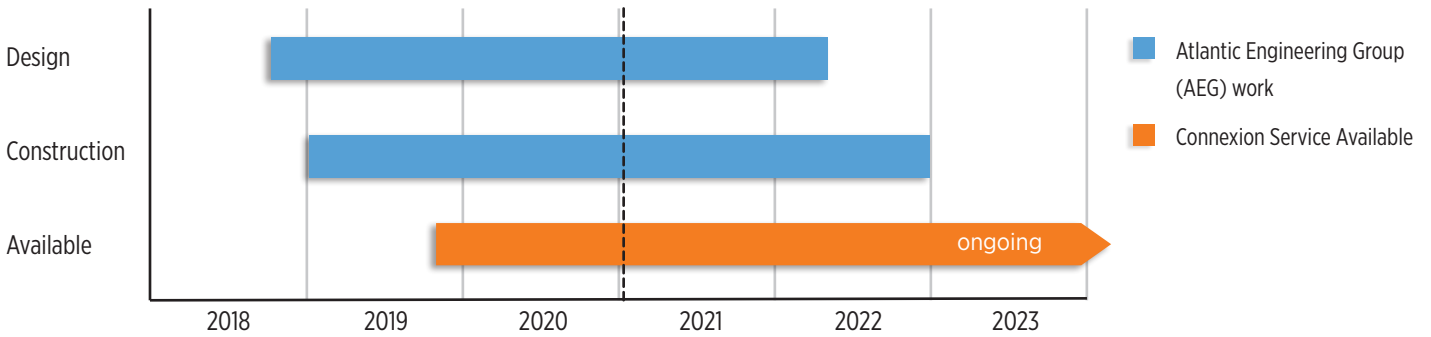
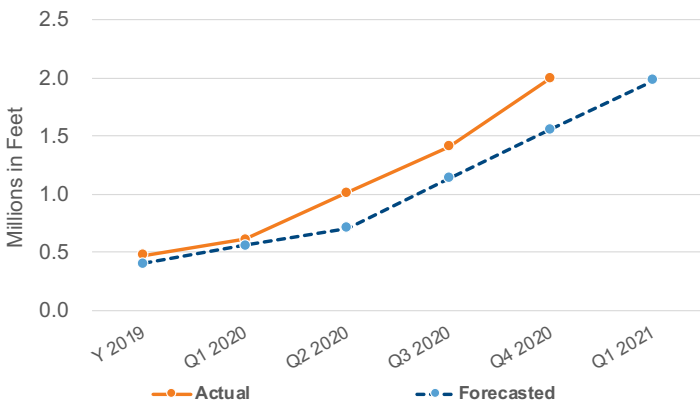


Based on community feedback, beginning in 2021 Fort Collins Connexion will be reporting on a monthly basis. With continued construction throughout the city, weekly releases of new neighborhoods for service and greater business service availability, Connexion is on target for completion in Q4 2022.

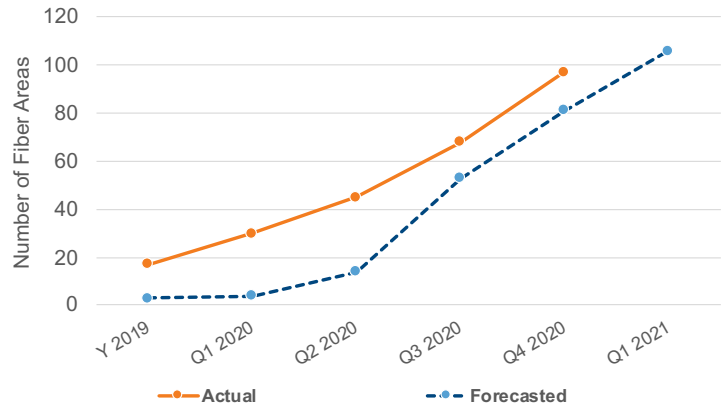
OVERALL FIBER CONSTRUCTION THROUGH DECEMBER '20



Total Fiber Pulled



Total Fiber Areas Complete*

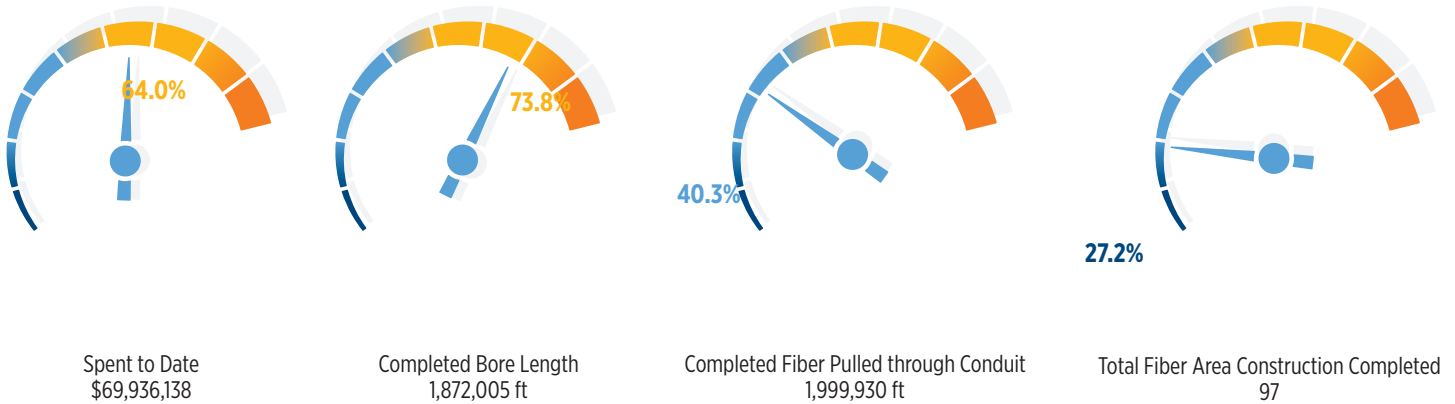


*Includes fibers areas that have construction completed and turned over for QC

FIBER AREAS UPDATE

Monthly info / highlights

- Over 25 miles of fiber were installed in December, along with 234 vaults and 822 flowerpots (smaller vaults).
- Project to date: 378 miles of fiber have been installed along with 5,205 vaults and over 11,105 flowerpots.
- With temperatures dropping and frozen ground issues, we may run a temporary drop “above ground” for Connexion service. This temporary drop will be installed underground permanently once the ground has thawed.
- All construction work occurs in the public right-of-way (ROW). Our crews do their best to minimize damage to landscaping and irrigation systems. When damage does occur, please call our Help Line at 970-674-7800 for assistance.
- If you are member of an HOA board or property management company, a Right of Entry agreement may be needed to finish construction to your residents. Please visit fconnexion.com/hoa to learn more.



*A Fiber Area on average serves 225 homes

FINANCES

Connexion YTD Budget to Actual as of December '20

	BUDGET	ACTUAL	BETTER / (WORSE)
Operating Revenues	\$ 5,653,900	\$ 1,139,891	\$ (4,514,009)
Operating Expense*	\$ 7,074,218	\$ 3,258,008	\$ 3,816,210
Net Operations	\$ (1,420,318)	\$ (2,118,117)	\$ (697,799)
Investment Income	\$ 0	\$ 1,149,466	\$ 1,149,466
Net Total	\$ (1,420,318)	\$ (968,651)	\$ 451,667
	BUDGET	PROJECT TO DATE	REMAINING
Construction Budget	\$ 109,217,775	\$69,936,138	\$39,281,637

*Excludes Depreciation

While the Connexion Budget included an aggressive launch schedule, the Connexion team intentionally chose to take a controlled release approach for launch to ensure processes and procedures were in place before full ramp up. Delays with the back-office system delivery (Open Smartflex billing solution), the difficult winter in 2020 for Fort Collins and the COVID-19 outbreak resulted in a slower start up.

- Slower start up is reflected in the lower operating revenues and operating expenses compared to budget.
- Operating expenses \$3.8 M less than budget.
- Net effect of (\$697.8) K operating cash flow compared to budget excluding investment income.
- Overall cashflow was \$451.7 K positive driven primarily by investment income from unspent bond proceeds and lower operating expenses.
- We are approximately 64% spent on Construction Budget, which is on target for 2020.
- Construction in the initial areas required a significant amount of new boring, which incurs a higher cost. As we move forward, we anticipate using more existing infrastructure resulting in a lower cost.