

Attachment Letter G – Business Plan

a) Project Details

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

Project: Boone County East Unserved

Project Total Cost: \$1,047,850

NBBP Requested Funds: \$785,887

Description: Fiber to the Home build in rural Boone County serving 91 unserved 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:

- Boone County
- Loup Public Power District
- Cornhusker Public Power District
- 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 \$4.7M 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:

Project: **Boone County East Unserved**

Nebraska Broadband Bridge Program 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	91	91	91	91	91	91	91	91	91	91	
Take Rate	38%	53%	64%	75%	75%	75%	75%	75%	75%	75%	
Customers	34	48	58	68	68	68	68	68	68	68	
Revenue	\$27,972	\$39,161	\$47,552	\$55,944	\$55,944	\$55,944	\$55,944	\$55,944	\$55,944	\$55,944	\$506,293
Expense	(\$7,422)	(\$8,391)	(\$9,117)	(\$9,844)	(\$9,844)	(\$9,844)	(\$9,844)	(\$9,844)	(\$9,844)	(\$9,844)	(\$93,835)
EBITDA	\$20,550	\$30,770	\$38,435	\$46,100	\$46,100	\$46,100	\$46,100	\$46,100	\$46,100	\$46,100	\$412,458
Project	\$ 1,047,850										\$1,047,850
CPF Grant	\$ (785,887)										(\$785,887)
Total Project Capital	\$261,963	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$261,963
Debt Service	(\$34,900)	(\$34,900)	(\$34,900)	(\$34,900)	(\$34,900)	(\$34,900)	(\$34,900)	(\$34,900)	(\$34,900)	(\$34,900)	(\$348,998)
Cash Flow	(\$14,350)	(\$4,130)	\$3,535	\$11,201	\$11,201	\$11,201	\$11,201	\$11,201	\$11,201	\$11,201	\$63,460

Positive cash flow on this project is achieved in year 3 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 was recently awarded Federal Funding as part of the Nebraska CPF program. Work has not commenced on this funding, so no other information is available at this time.

f) Community Engagement

This project is a rural only project with 100% of the households within Boone County, Nebraska. Several of the households included in this application are current customers that were acquired through our purchase of Applied Connective Technology’s ISP operation in April of 2023. We have reached out to several of those customers, and they are very supportive of this project as their speeds will increase from a maximum of 20/5 Mbps to over 500/500 Mbps minimum. 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.