

Attachment Letter G – Business Plan

a) Project Details

Applicant: Midstates Data Transport, LLC d/b/a Stealth Broadband

Project: Platte County North Underserved REVISED

Project Total Cost: \$1,971,615

NBBP Requested Funds: \$1,675,873

Description: Fiber to the Home build in rural Platte County serving 102 underserved locations

b) Risk Factors / Legal

Legal Challenges:

No legal challenges have been identified for this project.

Permitting / RoW Challenges:

Applicant has worked with the following entities on other projects and does not expect any challenges:

- Platte County
- Union Pacific Railroad
- Burlington Northern Railroad
- Nebraska Central Railroad
- State of Nebraska Department of Roads

c) Financial Analysis

Stealth Broadband began operations in January 2016. In 2021, our fifth year in business, the company generated \$3.5M in revenue serving 2,450 customers across 26 communities in Northeast Nebraska. In 2022, Stealth generated \$4M in revenue serving 2,900 customers in Nebraska. In 2023, Stealth expects to generate \$5.2M in revenue serving over 3,800 customers in Nebraska.

From an overall financial strategy standpoint, Stealth Broadband has two related sister companies who provide broadband engineering and fiber splicing services, as well as managed IT services. Combined, these two sister companies generated \$3.92M of revenue in 2022, contributing \$1M in positive EBITDA, and thus positive cashflow to support the growing Stealth Broadband network and customer base.

Stealth Broadband and their sister companies have maintained their banking relationship with Elkhorn Valley Bank of Norfolk since inception and have operated in compliance with all terms and covenants throughout their history. A letter of reference from Elkhorn Valley Bank is attached.

Financial analysis for the project, including a description of how project costs and expected revenue will result in financial viability of the project over the expected useful life of the facilities:

Nebraska Capital Projects Fund Cash Flow											
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	TOTAL
Homes Passed	102	102	102	102	102	102	102	102	102	102	
Take Rate	33%	46%	55%	65%	65%	65%	65%	65%	65%	65%	
Customers	33	46	56	66	66	66	66	66	66	66	
Revenue	\$27,174	\$38,044	\$46,196	\$54,348	\$54,348	\$54,348	\$54,348	\$54,348	\$54,348	\$54,348	\$491,849
Expense	(\$7,712)	(\$8,797)	(\$9,611)	(\$10,424)	(\$10,424)	(\$10,424)	(\$10,424)	(\$10,424)	(\$10,424)	(\$10,424)	(\$99,091)
EBITDA	\$19,462	\$29,246	\$36,585	\$43,924	\$43,924	\$43,924	\$43,924	\$43,924	\$43,924	\$43,924	\$392,758
Project	\$1,971,615										\$1,971,615
Platte County ARPA	(\$197,200)										(\$197,200)
CPF Grant	(\$1,675,873)										(\$1,675,873)
Total Project Capital	\$98,542	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,542
Debt Service	(\$13,128)	(\$13,128)	(\$13,128)	(\$13,128)	(\$13,128)	(\$13,128)	(\$13,128)	(\$13,128)	(\$13,128)	(\$13,128)	(\$131,283)
Cash Flow	\$6,334	\$16,118	\$23,457	\$30,795	\$30,795	\$30,795	\$30,795	\$30,795	\$30,795	\$30,795	\$261,476

Positive cash flow on this project is achieved in year 1 post-installation. During the year leading up to positive cash flow, the company should not need to supplement operations with cash generated from other business activities or a bank operating line of credit.

d) Long-term Maintenance

Since inception, Stealth Broadband has used Bauer Underground and Turnkey Telecom Solutions for construction, engineering, splicing and restoration services. Stealth’s strong relationship with these two companies has resulted in sustained growth, quick customer turn-ups and expedited responses to fiber outages. Stealth maintains its own staff of network technicians, installation technicians and locators to ensure the network is reliable and to maximize up-time for our customers. Stealth works with all jurisdictions including state, county, and city / village on fiber relocation projects.

e) Prior Federal Funding

Stealth has not received any federal funding since inception.

f) Community Engagement

This project is a rural only project with 100% of the design within Platte County, Nebraska. On January 27, 2023, Stealth was awarded a \$1,000,000 award from Platte County to extend fiber to the home to parts of rural Platte County. Stealth has a great working relationship with the Platte County Board of Supervisors. The chairperson of that board, Kim Kwapnioski has submitted a letter of support for our project included in attachment M of this application. We have received several other letters of support that do not include the required information in the application guide. Those are

also included in attachment M. Stealth will follow up with all parties who have shown support to ensure that they follow the exact process prior to the April 24, 2023 deadline.

Stealth does not expect any negative feedback for our application. We have a great working relationship with all involved and believe that this project will be fully supported by various stakeholders.