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**CCOI**

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**INVESTOR PRESENTATION**

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# Cautionary Note Regarding Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which relate to future, not past, events and are subject to risks and uncertainties. The forward-looking statements, which address the Company's expected business and financial performance, among other matters, contain words such as: "will", "expect", "believe", "continue", "optimistic", "should", "ongoing" and other words and terms of similar meaning.

Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as revenue, subscriber and traffic growth, margins, capital expenditures, sales force headcount and productivity, pricing, financings and return of capital shareholders. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made.

Our acquisition of Sprint (T-Mobile Wireline) and difficulties integrating our business with the acquired Sprint Communications business; the COVID-19 pandemic and accompanying government policies worldwide; vaccination and in-office requirements, delays in the delivery of network equipment and optical fiber; future economic instability in the global economy, including the risk of economic recession, which could affect spending on Internet services; the impact of changing foreign exchange rates (in particular the Euro to US dollar and Canadian dollar to US dollar exchange rates) on the translation of our non-US dollar denominated revenues, expenses, assets and liabilities into US dollars; legal and operational difficulties in new markets; the imposition of a requirement that we contribute to the US Universal Service Fund on the basis of our Internet revenue; changes in government policy and/or regulation, including rules regarding data protection, cyber security and net neutrality; increasing competition leading to lower prices for our services; our ability to attract new customers and to increase and maintain the volume of traffic on our network; the ability to maintain our Internet peering arrangements and right-of-way agreements on favorable terms; our ability to renew our long-term leases of optical fiber and right-of-way agreements that comprise our network; our reliance on a few equipment vendors and the potential for hardware or software problems associated with such equipment; the dependence of our network on the quality and dependability of third-party fiber and right-of-way providers; our ability to retain certain customers that comprise a significant portion of our revenue base; the management of network failures and/or disruptions; our ability to make payments on our indebtedness as they become due and outcomes in litigation, risks associated with variable interest rates under our Swap Agreement, as well as other risks discussed from time to time in our filings with the Securities and Exchange Commission.

A further description of these uncertainties and other risks can be found in the Company's Annual Report on Form 10-K for the year ending December 31, 2024, Quarterly Reports on Form 10-Q for the quarters ending September 30, 2024, June 30, 2024 and March 31, 2024 and the Company's other reports filed with the Securities and Exchange Commission. Copies of these filings may be obtained by contacting the Company or by visiting EDGAR on the SEC's website. These or other uncertainties may cause the Company's actual future results to be materially different than those expressed in any forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements.

## Non-GAAP Measures

This presentation includes and discusses EBITDA, EBITDA as adjusted for Sprint acquisition costs and cash payments under IP Transit Services Agreement, Gross Margin, and EBITDA, as Adjusted for Sprint acquisition costs and cash payments under IP Transit Services Agreement Margin which are non-GAAP measures. On the Closing Date, Cogent and TMUSA, Inc. entered into an IP Transit Services Agreement, pursuant to which TMUSA will pay Cogent an aggregate of \$700 million, consisting of (i) \$350 million in equal monthly installments during the first year after the Closing Date and (ii) \$350 million in equal monthly installments over the subsequent 42 months. Management uses these non-GAAP measures to evaluate its business because they believes these measures assist investors and analysts in comparing the Company's performance across reporting periods on a consistent basis by excluding items that management believes are not indicative of the Company's core operating performance. Management believes these metrics are used in the financial community, and these metrics are presented here to enhance understanding of the Company's operating performance. You should not consider these non-GAAP measures as alternatives to Net income, determined in accordance with GAAP, as an indicator of operating performance. Furthermore, these non-GAAP measures are not measurements of financial performance under GAAP, and thus may not be comparable to similarly titled measures of other companies.

EBITDA represents net cash flows provided by operating activities plus changes in operating assets and liabilities, cash interest expense and cash income tax expense. Management believes the most directly comparable measure to EBITDA calculated in accordance with generally accepted accounting principles in the United States, or GAAP, is net cash provided by operating activities. EBITDA, as adjusted for Sprint acquisition costs and cash payments under IP Transit Services Agreement, represents EBITDA plus costs related to the Company's acquisition of Sprint's (T-Mobile Wireline) Business and cash payments under the IP Transit Services Agreement. EBITDA margin is defined as EBITDA divided by total service revenue. EBITDA, as adjusted for Sprint acquisition costs and cash payments under IP Transit Services Agreement margin is defined as EBITDA, as adjusted for Sprint acquisition costs and cash payments under IP Transit Services Agreement, divided by total service revenue. See the Appendix to this presentation for a reconciliation of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.

# company overview

Cogent is a leading, global provider of **Internet Access & Transport Services.**

- We operate a global network carrying approximately 25% of all internet traffic
- We offer high speed internet access to three customer bases:
  - Corporate: 45% of revenues
  - Netcentric: 37% of revenues
  - Enterprise: 18% of revenues
- We sell four different product categories:
  - 89% of revenue from IP Services (DIA, VPN and Transit)
  - 5% of revenue from IP Address Leasing
  - 3% of revenue from Optical Transport (Waves)
  - 2% of revenue from Colocation Services
  - 1% of revenue from non-core legacy services which Cogent acquired and continues to support but does not actively sell
- We operate in 264 markets in 56 countries
- We differentiate and gain share in a commodity business by focusing on price and value
- We have very high operating leverage with substantial network capacity

# competitive advantage

## The On-net Corporate IP & VPN Opportunity

### Market Players

- Lumen Technologies
- Verizon
- AT&T
- Bell Canada
- Comcast
- Spectrum

### Cogent Advantage

- Price per connection is relatively equivalent
- Superior reliability (3x more than competitors): ring architecture; fiber; electronics
- Significant speed advantage: 2.5x to 65.0x
- Faster installation: Avg. installs 13 to 15 days vs 90 days
- Real-time monitoring
- Industry leading SLAs

## The Off-net Corporate IP & VPN Opportunity

### Market Players

- Lumen Technologies
- Verizon
- AT&T
- Bell Canada
- Comcast
- Spectrum

### Cogent Advantage

- Price per connection is relatively equivalent
- Truly dedicated, non-oversubscribed bandwidth
- Connected right to the heart of the internet
- Faster installation: Avg. installs 63 days vs 90 days
- Real-time monitoring
- Industry leading SLAs

## The Netcentric IP Opportunity

### Market Players

#### **National:**

- Lumen Technologies
- Arelion (fka Telia)

#### **Regional:**

- AT&T - Verizon
- DT - Tata
- NTT

### Cogent Advantage

- New applications drive bandwidth (File sharing, Gaming, Video, and Streaming)
- Product sold on a per Mbps basis from 1 Gbps to 400 Gbps
- Internet connectivity is a pure commodity (Speed, connection equivalent)
- Cogent prices new services at 50% of market
  - We win on price

## The Netcentric WAVE Opportunity

### Market Players

#### **Global:**

- Lumen Technologies
- Zayo

#### **Regional:**

- Windstream
- Uniti
- Crown Castle

### Cogent Advantage

- Unique and physical diverse network along railways
- Cogent owns the fiber
- Rapid Provisioning with 30 business day SLAs
- Simplicity of doing business
- Cogent's US-owned and carrier neutral data center footprint provides the largest reach to sell wavelengths in North America

## The IP Address Leasing Opportunity

### Market Players

- Microsoft
- AWS

### Cogent Advantage

- Price per address is lower than market
- Cogent owns the addresses
- Rapid Provisioning
- Large inventory provides availability of rarely available larger contiguous blocks
- Cogent owns 37.8 million IPv4 addresses of which ~34% are being utilized.

## The Enterprise Opportunity

### Market Players

- Lumen Technologies
- AT&T
- Verizon
- NTT
- BT Global Services
- Orange Business Services
- T Systems
- Telephonica

### Cogent Advantage

- Global IP Network in 56 countries
- Low cost connectivity
- Over 500 Off-net carrier relationships
- Large global salesforce

## The Colocation Opportunity

### Market Players

- Equinix
- Digital Realty

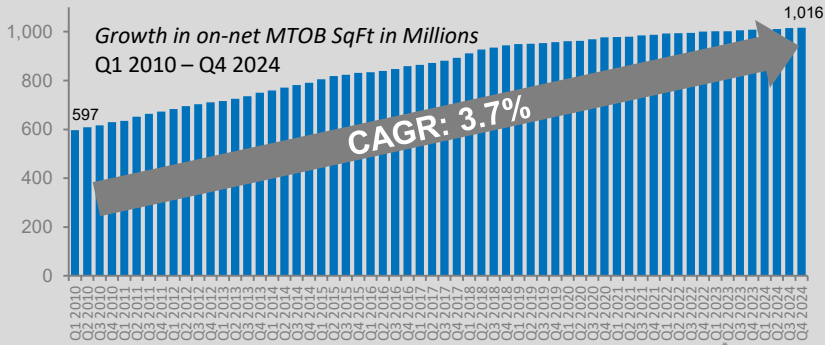
### Cogent Advantage

- 104 On-Net Cogent Data Centers
- 55 Edge Data Centers
- 8,250 Access Networks
- Settlement Free Peers with 23 networks
- Tier 1 peering status

# growth opportunity

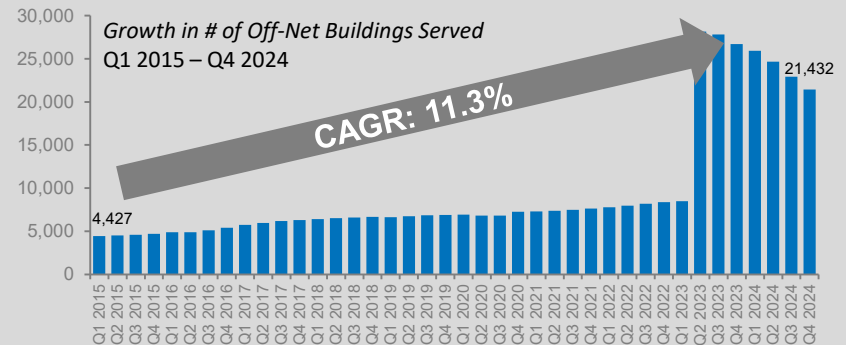
## Corporate and Enterprise

### Growing Addressable Market



\* Acquisition of Sprint Wireline business

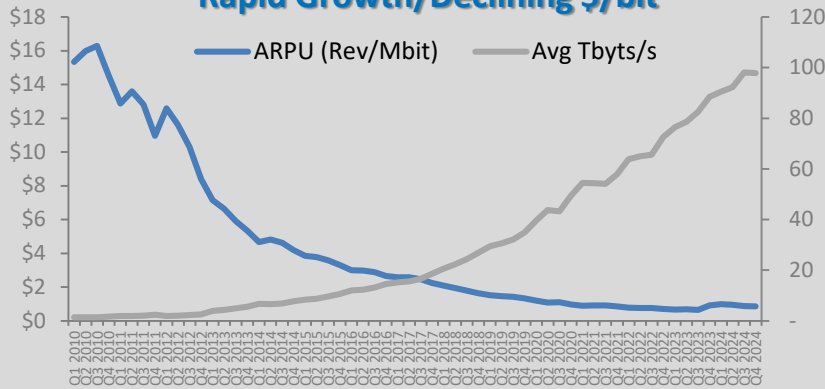
### Growing Addressable Market



\* Acquisition of Sprint Wireline business

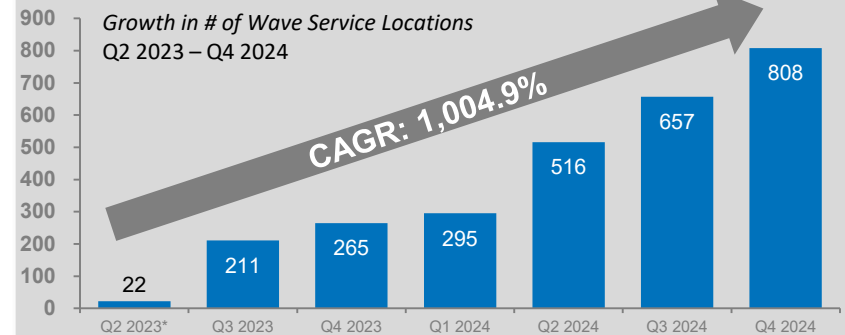
## Netcentric

### Rapid Growth/Declining \$/bit



## Optical Transport

### Growing Wave Network



\* Acquisition of Sprint Wireline business

# customer segmentation

## corporate

**Connections:** 46,371

**Revenue Share:** 45%

**Traffic Share:** 4.6%

**Geography:** North America

**Clients:** Professional Services  
(Law Firms, Accounting, Insurance)  
Financial Services  
Universities, Schools

**Service Locations:** MTOBs

**Longevity:** 4+ Years: 70%  
1+ Years: 93%

**Monthly Churn:** 1.9%

## netcentric

**Connections:** 62,236

**Revenue Share:** 37%

**Traffic Share:** 95.3%

**Geography:** Global

**Clients:** Access Networks - ILECs,  
Cable, ISPs  
CDNs  
Streaming / OTT  
Online Gamers

**Service Locations:** Data Centers

**Longevity:** 4+ Years: 51%  
1+ Years: 83%

**Monthly Churn:** 1.4%

## enterprise

**Connections:** 14,776

**Revenue Share:** 18%

**Traffic Share:** 0.1%

**Geography:** Global

**Clients:** Fortune 500 Corporations,  
Corporations w/\$5B rev  
Financial Institutions  
Healthcare Companies

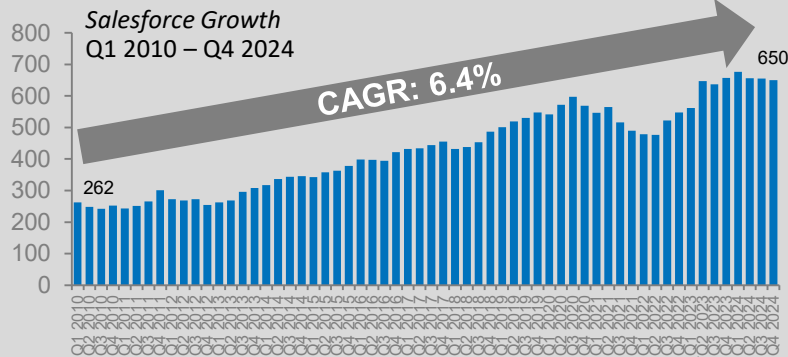
**Service Locations:** MTOBs & Data Centers

**Longevity:** 4+ Years: 89%  
1+ Years: 97%

**Monthly Churn:** 3.9%

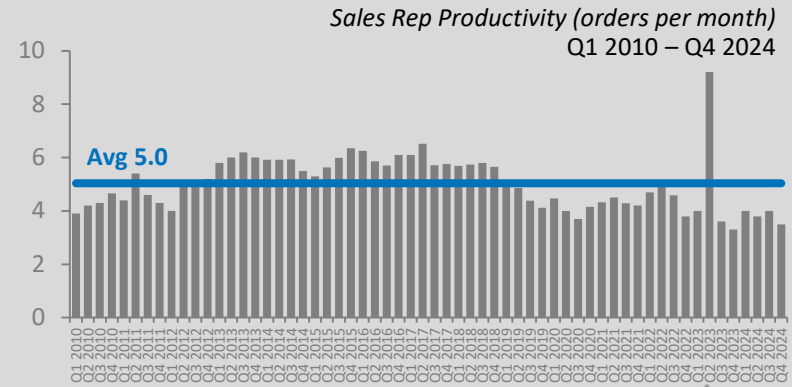
# highly focused sales organization

## Large Salesforce



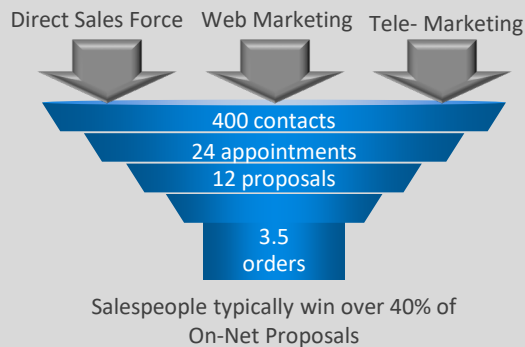
\* Acquisition of Sprint Wireline business

## Consistent Productivity



\* Includes TMUSA "Commercial Agreement" for services consisting of 9,084 orders installed in May.

## Systematic Process

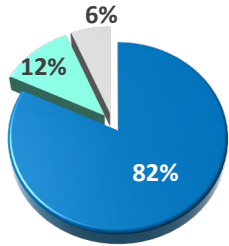


## Salesforce Performance

- Simple products; robust training investment
- Success at building the global sales team
- Highly leveraged compensation

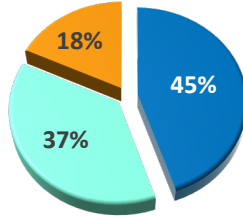
# business breakout

## GEOGRAPHY

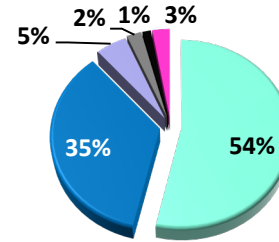


REVENUE  
Q4 2024

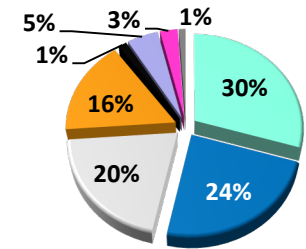
## MARKET SEGMENT



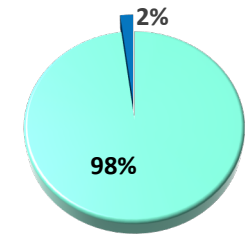
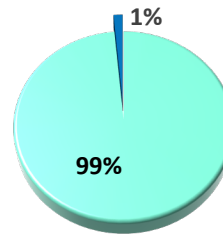
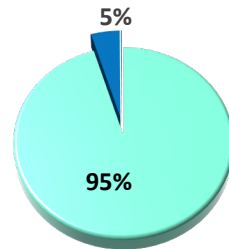
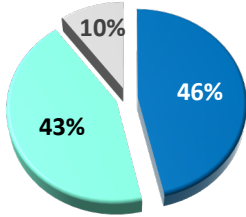
## PRODUCT TYPE



## ON-NET / OFF-NET

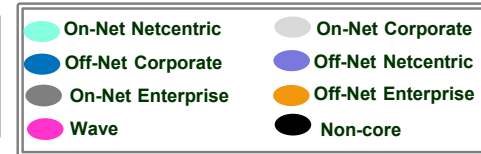
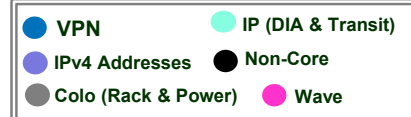
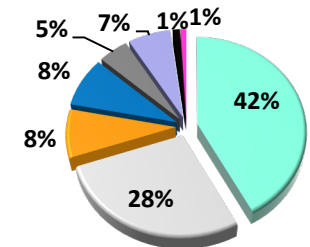
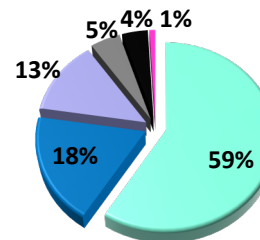
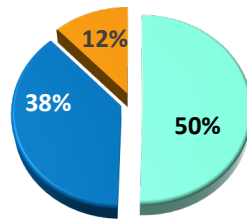
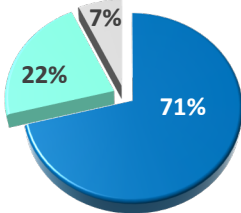


TRAFFIC  
Q4 2024



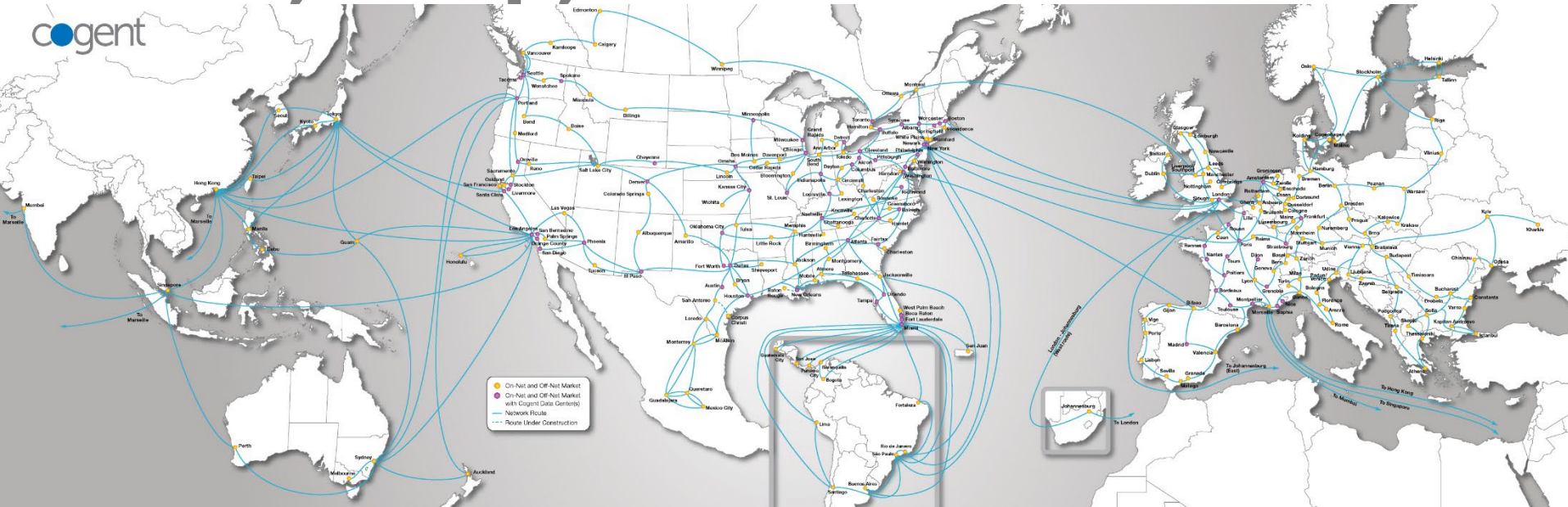
On Net Off Net

CUSTOMER  
CONNECTIONS  
Q4 2024





# broad, deep, scalable network

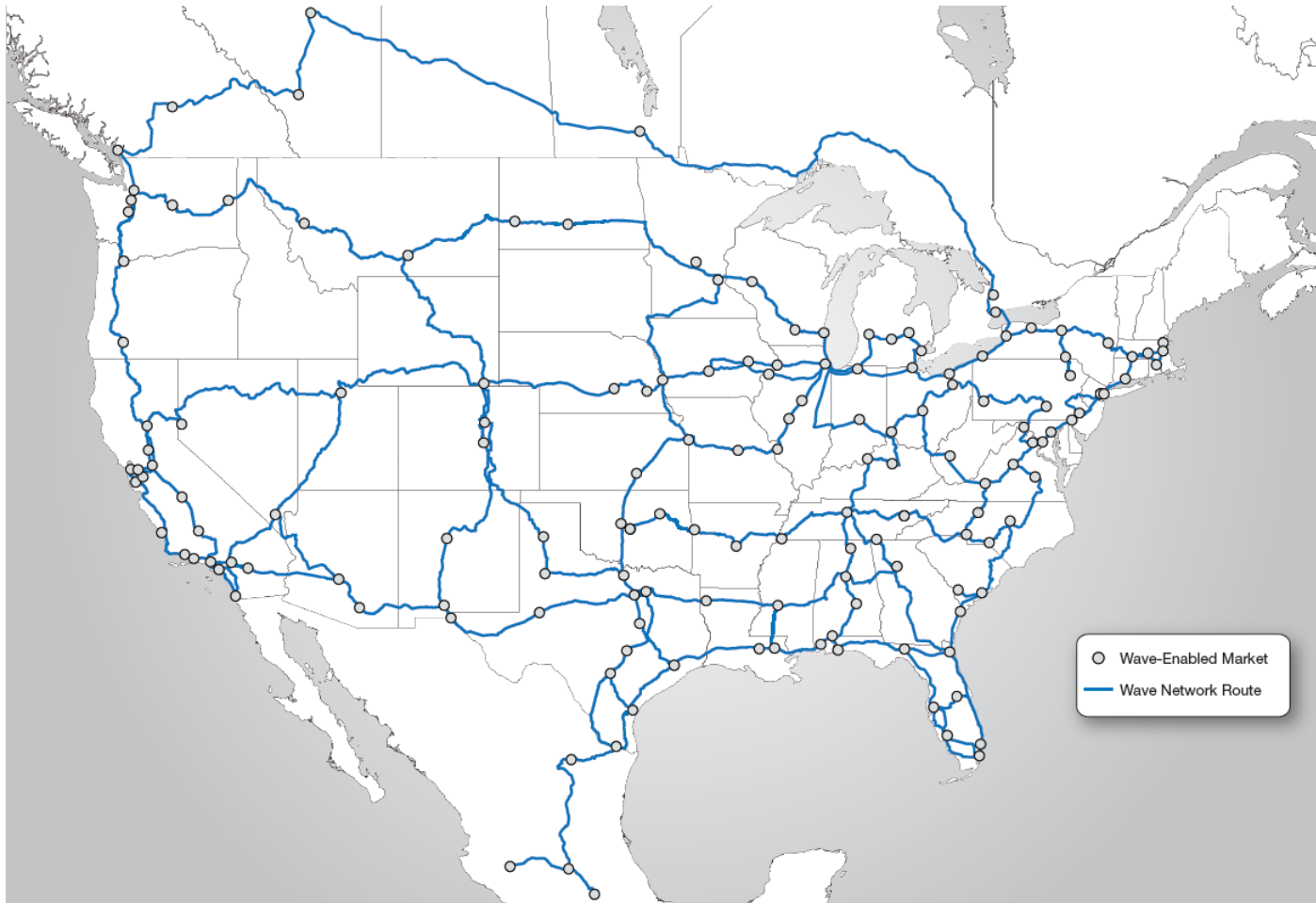


- Interconnected with 8,250 access networks
- 3,453 On-Net buildings
  - 54% multi-tenant office buildings (1,871)
  - 44% carrier neutral & Cogent data center buildings (1,527)
  - 2% Edge data centers (55)
  - Agreements with 250+ building owners (REITs)
- 104 Cogent data centers with 1.9+ million square feet and 177 megawatts owned fee simple
- 55 Edge data centers with 108,800+ square feet and 20 megawatts owned
- Low cost network and data centers which are approximately 24% utilized

- 98,800+ intercity fiber route miles
- 31,100 metro route miles
- 1,132 metro IP networks
- 203 metro wave networks
  - North America
  - Europe
  - Transatlantic (Leased)
  - Transpacific (Leased)
  - Transindian (Leased)
  - Transcaribbean (Leased)
  - Inter-Region

Up to 5,600 Gbps per city pair  
 Up to 7,200 Gbps per city pair  
 6,220 Gbps (8 Providers, 12 Cables)  
 3,229 Gbps (10 Providers, 25 Cables)  
 1,900 Gbps (6 Providers, 5 Cables)  
 3,600 Gbps (5 Providers, 11 Cables)  
 14,949 Gbps (29 Providers, 53 Cables)

# wavelength services network



- Cogent provides wavelength services to customers in over 280 locations with the capability in 808 locations
- Cogent reached its target of offering wavelength services in over 800 locations by year end 2024

# network architecture IRU/owned fiber

Our network is *facilities based*—  
IRUs on fiber & ownership of all optronics and routing equipment.

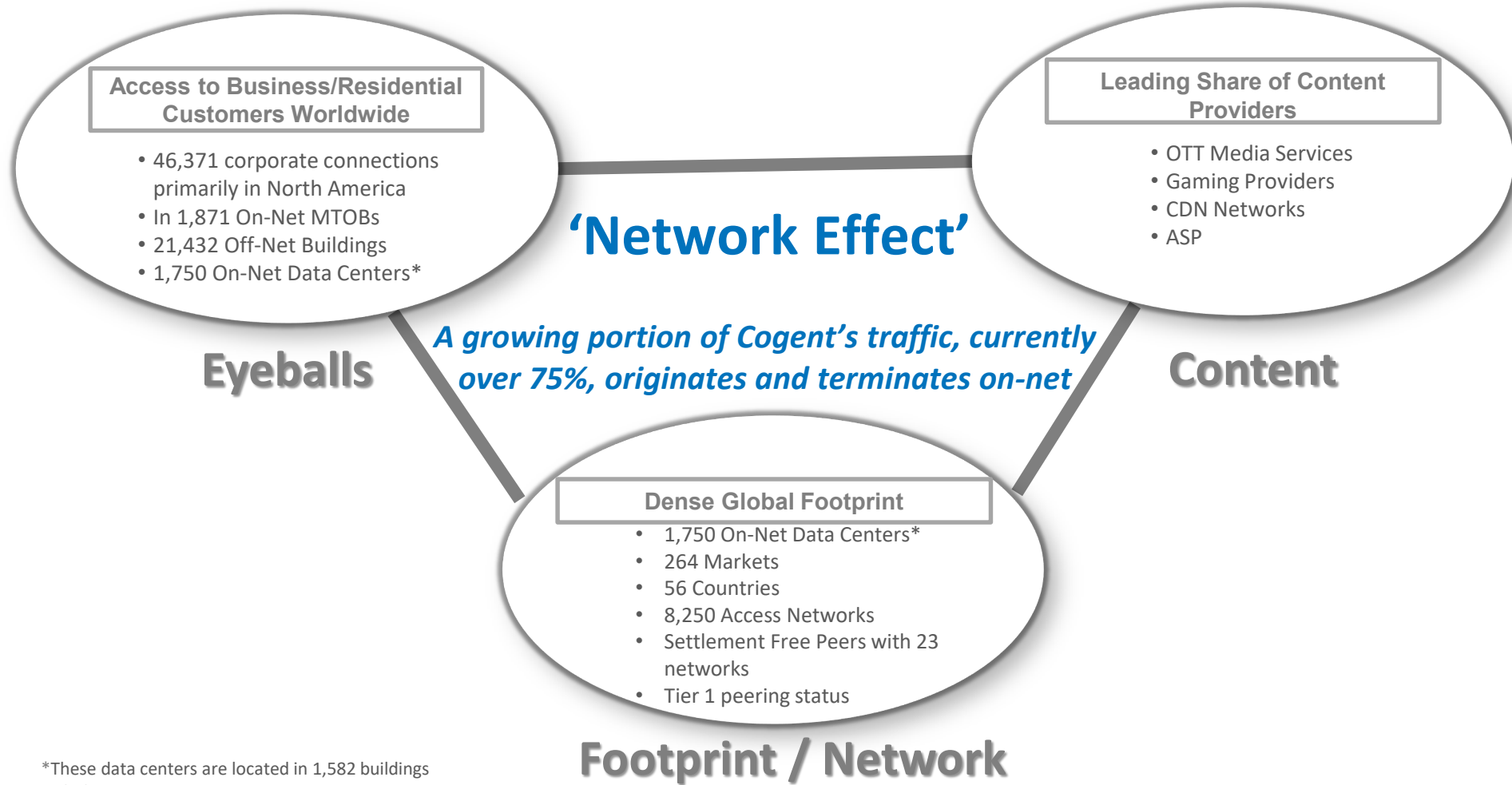
- Longhaul and metro backbone is built from a diverse set of 360 IRU suppliers
- Owned fiber is on unique rights of way
- IRUs from 10 to 44 years; many are pre-paid and have diverse end dates
- O+M expenses are calculated by share of fiber pairs in the sheath thereby reducing the cost to Cogent of maintaining a network
- Cogent's IP network is ring protected at Layer 3 (IP convergence)
- All transport is IP directly over DWDM and CWDM
- Cogent generally owns lateral connections from the metro rings to the building
- Cogent owns riser facilities in multi-tenant buildings
- Cogent owns 104 data centers, 223 IP hubs and 70 wave hubs that house core network equipment
- Cogent owns 55 small Edge data centers with 108,800+ square feet and 20 MW of power.
- 52 of the 104 Cogent Data Centers were buildings acquired through the Sprint acquisition and converted into data centers, which comprise over 1.9 million square feet of floor space and offer 177 MW of power
- Wave network is directly connected to 808 CNDCs in the US, Mexico and Canada

# cogent's network advantage

Cogent's network offers **substantial cost and operating advantages.**

Choice	Implication
IP over DWDM	<ul style="list-style-type: none"> <li>• Simple, predictable performance</li> <li>• Lowest cost network</li> </ul>
Simple Vendor / Configuration	<ul style="list-style-type: none"> <li>• 'Southwest Airlines' cost and operating advantages</li> </ul>
LT Lease of Fiber Pairs	<ul style="list-style-type: none"> <li>• Reduced capital intensity and operating costs</li> </ul>
Ownership of lateral and riser facilities / Sprint acquired owned fiber	<ul style="list-style-type: none"> <li>• Unique access to high volume customer locations</li> </ul>
Ring architecture to all on-net customers	<ul style="list-style-type: none"> <li>• Industry leading SLAs for installation and performance</li> </ul>
Narrow, simple product line	<ul style="list-style-type: none"> <li>• Low cost support</li> <li>• Reduced sales training and costs</li> </ul>
Waves & Colo	<ul style="list-style-type: none"> <li>• Unique Routes</li> <li>• Ubiquitous Locations</li> <li>• Fast Provisioning</li> <li>• Low Cost</li> </ul>

# big, diverse & balanced global IP network



\*These data centers are located in 1,582 buildings including 104 Cogent Data Centers.

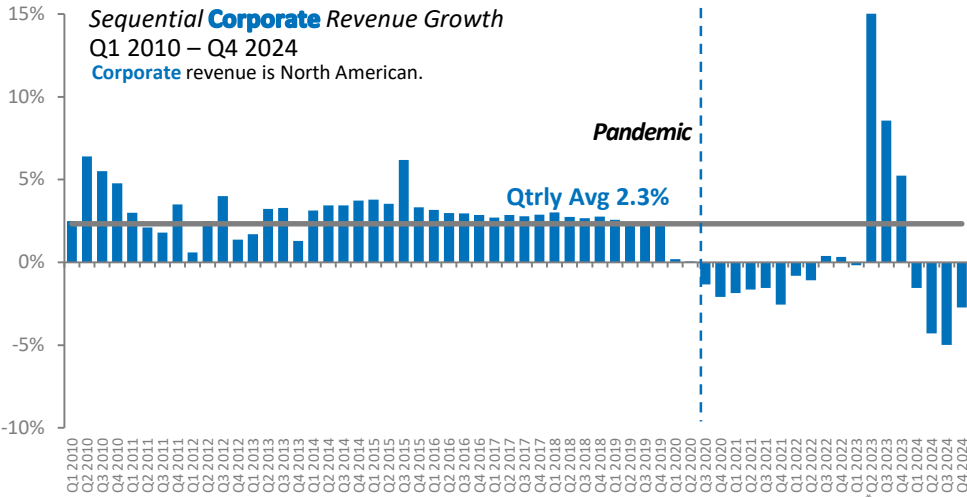
# proven integration execution

Cogent purchased over **\$34 BILLION** of original investment and **\$700 MILLION** in cash in exchange for **\$60 MILLION**

	Date	Original Investment	PP&E	Network	Peering	Customers	Building Access	IPv4 Addresses
NetRail	Sep 2001	\$180	\$35	✓	✓	✓		
Allied Riser	Feb 2002	\$590	\$335	✓		✓	✓	
PSINet*	Apr 2002	\$5,180	\$2,175	✓	✓	✓		✓
(Fiber Network Solutions, Inc) FNSI	Feb 2003	\$30	\$5			✓		
Firstmark	Jan 2004	\$1,100	\$560	✓		✓	✓	
Carrier 1*	Mar 2004	\$1,035	\$535	✓				
UFO Group	Aug 2004	\$25	\$5			✓		
Global Access	Sep 2004	\$10	\$5			✓		
Aleron Broadband	Oct 2004	\$200	\$5			✓		
Verio*	Dec 2004	\$5,700	\$390			✓		
Sprint (T-Mobile Wireline)	May 2023	~\$20,500	\$14,500	✓		✓	✓	✓
<b>TOTAL (\$ in millions)</b>		<b>\$34,550</b>	<b>\$18,550</b>					

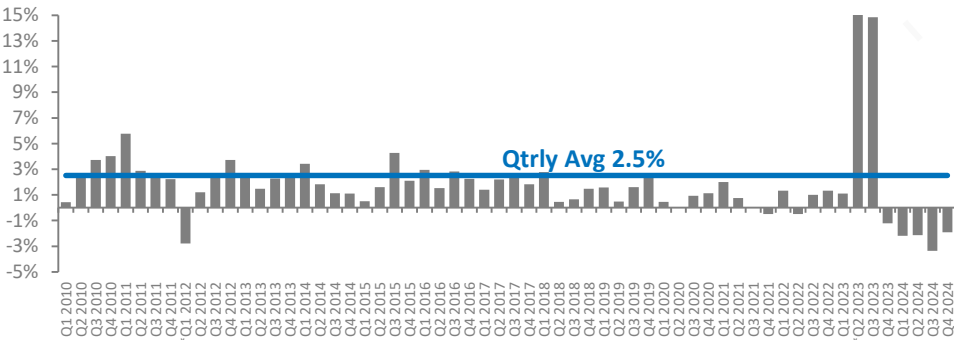
\*Purchased the majority of assets of these companies. This list does not include Applied Theory, FiberCity Networks, OnSite Access, Last Mile Connections, PacWest, and Anet

# revenue growth

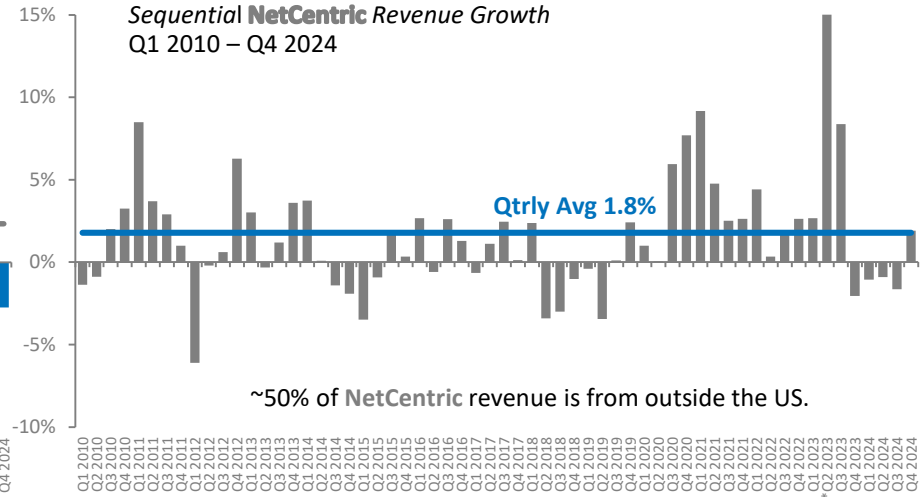


\* Corporate revenue grew substantially in Q2 as a result of the acquisition of Sprint Wireline business.

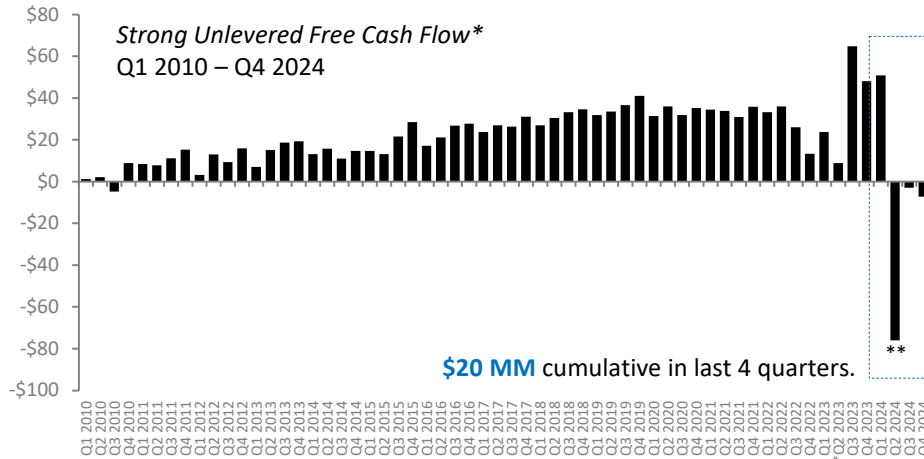
**Sequential Total Revenue Growth**  
Q1 2010 – Q4 2024



\* Loss of Megaupload in Q1 of 2012 and acquisition of Sprint in Q2 of 2023.



\* NetCenter revenue grew substantially in Q2 as a result of the acquisition of Sprint Wireline business.

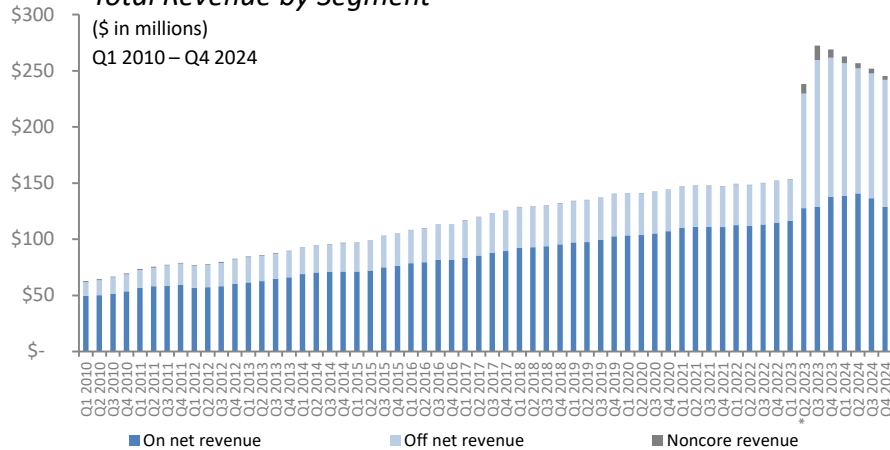


\* Calculated as EBITDA (as adjusted for Sprint (T-Mobile Wireline) acquisition costs and cash payments made under IP Transit Services Agreement) less CAPEX, which includes principal payments on IRU finance (capital) leases  
\*\* Verizon lease prepayment at discount of 12% with cost of \$114.6 Million and savings of \$15.6 Million.

# historical & continuing margin expansion

**Total Revenue by Segment**

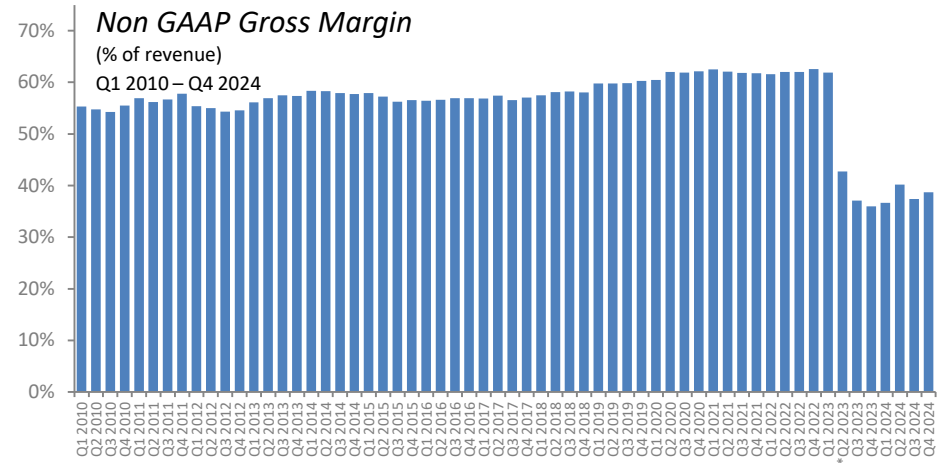
(\$ in millions)  
Q1 2010 – Q4 2024



\* Revenue grew in all segments in Q2 2023 as a result of the acquisition of Sprint Wireline business.

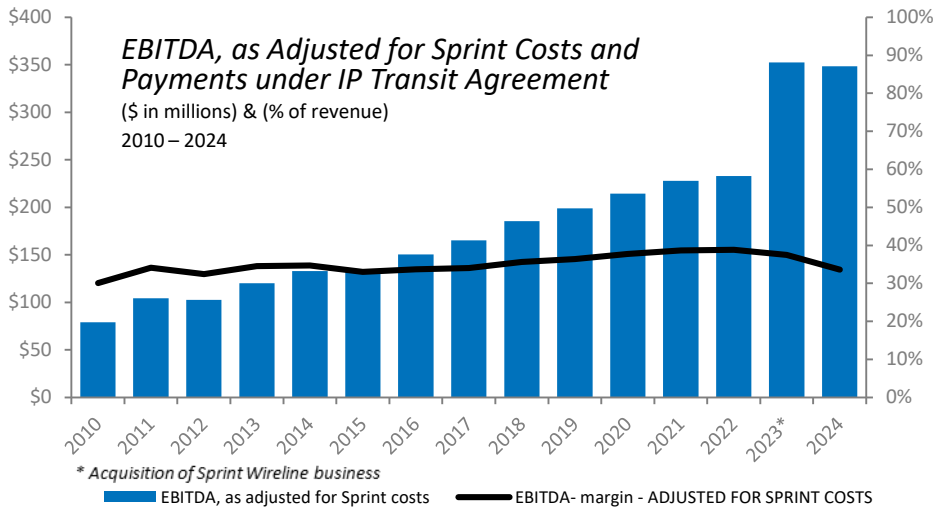
**Non GAAP Gross Margin**

(% of revenue)  
Q1 2010 – Q4 2024



\* Acquisition of Sprint Wireline business

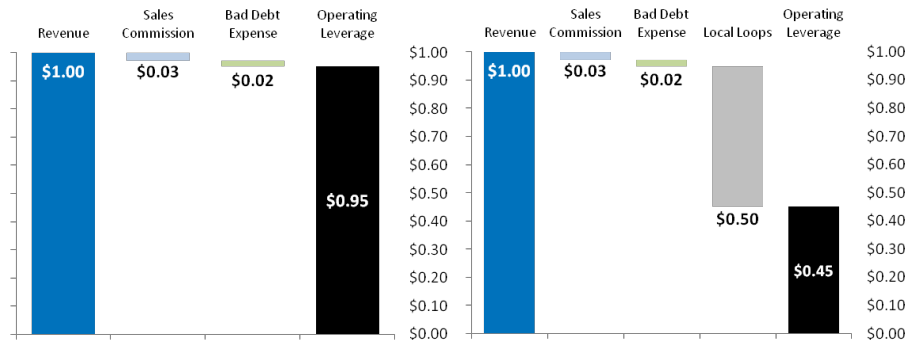
**EBITDA, as Adjusted for Sprint Costs and Payments under IP Transit Agreement**  
(\$ in millions) & (% of revenue)  
2010 – 2024



\* Acquisition of Sprint Wireline business

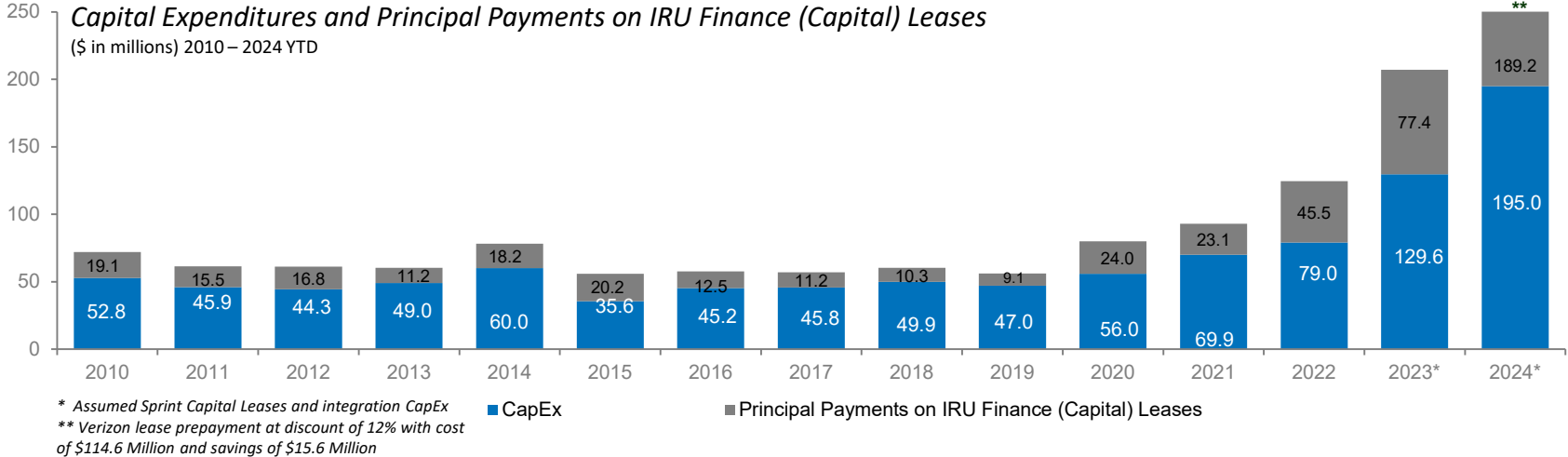
**On-Net ARPU = \$490**  
Q4 2024

**Off-Net ARPU = \$1,229**  
Q4 2024

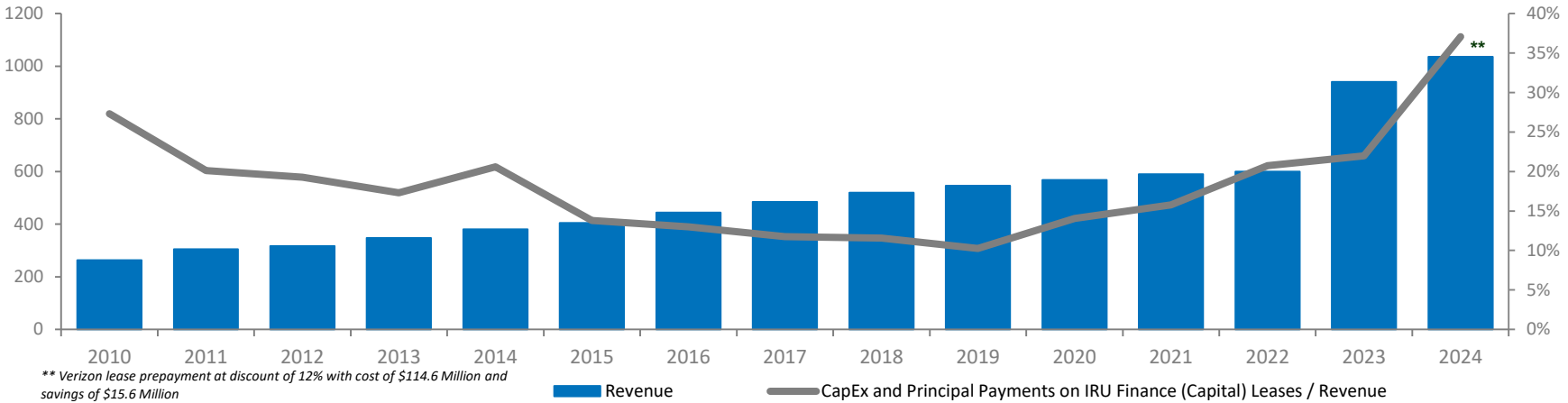




# investing: increasing returns, demand driven, all funded internally



**Growing Returns** (Revenue to CapEx & Principal Payments on IRU Finance (Capital) Leases)  
(\$ in millions) 2010 – 2024



# highlights

## Q4 2024 RESULTS (\$ in millions)

	Q1 2023	Q2 2023*	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q/Q % Change	Y/Y % Full Year Change
On-Net Revenue	\$116.1	\$127.7	\$129.0	\$138.1	\$138.6	\$140.8	\$136.5	\$128.8	(5.7)%	6.1%
Off-Net Revenue	\$37.3	\$102.0	\$130.6	\$123.7	\$118.2	\$111.4	\$111.3	\$113.2	1.7%	15.4%
Wavelength Revenue	\$-	\$1.6	\$3.0	\$3.1	\$3.3	\$3.6	\$5.3	\$7.0	31.8%	239.6%
Non-Core Revenue	\$0.2	\$8.6	\$12.8	\$7.3	\$6.0	\$4.6	\$4.1	\$3.3	(18.5)%	(37.0)%
<b>Total Revenue</b>	<b>\$153.6</b>	<b>\$239.9</b>	<b>\$275.4</b>	<b>\$272.1</b>	<b>\$266.2</b>	<b>\$260.4</b>	<b>\$257.2</b>	<b>\$252.3</b>	<b>(1.9)%</b>	<b>10.1%</b>
Gross Profit (Non-GAAP)	\$95.1	\$102.5	\$102.2	\$97.9	\$97.6	\$104.6	\$96.1	\$97.6	1.5%	(0.5)%
<i>Gross Margin (Non-GAAP)</i>	<i>61.9%</i>	<i>42.8%</i>	<i>37.1%</i>	<i>36.0%</i>	<i>36.7%</i>	<i>40.2%</i>	<i>37.4%</i>	<i>38.7%</i>	<i>1.3%</i>	<i>(4.1)%</i>
<b>EBITDA</b>	<b>\$56.1</b>	<b>\$24.2</b>	<b>\$43.6</b>	<b>\$6.0</b>	<b>\$18.5</b>	<b>\$27.1</b>	<b>\$35.9</b>	<b>\$41.9</b>	<b>16.7%</b>	<b>(5.4)%</b>
<i>EBITDA Margin</i>	<i>36.5%</i>	<i>10.1%</i>	<i>15.8%</i>	<i>2.2%</i>	<i>6.9%</i>	<i>10.4%</i>	<i>13.9%</i>	<i>16.6%</i>	<i>2.6%</i>	<i>(1.9)%</i>
Sprint Acquisition Cost	\$0.4	\$0.7	\$0.3	\$17.0	\$9.0	\$12.4	\$-	\$-	0%	0%
Cash Payments under IP Transit Services Agreement	\$-	\$29.2	\$87.5	\$87.5	\$87.5	\$66.7	\$25.0	\$25.0	0%	0%
<b>EBITDA, as adjusted for Sprint acquisition costs and cash payments under IP Transit Services Agreement</b>	<b>\$56.5</b>	<b>\$54.1</b>	<b>\$131.4</b>	<b>\$110.5</b>	<b>\$115.0</b>	<b>\$106.2</b>	<b>\$60.9</b>	<b>\$66.9</b>	<b>(9.8)%</b>	<b>(1.8)%</b>
<i>EBITDA, as adjusted for Sprint acquisition costs and cash payments under IP Transit Services Agreement Margin</i>	<i>36.8%</i>	<i>22.5%</i>	<i>47.7%</i>	<i>40.6%</i>	<i>43.2%</i>	<i>40.8%</i>	<i>23.7%</i>	<i>26.5%</i>	<i>2.8%</i>	<i>(14.1)%</i>

\* Acquisition of Sprint Wireline business

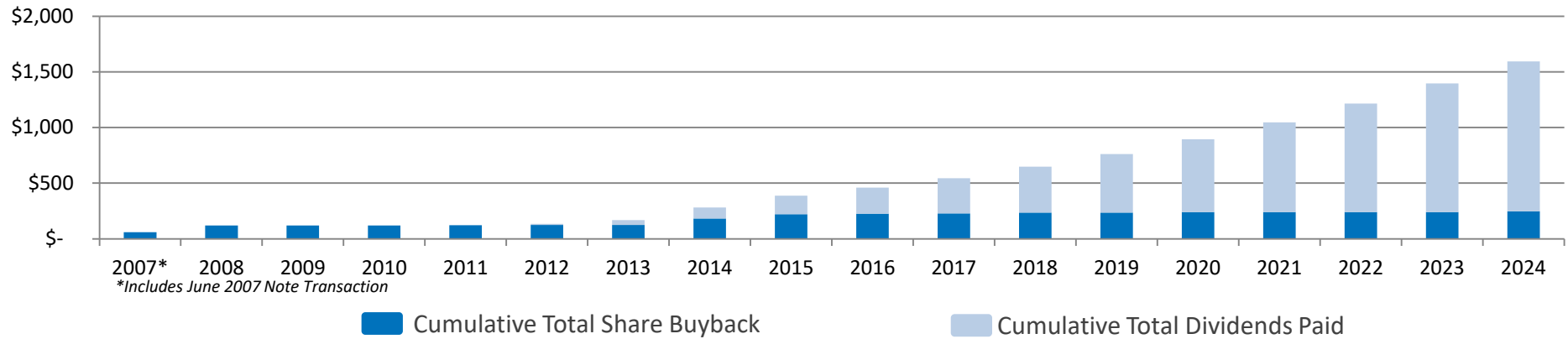
# highly disciplined allocator of capital

Cogent is  
focused on  
*driving*  
*profitability*  
and efficiently  
*allocating*  
*capital.*

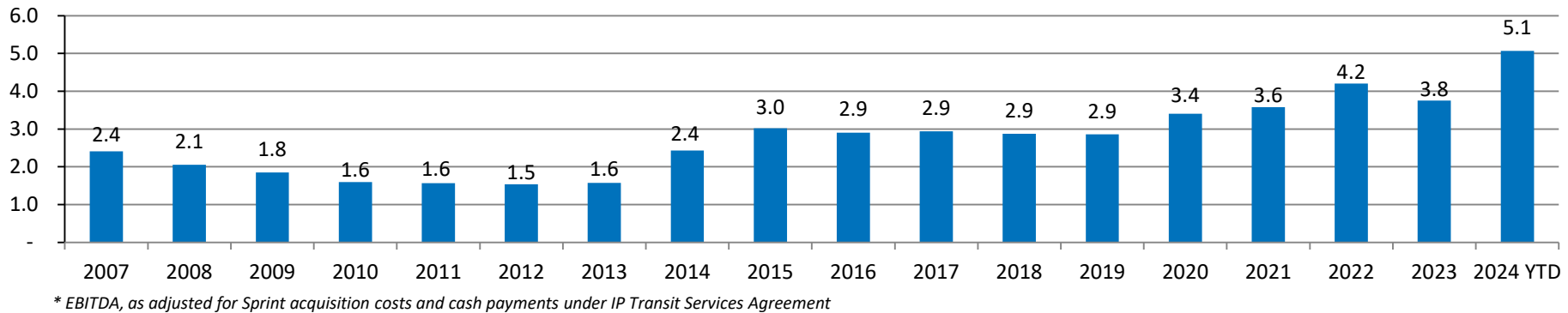
- *M&A Discipline:* Cogent has evaluated and passed on 850 acquisitions since 2005.
- *Sprint (T-Mobile Wireline) Acquisition:* Cogent paid \$1 for the Purchased Interests
  - Less a commitment from T-Mobile to purchase \$700 Million in IP Transit services from Cogent in the 54 months post-closing
  - Cogent receives payments for short-term leases in months 55 to 58 after the Closing Date
  - Cogent receives 1.9 million square feet of technical space, ~9.9 million IPv4 addresses, and over 20,000 owned route miles of fiber
  - **Acquisition bargain purchase gain of \$1.4 Billion, or \$29.69 per share**
- *Cost Discipline:* Cogent has improved its EBITDA and Adjusted Gross Margin consistently over 20 years.
- *Returning Capital:* Cogent has returned ~\$1.6 Billion to shareholders since our 2005 public offering.
- *Share Buybacks:* Bought back 10.6 MM shares since inception.
- *Management Ownership:* Senior Management owns approximately 11% of Cogent and gets compensated primarily in stock.
- *Dividend Record:* Cogent has increased its dividend for 50 straight quarters sequentially.

# consistent return of capital; modest leverage

Cumulative Total Return of Capital by type (\$M)



Net Debt/LTM EBITDA\*



# investment highlights

Cogent is a  
*leading global*  
Internet  
Service  
Provider.

- Fundamentals provide for continued, consistent growth and profitability
- Focused on fastest growth products in Telecommunications
- Independent, low-cost global IP network
- IP & Transport network footprint targeted at high traffic locations
- Three attractive customer bases; Corporate, Netcentric & Enterprise
- Rapid expansion in North American market for wavelength sales currently estimated at \$2 billion annually
- Extensive Cogent owned and leased data center footprint of 159 and 197 megawatts available
- Expanded inventory of 37.9 million IPv4 addresses owned, of which 9.9 million were acquired at the closing of the Sprint Business acquisition
- Entry into the sale of dark fiber nationally and regionally along unique routes and rights-of-way
- Proven ability to grow revenue and drive margin expansion and cash flow growth
- Management committed to returning increasing amounts of capital to shareholders

cogent  
Smart People Buy Dumb Pipes

# Appendix

**Reconciliation of non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP**

## Non-GAAP EBITDA and non-GAAP EBITDA, as adjusted, reconciled to GAAP cash flows provided by operating activities

	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>	<u>Q1 2024</u>	<u>Q2 2024</u>	<u>Q3 2024</u>	<u>Q4 2024</u>
<b>(\$ in 000's) – unaudited</b>								
Net cash flows provided by (used in) operating activities	\$35,821	\$82,654	\$(52,433)	\$(48,701)	\$19,219	\$(22,171)	\$(20,226)	\$14,532
Changes in operating assets and liabilities	1,435	\$(90,373)	\$51,064	\$36,288	\$(34,640)	\$11,077	\$22,868	\$27,892
Cash interest expense and income tax expense	<u>18,797</u>	<u>31,875</u>	<u>44,956</u>	<u>18,424</u>	<u>33,873</u>	<u>38,220</u>	<u>33,219</u>	<u>(571)</u>
<b>EBITDA (1)</b>	<b>\$56,053</b>	<b>\$24,156</b>	<b>\$43,587</b>	<b>\$6,011</b>	<b>\$18,452</b>	<b>\$27,126</b>	<b>\$35,861</b>	<b>\$41,853</b>
PLUS: Sprint (T-Mobile Wireline) acquisition costs	400	\$739	\$351	\$17,001	\$9,037	\$12,370	\$-	\$-
PLUS: Cash payments made to the Company under IP Transit Services Agreement	-	\$29,167	\$87,500	\$87,500	\$87,500	\$66,667	25,000	25,000
<b>EBITDA, as adjusted for Sprint (T-Mobile Wireline) acquisition costs and IP Transit Services Agreement (1)</b>	<b>\$56,453</b>	<b>\$54,062</b>	<b>\$131,438</b>	<b>\$110,512</b>	<b>\$114,989</b>	<b>\$106,163</b>	<b>\$60,861</b>	<b>\$66,853</b>
<b>EBITDA margin (1)</b>	<b>36.5%</b>	<b>10.1%</b>	<b>15.8%</b>	<b>2.2%</b>	<b>6.9%</b>	<b>10.4%</b>	<b>13.9%</b>	<b>16.6%</b>
<b>EBITDA, as adjusted for Sprint (T-Mobile Wireline) acquisition costs and IP Transit Services Agreement, margin (1)</b>	<b>36.8%</b>	<b>22.5%</b>	<b>47.7%</b>	<b>40.6%</b>	<b>43.2%</b>	<b>40.8%</b>	<b>23.7%</b>	<b>26.5%</b>

## Non-GAAP gross profit and non-GAAP gross margin reconciled to GAAP gross profit and GAAP gross margin

	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>	<u>Q1 2024</u>	<u>Q2 2024</u>	<u>Q3 2024</u>	<u>Q4 2024</u>
<b>(\$ in 000's) – unaudited</b>								
Service revenue total	\$153,588	\$239,806	\$275,429	272,099	\$266,168	\$260,443	\$257,202	\$252,291
Minus - Network operations expense including equity-based compensation and including depreciation and amortization expense	<u>83,798</u>	<u>190,013</u>	<u>260,328</u>	<u>242,355</u>	<u>239,824</u>	<u>230,203</u>	<u>247,367</u>	<u>222,455</u>
<b>GAAP Gross Profit (2)</b>	<b>\$69,790</b>	<b>\$49,793</b>	<b>\$15,101</b>	<b>\$29,744</b>	<b>\$26,344</b>	<b>\$30,240</b>	<b>\$9,835</b>	<b>\$29,836</b>
Plus - Equity-based compensation – network operations expense	149	231	370	370	385	350	469	477
Plus – Depreciation and amortization expense	25,160	\$52,511	\$86,734	\$67,805	\$70,891	\$74,036	\$85,815	\$67,272
<b>Non-GAAP Gross Profit (3)</b>	<b>\$95,099</b>	<b>\$102,535</b>	<b>\$102,205</b>	<b>\$97,919</b>	<b>\$97,620</b>	<b>\$104,626</b>	<b>\$96,119</b>	<b>\$97,585</b>
<b>GAAP Gross Margin (2)</b>	<b>45.4%</b>	<b>20.8%</b>	<b>5.5%</b>	<b>10.9%</b>	<b>9.9%</b>	<b>11.6%</b>	<b>3.8%</b>	<b>11.8%</b>
<b>Non-GAAP Gross Margin (3)</b>	<b>61.9%</b>	<b>42.8%</b>	<b>37.1%</b>	<b>36.0%</b>	<b>36.7%</b>	<b>40.2%</b>	<b>37.4%</b>	<b>38.7%</b>

- (1) EBITDA represents net cash flows provided by operating activities plus changes in operating assets and liabilities, cash interest expense and cash income tax expense. Management believes the most directly comparable measure to EBITDA calculated in accordance with generally accepted accounting principles in the United States, or GAAP, is net cash provided by operating activities. The Company also believes that EBITDA is a measure frequently used by securities analysts, investors, and other interested parties in their evaluation of issuers. EBITDA, as adjusted for Sprint acquisition costs and cash payments under IP Transit Services Agreement, represents EBITDA plus costs related to the Company's acquisition of Sprint's Wireline Business. EBITDA margin is defined as EBITDA divided by total service revenue. EBITDA, as adjusted for Sprint acquisition costs and cash payments under IP Transit Services Agreement margin is defined as EBITDA, as adjusted for Sprint (T-Mobile Wireline) acquisition costs and IP Transit Agreement, divided by total service revenue.
- (2) GAAP gross profit is defined as total service revenue less network operations expense, depreciation and amortization and equity based compensation included in network operations expense. GAAP gross margin is defined as GAAP gross profit divided by total service revenue.
- (3) Non-GAAP gross profit represents service revenue less network operations expense, excluding equity-based compensation and amounts shown separately (depreciation and amortization expense). Non-GAAP gross margin is defined as non-GAAP gross profit divided by total service revenue. Management believes that non-GAAP gross profit and non-GAAP gross margin are relevant metrics to provide to investors, as they are metrics that management uses to measure the margin and amount available to the Company after network service costs, in essence these are measures of the efficiency of the Company's network.



# ESG efforts

## Cogent is focused on **Environmental, Social, and Governance (ESG).**

*Cogent is focusing on its ESG performance and improving and broadening its disclosure:*

### **Environmental**

- Provided detailed performance characteristics and carbon footprint related to its Network Backbone
- Carbon emissions from Network Backbone declined in 2022
- 75% reduction in power used per Bit mile over the past 5 years through 2022
- Constructed a 1 megawatt solar facility in Pasadena, California in 2022

### **Social**

- Provided detailed strategies and disclosures about our capabilities and our engagement activities

### **Governance**

- Appointed a minority director to the Board of Directors in December 2021
- Stockholders approved an increase to the size of the Board of Directors in May 2022, creating two new vacancies
- The Board appointed a minority woman to fill one of the vacancies in May 2022, and a woman to fill the second vacancy in June 2022
- As of January 2023, our Board was 33% women and 22% minority

*Cogent ESG activity can be tracked on our website at [www.cogentco.com](http://www.cogentco.com)*