
CABLEVISION LIGHTPATH LLC

INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

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CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	March 31, 2024 (Unaudited)	December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 24,882	\$ 25,839
Accounts receivable, trade (less allowance for doubtful accounts of \$2,685 and \$2,076, respectively)	16,013	18,568
Prepaid expenses and other current assets (\$316 and \$334 due from affiliates, respectively)	27,759	26,162
Total current assets	68,654	70,569
Property, plant and equipment, net of accumulated depreciation of \$778,819 and \$758,850, respectively	883,866	857,842
Right-of-use operating lease assets	19,847	21,322
Other assets	13,405	12,107
Derivative contracts	13,933	8,046
Amortizable intangibles, net of accumulated amortization of \$261,419 and \$256,499, respectively	100,875	105,795
Indefinite-lived franchise costs	340,000	340,000
Goodwill	105,894	105,894
Total assets	<u>\$ 1,546,474</u>	<u>\$ 1,521,575</u>
LIABILITIES AND TOTAL DEFICIENCY		
Current Liabilities:		
Accounts payable	\$ 26,215	\$ 25,215
Interest payable	4,311	14,515
Accrued employee related costs	7,863	10,720
Amounts due to affiliates	53,858	32,277
Deferred revenue	3,984	3,019
Debt	6,000	6,000
Other current liabilities	9,859	11,949
Total current liabilities	112,090	103,695
Other liabilities	19,706	19,417
Deferred tax liability, net	3,062	3,034
Long-term debt, net of current maturities	1,419,177	1,419,444
Total liabilities	1,554,035	1,545,590
Commitments and contingencies (Note 11)		
Member's deficiency	(7,561)	(24,015)
	<u>\$ 1,546,474</u>	<u>\$ 1,521,575</u>

See accompanying notes to consolidated financial statements.

CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Revenue (including revenue from affiliates of \$1,996 and \$1,727, respectively. See Note 10)	\$ 100,371	\$ 96,615
Operating expenses:		
Direct costs (including charges from affiliates of \$62 and \$98, respectively. See Note 10)	10,473	6,909
Other operating expenses (including charges from affiliates of \$4,700 and \$5,830, respectively. See Note 10)	31,727	32,823
Restructuring, impairments and other operating items	406	—
Depreciation and amortization	25,893	24,637
	68,499	64,369
Operating income	31,872	32,246
Other expense:		
Interest expense, net	(24,439)	(21,955)
Gain (loss) on interest rate swap contracts, net	9,161	(1,449)
Other expense (See Note 10)	(50)	(64)
	(15,328)	(23,468)
Income before income taxes	16,544	8,778
Income tax benefit (expense)	(90)	1,171
Net income	\$ 16,454	\$ 9,949
Comprehensive income	\$ 16,454	\$ 9,949

See accompanying notes to consolidated financial statements.

CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF MEMBER'S DEFICIENCY
(In thousands)
(Unaudited)

	<u>Member's Deficiency</u>
Balance at January 1, 2024	\$ (24,015)
Net income	16,454
Balance at March 31, 2024	<u>\$ (7,561)</u>

	<u>Member's Deficiency</u>
Balance at January 1, 2023	\$ (78,443)
Net income	9,949
Share-based compensation	2
Non-cash distribution to its parent entity	(2,207)
Balance at March 31, 2023	<u>\$ (70,699)</u>

See accompanying notes to consolidated financial statements.

CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 16,454	\$ 9,949
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	25,893	24,637
Share-based compensation	—	2
Deferred income taxes	28	(1,267)
Decrease in right-of-use assets	1,769	1,996
Amortization of deferred financing costs	1,233	1,175
Provision for doubtful accounts	(207)	32
Other	225	—
Change in assets and liabilities:		
Accounts receivable, trade	2,762	238
Prepaid expenses and other assets	(2,893)	(2,699)
Amounts due to affiliates	21,599	(2,273)
Accounts payable	2,183	1,616
Accrued liabilities	(16,233)	(14,407)
Deferred revenue	1,797	(229)
Interest rate swap contracts	(5,887)	3,163
Net cash provided by operating activities	<u>48,723</u>	<u>21,933</u>
Cash flows from investing activities:		
Capital expenditures	(48,180)	(58,079)
Other	—	5
Net cash used in investing activities	<u>(48,180)</u>	<u>(58,074)</u>
Cash flows from financing activities:		
Repayment of debt	(1,500)	(1,500)
Net cash used in financing activities	<u>(1,500)</u>	<u>(1,500)</u>
Net decrease in cash and cash equivalents	(957)	(37,641)
Cash and cash equivalents at beginning of year	25,839	100,174
Cash and cash equivalents at end of period	<u>\$ 24,882</u>	<u>\$ 62,533</u>

See accompanying notes to consolidated financial statements.

CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(Unaudited)

NOTE 1. DESCRIPTION OF BUSINESS AND RELATED MATTERS

The Company and Related Matters

Cablevision Lightpath LLC (together with its subsidiaries, "we", "us", "our" or the "Company") provides Ethernet, data transport, IP-based virtual private networks, Internet access, telephony services, including Session-Initiated Protocol ("SIP") trunking, and voice over Internet protocol ("VoIP") services to the business market primarily in the New York, Boston and Miami metropolitan areas. We also provide managed services to businesses, including hosted telephony services, managed WiFi, managed desktop and server backup and managed collaboration services including audio and web conferencing. Additionally, we offer fiber-to-the-tower services to wireless carriers. Our direct parent, Lightpath Holdings LLC ("Lightpath Holdings") is owned 49.99% by Morgan Stanley Infrastructure Partners ("MSIP") and 50.01% by Altice USA, Inc. ("Altice USA") who also maintains control over us. We classify our operations in one segment.

NOTE 2. BASIS OF PRESENTATION

Our accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), and have been derived from the consolidating financial statements and accounting records of Altice USA and reflect certain assumptions and allocations. Subsequent to the closing of MSIP's purchase of its 49.99% interest in our direct parent on December 1, 2020 (the "Lightpath Transaction"), charges for certain services provided by Altice USA to us are outlined in a services agreement entered into with Altice USA (see Note 10 for a description of the services provided). Our financial position, results of operations and cash flows could differ from those that might have resulted had we been operated autonomously or as an entity independent of Altice USA.

As of March 31, 2024, our current liabilities exceeded our current assets. We believe future operating cash flows and availability under our revolving credit facility will provide adequate funds to support our operations.

The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our annual report for the year ended December 31, 2023.

The results of operations for the interim periods are not necessarily indicative of the results that might be expected for future interim periods or for the full year ending December 31, 2024.

The financial statements presented in this report are unaudited; however, in the opinion of management, such financial statements include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the results for the periods presented.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and our wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions, including estimated allocations, which affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands)
(Unaudited)

NOTE 3. REVENUE

The following table presents the composition of revenue:

	Three Months Ended March 31,	
	2024	2023
Ethernet	\$ 87,282	\$ 83,845
Managed services	6,618	6,946
Time-division multiplexing ("TDM") services	2,527	2,212
Other	3,944	3,612
Total revenue	\$ 100,371	\$ 96,615

Our service offerings consist of various telecommunications services to large enterprise businesses, including broadband, telephony and networking services. We satisfy our performance obligations to provide services to customers over time as the services are rendered. The amount of revenue recognized reflects the consideration which we expect to be entitled to receive in exchange for these services. Fixed fees are billed monthly in advance and usage fees are billed monthly in arrears. Amounts billed are due upon receipt and contract lengths typically range from three to five years. To the extent a customer contract is terminated prior to its contractual end, the customer is subject to termination fees. We recognize termination fees as they are collected, unless they are paid in advance, in which case they are recognized through actual termination dates. In certain instances, upon expiration of a contract and prior to its renewal, we continue to provide services on a month to month basis. Installation revenue is deferred and recognized generally over the average contract term. We periodically enter into contractual agreements to grant an indefeasible right of use of dark fiber for a specified term, typically 20 years. These transactions are accounted for under Topic 842 as sales-type leases and revenue is recognized at the time of delivery and acceptance by the customer.

We are assessed non-income related taxes and fees by governmental authorities and we collect such taxes from our customers. In instances where the tax and fee is being assessed directly on us, amounts paid to the governmental authorities are recorded as direct costs, and amounts received from the customers are recorded as revenue. For the three months ended March 31, 2024 and 2023, the amount of these non-income related taxes and fees included as a component of revenue aggregated \$4,842 and \$4,861, respectively.

Contract Assets

Incremental costs incurred in obtaining a contract with a customer are deferred and recorded as a contract asset if the period of benefit is expected to be greater than one year. Commissions related to customer sales are deferred and amortized over the average contract term. These are included in other current and noncurrent assets in the accompanying consolidated balance sheets and totaled \$13,220 and \$12,970 as of March 31, 2024 and December 31, 2023, respectively.

NOTE 4. SUPPLEMENTAL CASH FLOW INFORMATION

Our non-cash investing and financing activities and other supplemental data were as follows:

	Three Months Ended March 31,	
	2024	2023
<u>Non-Cash Investing and Financing Activities:</u>		
Property and equipment accrued but unpaid	\$ 16,450	\$ 18,070
<u>Supplemental Data:</u>		
Interest paid, net	33,650	31,825
Income taxes paid, net	101	110

CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands)
(Unaudited)

NOTE 5. INTANGIBLE ASSETS

The following table summarizes information relating to our amortizable intangible assets:

	As of March 31, 2024			As of December 31, 2023			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Estimated Useful Lives
Customer relationships	\$ 302,294	\$ (201,419)	\$ 100,875	\$ 302,294	\$ (196,499)	\$ 105,795	3 to 18 years
Trade names	60,000	(60,000)	—	60,000	(60,000)	—	4 years
	<u>\$ 362,294</u>	<u>\$ (261,419)</u>	<u>\$ 100,875</u>	<u>\$ 362,294</u>	<u>\$ (256,499)</u>	<u>\$ 105,795</u>	

Amortization expense for the three months ended March 31 2024 and 2023 aggregated \$4,920 and \$5,455, respectively.

NOTE 6. DEBT

The following table provides a summary of the Company's outstanding debt:

				March 31, 2024		December 31, 2023	
	Date Issued	Maturity Date	Interest Rate	Principal Amount	Carrying Amount (a)	Principal Amount	Carrying Amount (a)
Senior Notes	September 29, 2020	September 15, 2028	5.625 %	\$ 415,000	\$ 409,407	\$ 415,000	\$ 409,136
Senior Secured Notes	September 29, 2020	September 15, 2027	3.875 %	450,000	444,759	450,000	444,410
Term Loan (b)	November 30, 2020	November 30, 2027	8.690 %	580,500	571,011	582,000	571,898
Revolving Credit Facility (c)				—	—	—	—
				<u>1,445,500</u>	<u>1,425,177</u>	<u>1,447,000</u>	<u>1,425,444</u>
Less: current portion of credit facility debt				(6,000)	(6,000)	(6,000)	(6,000)
Long-term debt, net of current maturities				<u>\$ 1,439,500</u>	<u>\$ 1,419,177</u>	<u>\$ 1,441,000</u>	<u>\$ 1,419,444</u>

(a) The carrying amount is net of the unamortized deferred financing costs and discounts.

(b) Pursuant to the loan agreement, interest will be calculated for any (i) SOFR loan, at a rate per annum equal to the Term SOFR (plus spread adjustments of 0.11448%, 0.26161% and 0.42826% for interest periods of one, three and six months, respectively) or (ii) the alternate base rate loan, at the alternative base rate as applicable, plus the applicable margin in each case, where the applicable margin is 2.25% per annum with respect to any alternate base rate loan and 3.25% per annum with respect to any SOFR loan. There were no borrowings outstanding under the Company's revolving credit facility which provides for commitments in an aggregate principal amount of \$115,000.

(c) See discussion on our extension amendment to our credit facility below.

Credit Facility

In February 2024, we entered into an extension amendment (the "Extension Amendment") to our amended credit agreement (the "Amended Credit Agreement") that provides for, among other things, (a) an extension of the scheduled maturity date with respect to the 2027 Revolving Credit Commitments (as defined in the Extension Amendment) under the Amended Credit Agreement to the date (the "New Maturity Date") that is the later of (x) November 30, 2025 and (y) the earlier of (i) June 15, 2027 and (ii) the date that is five business days after any Extension Breach Date (as defined in the Amended Credit Agreement) and (b) incremental revolving credit commitments in an aggregate principal amount of \$15,000 which shall be of the same class and type as the 2027 Revolving Credit Commitments and will, for the avoidance of doubt, mature on the New Maturity Date. After giving effect to the Extension Amendment, the aggregate principal amount of revolving loan commitments available under the Amended Credit Agreement equaled \$115,000.

Under the Extension Amendment, the aggregate principal amount of 2027 Revolving Credit Commitments equaled \$95,000 and the aggregate principal amount of 2025 Revolving Credit Commitments (as defined in the Extension

CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands)
(Unaudited)

Amendment) equaled \$20,000. Interest will be calculated at a rate per annum equal to the adjusted Term SOFR rate or the alternate base rate, as applicable, plus the applicable margin, where the applicable margin is (i) with respect to any alternate base rate loan, 2.25% per annum and (ii) with respect to any Term SOFR loan, 3.25% per annum.

Debt Compliance

As of March 31, 2024, we were in compliance with applicable financial covenants under the Amended Credit Agreement and with applicable financial covenants under each respective indenture by which our senior secured notes and senior notes were issued.

Summary of Debt Maturities

The future principal payments under our various debt obligations outstanding as of March 31, 2024, are as follows:

Years Ending December 31,

2024	\$ 4,500
2025	6,000
2026	6,000
2027	1,014,000
2028	415,000

NOTE 7. DERIVATIVES

Interest Rate Swap Contracts

To manage interest rate risk, we have from time to time entered into interest rate swap contracts to adjust the proportion of total debt that is subject to variable and fixed interest rates. Such contracts effectively fix the borrowing rates on floating rate debt to provide an economic hedge against the risk of rising rates and/or effectively convert fixed rate borrowings to variable rates to permit us to realize lower interest expense in a declining interest rate environment. We monitor the financial institutions that are counterparties to our interest rate swap contracts and we only enter into interest rate swap contracts with financial institutions that are rated investment grade. All such contracts are not designated as hedges for accounting purposes and are carried at their fair market values on our consolidated balance sheets as derivative contracts, long-term, with changes in fair value reflected in the consolidated statements of operations.

The following is a summary of the terms of our interest rate swap contracts:

<u>Maturity Date</u>	<u>Notional Amount</u>	<u>Company Pays</u>	<u>Company Receives</u>
December 2026	300,000	Fixed rate of 2.11%	One-month SOFR
December 2026	180,000	Fixed rate of 3.523%	One-month SOFR

For the three months ended March 31, 2024 and 2023, we recorded a gain (loss) on interest rate swap contracts of \$9,161 and \$(1,449), respectively.

CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands)
(Unaudited)

NOTE 8. FAIR VALUE MEASUREMENT

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

- Level I - Quoted prices for identical instruments in active markets.
- Level II - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level III - Instruments whose significant value drivers are unobservable.

Our money market funds of \$12,864 and \$10,666 as of March 31, 2024 and December 31, 2023, respectively, are recorded as cash equivalents and classified within Level I of the fair value hierarchy because they are valued using quoted market prices.

Our interest rate swap contracts are valued using market-based inputs to valuation models. These valuation models require a variety of inputs, including contractual terms, market prices, yield curves, and measures of volatility. When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit risk considerations. Such adjustments are generally based on available market evidence. Since model inputs can generally be verified and do not involve significant management judgment, we have concluded that these instruments should be classified within Level II of the fair value hierarchy.

The carrying values of cash, accounts receivable, accounts payable, and accrued expenses approximate their fair value due to the short-term maturity of these instruments.

Credit Facility Debt, Senior Secured Notes and Senior Notes

The fair values of each of our debt instruments are based on quoted market prices for the same or similar issues or on the current rates offered to us for instruments of the same remaining maturities.

The carrying values, estimated fair values, and classification under the fair value hierarchy of our financial instruments are summarized below:

		March 31, 2024		December 31, 2023	
	Fair Value Hierarchy	Carrying Amount (a)	Estimated Fair Value	Carrying Amount (a)	Estimated Fair Value
Credit facility debt	Level II	571,011	\$ 580,500	\$ 571,898	\$ 582,000
Senior secured notes	Level II	444,759	401,063	444,410	391,500
Senior notes	Level II	409,407	346,525	409,136	325,775
		<u>\$ 1,425,177</u>	<u>\$ 1,328,088</u>	<u>\$ 1,425,444</u>	<u>\$ 1,299,275</u>

(a) Amounts are net of unamortized deferred financing costs and discounts.

The fair value estimates related to our debt instruments presented above are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgments and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands)
(Unaudited)

NOTE 9. INCOME TAXES

We are treated as a partnership for income tax purposes, thus the taxability of our income is passed to our members. Accordingly, federal income taxes are not reflected in the accompanying statements of operations. However, we are subject to New York City Unincorporated Business Tax ("NYC UBT"). We recorded income tax expense of \$90 on pre-tax income of \$16,544 for the three months ended March 31, 2024, and an income tax benefit of \$1,171 on pretax income of \$8,778 for the three months ended March 31, 2023. The income tax benefit for the three months ended March 31, 2023 is primarily due to the remeasurement of the net deferred tax liability.

NOTE 10. AFFILIATE AND RELATED PARTY TRANSACTIONS

We are a majority-owned indirect subsidiary of Altice USA, which is controlled by Patrick Drahi who is also the controlling stockholder of other entities. In connection with the operation of our business, we receive certain services from and provides certain services to affiliates, primarily Altice USA and its subsidiaries. As the transactions discussed below were conducted between entities under common control, amounts charged for certain services may not have represented amounts that might have been received or incurred if the transactions were based upon arm's length negotiations. It is not practicable to determine whether the amounts charged for such services represent amounts that it might have incurred on a standalone basis. Management believes that the assumptions underlying the allocations of corporate general and administration expenses from Altice USA are reasonable.

The following table summarizes the revenue and costs related to services provided to or received from affiliates and related parties:

	Three Months Ended March 31,	
	2024	2023
Revenue	\$ 1,996	\$ 1,727
Operating expenses:		
Direct costs	(62)	(98)
Other operating expenses, net:		
Technical and network support personnel	(442)	(304)
Corporate overhead and support	(2,156)	(3,364)
Network support services	(2,462)	(1,654)
Health and welfare plans	(1,441)	(1,531)
401(k) plan	(766)	(822)
Share-based compensation	—	(2)
Capitalized costs	2,567	1,847
	(4,700)	(5,830)
Total operating expenses	(4,762)	(5,928)
Other expense	(50)	(64)
Net charges	\$ (2,816)	\$ (4,265)
Capital expenditures	\$ 2,567	\$ 1,847

Revenue

Revenue amounts reflected in the table above relate to certain technical services provided primarily to Altice USA, including Ethernet, multiplexing and usage.

Direct Costs

Direct costs relate to data usage and call completion costs charged to us by our affiliates.

Technical and Network Support Personnel

We were charged for salaries and benefits of technical and network support personnel of Altice USA who performed services exclusively for us based upon actual costs incurred by Altice USA.

CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands)
(Unaudited)

Corporate Overhead and Support

Certain operating costs are charged by Altice USA to us, including overhead and common support function costs (such as human resources, legal, finance, accounting, tax, audit, treasury, information technology, and insurance, etc.) and facility costs based on an estimated level of effort and actual costs incurred by Altice USA as outlined in a services agreement entered into with Altice USA.

Network Support Services

We were charged a fixed fee per fiber route mile as outlined in a services agreement entered into with Altice USA.

Health and Welfare Plans

Our employees participate in health and welfare plans sponsored by Altice USA. Health and welfare benefit costs are generally charged by Altice USA to us based upon the proportionate number of participants in the plans.

401(k) Savings Plan

Altice USA sponsors a qualified defined contribution 401(k) savings plan and a nonqualified excess savings plan in which certain of our employees participate. We make matching contributions for a portion of employee voluntary contributions. Amounts in the table above reflect the total expense related to these employee plans.

Share-based Compensation

Altice USA charged us for shared-based compensation related to awards granted to our employees pursuant to Altice USA's long term incentive plan.

Capitalized Costs

Amounts in the table above reflect the portion of the costs allocated to us that were capitalized and reflected as property, plant, and equipment.

Other Expense

Altice USA sponsors a non-contributory qualified defined benefit cash balance pension plan and a noncontributory non-qualified defined benefit excess cash balance plan in which the benefits earned by our employees who participate are "frozen." Amounts in the table above reflect total income or benefit allocated to us related to these plans. We do not provide post-retirement benefits for any of our employees.

Capital Expenditures

Certain Altice USA employees performed network construction activities for us. For the three months ended March 31, 2024 and 2023, \$2,567 and \$1,847, respectively, of costs allocated to us were capitalized and reflected as property, plant and equipment.

Aggregate amounts that were due from and due to related parties are summarized below:

	March 31, 2024	December 31, 2023
Due from affiliates, current	\$ 316	\$ 334
Due to affiliates, current	\$ (53,858)	\$ (32,277)

Equity Distributions

For the three months ended March 31, 2023, we recorded a non-cash equity distribution amounting to \$2,207 to our parent.

NOTE 11. COMMITMENTS AND CONTINGENCIES

Legal Matters

In 2014, plaintiff Phone Administrative Services Inc. filed a New York False Claims Act complaint against numerous telephone providers in New York asserting knowing underpayment of 911 and Emergency Response fees. In October 2019, plaintiff filed a Second Amended Complaint that added us as a defendant. Defendants filed a motion to dismiss

CABLEVISION LIGHTPATH LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands)
(Unaudited)

on February 14, 2020. In response to the motion, plaintiff's counsel advised that it would again amend the complaint and the parties agreed to hold the motion in abeyance until the complaint was amended. Plaintiff filed its Third Amended Complaint on or about April 29, 2021 and its Fourth Amended Complaint on May 19, 2021. Defendants moved to dismiss that complaint; the Court denied that motion with a limited exception on March 11, 2022. On September 4, 2022, plaintiff served its Fifth Amended Complaint and, on February 20, 2023, plaintiff served its Sixth Amended Complaint. Defendants have filed a motion for summary judgment dismissing the Sixth Amended Complaint. Plaintiff has filed two motions for partial summary judgment, only one of which is directed to the Company. The motions will be submitted to the Court on April 15, 2024 and scheduled for oral argument on a date thereafter. Although the outcome of the matter cannot be predicted and the impact of the final resolution of this matter on our results of operations in any particular subsequent reporting period is not known at this time, management does not believe that the ultimate resolution of the matter will have a material adverse effect on our operations or financial position or our ability to meet our financial obligations as they become due.

In connection with the Lightpath Transaction, an affiliate of Altice USA agreed to indemnify us and Lightpath Holdings for liabilities incurred by them that are related to the above listed matter, in addition to certain other matters, and that exceed \$10,000 in the aggregate.

In addition to the matters discussed above, we and Altice USA are party to various other lawsuits, disputes and investigations, some of which may involve claims for substantial damages, fines or penalties. Although the outcome of these other matters cannot be predicted and the impact of the final resolution of these other matters on our results of operations in a particular subsequent reporting period is not known, management does not believe that the resolution of these other lawsuits, or an allocation of liability from Altice USA to us related thereto, will have a material adverse effect on our operations or financial position or our ability to meet our financial obligations as they become due.

NOTE 12. MANAGEMENT INCENTIVE PLAN

As of March 31, 2024, 494,286 Class A-1 management incentive units and 250,829 Class A-2 management incentive units ("Award Units") granted to certain employees of Lightpath were outstanding. Vested units will be redeemed upon a partial exit, a change in control or the completion of an initial public offering, as defined in the Lightpath Holdings LLC agreement. The grant date fair value of the Award Units outstanding aggregated \$29,438 and will be expensed in the period in which a partial exit or a liquidity event is consummated.

NOTE 13. SUBSEQUENT EVENTS

The Company has updated its review of subsequent events as of May 13, 2024 (the date available for issuance) noting no events that require disclosure.

Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis of financial condition and results of operations contains statements concerning our future operating results and future financial performance. Words such as "expects", "anticipates", "believes", "estimates", "may", "will", "should", "could", "potential", "continue", "intends", "plans" and similar words and terms used in the discussion of future operating results, future financial performance and future events identify forward-looking statements. Users are cautioned that such forward-looking statements are not guarantees of future performance, results or events and involve risks and uncertainties and that actual results or developments may differ materially from the forward-looking statements as a result of various factors.

We operate in a highly competitive, consumer and technology driven and rapidly changing business that is affected by government regulation and economic, strategic, technological, political and social conditions. Various factors could adversely affect our operations, business or financial results in the future and cause our actual results to differ materially from those contained in the forward-looking statements. In addition, important factors that could cause our actual results to differ materially from those in our forward-looking statements include:

- our rights to the use of fiber that we do not own and that comprises a significant portion of our network may be affected by the ability to continue long term contracts and the financial stability of Altice USA and its indirect subsidiary, CSC Holdings LLC ("Altice Service Provider");
- the substantial capital expenditures that our operations require;
- our dependency on our ability to renew our long-term contracts with our customers;
- risks related to our major contracts;
- tax distributions to our ultimate equity holders in amounts in excess of the tax expense that we would incur if we were a similarly situated corporate taxpayer;
- our ability to obtain financing on terms that are acceptable to us, or at all;
- the unpredictability of future tax liabilities;
- conditions or assumptions differing from the judgments, assumptions or estimates used in our critical accounting policies or forward-looking statements;
- impairment of goodwill or other intangible assets;
- our ability to efficiently manage our growth;
- our reliance on various third parties for our operations, financial performance and liquidity;
- portions of our property, plant and equipment that are located on property owned by third parties;
- the outcome of litigation and other proceedings;
- our dependence on intellectual property rights and non-infringement on the intellectual property rights of others;
- potential liability for the material that content providers distribute over our networks;
- our failure to hire and retain qualified personnel;
- our reliance on Altice Service Provider's network and information systems for our operations and a disruption or failure of, or defects in, those systems may disrupt our operations, damage our reputation with customers and adversely affect our results of operations;
- a significant data security breach or our failure to detect and appropriately respond to a significant data security breach;
- our substantial indebtedness and debt service obligations;
- the restrictions contained in our financing agreements;
- adverse changes in the credit market;

- our ability to generate sufficient cash flow to meet our debt service obligations;
- financial community and rating agency perceptions of our business, operations, financial condition and the industries in which we operate; and
- other risks and uncertainties inherent in business, including those listed under the caption "Risk Factors" included in our Annual Report for the year ended December 31, 2023.

These factors are not necessarily all of the important factors that could cause our actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could cause our actual results to differ materially from those expressed in any of our forward-looking statements.

Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. Except to the extent required by law, we do not undertake, and specifically decline any obligation, to update any forward-looking statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

You should read this management's discussion and analysis of financial condition and results of operations with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect. We qualify all forward-looking statements by these cautionary statements.

Certain numerical figures included in this management's discussion and analysis of financial condition and results of operations have been subject to rounding adjustments. Accordingly, such numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

All dollar amounts included in the following discussion are presented in thousands.

Our Business

We provide Ethernet, data transport, IP-based virtual private networks, Internet access, telephony services, including Session-Initiated Protocol ("SIP") trunking, and voice over Internet protocol ("VoIP") services to the business market primarily in the New York, Boston and Miami metropolitan areas. We also provide managed services to businesses, including hosted telephony services, managed WiFi, managed desktop and server backup and managed collaboration services including audio and web conferencing. Additionally, we offer fiber-to-the-tower services to wireless carriers. Our customers include companies in health care, financial, education, legal and professional services, and other industries, as well as the public sector and communication providers, incumbent local exchange carriers, and competitive local exchange carriers.

As of March 31, 2024, we had approximately 15,400 locations connected to our fiber network, which currently includes approximately 21,400 route miles (approximately 12,300 owned route miles and approximately 9,100 route miles pursuant to an IRU from Altice Service Provider and approximately 1,322,100 fiber miles (i.e., route miles multiplied by the number of fiber strands within each cable sheath; "fiber miles"). Our fiber network as of March 31, 2024 excludes an approximate 8,700 fiber route miles in the New York metropolitan area available to us on preferential terms via its IRU Agreement with Altice Service Provider.

We operate in a highly competitive business telecommunications market and compete primarily with local incumbent telephone companies, especially AT&T, Inc., Lumen Technologies, Inc., Frontier Communications Parent, Inc., and Verizon Communications Inc., as well as with a variety of other national and regional business services competitors.

Management

Eric Swanholm, who served as our Executive Vice President of Finance since April 2021, retired from the Company, effective April 3, 2024. Mr. Swanholm continued to assist the Company in a transitional role until May 1, 2024. We are conducting a search for Mr. Swanholm's replacement, and internal leaders are managing the Finance Department until such replacement is hired. We do not view this change in management as material to our overall business.

Other than as described herein, there have been no changes to our executive officers as disclosed in our Annual Report for the year ended December 31, 2023.

Key Factors Impacting Operating Results and Financial Condition

Our future performance is dependent, to a large extent, on the impact of direct competition, general economic conditions (including capital and credit market conditions), our ability to manage our business effectively, and our relative strength and leverage in the marketplace, both with suppliers and customers.

Non-GAAP Financial Measures

We define Adjusted EBITDA, which is a non-GAAP financial measure, as net income (loss) excluding income taxes, non-operating income or expenses, gain (loss) on interest rate swap contracts, net interest expense, net, depreciation and amortization, share-based compensation, restructuring, impairments and other operating items (such as significant legal settlements and contractual payments for terminated employees). See reconciliation of net income to Adjusted EBITDA below.

Adjusted EBITDA eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of our business and from intangible assets recognized from acquisitions, as well as certain non-cash and other operating items that affect the period-to-period comparability of our operating performance. In addition, Adjusted EBITDA is unaffected by our capital and tax structures and by our investment activities.

We believe Adjusted EBITDA is an appropriate measure for evaluating the operating performance of the Company. Adjusted EBITDA and similar measures with similar titles are common performance measures used by investors, analysts and peers to compare performance in our industry. Internally, we use revenue and Adjusted EBITDA measures as important indicators of our business performance and evaluate management's effectiveness with specific reference to these indicators. We believe Adjusted EBITDA provides management and investors a useful measure for period-to-period comparisons of our core business and operating results by excluding items that are not comparable across reporting periods or that do not otherwise relate to the Company's ongoing operating results. Adjusted EBITDA should be viewed as a supplement to and not a substitute for operating income (loss), net income (loss), and other measures of performance presented in accordance with GAAP. Since Adjusted EBITDA is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similar measures with similar titles used by other companies.

We also use Operating Free Cash Flow (defined as Adjusted EBITDA less cash capital expenditures), and Free Cash Flow (defined as net cash flows from operating activities less cash capital expenditures) as indicators of the Company's financial performance. We believe these measures are two of several benchmarks used by investors, analysts and peers for comparison of performance in our industry, although they may not be directly comparable to similar measures reported by other companies.

Results of Operations

	Three Months Ended March 31,	
	2024	2023
	(Unaudited)	
Revenue:		
Ethernet	\$ 87,282	\$ 83,845
Managed services	6,618	6,946
Time-division multiplexing ("TDM") services	2,527	2,212
Other	3,944	3,612
Total revenue	100,371	96,615
Operating expenses:		
Direct costs	10,473	6,909
Other operating expenses	31,727	32,823
Restructuring, impairments and other operating items	406	—
Depreciation and amortization	25,893	24,637
Operating income	31,872	32,246
Other expense:		
Interest expense, net	(24,439)	(21,955)
Gain (loss) on interest rate swap contracts, net	9,161	(1,449)
Other expense	(50)	(64)
Income before income taxes	16,544	8,778
Income tax benefit (expense)	(90)	1,171
Net income	\$ 16,454	\$ 9,949

The following is a reconciliation of net income to Adjusted EBITDA and Operating Free Cash Flow (Deficit):

	Three Months Ended March 31,	
	2024	2023
	(Unaudited)	
Net income	\$ 16,454	\$ 9,949
Income tax expense (benefit)	90	(1,171)
Other expense	50	64
Loss (gain) on interest rate swap contracts, net	(9,161)	1,449
Interest expense, net	24,439	21,955
Depreciation and amortization	25,893	24,637
Restructuring, impairments and other operating items	406	—
Share-based compensation	—	2
Adjusted EBITDA	58,171	56,885
Capital expenditures (cash)	48,180	58,079
Operating Free Cash Flow (Deficit)	\$ 9,991	\$ (1,194)

The following is a reconciliation of net cash flow from operating activities to Free Cash Flow (Deficit):

	Three Months Ended March 31,	
	2024	2023
	(Unaudited)	
Net cash flows from operating activities	\$ 48,723	\$ 21,933
Capital expenditures (cash)	48,180	58,079
Free Cash Flow (Deficit)	\$ 543	\$ (36,146)

Comparison of Results for the Three Months Ended March 31, 2024 as compared to the Three Months Ended March 31, 2023

Revenue

Revenue for the three months ended March 31, 2024 and 2023 was \$100,371 and \$96,615, respectively. Our revenue is derived primarily from the sale of fiber-based broadband and telephony services, including bandwidth and managed services, to enterprise customers and carrier customers. Other revenue includes contract termination fees, indefeasible right to use ("IRU") contract fees, and fees for usage, access, installation, and other ancillary services. Revenue increased \$3,756 (4%) for the three months ended March 31, 2024, as compared to the same period in the prior year. The increase was primarily due to an increase in Ethernet revenue, TDM revenue and IRU contract fee revenue, partially offset by a decrease in managed services.

Direct Costs

Direct costs for the three months ended March 31, 2024 and 2023 amounted to \$10,473 and \$6,909, respectively. These costs include taxes and surcharges which represent federal and state fees incurred by us to operate as a telecommunications carrier. These costs also include interconnection, call completion, circuit and transport fees paid to other telecommunication companies for the transport and termination of voice and data services, which typically vary based on rate changes and the level of usage by our customers.

The increase of \$3,564 (52%) for the three months ended March 31, 2024, as compared to the prior year period was attributable to the following:

Increase in taxes and surcharges, primarily from higher tax refunds received in 2023	\$	3,679
Other net decreases		(115)
	\$	<u>3,564</u>

Other Operating Expenses

Other operating expenses for the three months ended March 31, 2024 and 2023 amounted to \$31,727 and \$32,823, respectively. Other operating expenses include (i) salaries and commissions of employees and related taxes, benefits and other employee related expenses; (ii) costs associated with the repair and maintenance of our network, including costs of certain customer connections and other costs associated with providing and maintaining services to our customers; (iii) overhead and common support function costs (such as human resources, legal, government affairs, finance, accounting, tax, audit, treasury, information technology, and insurance, etc.) and facility costs; and (iv) various other operating expenses including agency fees, rent, subscriber billing costs, and marketing and advertising costs. See Note 10 to our consolidated financial statements included in this quarterly report for a discussion of services performed by affiliates of the Company and the related charges for these services.

The decrease of \$1,096 (3%) in other operating expenses for the three months ended March 31, 2024 as compared to the prior year period was attributable to the following:

Net decrease in labor costs and benefits primarily from an increase in capitalizable activity	\$	(1,325)
Increase in repairs and maintenance costs, net		428
Increase in marketing costs		262
Other net decreases		(461)
	\$	<u>(1,096)</u>

Restructuring, Impairments and Other Operating Items

Restructuring, impairments and other operating items amounted to \$406 for the three months ended March 31, 2024 and relate to severance and other employee related costs recorded for the period.

Depreciation and Amortization

Depreciation and amortization for the three months ended March 31, 2024 and 2023 amounted to \$25,893 and \$24,637, respectively. The increase in depreciation and amortization of \$1,256 (5%) for the three months ended

March 31, 2024 as compared to the prior year period was a result of asset additions, partially offset by certain assets becoming fully depreciated.

Adjusted EBITDA

Adjusted EBITDA amounted to \$58,171 and \$56,885 for the three months ended March 31, 2024 and 2023, respectively. Adjusted EBITDA is a non-GAAP measure. See the definition of Adjusted EBITDA under "Non-GAAP Financial Measures" and the reconciliation of net income to Adjusted EBITDA above.

The increase in Adjusted EBITDA of \$1,286 (2%) for the three months ended March 31, 2024 as compared to the prior year period was primarily due to an increase in revenue, partially offset by an increase in operating expenses (excluding depreciation and amortization, restructuring expense and other operating items, and share-based compensation), as discussed above.

Operating Free Cash Flow (Deficit)

Operating free cash flow (deficit) was \$9,991 and \$(1,194) for the three months ended March 31, 2024 and 2023, respectively. The increase in operating free cash flow of \$11,185 for the three months ended March 31, 2024 as compared to the prior year period was primarily due to a decrease in capital expenditures.

Free Cash Flow (Deficit)

Free cash flow (deficit) was \$543 and \$(36,146) for the three months ended March 31, 2024 and 2023, respectively. The increase in free cash flow of \$36,689 for the three months ended March 31, 2024 as compared to the same period in 2023 was primarily due to an increase in net cash flows from operating activities and a decrease in capital expenditures.

Interest Expense, Net

Interest expense, net was \$24,439 and \$21,955 for the three months ended March 31, 2024 and 2023, respectively. The increase of \$2,484 (11%) as compared to the same period in 2023 was primarily due to an increase in interest rates, partially offset by a decrease in average debt balances.

Gain (loss) on Interest Rate Swap Contracts, Net

Gain (loss) on interest rate swap contracts, net was \$9,161 and \$(1,449) for the three months ended March 31, 2024 and 2023, respectively. These amounts represent the change in the fair value on our interest rate swap contracts entered into in March 2022 and April 2023. These contracts are not designated as hedges for accounting purposes.

Other Expense

Other expense amounted to \$50 and \$64 for the three months ended March 31, 2024 and 2023, respectively. These amounts primarily relate to the non-service cost components of Altice USA's pension expense allocated to us.

Income Tax Benefit (Expense)

We are treated as a partnership for income tax purposes and are subject to tax in New York City Unincorporated Business Tax ("NYC UBT"). We recorded an income tax benefit (expense) of \$(90) and \$1,171 for the three months ended March 31, 2024 and 2023, respectively. The income tax benefit for the three months ended March 31, 2023 is primarily due to the remeasurement of the net deferred tax liability.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2024, our consolidated cash and cash equivalents amounted to \$24,882 and we had principal debt outstanding of \$1,445,500.

Our most significant financial obligations are our debt obligations. The terms of the debt instruments contain certain restrictions, including covenants that restrict our ability to incur additional debt. As a result, additional debt financing is only a potential source of liquidity if the incurrence of any new debt is permitted by the terms of our existing debt instruments.

Sources of Liquidity

Our principal sources of liquidity are our existing cash balances, operating cash flows of our operating subsidiaries and availability under our revolving credit facility, which we believe will provide adequate funds to support our current operating plan, make planned capital expenditures, and fulfill our debt service requirements pursuant to our outstanding indebtedness, for the next twelve months. The availability of borrowings under our credit facility is conditioned upon compliance with specified leverage ratios. Our ability to fund our operations, make planned capital expenditures, and make scheduled payments on our indebtedness and repay our indebtedness depends on our future operating performance and cash flows and our ability to access the capital markets, which, in turn, are subject to prevailing economic conditions and to financial, business and other factors, some of which are beyond our control. Competition, market disruptions or a deterioration in economic conditions could lead to lower demand for our products and increased incidence of customers' inability to pay for the services we provide. These events would adversely impact our results of operations, cash flows and financial position.

In the longer term, we may not be able to generate sufficient cash from operations to fund anticipated capital expenditures or meet all existing future contractual payment obligations. As a result, we could be dependent upon our access to the capital and credit markets to issue debt or equity. We believe we have the ability to access the credit markets if needed, however, we can provide no assurance that access to such funds will not be impacted by adverse conditions in the financial markets or other conditions. We intend to raise significant amounts of funding over the next several years to extend our debt maturities, repay existing obligations and meet other obligations, and the failure to do so successfully could adversely affect our business. If we are unable to do so, we will need to take other actions including deferring capital expenditures, selling assets, seeking strategic investments from third parties or reducing or eliminating discretionary uses of cash.

Debt issued by us is subject to certain restrictive covenants. We are subject to incurrence based covenants, which do not require ongoing compliance with financial ratios, but place certain limitations on our ability to, among other things, incur or guarantee additional debt (including to finance new acquisitions), create liens, pay dividends and other distributions to its member or prepay subordinated indebtedness, make investments, sell assets, engage in affiliate transactions or engage in mergers or consolidations. These covenants are subject to several important exceptions and qualifications.

To be able to incur additional debt under an applicable debt instrument, we must either meet the ratio test described below (on a pro forma basis for any contemplated transaction giving rise to the debt incurrence) or have available capacity under the general debt basket or meet certain other exceptions to the limitation on indebtedness covenant in such debt instrument. Our senior debt will be subject to an incurrence test of 6.75:1 (Consolidated Net Leverage to L2QA Pro Forma EBITDA (each as defined in the relevant debt instruments)) and our senior secured debt will be subject to an incurrence test of 4.75:1 (Consolidated Net Senior Secured Leverage (as defined in the relevant debt instrument) to L2QA Pro Forma EBITDA). We will be allowed to fully consolidate the EBITDA from any subsidiaries in which we have a controlling interest and that are contained in the restricted group as defined in the relevant debt instruments.

Credit Agreement

We are party to a credit agreement which originally provided for a term loan in an aggregate principal amount of \$600,000 (\$580,500 outstanding at March 31, 2024) and revolving loan commitments in an aggregate principal amount of \$115,000 (the "Amended Credit Agreement"). As of March 31, 2024, there were no borrowings outstanding under the revolving credit facility.

In February 2024, we entered into an extension amendment (the "Extension Amendment") to our amended credit agreement (the "Amended Credit Agreement") that provides for, among other things, (a) an extension of the scheduled maturity date with respect to the 2027 Revolving Credit Commitments (as defined in the Extension Amendment) under the Amended Credit Agreement to the date (the "New Maturity Date") that is the later of (x) November 30, 2025 and (y) the earlier of (i) June 15, 2027 and (ii) the date that is five business days after any Extension Breach Date (as defined in the Amended Credit Agreement) and (b) incremental revolving credit commitments in an aggregate principal amount of \$15,000 which shall be of the same class and type as the 2027 Revolving Credit Commitments and will, for the avoidance of doubt, mature on the New Maturity Date. After giving

effect to the Extension Amendment, the aggregate principal amount of revolving loan commitments available under the Amended Credit Agreement equaled \$115,000.

Under the Extension Amendment, the aggregate principal amount of 2027 Revolving Credit Commitments equaled \$95,000 and the aggregate principal amount of 2025 Revolving Credit Commitments (as defined in the Extension Amendment) equaled \$20,000. Interest will be calculated at a rate per annum equal to the adjusted Term SOFR rate or the alternate base rate, as applicable, plus the applicable margin, where the applicable margin is (i) with respect to any alternate base rate loan, 2.25% per annum and (ii) with respect to any Term SOFR loan, 3.25% per annum.

Senior Secured Notes and Senior Notes

In 2020, we issued \$450,000 in aggregate principal amount of senior secured notes that bear interest at a rate of 3.875% and mature on September 15, 2027 and \$415,000 in aggregate principal amount of senior notes that bear interest at a rate of 5.625% and mature on September 15, 2028.

As of March 31, 2024, we were in compliance with applicable financial covenants under each respective indenture by which the senior secured notes and senior notes were issued.

See Note 6 to the Consolidated Financial Statements for further details of our outstanding indebtedness.

Interest Rate Swap Contracts

See Note 7 of our consolidated financial statements for further details of our outstanding interest rate swap contracts.

Capital Expenditures

The following table presents the Company's capital expenditures for the periods indicated:

	Three Months Ended March 31,	
	2024	2023
Fiber network (a).....	\$ 36,850	\$ 40,500
Network and customer equipment (b).....	9,750	14,155
Support and other (c).....	1,580	3,424
Capital purchases (cash basis).....	48,180	58,079
Change in accrued and unpaid purchases and other.....	(1,183)	5,643
Capital purchases (including accrued but not paid) (d).....	<u>\$ 46,997</u>	<u>\$ 63,722</u>

- (a) Fiber network includes the cost of design, engineering and construction of our fiber backbone and fiber connections to customer locations.
- (b) Network and customer equipment includes routing and interconnection equipment at our network locations, as well as equipment collocated in customer facilities.
- (c) Support and other includes costs associated with the replacement or enhancement of non-network assets, such as software systems, office equipment, and facilities.
- (d) Amounts are comprised of the following:

	Three Months Ended March 31,	
	2024	2023
Success-based.....	\$ 37,367	\$ 45,776
Maintenance, support and other.....	9,630	17,946
Capital purchases (including accrued not paid).....	<u>\$ 46,997</u>	<u>\$ 63,722</u>

Cash Flow - Three Months Ended March 31, 2024 and 2023

Operating Activities

Net cash provided by operating activities amounted to \$48,723 and \$21,933 for the three months ended March 31, 2024 and 2023, respectively.

The increase in cash provided by operating activities of \$26,790 in the 2024 period as compared to the 2023 period resulted from an increase in net income before depreciation and amortization and other non-cash items of \$8,871 and \$17,919 due to changes in working capital (including an increase in interest payments of \$1,825 partially offset by a decrease in tax payments of \$9), as well as the timing of payments and collections of accounts receivable, among other items.

Investing Activities

Net cash used in investing activities for the three months ended March 31, 2024 and 2023 was \$48,180 and \$58,074, respectively, consisting primarily of capital expenditures.

Financing Activities

Net cash used in financing activities amounted to \$1,500 for the three months ended March 31, 2024 and 2023, consisting of the repayment of debt.

Commitments and Contingencies

As of March 31, 2024, our commitments and contingencies not reflected in our balance sheet was approximately \$17,914.