wholesale service revenue up over 10% y-o-y

Interconnection Expense Reduction

- Total interconnection expense fell by ~9% y-o-y on an annualized basis; legacy-TDM related expenses fell by 12% y-o-y
- Still $851 million in annualized interconnection expense with $462 million relating to TDM services

2023 Company Priorities

– KINETIC –

Grow market share through 1GB speed enablement

– ENTERPRISE –

Grow strategic revenue while exiting TDM

– WHOLESALE –

Expand network and partnerships to grow revenue and contribution margin

Focus on **diversity and inclusion**

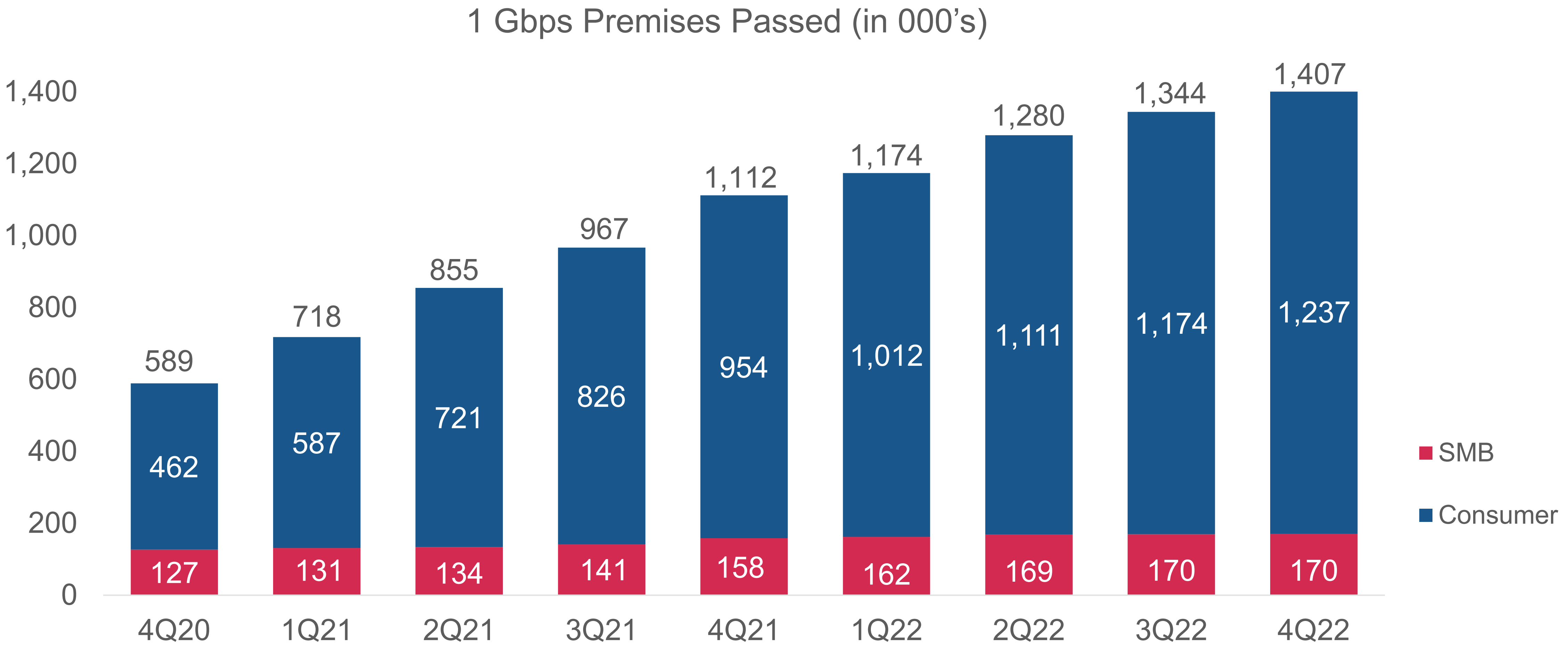
Reduce our **carbon footprint**

Secure and keep our **information private**

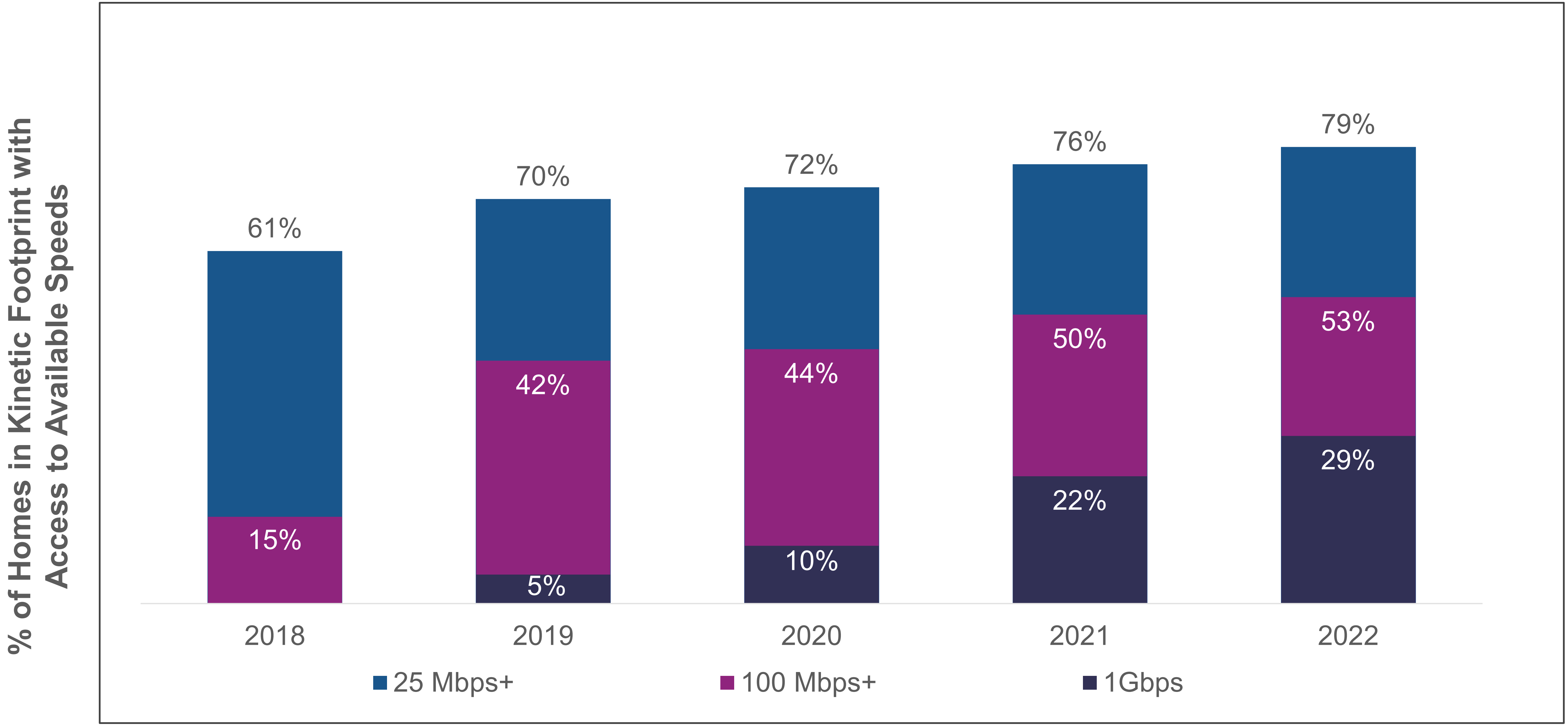
Support the **communities** we serve

Fiber Broadband Expansion Acceleration

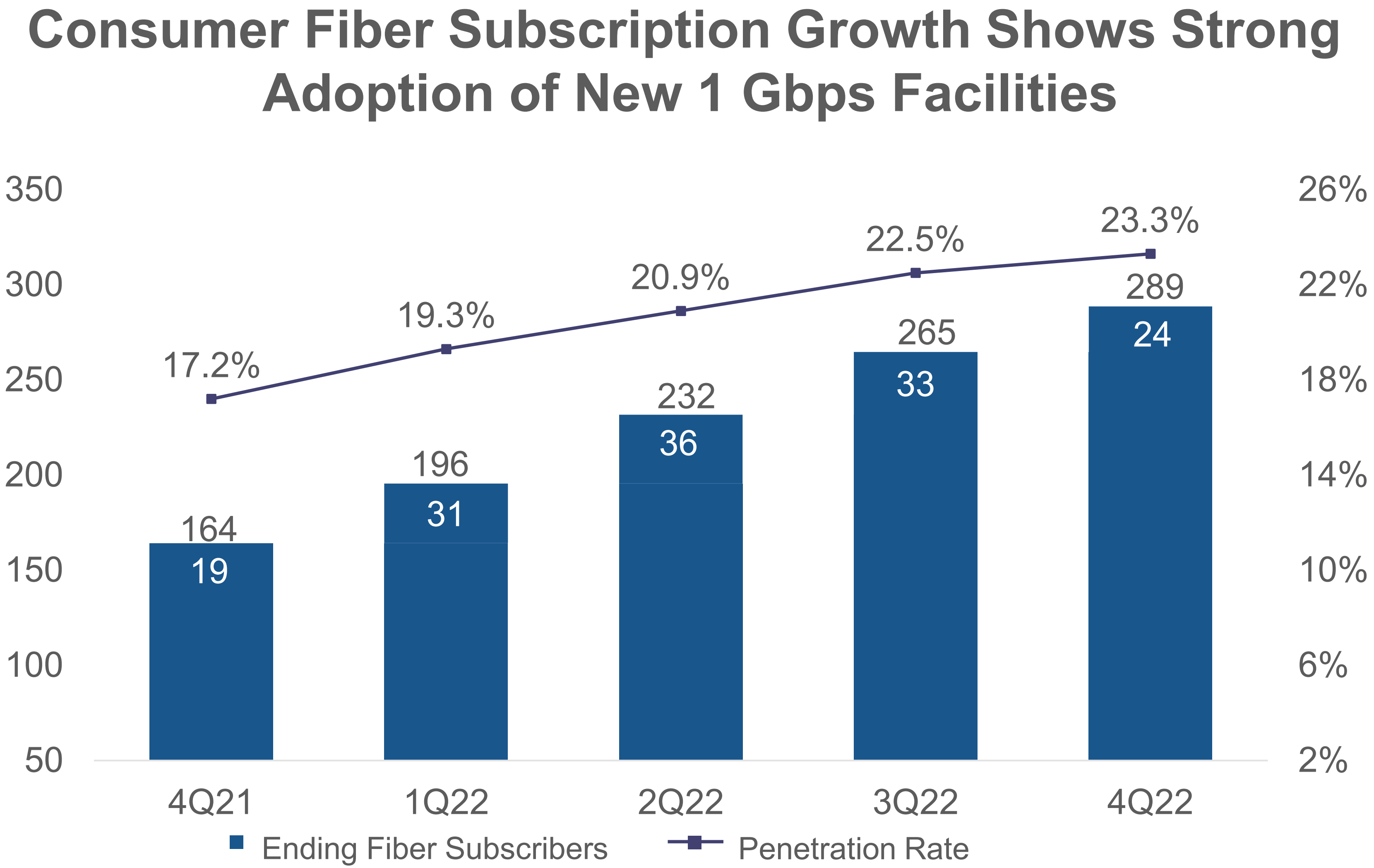
~300K 1 Gbps Premises Constructed in 2022



Enhanced Speeds Across All Speed Tiers



Fiber Broadband Adds Continue to Accelerate



Note: Consumer Subscriber counts in 000's

Ended 4Q with

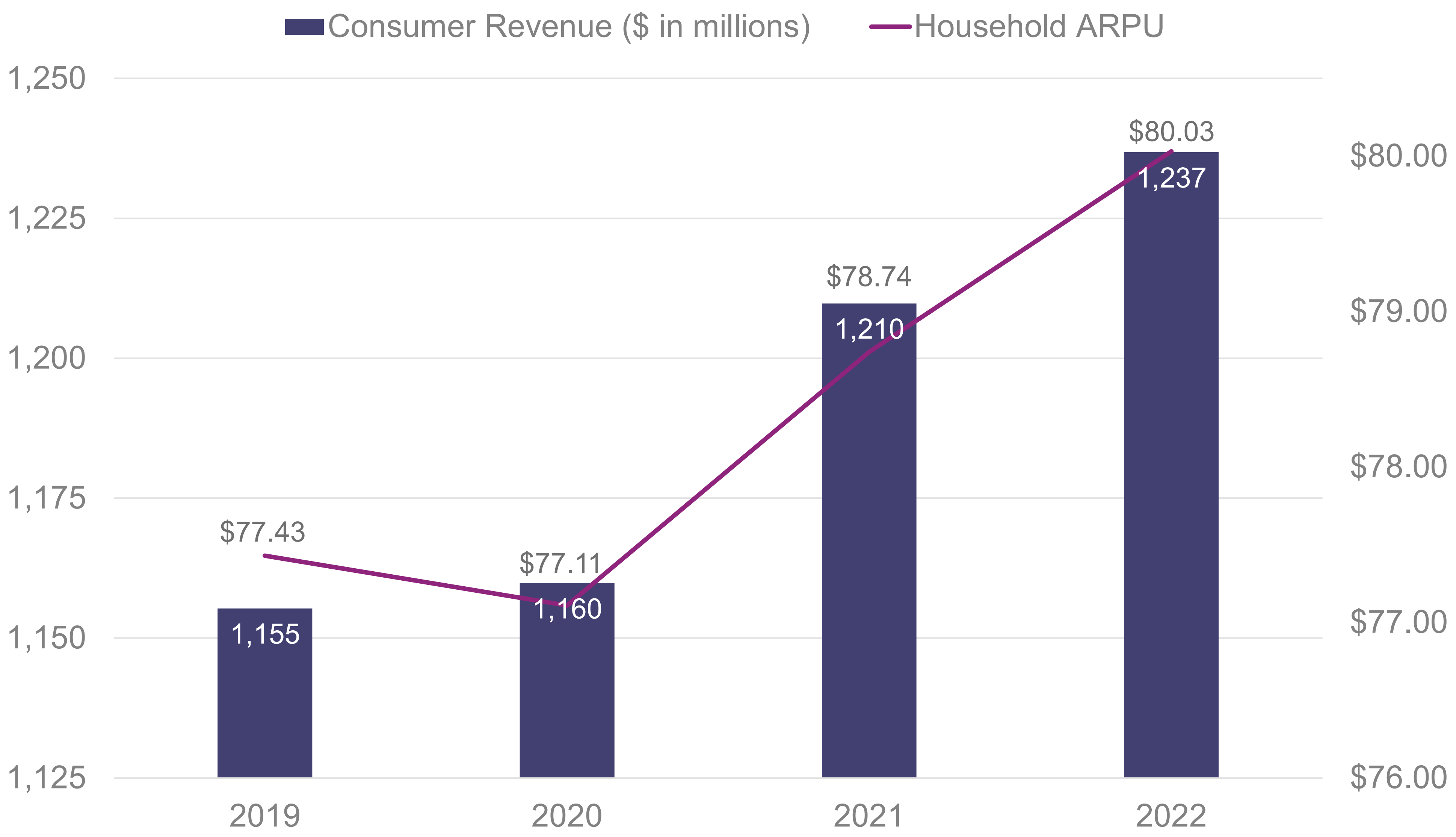
289K

Consumers on 1G capable facilities, ***up 24K from 3Q22***

23.3%

Penetration

Strong ARPU Continues to Drive Revenue Trends

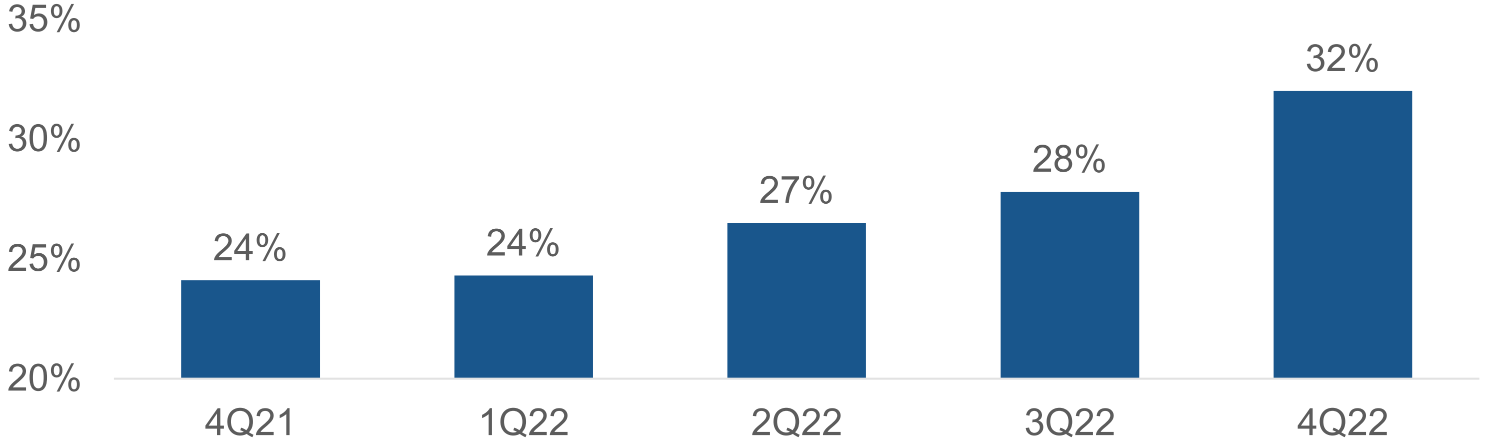


Enterprise Strategic Revenue Growth Continues

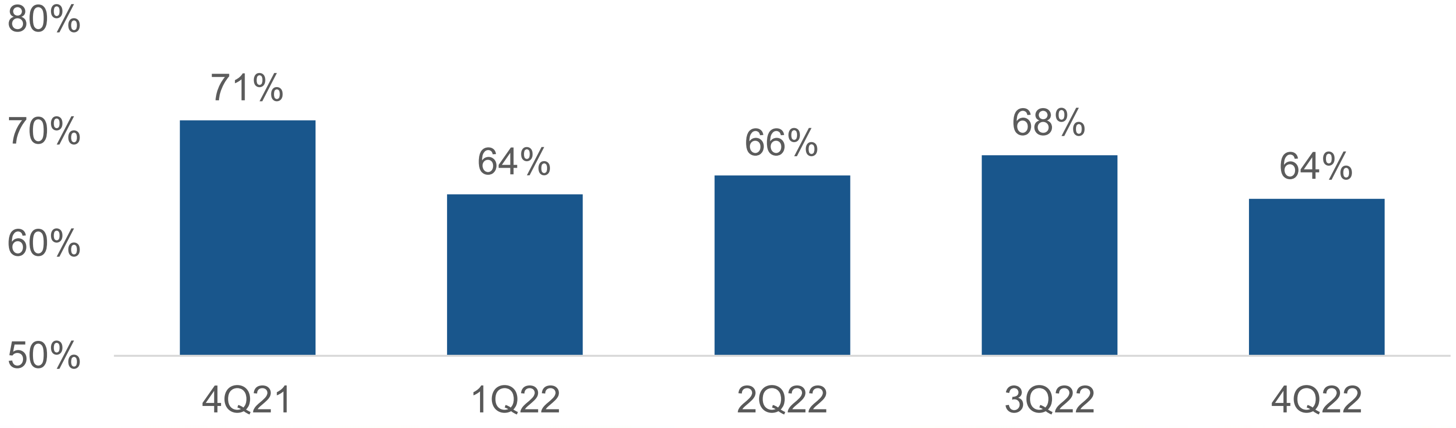
WINDSTREAM
ENTERPRISE

- Cloud services, increasing bandwidth demand & software enabled networks fueling Strategic Revenue growth
- 4Q22 Annualized Strategic Product Revenue is ~$445M and growing ~13% y-o-y, while total Strategic Revenues are now ~32% of Service Revenues (1)
- Strategic sales 64% of total Enterprise sales in quarter

Strategic Revenue % of Total Service Revenue



Strategic Sales as % of Total Sales



(1) Excludes Switched access and End user surcharges

Windstream Named in 2022 Gartner Magic Quadrant for UCaaS, Worldwide for 4th Consecutive Year

Our fourth consecutive inclusion demonstrates recognition of the growth of the OfficeSuite UC® solution and the unique combination of proprietary technology with a full range of network services.

Gartner recognized Windstream based on completeness of vision and ability to execute.

Maintaining our product and software leadership to ensure our customers can collaborate securely and optimize business communications and efficiency in real-time

Windstream Wholesale Continues To Deliver Strong Growth

- **13% revenue growth in 2022** driven by continued strong demand from other telco and cable providers as well as content providers
- **24% Contribution Margin growth in 2022** on the back of a 39% margin, up 440 basis points year-over-year

2023 goals to remain focused on technology leadership, network expansion and flexible partnerships

TECHNOLOGY LEADERSHIP

Establish Windstream Wholesale as a leading and trusted network provider by bringing advanced technologies to the market.

NETWORK EXPANSION

Expand our networks and make it easy to connect with Windstream Wholesale to drive more sales across our footprint.

FLEXIBLE PARTNERSHIPS

Differentiate Windstream Wholesale from our competitors by being nimble, agile and fast in a commodity-based market.

Significant Interconnection Cost Reductions

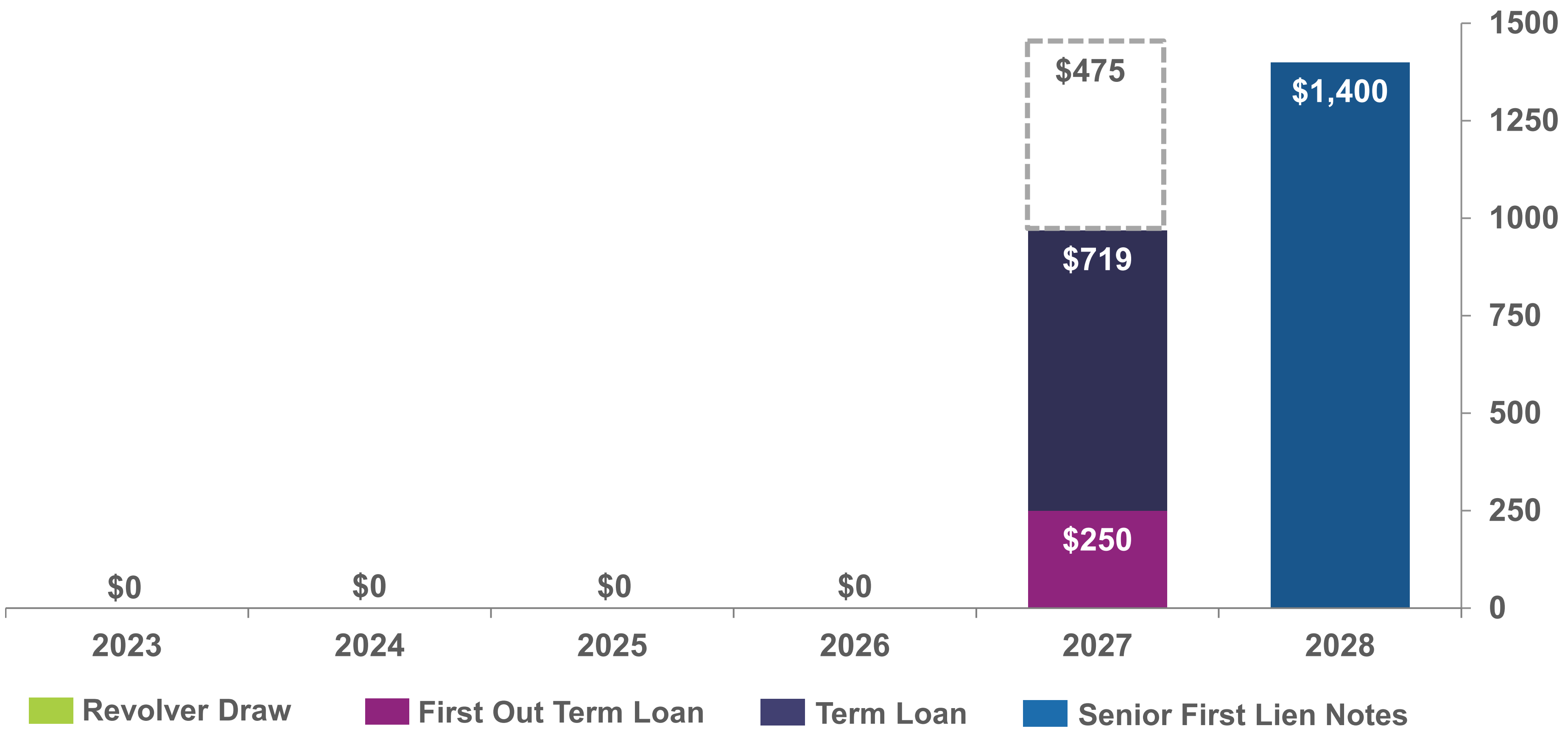
TDM Retirement Accelerates Cost Reduction and Improve Customer Experience

Interconnection Expenses (in millions)	4Q21 Annualized	4Q22 Annualized	YoY Change %
TDM	$ 193	$ 147	(23.9%)
IP/Ethernet	278	266	(4.5%)
Last Mile Access	**471**	**412**	**(12.4%)**
TDM	76	67	(11.8%)
IP/Ethernet	35	32	(8.8%)
Network Access	**111**	**99**	**(10.9%)**
Voice/Other	**24**	**20**	**(16.9%)**
Total Interconnect [(1)]	**$ 606**	**$ 531**	**(12.3%)**
Network Real Estate	$ 201	$ 199	(0.7%)
Colocation	56	49	(13.2%)
Network Facilities Expense	**257**	**248**	**(3.5%)**
Fiber Expense	**70**	**72**	**2.1%**
Total Network Facilities & Fiber Expense	**$ 327**	**$ 320**	**(2.3%)**
Total Interconnect, Network Facilities & Fiber Expense	**$ 933**	**$ 851**	**(8.8%)**

- 4Q22 annualized run-rate of ~$851M in interconnection, network facility and fiber expenses; annualized decline of 9%
- Approximately $462 million of Legacy TDM-related expense including Network Facility expense; annualized decline of ~12%
- Continued execution of multi-year program to migrate legacy TDM customers to newer technologies, moving from circuit-level to market-level optimization
- The focus on market-level TDM removal will enable greater reductions in network real estate and collocation expenses

Strong Balance Sheet with No Near-Term Maturities

Debt Maturity as of December 31, 2022



$510M
Net Liquidity[1]

2.5x
Net Debt to Pro forma Adjusted EBITDA[2]

[1] Net Liquidity calculation includes $500 million revolver capacity through September 2024
[2] Pro forma Adjusted EBITDA is Adjusted EBITDA as if Uniti's fourth quarter 2021 prepayment of all quarterly amounts due in 2022 were made as scheduled
Note: Available capacity under credit facility excludes outstanding letters of credit of $102.4million of which $76.3 million was issued to Universal Service Administrative Company as a condition for Windstream receiving RDOF funding
The amended senior secured revolving credit facility will have $500 million of capacity through September 21, 2024, and $475 million of capacity through January 23, 2027

Overall ESG Rating At the Top of Telecom Industry Again

WINDSTREAM

4th
out of 224

Global Ranking in Telecommunication Services Industry

- Windstream received the highest ESG risk rating among U.S.-based telecom providers by Sustainalytics, a Morningstar company; ranked 4th of 224 companies in telecom industry globally as of January 31st

- Top-rated badges were only awarded to the top 6.7% of all companies who “strongly outperform” in their respective industries and regions; Windstream was the only U.S. telecom company to receive the award this year.

- Additional information will be provided in our annual ESG report, which will be released on Earth Day in April.

Strongest ESG Management Performance

Business Ethics | Corporate Governance | Human Capital

MORNINGSTAR | SUSTAINALYTICS
2023
ESG
INDUSTRY
TOP RATED

MORNINGSTAR | SUSTAINALYTICS
2023
ESG
REGIONAL
TOP RATED

OUR MISSION

CONNECT PEOPLE AND EMPOWER BUSINESS
IN A WORLD OF INFINITE POSSIBILITIES

OUR VISION

TO PROVIDE INNOVATIVE SOFTWARE AND NETWORK SOLUTIONS WHILE
CONSISTENTLY DELIVERING AN AMAZING CUSTOMER EXPERIENCE

ONE GOAL: GROWTH!

WIN Fully Owns and Operates Substantial Assets

Kinetic Fully Owned and Operated Metrics		E&W Owned & Operated
Broadband Consumers[1]	**Fiber Broadband Consumers**[1]	**Fiber Route Miles**[1]
229k *(19.6%)*	**97k** *(33.7%)*	**84k** *(75.0%)*
Fiber Households Today[1]	**Fiber Households – Build Plan**[1]	**Windstream Owns 100GB POPs**
378k *(30.6%)*	**656k** *(30.1%)*	**1,338** *(100.0%)*
Total Consumer Revenues[2]	**Kinetic Owned Assets**[3]	**E&W Owned Assets**[3]
$219M	**$2.5B**	**$900M**

(1) Metric represents number and percentage of Windstream total not associated or encumbered by Uniti Master Lease Agreements as of December 31, 2022.
(2) Consumer Revenues for FY 2022 that are not within in-footprint ILEC markets governed by Uniti ILEC Master Lease Agreement.
(3) Kinetic and E&W Owned Assets represent net PP&E, excluding CWIP, as of December 31, 2022, for Windstream owned assets.

Uniti Lease Summary

Favorable Cash Payments To Uniti Through Initial Term With Significant Step Down Of Rent At Renewal

Initial Term: Uniti settlement and GCI payments result in lower cash transferred to Uniti through initial term than stated rent

- NPV of remaining MLA initial term cash flows @ 9% is ~$2.3B[(1)] or 3.3x stated gross rent

Renewal Rent: Renewal rent is calculated through set formula in Exhibit E of Master Lease Agreements (MLAs), the same formula used to calculate the $650M annual rent in the initial term starting 2015

- Original 2015 Fair Market Value (FMV) of Leased Assets was ~$7.5B, of which ~$4B or ~54% was Copper
- Majority of $4B copper network is being replaced with fiber through $1.75B GCI Program
- Over 50% of CLEC MLA assets transferred to Uniti as part of the settlement will be removed from CLEC MLA at renewal
  - In addition, Uniti will be responsible for pro rata share of CLEC network maintenance and operating costs in renewal periods. In total, adjustments expected to make current $120 million CLEC MLA payment a net cash inflow to Windstream at renewal
- Results in lower FMV in 2030 and leased asset base with longer useful life resulting in less depreciation and lower rent payments

Original 2015 FMV	(-) Copper Network	(+) GCI Program	(-) CLEC Removed	2030E FMV
~$7.5B	(~$3.5B)	$1.75B	(~$0.8B)	~$4.9B

Uniti Lease Net Cash Transferred

(In Millions)	For the FYE 12/31					
	2021	2022	2023	2024	2025	2026
Gross MLA Rent	$ 666	$ 669	$ 672	$ 676	$ 679	$ 682
Settlement Payments	(191)	-	(98)	(98)	(74)	-
GCI Reimbursement	(221)	(238)	(250)	(225)	(175)	(175)
GCI Rent	1	14	32	55	74	90
Net GCI Reimbursement	(220)	(224)	(218)	(170)	(101)	(85)
Net Cash Payments	**$ 254**	**$ 445**	**$ 356**	**$ 407**	**$ 504**	**$ 597**
Comparison To Stated Rent	***(411)***	***(224)***	***(316)***	***(268)***	***(175)***	***(85)***

Renewal Rent

	Exhibit E Rent Calculation	
	Initial Term	Renewal Term
Fair Lease Rate[(2)]	10.35%	8.00%
Term (Months)	180	60
Beginning Fair Market Value	$ 7,450	$ 4,900
Ending Residual Value	(2,465)	(4,083)
PV (FMV – Residual Value)	$ 4,985	$ 817
Annual Rent Payment	**$ 650**	**$ 197**
Remaining Useful Life[(3)]	22 Years	30 Years

Renewal Rent Sensitivity

		2030 Fair Market Value		
		$3,900	$4,900	$5,900
Useful Life	25 Years	$ 189	$ 237	$ 285
	30 Years	157	197	238
	35 Years	135	169	204

		2030 Fair Market Value		
		$3,900	$4,900	$5,900
Fair Lease Rate	7.0%	$ 154	$ 193	$ 232
	8.0%	157	197	238
	9.0%	161	202	243

1) *9% discount aligned to Uniti settlement payments. FY23 to FY29 cash flows discounted to 12/31/22 with 21% taxes.*

2) *Renewal lease rate aligned to GCI rent rate.*

3) *Renewal leased asset remaining useful life aligned to Uniti 10-K fiber useful life.*

Uniti Public Messaging On Lease Renewal

Uniti's Statement	Documented Inconsistency
"Reflects Windstream disclosure adjusted to methodology ***consistent with …the appraisal report received in 2015, including discounting the residual value correctly***" - *Uniti 4Q21 Earnings Presentation*	"The uninflated residual value (RV) of each Distribution System at the end of the Lease Term (15 years) … from the Valuation Date was calculated by taking the replacement cost new at the Lease Term and depreciating the assets based on their effective age plus another 15 years" - *2015 "Big Four" valuation report definition of residual value.* ***Residual value was not discounted in 2015 appraisal report***
"The rent was originally set at $650 [million] in 2015 and then it was ***reset to the same number just last year using two exhaustive valuation analyses***" - *Uniti BAML Conference, November 30, 2021*	"Aggregate rent of ILEC Lease and CLEC Lease to be ***equivalent to the rent payments under the current Master Lease*** through the initial term as set forth on Schedule C" - *Rent was set forth in Settlement Agreement filed April 20, 2020, before any valuation work was started by either party. Both parties completed their own 2020 appraisal. Neither party participated in nor has seen the other party's 2020 valuation report*
"The CLEC fiber rights Uniti received as part of the settlement agreement ***were not utilized***" - *Uniti 4Q21 Earnings Call*	"Windstream (i) granted to Uniti exclusive rights to use 1.8 million fiber strand miles leased by Windstream under the CLEC MLA, which fiber strands are either unutilized or ***utilized*** under certain dark fiber indefeasible rights of use" - *Uniti 2021 10-K. Per CLEC MLA, transferred CLEC MLA strands comprise 63% of CLEC MLA utilized strands documented in Schedule 2.1-XX*

Uniti Fair Market Value and *Non-Discounted* Uninflated Residual Value Guidance Results in 2030 Annual Cash Rent Less Than $300 Million

Discounting Residual Value is not consistent with IRS Guidelines, Residual Value Definition In True Lease Nor The Methodology Used To Set $650M Rent Payment

Note: Per Uniti 4Q 2021 Earnings	**"Windstream View" Estimated Values & Methodology**	**"Windstream View" Adjusted Per Uniti**	**"Uniti View" (Partial Use of GCI)**	**"Uniti View" (Full Use of GCI)**
2030 Fair Market Value	$4.9 Billion	$5.7 Billion	$6.7 Billion	$7.2 Billion
2035 Residual Value *(Discounted Per Uniti)*	$4.1 Billion *(Non-Discounted)*	$3.2 Billion	$3.7 Billion	$3.9 Billion
2030 Fair Lease Rate	8.0%	8.0%	9.2%	9.2%
Uniti Stated 2030 Annual Cash Rent	$197 Million	~$600M Million	~$750 Million	>$800 Million
Revised 2030 Annual Cash Rent Consistent With Residual Value Definition per Exhibit E Of Master Lease Agreements and IRS Guidelines				
2035 Residual Value *(Not Discounted[(1)])*	No Change	$4.8 Billion	$5.9 Billion	$6.2 Billion
Corrected 2030 Annual Cash Rent	**$197 Million**	**$225 Million**	**$211 Million**	**$257 Million**

(1) "2035 Residual Value (Non-Discounted)" is calculated as the future value of the "2035 Residual Value (Discounted Per Uniti)" using the 2030 Fair Lease Rate over a 5-year period.

Residual Value is Defined Term In Master Leases That Must Align To IRS Guidelines

Overview of Exhibit E Calculation and Terms

Fair Market Rental Formula

Fair Market Rental = PMT (rate, nper, pv, [fv],[type])

rate = Fair Lease Rate

nper = Renewal Term

pv = Fair Market Value – Residual Value

fv = 0

type = 1 (lease payment due at beginning of period)

Residual Value: The uninflated **FUTURE** value of the Appraised Facility as of the expiration date of Renewal Term, but in any case, shall be based on IRS guidelines and methods consistent with that of lease transactions

Original 2015 "Big Four" Valuation Analysis

- 2015 Fair Market Value: $7.45 Billion
- 2030 Uninflated Residual Value: $2.465 Billion (33% of FMV)
- Fair Lease Rate of 10.35%
- ***Results in annual lease payment of $650M***

		Initial Term
Fair Lease Rate		10.35%
Term (Months)		180
Beginning Fair Market Value	$	7,450
Ending Residual Value		(2,465)
PV (FMV – Residual Value)	$	4,985
Annual Rent Payment	**$**	**650**

- "Uninflated Residual Value" Definition: The uninflated residual value (RV) of each Distribution System at the end of the Lease Term (15 years) … from the Valuation Date was calculated by taking the replacement cost new at the Lease Term and depreciating the assets based on their effective age plus another 15 years
- If you assume that the 2030 Uninflated Residual Value of $2.465B used to calculate the $650M rental payment was a discounted value consistent with Uniti's stated methodology, then the implied non-discounted Uninflated Residual Value would have been $11.6B, representing an increase in value of more than 50% over the 15-year term for a predominantly copper asset in an analysis that assumed no inflation nor improvements *(i.e. $11.6B = $2,465M * (1 + 10.35%/12)^180)*