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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 10-Q**

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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-36708

**Uniti Group Inc.**

(Exact name of registrant as specified in its charter)

**Maryland**

(State or other jurisdiction of  
incorporation or organization)

**2101 Riverfront Drive, Suite A  
Little Rock, Arkansas**

(Address of principal executive offices)

**46-5230630**

(I.R.S. Employer  
Identification No.)

**72202**

(Zip Code)

Registrant's telephone number, including area code: (501) 850-0820

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	UNIT	The NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of October 26, 2023, the registrant had 238,672,102 shares of common stock, \$0.0001 par value per share, outstanding.

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes forward-looking statements as defined under U.S. federal securities law. Forward-looking statements include all statements that are not historical statements of fact and those regarding our intent, belief or expectations, including, but not limited to, statements regarding: our expectations regarding the settlement we have entered into with Windstream Holdings, Inc. (together with Windstream Holdings II, LLC, its successor in interest, and its subsidiaries, "Windstream"); the future prospects and financial health of Windstream; our expectations about our ability to maintain our status as a real estate investment trust (a "REIT"); our expectations regarding the future growth and demand of the telecommunication industry, future financing plans, business strategies, growth prospects, operating and financial performance, and our future liquidity needs and access to capital; expectations regarding future deployment of fiber strand miles and small cell networks and recognition of revenue related thereto; expectations regarding levels of capital expenditures; expectations regarding the deductibility of goodwill for tax purposes; expectations regarding reclassification of accumulated other comprehensive income (loss) related to derivatives to interest expense; expectations regarding the amortization of intangible assets; and expectations regarding the payment of dividends.

Words such as "anticipate(s)," "expect(s)," "intend(s)," "plan(s)," "believe(s)," "may," "will," "would," "could," "should," "seek(s)" and similar expressions, or the negative of these terms, are intended to identify such forward-looking statements. These statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could lead to actual results differing materially from those projected, forecasted or expected. Although we believe that the assumptions underlying the forward-looking statements are reasonable, we can give no assurance that our expectations will be attained. Factors which could have a material adverse effect on our operations and future prospects or which could cause actual results to differ materially from our expectations include, but are not limited to:

- the future prospects of our largest customer, Windstream, following its emergence from bankruptcy;
- adverse impacts of inflation and higher interest rates on our employees, our business, the business of our customers and other business partners and the global financial markets;
- the ability and willingness of our customers to meet and/or perform their obligations under any contractual arrangements entered into with us, including master lease arrangements;
- the ability and willingness of our customers to renew their leases with us upon their expiration, our ability to reach agreement on the price of such renewal or ability to obtain a satisfactory renewal rent from an independent appraisal, and the ability to reposition our properties on the same or better terms in the event of nonrenewal or in the event we replace an existing tenant;
- the availability of and our ability to identify suitable acquisition opportunities and our ability to acquire and lease the respective properties on favorable terms or operate and integrate the acquired businesses;
- our ability to generate sufficient cash flows to service our outstanding indebtedness and fund our capital funding commitments;
- our ability to access debt and equity capital markets;
- the impact on our business or the business of our customers as a result of credit rating downgrades and fluctuating interest rates;
- our ability to retain our key management personnel;
- our ability to maintain our status as a REIT;
- changes in the U.S. tax law and other federal, state or local laws, whether or not specific to REITs;
- covenants in our debt agreements that may limit our operational flexibility;
- the possibility that we may experience equipment failures, natural disasters, cyber-attacks or terrorist attacks for which our insurance may not provide adequate coverage;
- the risk that we fail to fully realize the potential benefits of or have difficulty in integrating the companies we acquire;
- other risks inherent in the communications industry and in the ownership of communications distribution systems, including potential liability relating to environmental matters and illiquidity of real estate investments; and

- additional factors discussed in Part I, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Part II, Item 1A “Risk Factors” of this Quarterly Report on Form 10-Q and in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K, as well as those described from time to time in our future reports filed with the U.S. Securities and Exchange Commission (the “SEC”).

Forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except in the normal course of our public disclosure obligations, we expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statements to reflect any change in our expectations or any change in events, conditions or circumstances on which any such statement is based.

**Uniti Group Inc.**  
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**PART I—FINANCIAL INFORMATION**
**Item 1. Financial Statements.**

**Uniti Group Inc.**  
**Condensed Consolidated Balance Sheets**

(Thousands, except par value)	(Unaudited)	
	September 30, 2023	December 31, 2022
<b>Assets:</b>		
Property, plant and equipment, net	\$ 3,962,436	\$ 3,754,547
Cash and cash equivalents	34,119	43,803
Accounts receivable, net	46,824	42,631
Goodwill	208,378	361,378
Intangible assets, net	312,541	334,846
Straight-line revenue receivable	87,733	68,595
Operating lease right-of-use assets, net	121,816	88,545
Other assets	79,000	77,597
Investment in unconsolidated entities	37,686	38,656
Deferred income tax assets, net	90,792	40,631
<b>Total Assets</b>	<b>\$ 4,981,325</b>	<b>\$ 4,851,229</b>
<b>Liabilities and Shareholders' Deficit:</b>		
<b>Liabilities:</b>		
Accounts payable, accrued expenses and other liabilities	\$ 133,958	\$ 122,195
Settlement payable (Note 13)	185,855	251,098
Intangible liabilities, net	159,071	167,092
Accrued interest payable	50,778	121,316
Deferred revenue	1,214,287	1,190,041
Dividends payable	69	2
Operating lease liabilities	81,302	66,356
Finance lease obligations	18,388	15,520
Notes and other debt, net	5,582,057	5,188,815
Total liabilities	7,425,765	7,122,435
Commitments and contingencies (Note 13)		
<b>Shareholders' Deficit:</b>		
Preferred stock, \$0.0001 par value, 50,000 shares authorized; no shares issued and outstanding	—	—
Common stock, \$0.0001 par value, 500,000 shares authorized; issued and outstanding: 236,540 shares at September 30, 2023 and 235,829 at December 31, 2022	24	24
Additional paid-in capital	1,218,815	1,210,033
Distributions in excess of accumulated earnings	(3,665,569)	(3,483,634)
Total Uniti shareholders' deficit	(2,446,730)	(2,273,577)
Noncontrolling interests:		
Operating partnership units	2,040	2,121
Cumulative non-voting convertible preferred stock, \$0.01 par value, 6 shares authorized, 3 issued and outstanding	250	250
Total shareholders' deficit	(2,444,440)	(2,271,206)
<b>Total Liabilities and Shareholders' Deficit</b>	<b>\$ 4,981,325</b>	<b>\$ 4,851,229</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Uniti Group Inc.**  
**Condensed Consolidated Statements of Loss**  
**(unaudited)**

(Thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Revenues:</b>				
Uniti Leasing	\$ 214,588	\$ 208,623	\$ 637,849	\$ 618,878
Uniti Fiber	76,067	74,480	226,326	226,234
Total revenues	290,655	283,103	864,175	845,112
<b>Costs and Expenses:</b>				
Interest expense, net	120,691	97,731	389,243	290,280
Depreciation and amortization	77,337	73,516	231,379	217,276
General and administrative expense	25,481	26,863	77,331	75,818
Operating expense (exclusive of depreciation and amortization)	37,392	36,291	109,878	108,184
Goodwill impairment (Note 2)	153,000	216,000	153,000	216,000
Transaction related and other costs	1,441	2,375	9,805	7,324
Gain on sale of real estate	(1,424)	(94)	(1,424)	(344)
Gain on sale of operations	—	(176)	—	(176)
Other expense (income), net	1,435	74	21,323	(8,254)
Total costs and expenses	415,353	452,580	990,535	906,108
<b>Loss before income taxes and equity in earnings from unconsolidated entities</b>				
	(124,698)	(169,477)	(126,360)	(60,996)
Income tax benefit	(43,095)	(13,056)	(49,864)	(10,183)
Equity in earnings from unconsolidated entities	(670)	(672)	(1,990)	(1,696)
<b>Net loss</b>	(80,933)	(155,749)	(74,506)	(49,117)
Net (loss) income attributable to noncontrolling interests	(36)	(70)	(33)	135
<b>Net loss attributable to shareholders</b>	(80,897)	(155,679)	(74,473)	(49,252)
Participating securities' share in earnings	(321)	(226)	(890)	(897)
Dividends declared on convertible preferred stock	(5)	(5)	(15)	(15)
<b>Net loss attributable to common shareholders</b>	\$ (81,223)	\$ (155,910)	\$ (75,378)	\$ (50,164)
<b>Loss per common share:</b>				
Basic	\$ (0.34)	\$ (0.66)	\$ (0.32)	\$ (0.21)
Diluted	\$ (0.34)	\$ (0.66)	\$ (0.32)	\$ (0.21)
<b>Weighted-average number of common shares outstanding:</b>				
Basic	236,533	235,739	236,352	235,483
Diluted	236,533	235,739	236,352	235,483

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Uniti Group Inc.**  
**Condensed Consolidated Statements of Comprehensive Loss**  
**(unaudited)**

(Thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net loss	\$ (80,933)	\$ (155,749)	\$ (74,506)	\$ (49,117)
Other comprehensive income:				
Interest rate swap termination	—	2,829	—	8,488
Other comprehensive income	—	2,829	—	8,488
Comprehensive loss	(80,933)	(152,920)	(74,506)	(40,629)
Comprehensive (loss) income attributable to noncontrolling interest	(36)	(69)	(33)	147
<b>Comprehensive loss attributable to shareholders</b>	<b>\$ (80,897)</b>	<b>\$ (152,851)</b>	<b>\$ (74,473)</b>	<b>\$ (40,776)</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Uniti Group Inc.**  
**Condensed Consolidated Statements of Shareholders' Deficit**



**(unaudited)****For the three months ended September 30,**

(Thousands, except share data)	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Distributions in Excess of Accumulated Earnings	Noncontrolling Interest - OP Units	Noncontrolling Interest - Non-voting Preferred Shares	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount						
Balance at June 30, 2022	—	—	235,699,513	24	1,224,427	(3,516)	(3,298,455)	2,072	250	(2,075,198)
Net loss	—	—	—	—	—	—	(155,679)	(70)	—	(155,749)
Other comprehensive income	—	—	—	—	—	2,828	—	1	—	2,829
Common stock dividends declared (\$0.15 per share)	—	—	—	—	—	—	(35,584)	—	—	(35,584)
Distributions to noncontrolling interest declared	—	—	—	—	—	—	—	49	—	49
Payments related to tax withholding for stock-based compensation	—	—	—	—	2	—	—	—	—	2
Stock-based compensation	—	—	1,201	—	3,151	—	—	—	—	3,151
Issuance of common stock - employee stock purchase plan	—	—	40,530	—	325	—	—	—	—	325
Balance at September 30, 2022	—	—	235,741,244	24	1,227,905	(688)	(3,489,718)	2,052	250	(2,260,175)
Balance at June 30, 2023	—	—	236,430,752	24	1,215,260	—	(3,548,870)	2,092	250	(2,331,244)
Net loss	—	—	—	—	—	—	(80,897)	(36)	—	(80,933)
Common stock dividends declared (\$0.15 per share)	—	—	—	—	—	—	(35,802)	—	—	(35,802)
Distributions to noncontrolling interest declared	—	—	—	—	—	—	—	(16)	—	(16)
Payments related to tax withholding for stock-based compensation	—	—	—	—	(9)	—	—	—	—	(9)
Stock-based compensation	—	—	3,227	—	3,148	—	—	—	—	3,148
Issuance of common stock - employee stock purchase plan	—	—	105,737	—	416	—	—	—	—	416
Balance at September 30, 2023	—	—	236,539,716	24	1,218,815	—	(3,665,569)	2,040	250	(2,444,440)

**For the nine months ended September 30,**

(Thousands, except share data)	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Distributions in Excess of Accumulated Earnings	Noncontrolling Interest - OP Units	Noncontrolling Interest - Non-voting Preferred Shares	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount						
Balance at December 31, 2021	—	—	234,779,247	23	1,214,830	(9,164)	(3,333,481)	13,893	125	(2,113,774)
Net loss	—	—	—	—	—	—	(49,252)	135	—	(49,117)
Other comprehensive income	—	—	—	—	—	8,476	—	12	—	8,488
Common stock dividends declared (\$0.45 per share)	—	—	—	—	—	—	(106,860)	—	—	(106,860)
Distributions to noncontrolling interest declared	—	—	—	—	—	—	—	(111)	—	(111)
Cumulative non-voting convertible preferred stock	—	—	—	—	—	—	(125)	—	125	—
Exchange of noncontrolling interest	—	—	244,682	—	7,257	—	—	(11,877)	—	(4,620)
Payments related to tax withholding for stock-based compensation	—	—	—	—	(4,434)	—	—	—	—	(4,434)
Stock-based compensation	—	—	647,461	1	9,663	—	—	—	—	9,664
Issuance of common stock - employee stock purchase plan	—	—	69,854	—	589	—	—	—	—	589
Balance at September 30, 2022	—	—	235,741,244	24	1,227,905	(688)	(3,489,718)	2,052	250	(2,260,175)
Balance at December 31, 2022	—	—	235,829,485	24	1,210,033	—	(3,483,634)	2,121	250	(2,271,206)
Net loss	—	—	—	—	—	—	(74,473)	(33)	—	(74,506)
Common stock dividends declared (\$0.45 per share)	—	—	—	—	—	—	(107,462)	—	—	(107,462)
Distributions to noncontrolling interest declared	—	—	—	—	—	—	—	(48)	—	(48)
Payment for settlement of common stock warrant	—	—	—	—	(56)	—	—	—	—	(56)
Termination of bond hedge option	—	—	—	—	59	—	—	—	—	59
Payments related to tax withholding for stock-based compensation	—	—	—	—	(1,359)	—	—	—	—	(1,359)
Stock-based compensation	—	—	537,590	—	9,408	—	—	—	—	9,408
Issuance of common stock - employee stock purchase plan	—	—	172,641	—	730	—	—	—	—	730
Balance at September 30, 2023	—	—	236,539,716	24	1,218,815	—	(3,665,569)	2,040	250	(2,444,440)

The accompanying notes are an integral part of these condensed consolidated financial statements.



**Uniti Group Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
**(unaudited)**

(Thousands)	Nine Months Ended September 30,	
	2023	2022
<b>Cash flow from operating activities</b>		
Net loss	\$ (74,506)	\$ (49,117)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	231,379	217,276
Amortization of deferred financing costs and debt discount	13,975	13,510
Loss on extinguishment of debt, net	31,187	—
Interest rate swap termination	—	8,488
Deferred income taxes	(50,161)	(21,723)
Equity in earnings of unconsolidated entities	(1,990)	(1,696)
Distributions of cumulative earnings from unconsolidated entities	2,959	2,959
Cash paid for interest rate swap settlement	—	(9,591)
Straight-line revenues and amortization of below-market lease intangibles	(28,795)	(31,066)
Stock-based compensation	9,408	9,664
Goodwill impairment (see Note 2)	153,000	216,000
Gain on sale of unconsolidated entity (see Note 5)	—	(7,923)
Gain on sale of real estate	(1,424)	(344)
(Gain) loss on asset disposals	(242)	902
Gain on sale of operations	—	(176)
Accretion of settlement obligation	8,273	8,733
Other	2	(126)
Changes in assets and liabilities:		
Accounts receivable	(4,194)	(2,863)
Other assets	10,530	7,756
Accounts payable, accrued expenses and other liabilities	(108,826)	(75,556)
Net cash provided by operating activities	190,575	285,107
<b>Cash flow from investing activities</b>		
Capital expenditures	(368,264)	(292,666)
Proceeds from sale of unconsolidated entity (see Note 5)	—	32,527
Proceeds from sale of real estate, net cash	1,530	575
Proceeds from sale of operations	—	541
Proceeds from sale of other equipment	1,581	338
Net cash used in investing activities	(365,153)	(258,685)
<b>Cash flow from financing activities</b>		
Repayment of debt	(2,263,662)	—
Proceeds from issuance of notes	2,600,000	—
Dividends paid	(107,395)	(107,362)
Payments of settlement payable	(73,516)	—
Distributions paid to noncontrolling interest	(48)	(217)
Payment for exchange of noncontrolling interest	—	(4,620)
Borrowings under revolving credit facility	450,000	180,000
Payments under revolving credit facility	(367,000)	(105,000)
Finance lease payments	(1,601)	(887)
Payments for financing costs	(26,955)	—
Payment for settlement of common stock warrant	(56)	—

Termination of bond hedge option	59	—
Costs related to the early repayment of debt	(44,303)	—
Employee stock purchase program	730	589
Payments related to tax withholding for stock-based compensation	(1,359)	(4,434)
Net cash provided by (used in) financing activities	164,894	(41,931)
Net decrease in cash and cash equivalents	(9,684)	(15,509)
Cash and cash equivalents at beginning of period	43,803	58,903
Cash and cash equivalents at end of period	\$ 34,119	\$ 43,394
Non-cash investing and financing activities:		
Property and equipment acquired but not yet paid	\$ 12,134	\$ 12,751
Tenant capital improvements	94,322	120,239

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Uniti Group Inc.**  
**Notes to the Condensed Consolidated Financial Statements**  
**(unaudited)**

**Note 1. Organization and Description of Business**

Uniti Group Inc. (the “Company,” “Uniti,” “we,” “us,” or “our”) was incorporated in the state of Maryland on September 4, 2014. We are an independent internally managed real estate investment trust (“REIT”) engaged in the acquisition, construction and leasing of mission critical infrastructure in the communications industry. We are principally focused on acquiring and constructing fiber optic, copper and coaxial broadband networks and data centers. We manage our operations focused on our two primary lines of business: Uniti Fiber and Uniti Leasing.

The Company operates through a customary “up-REIT” structure, pursuant to which we hold substantially all of our assets through a partnership, Uniti Group LP, a Delaware limited partnership (the “Operating Partnership”) that we control as general partner. The up-REIT structure is intended to facilitate future acquisition opportunities by providing the Company with the ability to use common units of the Operating Partnership as a tax-efficient acquisition currency. As of September 30, 2023, we are the sole general partner of the Operating Partnership and own approximately 99.96% of the partnership interests in the Operating Partnership.

**Note 2. Basis of Presentation and Summary of Significant Accounting Policies**

The accompanying Condensed Consolidated Financial Statements include all accounts of the Company and its wholly-owned and/or controlled subsidiaries, including the Operating Partnership. Under the Accounting Standards Codification 810, *Consolidation* (“ASC 810”), the Operating Partnership is considered a variable interest entity and is consolidated in the Condensed Consolidated Financial Statements of Uniti Group Inc. because the Company is the primary beneficiary. All material intercompany balances and transactions have been eliminated.

ASC 810 provides guidance on the identification of entities for which control is achieved through means other than voting rights (“variable interest entities” or “VIEs”) and the determination of which business enterprise, if any, should consolidate the VIEs. Generally, the consideration of whether an entity is a VIE applies when either: (1) the equity investors (if any) lack (i) the ability to make decisions about the entity’s activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; (2) the equity investment at risk is insufficient to finance that entity’s activities without additional subordinated financial support; or (3) the equity investors have voting rights that are not proportionate to their economic interests and substantially all of the activities of the entity involve or are conducted on behalf of an investor with a disproportionately small voting interest. The Company consolidates VIEs in which it is considered to be the primary beneficiary. The primary beneficiary is defined as the entity having both of the following characteristics: (1) the power to direct the activities that, when taken together, most significantly impact the VIE’s performance; and (2) the obligation to absorb losses and right to receive the returns from the VIE that would be significant to the VIE.

The accompanying Condensed Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information set forth in the Accounting Standards Codification (“ASC”), as published by the Financial Accounting Standards Board (the “FASB”), and with the applicable rules and regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results for the interim period have been included. Operating results from any interim period are not necessarily indicative of the results that may be expected for the full fiscal year. The accompanying Condensed Consolidated Financial Statements and related notes should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K filed with the SEC on February 28, 2023, as amended by Amendment No. 1 thereto filed on Form 10-K/A with the SEC on March 29, 2023 (the “Annual Report”). Accordingly, significant accounting policies and other disclosures normally provided have been omitted from the accompanying Condensed Consolidated Financial Statements and related notes since such items are disclosed in our Annual Report.

**Concentration of Credit Risks**—Prior to September 2020, we were party to a long-term exclusive triple-net lease (the “Master Lease”) with Windstream Holdings, Inc. (together with Windstream Holdings II, LLC, its successor in interest, and its subsidiaries, “Windstream”) pursuant to which a substantial portion of our real property was leased to Windstream and from which a substantial portion of our leasing revenues were derived. On September 18, 2020, Uniti and Windstream

bifurcated the Master Lease and entered into two structurally similar master leases (collectively, the "Windstream Leases"), which amended and restated the Master Lease in its entirety. The Windstream Leases consist of (a) a master lease (the "ILEC MLA") that governs Uniti owned assets used for Windstream's incumbent local exchange carrier ("ILEC") operations and (b) a master lease (the "CLEC MLA") that governs Uniti owned assets used for Windstream's consumer competitive local exchange carrier ("CLEC") operations. Revenue under the Windstream Leases provided 66.9% and 66.4% of our revenue for the nine months ended September 30, 2023 and 2022, respectively. Because a substantial portion of our revenue and cash flows are derived from lease payments by Windstream pursuant to the Windstream Leases, there could be a material adverse impact on our consolidated results of operations, liquidity, financial condition and/or ability to pay dividends and service debt if Windstream were to default under the Windstream Leases or otherwise experiences operating or liquidity difficulties and becomes unable to generate sufficient cash to make payments to us.

We monitor the credit quality of Windstream through numerous methods, including by (i) reviewing credit ratings of Windstream by nationally recognized credit agencies, (ii) reviewing the financial statements of Windstream that are required to be delivered to us pursuant to the Windstream Leases, (iii) monitoring news reports regarding Windstream and its business, (iv) conducting research to ascertain industry trends potentially affecting Windstream, (v) monitoring Windstream's compliance with the terms of the Windstream Leases and (vi) monitoring the timeliness of its payments under the Windstream Leases.

As of the date of this Quarterly Report on Form 10-Q, Windstream is current on all lease payments. We note that in August 2020, Moody's Investor Service assigned a B3 corporate family rating with a stable outlook to Windstream in connection with its post-emergence exit financing. At the same time, S&P Global Ratings assigned Windstream a B- issuer rating with a stable outlook. Both ratings remain current as of the date of this filing. In order to assist us in our continuing assessment of Windstream's creditworthiness, we periodically receive certain confidential financial information and metrics from Windstream.

**Goodwill**—As of September 30, 2023 and December 31, 2022, all of our goodwill is included in our Uniti Fiber segment. Goodwill is recognized for the excess of purchase price over the fair value of net assets of businesses acquired. Goodwill is reviewed for impairment on an annual basis during the fourth quarter. Application of the goodwill impairment test requires significant judgment, including: the identification of reporting units; assignment of assets and liabilities to reporting units; and assignment of goodwill to reporting units. In accordance with ASC 350-20, *Intangibles-Goodwill and Other*, we evaluate goodwill for impairment between annual impairment tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount (a "Triggering Event"). On the occurrence of a Triggering Event, an entity has the option to first assess qualitative factors to determine whether a quantitative impairment test is necessary. If it is more likely than not that goodwill is impaired, the fair value of the reporting unit must be estimated and compared with its carrying value.

In performing the quantitative assessment of goodwill, we estimate the fair value of our fiber reporting unit using a combination of an income approach based on the present value of estimated future cash flows and a market approach based on market data of comparable businesses, and acquisition multiples paid in recent transactions. Inherent in our preparation of cash flow projections are significant assumptions and estimates derived from a review of our operating results and business plans, which include expected revenue and expense growth rates, capital expenditure plans and discount rate. In determining these assumptions, we consider our ability to execute on our plans, future economic conditions, interest rates and other market data. Many of the factors used in assessing fair value are outside the control of management, and these assumptions and estimates may change in future periods. Small changes in these assumptions or estimates could materially affect our cash flow projections, and therefore could affect the likelihood and amount of potential impairment in future periods. Potential events that could negatively impact these assumptions or estimates may include customer losses or poor execution of our business plans, which impact revenue growth, cost escalation impacting margin, the level of capital expenditures required to sustain our growth and market factors, including stock price fluctuations and increased interest rates, impacting our discount rate. For example, if we were to experience a significant delay in our permitting process in the construction of our fiber networks, the timing of effected cash flows could impact long term growth rates and negatively impact the income approach, leading to potential impairment. As a result, should our expectations of average projected revenue growth percentage, average projected EBITDA margin percentage and/or average projected capital expenditures as a percentage of revenue change, we may experience future impairment to goodwill (while other assumptions remain constant). Furthermore, a deterioration in market factors such as stock prices or increased interest rates and/or declines in acquisition multiples utilized in the market approach could affect the likelihood and amount of potential impairment. We evaluate the appropriateness of each valuation methodology in determining the weighting applied to each methodology in the determination of the concluded fair value. If the carrying amount of a reporting unit's net assets is less than its fair value, no impairment exists. If the carrying amount of the reporting unit is greater than the fair value of the reporting unit, an impairment loss must be recognized for the excess and recorded in the Consolidated Statements of Loss not to exceed the carrying amount of goodwill.

In connection with the preparation of the Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2023, the Company identified a Triggering Event and, therefore, performed a qualitative and quantitative goodwill impairment test. The Triggering Event was a result of macroeconomic and financial market factors, specifically the continuing rise in interest rates, impacting our discount rate. As a result of the interim assessment of goodwill, we concluded that the fair value of the Uniti Fiber segment, estimated using a combination of the income approach and market approach, is less than its carrying amount. Accordingly, we recorded a \$153.0 million (\$113.9 million net of tax) goodwill impairment charge in the Uniti Fiber segment during the three months ended September 30, 2023.

In connection with the preparation of the Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2022, the Company identified a Triggering Event and, therefore, performed a qualitative and quantitative goodwill impairment test. The Triggering Event was a result of macroeconomic and financial market factors, specifically increased interest rates, impacting our discount rate. As a result of this interim assessment of goodwill, we concluded that the fair value of the Uniti Fiber segment, estimated using a combination of the income approach and market approach, is less than its carrying amount. Accordingly, we recorded a \$216.0 million (\$205.7 million net of tax) goodwill impairment charge in the Uniti Fiber segment during the three months ended September 30, 2022.

#### Recently Adopted Accounting Pronouncements

In March 2022, the FASB issued Accounting Standards Update ("ASU") 2022-02, *Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures* ("ASU 2022-02"), which eliminates the accounting guidance for troubled debt restructurings and requires the disclosure of current-period gross write-offs of financing receivables and net investment in leases by year of origination. The Company adopted ASU 2022-02 on January 1, 2023, and the adoption had no impact on the Company's consolidated financial statements.

In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848* ("ASU 2022-06"), which provides additional relief for contract modifications completed after the December 31, 2022 LIBOR sunset date. The amendment allows for a deferral until December 31, 2024. The Company adopted ASU 2022-06 at issuance, and the adoption had no impact on the Company's consolidated financial statements.

### **Note 3. Revenues**

#### Disaggregation of Revenues

The following table presents our revenues disaggregated by revenue stream.

(Thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<i>Revenue disaggregated by revenue stream</i>				
Revenue from contracts with customers				
Uniti Fiber				
Lit backhaul	\$ 18,246	\$ 19,969	\$ 57,221	\$ 59,344
Enterprise and wholesale	24,211	21,423	70,144	63,359
E-Rate and government	15,911	15,245	43,947	48,026
Other	786	703	2,264	2,076
Uniti Fiber	\$ 59,154	\$ 57,340	\$ 173,576	\$ 172,805
Uniti Leasing	1,868	1,201	5,142	3,553
Total revenue from contracts with customers	61,022	58,541	178,718	176,358
Revenue accounted for under leasing guidance				
Uniti Leasing	212,720	207,422	632,707	615,325
Uniti Fiber	16,913	17,140	52,750	53,429
Total revenue accounted for under leasing guidance	229,633	224,562	685,457	668,754
Total revenue	\$ 290,655	\$ 283,103	\$ 864,175	\$ 845,112

At September 30, 2023 and December 31, 2022, lease receivables were \$20.9 million and \$26.2 million, respectively, and receivables from contracts with customers were \$16.4 million and \$16.1 million, respectively.

#### Contract Assets (Unbilled Revenue) and Liabilities (Deferred Revenue)

Contract assets primarily consist of unbilled construction revenue where we are utilizing our costs incurred as the measure of progress of satisfying our performance obligations. Contract assets are reported within accounts receivable, net on our Condensed Consolidated Balance Sheets. When the contract price is invoiced, the related unbilled receivable is reclassified to trade accounts receivable, where the balance will be settled upon the collection of the invoiced amount. Contract liabilities are generally comprised of upfront fees charged to the customer for the cost of establishing the necessary components of the Company's network prior to the commencement of use by the customer. Fees charged to customers for the recurring use of the Company's network are recognized during the related periods of service. Upfront fees that are billed in advance of providing services are deferred until such time the customer accepts the Company's network and then are recognized as service revenues ratably over a period in which substantive services required under the revenue arrangement are expected to be performed, which is the initial term of the arrangement. During the three and nine months ended September 30, 2023, we recognized revenues of \$0.9 million and \$3.5 million which was included in the December 31, 2022 contract liabilities balance.

The following table provides information about contract assets and contract liabilities accounted for under ASC 606.

(Thousands)	Contract Assets	Contract Liabilities
Balance at December 31, 2022	\$ 173	\$ 8,699
Balance at September 30, 2023	\$ 44	\$ 11,129

#### Transaction Price Allocated to Remaining Performance Obligations

Performance obligations within contracts to stand ready to provide services are typically satisfied over time or as those services are provided. Contract liabilities primarily relate to deferred revenue from upfront customer payments. The deferred revenue is recognized, and the liability reduced, over the contract term as the Company completes the performance obligation. As of September 30, 2023, our future revenues (i.e., transaction price related to remaining performance obligations) under contracts accounted for under ASC 606 totaled \$646.1 million, of which \$584.9 million is related to contracts that are currently being invoiced and have an average remaining contract term of 3.4 years, while \$61.2 million represents our backlog for sales bookings which have yet to be installed and have an average contract term of 5.0 years. We do not disclose the value of unsatisfied performance obligations for contracts that have an original expected duration of one year or less.

#### **Note 4. Leases**

##### *Lessor Accounting*

We lease communications towers, ground space, colocation space and dark fiber to tenants under operating leases. Our leases have initial lease terms ranging from less than one year to 35 years, most of which include options to extend or renew the leases for less than one year to 20 years (based on the satisfaction of certain conditions as defined in the lease agreements), and some of which may include options to terminate the leases within one to six months. Certain lease agreements contain provisions for future rent increases. Payments due under the lease contracts include fixed payments plus, for some of our leases, variable payments.

The components of lease income for the three and nine months ended September 30, 2023 and 2022, respectively, are as follows:

(Thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Lease income - operating leases	\$ 229,633	\$ 224,562	\$ 685,457	\$ 668,754



Lease payments to be received under non-cancellable operating leases where we are the lessor for the remainder of the lease terms as of September 30, 2023 are as follows:

(Thousands)	September 30, 2023 <sup>(1)</sup>
2023	\$ 196,452
2024	804,866
2025	813,967
2026	815,516
2027	816,453
Thereafter	2,351,694
<b>Total lease receivables</b>	<b>\$ 5,798,948</b>

<sup>(1)</sup> Total future minimum lease payments to be received include \$4.9 billion relating to the Windstream Leases.

The underlying assets under operating leases where we are the lessor are summarized as follows:

(Thousands)	September 30, 2023	December 31, 2022
Land	\$ 26,533	\$ 26,549
Building and improvements	347,002	346,093
Poles	309,901	296,941
Fiber	3,802,120	3,529,835
Equipment	437	437
Copper	3,978,336	3,964,439
Conduit	89,963	89,963
Tower assets	1,165	1,397
Finance lease assets	2,615	28,126
Other assets	10,434	10,434
	8,568,506	8,294,214
Less: accumulated depreciation	(5,660,717)	(5,542,726)
<b>Underlying assets under operating leases, net</b>	<b>\$ 2,907,789</b>	<b>\$ 2,751,488</b>

Depreciation expense for the underlying assets under operating leases where we are the lessor for the three and nine months ended September 30, 2023 and 2022, respectively, is summarized as follows:

(Thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Depreciation expense for underlying assets under operating leases	\$ 45,795	\$ 44,127	\$ 136,640	\$ 130,858

#### *Lessee Accounting*

We have commitments under operating leases for communications towers, ground space, colocation space, dark fiber and buildings. We also have finance leases for dark fiber and automobiles. Our leases have initial lease terms ranging from less than one year to 30 years, most of which include options to extend or renew the leases for less than one year to 20 years, and some of which may include options to terminate the leases within one to six months. Certain lease agreements contain provisions for future rent increases. Payments due under the lease contracts include fixed payments plus, for some of our leases, variable payments.

As of September 30, 2023, we have short term lease commitments amounting to approximately \$3.40 million.

Future lease payments under non-cancellable leases as of September 30, 2023 are as follows:

(Thousands)	Operating Leases	Finance Leases
2023	\$ 4,169	\$ 928
2024	17,941	3,521
2025	15,090	3,468
2026	11,701	3,335
2027	9,060	2,960
Thereafter	101,405	12,934
<b>Total undiscounted lease payments</b>	<b>\$ 159,366</b>	<b>\$ 27,146</b>
Less: imputed interest	(78,064)	(8,758)
<b>Total lease liabilities</b>	<b>\$ 81,302</b>	<b>\$ 18,388</b>

## Note 5. Investments in Unconsolidated Entities

### *Fiber Holdings*

BB Fiber Holdings LLC (“Fiber Holdings”) was primarily established to develop fiber networks as real estate property for long-term investment. On July 1, 2020, the Company completed the sale of an ownership stake in the entity that controls the Company’s Midwest fiber network assets (the “Propco”). Fiber Holdings has a 47.5% ownership in the Propco that is under a long-term, triple net lease with our joint venture partner. Our ownership interest in Fiber Holdings represents approximately a 20% economic interest in the Propco. The Company’s current investment and maximum exposure to loss as a result of its involvement with Fiber Holdings, an equity method unconsolidated entity, was approximately \$37.7 million as of September 30, 2023. The Company has not provided financial support to Fiber Holdings.

### *Harmoni*

On June 21, 2022, the Company completed the sale of its investment in Harmoni Towers LP to Palistar Communications Infrastructure GP LLC, our partner in the investment, for total cash consideration of \$32.5 million. As a result of the transaction, during the second quarter of 2022 we recorded a pre-tax gain of \$7.9 million within other expense (income), net and \$6.7 million of income tax expense within our Consolidated Statements of Income.

## Note 6. Fair Value of Financial Instruments

FASB ASC 820, *Fair Value Measurements*, establishes a hierarchy of valuation techniques based on the observability of inputs utilized in measuring assets and liabilities at fair values. This hierarchy establishes market-based or observable inputs as the preferred source of values, followed by valuation models using management assumptions in the absence of market inputs. The three levels of the hierarchy are as follows:

- Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the assessment date;
- Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3** – Unobservable inputs for the asset or liability.

Our financial instruments consist of cash and cash equivalents, accounts and other receivables, our outstanding notes and other debt, settlement payable, interest and dividends payable.

The following table summarizes the fair value of our financial instruments at September 30, 2023 and December 31, 2022:

(Thousands)	Total	Quoted Prices in Active Markets (Level 1)	Prices with Other Observable Inputs (Level 2)	Prices with Unobservable Inputs (Level 3)
<b>At September 30, 2023</b>				
<b>Liabilities</b>				
Senior secured notes - 10.50%, due February 15, 2028	\$ 2,530,476	\$ —	\$ 2,530,476	\$ —
Senior secured notes - 4.75%, due April 15, 2028	460,130	—	460,130	—
Senior unsecured notes - 6.00%, due January 15, 2030	441,809	—	441,809	—
Senior unsecured notes - 6.50%, due February 15, 2029	723,720	—	723,720	—
Exchangeable senior notes - 4.00%, due June 15, 2024	118,016	—	118,016	—
Convertible senior notes - 7.50% due December 1, 2027	263,535	—	263,535	—
Senior secured revolving credit facility, variable rate, due September 24, 2027	270,973	—	270,973	—
Settlement payable	174,075	—	174,075	—
<b>Total</b>	<b>\$ 4,982,734</b>	<b>\$ —</b>	<b>\$ 4,982,734</b>	<b>\$ —</b>

(Thousands)	Total	Quoted Prices in Active Markets (Level 1)	Prices with Other Observable Inputs (Level 2)	Prices with Unobservable Inputs (Level 3)
<b>At December 31, 2022</b>				
<b>Liabilities</b>				
Senior secured notes - 7.875%, due February 15, 2025	\$ 2,208,319	\$ —	\$ 2,208,319	\$ —
Senior secured notes - 4.75%, due April 15, 2028	469,740	—	469,740	—
Senior unsecured notes - 6.00%, due January 15, 2030	467,401	—	467,401	—
Senior unsecured notes - 6.50% , due February 15, 2029	759,917	—	759,917	—
Exchangeable senior notes - 4.00%, due June 15, 2024	127,024	—	127,024	—
Convertible senior notes - 7.50%, due December 1, 2027	297,765	—	297,765	—
Senior secured revolving credit facility, variable rate, due December 10, 2024	187,981	—	187,981	—
Settlement payable	232,350	—	232,350	—
<b>Total</b>	<b>\$ 4,750,497</b>	<b>\$ —</b>	<b>\$ 4,750,497</b>	<b>\$ —</b>

The carrying value of cash and cash equivalents, accounts and other receivables, and accounts, interest and dividends payable approximate fair values due to the short-term nature of these financial instruments.

The total principal balance of our outstanding notes and other debt was \$5.68 billion at September 30, 2023, with a fair value of \$4.98 billion. The estimated fair value of our outstanding notes and other debt was based on available external pricing data and current market rates for similar debt instruments, among other factors, which are classified as Level 2 inputs within the fair value hierarchy.

Uniti is required to make \$490.1 million of cash payments to Windstream in equal installments over 20 consecutive quarters beginning October 2020 (the "Settlement Payable"). See Note 13. The Settlement Payable was initially recorded at fair value, using the present value of future cash flows. The future cash flows are discounted using discount rate inputs based on observable market data. Accordingly, we classify inputs used as Level 2 in the fair value hierarchy. As of September 30, 2023, the remaining Settlement Payable is \$185.9 million. There have been no changes in the valuation methodologies used since the initial recording.

## Note 7. Property, Plant and Equipment

The carrying value of property, plant and equipment is as follows:

(Thousands)	Depreciable Lives	September 30, 2023	December 31, 2022
Land	Indefinite	\$ 30,035	\$ 28,845
Building and improvements	3 - 40 years	364,714	363,077
Poles	30 years	309,901	296,941
Fiber	30 years	4,763,091	4,434,506
Equipment	5 - 7 years	451,758	399,473
Copper	20 years	3,978,336	3,964,439
Conduit	30 years	89,963	89,963
Tower assets	20 years	4,031	5,619
Finance lease assets	(1)	52,403	73,487
Other assets	15 - 20 years	10,436	10,436
Corporate assets	3 - 7 years	15,641	14,883
Construction in progress	(1)	57,597	46,508
		10,127,906	9,728,177
Less accumulated depreciation		(6,165,470)	(5,973,630)
Net property, plant and equipment		<u>\$ 3,962,436</u>	<u>\$ 3,754,547</u>

<sup>(1)</sup> See our Annual Report for property, plant and equipment accounting policies.

Depreciation expense for the three and nine months ended September 30, 2023 was \$69.9 million and \$209.1 million, respectively. Depreciation expense for the three and nine months ended September 30, 2022 was \$66.1 million and \$194.9 million, respectively.

## Note 8. Derivative Instruments and Hedging Activities

### Exchangeable Notes Hedge Transactions

On June 25, 2019, concurrently with the pricing of the 4.00% Exchangeable Notes due June 15, 2024 (the "Exchangeable Notes"), and on June 27, 2019, concurrently with the exercise by the initial purchasers involved in the offering of the Exchangeable Notes (the "Initial Purchasers") of their option to purchase additional Exchangeable Notes, Uniti Fiber Holdings Inc., the issuer of the Exchangeable Notes, entered into exchangeable note hedge transactions with respect to the Company's common stock (the "Note Hedge Transactions") with certain of the Initial Purchasers or their respective affiliates (collectively, the "Counterparties"). The Note Hedge Transactions cover, subject to anti-dilution adjustments substantially similar to those applicable to the Exchangeable Notes, the same number of shares of the Company's common stock that initially underlie the Exchangeable Notes in the aggregate and are exercisable upon exchange of the Exchangeable Notes. The Note Hedge Transactions have an initial strike price that corresponds to the initial exchange price of the Exchangeable Notes, subject to anti-dilution adjustments substantially similar to those applicable to the Exchangeable Notes. The Note Hedge Transactions will expire upon the maturity of the Exchangeable Notes, if not earlier exercised. The Note Hedge Transactions are intended to reduce potential dilution to the Company's common stock upon any exchange of the Exchangeable Notes and/or offset any cash payments Uniti Fiber Holdings Inc. is required to make in excess of the principal amount of exchanged Exchangeable Notes, as the case may be, in the event that the market value per share of the Company's common stock, as measured under the Note Hedge Transactions, at the time of exercise is greater than the strike price of the Note Hedge Transactions.

The Note Hedge Transactions are separate transactions, entered into by Uniti Fiber Holdings Inc. with the Counterparties, and are not part of the terms of the Exchangeable Notes. Holders of the Exchangeable Notes will not have any rights with respect to the Note Hedge Transactions. The Note Hedge Transactions meet certain accounting criteria under GAAP, are recorded in additional paid-in capital on our Condensed Consolidated Balance Sheets and are not accounted for as derivatives that are remeasured each reporting period.

#### Warrant Transactions

On June 25, 2019, concurrently with the pricing of the Exchangeable Notes, and on June 27, 2019 concurrently with the exercise by the Initial Purchasers of their option to purchase additional Exchangeable Notes, the Company entered into warrant transactions to sell to the Counterparties warrants (the "Warrants") to acquire, subject to anti-dilution adjustments, up to approximately 27.8 million shares of the Company's common stock in the aggregate at an exercise price of approximately \$16.42 per share. The initial maximum number of shares of the Company's common stock that could be issued pursuant to the Warrants was approximately 55.5 million. The maximum number of shares of the Company's common stock that could be issued pursuant to the Warrants has subsequently decreased due to the partial unwind agreements that the Company entered into with the Counterparties in connection with each repurchase of Exchangeable Notes. The Company offered and sold the Warrants in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended. If the market value per share of the Company's common stock, as measured under the Warrants, at the time of exercise exceeds the strike price of the Warrants, the Warrants will have a dilutive effect on the Company's common stock unless, subject to the terms of the Warrants, the Company elects to cash settle the Warrants. The Warrants will expire over a period beginning in September 2024.

The Warrants are separate transactions, entered into by the Company with the Counterparties, and are not part of the terms of the Exchangeable Notes. Holders of the Exchangeable Notes will not have any rights with respect to the Warrants. The Warrants meet certain accounting criteria under GAAP, are recorded in additional paid-in capital on our Condensed Consolidated Balance Sheets and are not accounted for as derivatives that are remeasured each reporting period.

#### **Note 9. Goodwill and Intangible Assets and Liabilities**

Changes in the carrying value of goodwill occurring during the nine months ended September 30, 2023 are as follows:

(Thousands)	Uniti Fiber	Total
Goodwill at December 31, 2022	\$ 672,878	\$ 672,878
Accumulated impairment charges as of December 31, 2022	(311,500)	(311,500)
Balance at December 31, 2022	\$ 361,378	\$ 361,378
Goodwill Impairment (Note 2)	\$ (153,000)	\$ (153,000)
Balance at September 30, 2023	\$ 208,378	\$ 208,378
Goodwill at September 30, 2023	\$ 672,878	\$ 672,878
Accumulated impairment charges as of September 30, 2023	(464,500)	(464,500)
Balance at September 30, 2023	\$ 208,378	\$ 208,378

Carrying value of intangible assets and liabilities at September 30, 2023 and December 31, 2022 are as follows:

(Thousands)	September 30, 2023		December 31, 2022	
	Original Cost	Accumulated Amortization	Original Cost	Accumulated Amortization
<b>Finite life intangible assets:</b>				
Customer lists	\$ 416,104	\$ (145,845)	\$ 416,104	\$ (128,728)
Contracts	52,536	(19,701)	52,536	(14,776)
Underlying Rights	10,497	(1,050)	10,497	(787)
<b>Total intangible assets</b>	<b>\$ 479,137</b>		<b>\$ 479,137</b>	
<b>Less: accumulated amortization</b>	<b>(166,596)</b>		<b>(144,291)</b>	
<b>Total intangible assets, net</b>	<b>\$ 312,541</b>		<b>\$ 334,846</b>	
<b>Finite life intangible liabilities:</b>				
Below-market leases	\$ 191,154	(32,083)	\$ 191,154	(24,062)
<b>Finite life intangible liabilities:</b>				
Below-market leases	\$ 191,154		\$ 191,154	
<b>Less: accumulated amortization</b>	<b>(32,083)</b>		<b>(24,062)</b>	
<b>Total intangible liabilities, net</b>	<b>\$ 159,071</b>		<b>\$ 167,092</b>	

As of September 30, 2023, the remaining weighted average amortization period of the Company's intangible assets was 13.6 years.

Amortization expense for the three and nine months ended September 30, 2023 was \$7.4 million and \$22.3 million, respectively. Amortization expense for the three and nine months ended September 30, 2022 was \$7.5 million and \$22.3 million, respectively. Amortization expense is estimated to be \$29.8 million for the full year of 2023, \$29.7 million in 2024, \$29.7 million in 2025, \$29.7 million in 2026, and \$29.7 million for 2027.

We recognize the amortization of below-market leases in revenue. Revenue related to the amortization of the below-market leases for the three and nine months ended September 30, 2023 was \$2.7 million and \$8.0 million. Revenue related to the amortization of the below-market leases for the three and nine months ended September 30, 2022, was \$2.7 million and \$8.0 million. As of September 30, 2023, the remaining weighted average amortization period of the Company's intangible liabilities was 16.3 years. Revenue due to the amortization of the below-market leases is estimated to be \$10.7 million for the full year of 2023, \$10.7 million in 2024, \$10.7 million in 2025, \$10.7 million in 2026, and \$10.7 million in 2027.

#### Note 10. Notes and Other Debt

All debt, including the senior secured credit facility and notes described below, are obligations of the Operating Partnership and/or certain of its subsidiaries as discussed below. The Company is, however, a guarantor of such debt.

Notes and other debt are as follows:

(Thousands)	September 30, 2023	December 31, 2022
Principal amount	\$ 5,680,442	\$ 5,262,373
Less unamortized discount, premium and debt issuance costs	(98,385)	(73,558)
<b>Notes and other debt less unamortized discount, premium and debt issuance costs</b>	<b>\$ 5,582,057</b>	<b>\$ 5,188,815</b>

Notes and other debt at September 30, 2023 and December 31, 2022 consisted of the following:

(Thousands)	September 30, 2023		December 31, 2022	
	Principal	Unamortized Discount, Premium and Debt Issuance Costs	Principal	Unamortized Discount, Premium and Debt Issuance Costs
Senior secured notes - 7.875% due February 15, 2025 (discount is based on imputed interest rate of 8.38%)	\$ —	\$ —	\$ 2,250,000	\$ (22,239)
Senior secured notes - 10.50% due February 15, 2028 (discount is based on imputed interest rate of 11.06%)	2,600,000	(50,570)	—	—
Senior secured notes - 4.75%, due April 15, 2028 (discount is based on imputed interest rate of 5.04%)	570,000	(6,689)	570,000	(7,654)
Senior unsecured notes - 6.00% due January 15, 2030 (discount is based on imputed interest rate of 6.27%)	700,000	(9,622)	700,000	(10,535)
Senior unsecured notes - 6.50%, due February 15, 2029 (discount is based on imputed interest rate of 6.83%)	1,110,000	(16,398)	1,110,000	(18,245)
Exchangeable senior notes - 4.00%, due June 15, 2024 (discount is based on imputed interest rate of 4.77%)	122,942	(657)	137,873	(1,501)
Convertible senior notes - 7.50%, due December 1, 2027 (discount is based on imputed interest rate of 8.29%)	306,500	(8,524)	306,500	(9,768)
Senior secured revolving credit facility, variable rate, due September 24, 2027	271,000	(5,925)	188,000	(3,616)
<b>Total</b>	<b>\$ 5,680,442</b>	<b>\$ (98,385)</b>	<b>\$ 5,262,373</b>	<b>\$ (73,558)</b>

At September 30, 2023, notes and other debt included the following: (i) \$271.0 million under the Revolving Credit Facility (as defined below) pursuant to that certain credit agreement, dated as of April 24, 2015, by and among the Operating Partnership, Uniti Group Finance 2019 Inc. and CSL Capital, LLC (hereinafter, the “Borrowers”), the guarantors party thereto, Bank of America, N.A., as administrative agent, collateral agent, swing line lender and an L/C issuer and certain other lenders named therein (the “Credit Agreement”); (ii) \$2.6 billion aggregate principal amount of 10.50% Senior Secured Notes due February 15, 2028 (the “February 2028 Secured Notes”); (iii) \$570 million aggregate principal amount of 4.75% Senior Secured Notes due April 15, 2028 (the “April 2028 Secured Notes”); (iv) \$1.1 billion aggregate principal amount of 6.50% Senior Unsecured Notes due February 15, 2029 (the “2029 Notes”); (v) \$122.9 million aggregate principal amount of the Exchangeable Notes; (vi) \$700 million aggregate principal amount of 6.00% Senior Unsecured Notes due January 15, 2030 (the “2030 Notes”); and (vii) \$306.5 million aggregate principal amount of 7.50% Convertible Senior Notes due December 1, 2027 (the “Convertible 2027 Notes” and, together with the February 2028 Secured Notes, April 2028 Secured Notes, 2029 Notes, 2030 Notes and the Exchangeable Notes, the “Notes”). The terms of the Notes are as described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022.

#### Credit Agreement

On March 24, 2023, the Borrowers, each a subsidiary of Uniti Group Inc., entered into Amendment No. 8 (the “Amendment”) to the Credit Agreement.

Following the receipt of certain routine regulatory approvals on July 25, 2023, the Amendment extended the maturity of the \$500 million revolving credit facility to September 24, 2027 (the “Revolving Credit Facility”). The Amendment also transitioned the Revolving Credit Facility from LIBOR to Term SOFR, and in connection with that change, set the credit spread adjustment to ten basis points for all interest periods. All obligations under the Credit Agreement are guaranteed by (i) the Company and (ii) certain of the Operating Partnership’s subsidiaries (the “Subsidiary Guarantors”) and are secured by substantially all of the assets of the Borrowers and the Subsidiary Guarantors.

The Borrowers are subject to customary covenants under the Credit Agreement, including an obligation to maintain a consolidated secured leverage ratio, as defined in the Credit Agreement, not to exceed 5.00 to 1.00. We are permitted, subject to customary conditions, to incur other indebtedness, so long as, on a pro forma basis after giving effect to any such indebtedness, our consolidated total leverage ratio, as defined in the Credit Agreement, does not exceed 6.50 to 1.00 and, if such debt is secured, our consolidated secured leverage ratio, as defined in the Credit Agreement, does not exceed 4.00 to 1.00. In addition, the Credit Agreement contains customary events of default, including a cross default provision whereby the failure of the Borrowers or certain of their subsidiaries to make payments under other debt obligations, or the occurrence of certain events affecting those other borrowing arrangements, could trigger an obligation to repay any amounts outstanding under the Credit Agreement. In particular, a repayment obligation could be triggered if (i) the Borrowers or certain of their subsidiaries fail to make a payment when due of any principal or interest on any other indebtedness aggregating \$75.0 million or more, or (ii) an event occurs that causes, or would permit the holders of any other indebtedness aggregating \$75.0 million or more to cause, such indebtedness to become due prior to its stated maturity. As of September 30, 2023, the Borrowers were in compliance with all of the covenants under the Credit Agreement.

A termination of either Windstream Lease would result in an “event of default” under the Credit Agreement if a replacement lease is not entered into within ninety (90) calendar days and we do not maintain pro forma compliance with a consolidated secured leverage ratio, as defined in the Credit Agreement, of 5.00 to 1.00.

Borrowings under the Revolving Credit Facility bear interest at a rate equal to either a base rate plus an applicable margin ranging from 2.75% to 3.50% or a Term SOFR rate plus an applicable margin ranging from 3.75% to 4.50% in each case, calculated in a customary manner and determined based on our consolidated secured leverage ratio. We are required to pay a quarterly commitment fee under the Revolving Credit Facility equal to 0.50% of the average amount of unused commitments during the applicable quarter (subject to a step-down to 0.40% per annum of the average amount of unused commitments during the applicable quarter upon achievement of a consolidated secured leverage ratio not to exceed a certain level), as well as quarterly letter of credit fees equal to the product of (A) the applicable margin with respect to Term SOFR borrowings and (B) the average amount available to be drawn under outstanding letters of credit during such quarter.

### Secured Notes

On February 14, 2023, the Operating Partnership, CSL Capital, LLC, Uniti Group Finance 2019 Inc. and Uniti Fiber Holdings Inc. (collectively, the “Issuers”) issued \$2.6 billion aggregate principal amount of the February 2028 Secured Notes. The Issuers used the net proceeds from the offering to fund the redemption in full of the Issuers’ outstanding 7.875% senior secured notes due 2025 (the “2025 Secured Notes”), to repay outstanding borrowings under the Revolving Credit Facility and to pay any related premiums, fees and expenses in connection with the foregoing. On February 14, 2023, the Issuers deposited the full redemption price for the 2025 Secured Notes with the trustee and satisfied and discharged their respective obligations with respect to the indenture governing the 2025 Secured Notes at such time. During the first quarter of 2023, we recorded \$32.3 million of loss on the extinguishment of the 2025 Secured Notes within interest expense, net on the Condensed Consolidated Statements of Income, which included \$10.3 million of non-cash interest expense for the write off of the unamortized discount and deferred financing costs and \$22.0 million of cash interest expense for the redemption premium.

The February 2028 Secured Notes were issued at an issue price of 100% of their principal amount pursuant to an indenture, dated as of February 14, 2023 (the “February 2028 Secured Notes Indenture”), among the Issuers, the guarantors named therein (collectively, the “Guarantors”) and Deutsche Bank Trust Company Americas, as trustee and as collateral agent. The February 2028 Secured Notes mature on February 15, 2028 and bear interest at a rate of 10.50% per year. Interest on the February 2028 Secured Notes is payable on March 15 and September 15 of each year, beginning on September 15, 2023.

The Issuers may redeem the February 2028 Secured Notes, in whole or in part, at any time prior to September 15, 2025 at a redemption price equal to 100% of the principal amount of the February 2028 Secured Notes redeemed plus accrued and unpaid interest thereon, if any, to, but not including, the redemption date, plus an applicable “make whole” premium described in the February 2028 Secured Notes Indenture.

Thereafter, the Issuers may redeem the February 2028 Secured Notes in whole or in part, at the redemption prices set forth in the February 2028 Secured Notes Indenture. In addition, prior to February 15, 2025, the Issuers may, on one or more occasions, redeem up to 10% of the aggregate principal amount of the February 2028 Secured Notes in any twelve month



period at a redemption price equal to 103% of the principal amount thereof plus accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date. Notwithstanding the foregoing, the Issuers may not use the proceeds of any offering of Additional Notes (as defined in the February 2028 Secured Notes Indenture) with a price to investors equal to or in excess of 103% to finance any such optional redemption. Further, at any time on or prior to September 15, 2025, up to 40% of the aggregate principal amount of the February 2028 Secured Notes may be redeemed with the net cash proceeds of certain equity offerings at a redemption price of 110.50% of the principal amount plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date; provided that at least 60% of aggregate principal amount of the originally issued February 2028 Secured Notes remains outstanding. If certain changes of control of the Operating Partnership occur, holders of the February 2028 Secured Notes will have the right to require the Issuers to offer to repurchase their Notes at 101% of their principal amount plus accrued and unpaid interest, if any, to, but not including, the repurchase date.

The February 2028 Secured Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by the Company and on a senior secured basis by each of the Operating Partnership's existing and future domestic restricted subsidiaries (other than the Issuers) that guarantees indebtedness under the Company's senior secured credit facilities and existing secured notes (the "Subsidiary Guarantors"). In addition, the Issuers will use commercially reasonable efforts to obtain necessary regulatory approval to allow certain non-guarantor subsidiaries of the Company to guarantee the February 2028 Secured Notes, including by making filings to obtain such approval within 60 days of the issuance of the February 2028 Secured Notes. The guarantees are subject to release under specified circumstances, including certain circumstances in which such guarantees may be automatically released without the consent of the holders of the February 2028 Secured Notes.

The February 2028 Secured Notes and the related guarantees are the Issuers' and the Subsidiary Guarantors' senior secured obligations and rank equal in right of payment with all of the Issuers' and the Subsidiary Guarantors' existing and future unsubordinated obligations; effectively senior to all unsecured indebtedness of the Issuers and the Subsidiary Guarantors, including the Company's existing senior unsecured notes, to the extent of the value of the collateral securing the February 2028 Secured Notes; effectively equal with all of the Issuers' and the Subsidiary Guarantors' existing and future indebtedness that is secured by first-priority liens on the collateral (including indebtedness under the Company's senior secured credit facilities and existing secured notes); senior in right of payment to any of the Issuers' and Subsidiary Guarantors' subordinated indebtedness; and structurally subordinated to all existing and future liabilities (including trade payables) of the Company's subsidiaries (other than the Issuers) that do not guarantee the February 2028 Secured Notes.

The February 2028 Secured Notes Indenture contains customary high yield covenants limiting the ability of the Operating Partnership and its restricted subsidiaries to: incur or guarantee additional indebtedness; incur or guarantee secured indebtedness; pay dividends or distributions on, or redeem or repurchase, capital stock; make certain investments or other restricted payments; sell assets; transfer material intellectual property to unrestricted subsidiaries; enter into transactions with affiliates; merge or consolidate or sell all or substantially all of their assets; and create restrictions on the ability of the Issuers and their restricted subsidiaries to pay dividends or other amounts to the Issuers. These covenants are subject to a number of important and significant limitations, qualifications and exceptions. The February 2028 Secured Notes Indenture also contains customary events of default.

#### Exchangeable Notes

On March 21, 2023, the Company repurchased approximately \$15.0 million of the Exchangeable Notes for total cash consideration of \$13.7 million. During the first quarter of 2023, we recorded \$1.1 million of gain on extinguishment of debt, net within interest expense on our Condensed Consolidated Statements of Income, which included \$0.1 million of non-cash interest expense for the write off of the unamortized discount and deferred financing costs. In connection with these repurchases, the Company entered into partial unwind agreements with the Counterparties to unwind a portion of the Note Hedge Transactions and the Warrants described above (see [Note 8](#)).

#### Deferred Financing Cost

Deferred financing costs were incurred in connection with the issuance of the Notes and the Revolving Credit Facility. These costs are amortized using the effective interest method over the term of the related indebtedness and are included in interest expense in our Condensed Consolidated Statements of Income. For the three and nine months ended September 30, 2023, we recognized \$4.4 million and \$13.6 million, respectively, of non-cash interest expense related to the amortization of deferred financing costs. For the three and nine months ended September 30, 2022, we recognized \$4.4 million and \$13.0 million, respectively, of non-cash interest expense related to the amortization of deferred financing costs.

**Note 11. Earnings Per Share**

Our time-based restricted stock awards are considered participating securities as they receive non-forfeitable rights to dividends at the same rate as common stock. As participating securities, we included these instruments in the computation of earnings per share under the two-class method described in FASB ASC 260, *Earnings per Share* (“ASC 260”).

We also have outstanding performance-based restricted stock units that contain forfeitable rights to receive dividends. Therefore, the awards are considered non-participating restrictive shares and are not dilutive under the two-class method until performance conditions are met.

The dilutive effect of the Exchangeable Notes and the Convertible 2027 Notes is calculated by using the “if-converted” method. This assumes an add-back of interest, net of income taxes, to net income attributable to shareholders as if the securities were converted at the beginning of the reporting period (or at time of issuance, if later) and the resulting common shares included in number of weighted average shares. The dilutive effect of the Warrants ([see Note 8](#)) is calculated using the treasury-stock method. During the three and nine months ended September 30, 2023 and 2022, the Warrants were excluded from diluted shares outstanding because the exercise price exceeded the average market price of our common stock for the reporting period.

The following sets forth the computation of basic and diluted earnings per share under the two-class method:

(Thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Basic loss per share:</b>				
Numerator:				
Net loss attributable to shareholders	\$ (80,897)	\$ (155,679)	\$ (74,473)	\$ (49,252)
Less: Income allocated to participating securities	(321)	(226)	(890)	(897)
Dividends declared on convertible preferred stock	(5)	(5)	(15)	(15)
Net loss attributable to common shares	\$ (81,223)	\$ (155,910)	\$ (75,378)	\$ (50,164)
Denominator:				
Basic weighted-average common shares outstanding	236,533	235,739	236,352	235,483
Basic loss per common share	(0.34)	(0.66)	(0.32)	(0.21)

(Thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Diluted loss per share:</b>				
Numerator:				
Net loss attributable to shareholders	\$ (80,897)	\$ (155,679)	\$ (74,473)	\$ (49,252)
Less: Income allocated to participating securities	(321)	(226)	(890)	(897)
Dividends declared on convertible preferred stock	(5)	(5)	(15)	(15)
Impact on if-converted dilutive securities	—	—	—	—
Net loss attributable to common shares	\$ (81,223)	\$ (155,910)	\$ (75,378)	\$ (50,164)
Denominator:				
Basic weighted-average common shares outstanding	236,533	235,739	236,352	235,483
Effect of dilutive non-participating securities	—	—	—	—
Impact on if-converted dilutive securities	—	—	—	—
Weighted-average shares for dilutive loss per common share	236,533	235,739	236,352	235,483
Dilutive loss per common share	\$ (0.34)	\$ (0.66)	\$ (0.32)	\$ (0.21)

For the three and nine months ended September 30, 2023, 1,053,189 non-participating securities were excluded from the computation of earnings per share, as their effect would have been anti-dilutive. For the three and nine months ended September 30, 2023, we excluded 53,427,833 and 53,836,845 potential common shares related to the Exchangeable Notes and the Convertible Notes, respectively, from the computation of earnings per share, as their effect would have been anti-dilutive.

## **Note 12. Segment Information**

Our management, including our chief executive officer, who is our chief operating decision maker, manages our operations as two reportable segments, in addition to our corporate operations, which include:

*Uniti Leasing:* Represents the operations of our leasing business, Uniti Leasing, which is engaged in the acquisition and construction of mission-critical communications assets and leasing them to anchor customers on either an exclusive or shared-tenant basis, in addition to the leasing of dark fiber on our existing dark fiber network assets that we either constructed or acquired. While the Leasing segment represents our REIT operations, certain aspects of the Leasing segment are also operated through taxable REIT subsidiaries.

*Uniti Fiber:* Represents the operations of our fiber business, Uniti Fiber, which is a leading provider of infrastructure solutions, including cell site backhaul and dark fiber, to the telecommunications industry.

*Corporate:* Represents our corporate office and shared service functions. Certain costs and expenses, primarily related to headcount, insurance, professional fees and similar charges, that are directly attributable to operations of our business segments are allocated to the respective segments.

Management evaluates the performance of each segment using Adjusted EBITDA, which is a segment performance measure we define as net income determined in accordance with GAAP, before interest expense, provision for income taxes, depreciation and amortization, stock-based compensation expense and the impact, which may be recurring in nature, of transaction and integration related costs, costs associated with Windstream's bankruptcy, costs associated with litigation claims made against us, costs associated with the implementation of our enterprise resource planning system, executive severance costs, costs related to the settlement with Windstream, amortization of non-cash rights-of-use assets, the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, including early tender and redemption premiums and costs associated with the termination of related hedging activities, gains or losses on dispositions, changes in the fair value of contingent consideration and financial instruments, and other similar or infrequent items (although we may not have had such charges in the periods presented). Adjusted EBITDA includes adjustments to reflect the Company's share of Adjusted EBITDA from unconsolidated entities. The Company believes that net income, as defined by GAAP, is the most appropriate earnings metric; however, we believe that Adjusted EBITDA serves as a useful supplement to net income because it allows investors, analysts and management to evaluate the performance of our segments in a manner that is comparable period over period. Adjusted EBITDA should not be considered as an alternative to net income as determined in accordance with GAAP.

Selected financial data related to our segments is presented below for the three and nine months ended September 30, 2023 and 2022:

(Thousands)	Three Months Ended September 30, 2023			Subtotal of Reportable Segments
	Uniti Leasing	Uniti Fiber	Corporate	
Revenues	\$ 214,588	\$ 76,067	\$ —	\$ 290,655
Adjusted EBITDA	\$ 208,561	\$ 29,857	\$ (5,408)	\$ 233,010
Less:				
Interest expense				120,691
Depreciation and amortization	44,754	32,570	13	77,337
Transaction related and other costs				1,441
Gain on sale of real estate				(1,424)
Goodwill impairment				153,000
Other, net				2,091
Stock-based compensation				3,148
Income tax benefit				(43,095)
Adjustments for equity in earnings from unconsolidated entities				754
Net loss				\$ (80,933)

(Thousands)	Three Months Ended September 30, 2022			Subtotal of Reportable Segments
	Uniti Leasing	Uniti Fiber	Corporate	
Revenues	\$ 208,623	\$ 74,480	\$ —	\$ 283,103
Adjusted EBITDA	\$ 203,209	\$ 28,586	\$ (6,742)	\$ 225,053
Less:				
Interest expense				97,731
Depreciation and amortization	43,121	30,370	25	73,516
Transaction related and other costs				2,375
Gain on sale of real estate				(94)
Gain on sale of operations				(176)
Goodwill impairment				216,000
Other, net				600
Stock-based compensation				3,151
Income tax benefit				(13,056)
Adjustments for equity in earnings from unconsolidated entities				755
Net loss				\$ (155,749)

(Thousands)	Nine Months Ended September 30, 2023			Subtotal of Reportable Segments
	Uniti Leasing	Uniti Fiber	Corporate	
Revenues	\$ 637,849	226,326	\$ —	\$ 864,175
Adjusted EBITDA	\$ 620,079	88,712	(16,413)	\$ 692,378
Less:				
Interest expense				389,243
Depreciation and amortization	133,617	97,719	43	231,379
Transaction related and other costs				9,805
Gain on sale of real estate				(1,424)
Goodwill impairment				153,000
Other, net				23,073
Stock-based compensation				9,408
Income tax benefit				(49,864)
Adjustments for equity in earnings from unconsolidated entities				2,264
Net loss				<u>\$ (74,506)</u>

(Thousands)	Nine Months Ended September 30, 2022			Subtotal of Reportable Segments
	Uniti Leasing	Uniti Fiber	Corporate	
Revenues	\$ 618,878	\$ 226,234	\$ —	\$ 845,112
Adjusted EBITDA	\$ 602,531	\$ 93,628	\$ (19,153)	\$ 677,006
Less:				
Interest expense				290,280
Depreciation and amortization	127,738	89,440	98	217,276
Transaction related and other costs				7,324
Gain on sale of real estate				(344)
Gain on sale of operations				(176)
Goodwill impairment				216,000
Other, net				(6,534)
Stock-based compensation				9,664
Income tax benefit				(10,183)
Adjustments for equity in earnings from unconsolidated entities				2,816
Net loss				<u>\$ (49,117)</u>

### **Note 13. Commitments and Contingencies**

In the ordinary course of our business, we are subject to claims and administrative proceedings, none of which we believe are material or would be expected to have, individually or in the aggregate, a material adverse effect on our business, financial condition, cash flows or results of operations.

#### Windstream Commitments

Following the consummation of our settlement agreement with Windstream, including entry into the Windstream Leases, we are obligated to make \$490.1 million of cash payments to Windstream in equal installments over 20 consecutive quarters beginning in October 2020, and Uniti may prepay any installments due on or after the first anniversary of the settlement agreement (discounted at a 9% rate). As of September 30, 2023, the Company has made payments totaling \$288.9 million.

Further, beginning in October 2020, we became obligated to reimburse Windstream for up to an aggregate of \$1.75 billion for certain growth capital improvements in long-term fiber and related assets made by Windstream (“Growth Capital Improvements”) through 2029. Uniti’s reimbursement commitment for Growth Capital Improvements does not require Uniti to reimburse Windstream for maintenance or repair expenditures (except for costs incurred for fiber replacements to the property leased under the competitive local exchange carrier master lease agreement, up to \$70 million during the term), and each such reimbursement is subject to underwriting standards. Uniti’s total annual reimbursement commitments for the Growth Capital Improvements under both Windstream Leases (and under separate equipment loan facilities) were limited to \$225 million in 2022, and are limited to \$225 million per year in 2023 and 2024; \$175 million per year in 2025 and 2026; and \$125 million per year in 2027 through 2029. If the cost incurred by Windstream (or the successor tenant under a Windstream Lease) for Growth Capital Improvements in any calendar year exceeds the annual limit for such calendar year, Windstream (or such tenant, as the case may be) may submit such excess costs for reimbursement in any subsequent year and such excess costs shall be funded from the annual commitment amounts in such subsequent period. In addition, to the extent that reimbursements for Growth Capital Improvements funded in any calendar year during the term is less than the annual limit for such calendar year, the unfunded amount in any calendar year will carry-over and may be added to the annual limits for subsequent calendar years, subject to an annual limit of \$250 million in any calendar year. During the nine months ended September 30, 2023, Uniti reimbursed \$233.5 million of Growth Capital Improvements, of which \$35.1 million, as allowed for under the Settlement, represented the reimbursement of capital improvements completed in 2022 that were previously classified as tenant funded capital improvements. As of the date of this Quarterly Report on Form 10-Q, we have reimbursed a total of \$794.2 million of Growth Capital Improvements. Upon reimbursement, the Company reduced the unamortized portion of deferred revenue related to these capital improvements and capitalized the difference between the cash provided to Windstream and the unamortized deferred revenue as a lease incentive. This lease incentive, which is \$0.7 million and reported within other assets on our Condensed Consolidated Balance Sheets as of September 30, 2023, will be amortized as a reduction to revenue over the initial term of the Windstream Leases.

Starting on the first anniversary of each installment of reimbursement for a Growth Capital Improvement, the rent payable by Windstream under the applicable Windstream Lease will increase by an amount equal to 8.0% (the “Rent Rate”) of such installment of reimbursement. The Rent Rate will thereafter increase to 100.5% of the prior Rent Rate on each anniversary of each reimbursement. In the event that the tenant’s interest in either Windstream Lease is transferred by Windstream under the terms thereof (unless transferred to the same transferee), or if Uniti transfers its interests as landlord under either Windstream Lease (unless to the same transferee), the reimbursement rights and obligations will be allocated between the ILEC MLA and the CLEC MLA by Windstream, provided that the maximum that may be allocated to the CLEC MLA following such transfer is \$20 million per year. If Uniti fails to reimburse any Growth Capital Improvement reimbursement payment or equipment loan funding request as and when it is required to do so under the terms of the Windstream Leases, and such failure continues for thirty (30) days, then such unreimbursed amounts may be applied as an offset against the rent owed by Windstream under the Windstream Leases (and such amounts will thereafter be treated as if Uniti had reimbursed them).

Uniti and Windstream have entered into separate ILEC and CLEC Equipment Loan and Security Agreements (collectively “Equipment Loan Agreement”) in which Uniti will provide up to \$125 million (limited to \$25 million in any calendar year) of the \$1.75 billion of Growth Capital Improvements commitments discussed above in the form of loans for Windstream to purchase equipment related to network upgrades or to be used in connection with the Windstream Leases. Interest on these loans will accrue at 8% from the date of the borrowing. All equipment financed through the Equipment Loan Agreement is

the sole property of Windstream; however, Uniti will receive a first-lien security interest in the equipment purchased with the loans. No loans have been made under the Equipment Loan Agreement.

#### Other Litigation

Beginning on October 25, 2019, shareholders filed class action lawsuits that were consolidated into one case under the caption *In re Uniti Group Inc. Securities Litigation* (the "Class Action") in the U.S. District Court for the Eastern District of Arkansas against the Company and certain of our officers, alleging violations of the federal securities laws based on claims that the defendants improperly failed to disclose the risk that our spin-off from Windstream (the "Spin-Off") and entry into the Master Lease violated certain debt covenants of Windstream. The Class Action sought class certification, unspecified monetary damages, costs and attorneys' fees and other relief. On March 25, 2022, the parties reached an agreement to settle the Class Action for \$38.9 million, to be funded entirely by the Company's insurance carriers, which was approved by the court on November 7, 2022. In accordance with ASC 450, we recorded \$38.9 million of settlement expense within general and administrative expense within our Condensed Consolidated Statements of Income during the first quarter of 2022 and accounts payable, accrued expenses and other liabilities, net within our Condensed Consolidated Balance Sheets as of June 30, 2022. Additionally, we recorded the probable insurance recovery of \$38.9 million as a reduction to general and administrative expense during the three months ended June 30, 2022 within our Condensed Consolidated Statements of Income, and other assets within the Condensed Consolidated Balance Sheets as of June 30, 2022. The probable insurance recovery remains in other assets within the Condensed Consolidated Balance Sheets as of September 30, 2023.

On August 17, 2021, shareholders filed a derivative action on behalf of the Company in the Circuit Court for Baltimore City, Maryland, under the caption *Mayer et al. v. Gunderman et al.* (the "Mayer Derivative Action"). On February 11, 2022, a shareholder filed a derivative action on behalf of the Company in the federal District Court for the District of Maryland, under the caption *Guzzo et al. v. Gunderman et al.* (the "Guzzo Derivative Action" and together, with the Mayer Derivative Action, the "Derivative Actions"). Various members of the Company's board of directors and management team were named as defendants in the Derivative Actions. The allegations in the Derivative Actions are similar to those in the Class Action, and both sought unspecified damages, equity relief and related costs and fees. On March 3, 2023, the parties to the Derivative Actions signed a stipulation of settlement agreeing to settle the actions in exchange for non-monetary damages, and also agreeing to an award of attorney's fees and expenses to plaintiffs' counsel in both actions in the amount of \$0.8 million. The court in the Mayer Derivative Action granted final approval to the settlement on May 9, 2023 and dismissed the action. On May 11, 2023, the parties to the Guzzo Derivative Action filed a stipulation and order of dismissal in the action based on the final approval of the settlement in the Mayer Derivative Action, which was entered on May 25, 2023.

We maintain insurance policies that would provide coverage to various degrees for potential liabilities arising from the legal proceedings described above.



**Note 14. Accumulated Other Comprehensive Loss**

Changes in accumulated other comprehensive loss by component is as follows for the three and nine months ended September 30, 2023 and 2022:

(Thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Cash flow hedge changes in fair value:				
Balance at beginning of period attributable to shareholders	\$ (30,353)	\$ (30,353)	\$ (30,353)	\$ (30,353)
Balance at end of period attributable to shareholders	(30,353)	(30,353)	(30,353)	(30,353)
Interest rate swap termination:				
Balance at beginning of period attributable to shareholders	30,353	26,837	30,353	21,189
Amounts reclassified from accumulated other comprehensive income	—	2,829	—	8,488
Balance at end of period	30,353	29,666	30,353	29,677
Less: Other comprehensive income attributable to noncontrolling interest	—	1	—	12
Balance at end of period attributable to shareholders	30,353	29,665	30,353	29,665
Accumulated other comprehensive loss at end of period	\$ —	\$ (688)	\$ —	\$ (688)

**Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

The following management’s discussion and analysis of financial condition and results of operations describes the principal factors affecting the results of our operations, financial condition, and changes in financial condition for the three and nine months ended September 30, 2023. This discussion should be read in conjunction with the accompanying Condensed Consolidated Financial Statements, and the notes thereto set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (“SEC”) on February 28, 2023, as amended by Amendment No. 1 thereto filed on Form 10-K/A with the SEC on March 29, 2023 (the “Annual Report”).

**Overview**
**Company Description**

Uniti Group Inc. (the “Company”, “Uniti”, “we”, “us” or “our”) is an independent, internally managed real estate investment trust (“REIT”) engaged in the acquisition and construction of mission critical infrastructure in the communications industry. We are principally focused on acquiring and constructing fiber optic, copper and coaxial broadband networks and data centers.

On April 24, 2015, we were separated and spun-off (the “Spin-Off”) from Windstream Holdings, Inc. (“Windstream Holdings” and together with Windstream Holdings II, LLC, its successor in interest, and its subsidiaries, “Windstream”) pursuant to which Windstream contributed certain telecommunications network assets, including fiber and copper networks and other real estate (the “Distribution Systems”) and a small consumer competitive local exchange carrier (“CLEC”) business (the “Consumer CLEC Business”) to Uniti and Uniti issued common stock and indebtedness and paid cash obtained from borrowings under Uniti’s senior credit facilities to Windstream. In connection with the Spin-Off, we entered into a long-term exclusive triple-net lease (the “Master Lease”) with Windstream, pursuant to which a substantial portion of our real property is leased to Windstream and from which a substantial portion of our leasing revenues are currently derived. In connection with Windstream’s emergence from bankruptcy, Uniti and Windstream bifurcated the Master Lease and entered into two structurally similar master leases (collectively, the “Windstream Leases”), which amended and restated the Master Lease in its entirety. The Windstream Leases consist of (a) a master lease (the “ILEC MLA”) that governs Uniti owned assets used for Windstream’s incumbent local exchange carrier (“ILEC”) operations and (b) a master lease (the “CLEC MLA”) that governs Uniti owned assets used for Windstream’s CLEC operations.

Uniti operates as a REIT for U.S. federal income tax purposes. As a REIT, the Company is generally not subject to U.S. federal income taxes on income generated by its REIT operations, which includes income derived from the Windstream Leases. We have elected to treat the subsidiaries through which we operate our fiber business, Uniti Fiber, certain aspects of our leasing business, Uniti Leasing, certain aspects of our former towers business, and Talk America Services, LLC, which operated our former Consumer CLEC Business, as taxable REIT subsidiaries (“TRSs”). TRSs enable us to engage in activities that result in income that does not constitute qualifying income for a REIT. Our TRSs are subject to U.S. federal, state and local corporate income taxes.

The Company operates through a customary up-REIT structure, pursuant to which we hold substantially all of our assets through a partnership, Uniti Group LP, a Delaware limited partnership (the “Operating Partnership”), that we control as general partner. This structure is intended to facilitate future acquisition opportunities by providing the Company with the ability to use common units of the Operating Partnership as a tax-efficient acquisition currency. As of September 30, 2023, we are the sole general partner of the Operating Partnership and own approximately 99.96% of the partnership interests in the Operating Partnership. In addition, we have undertaken a series of transactions to permit us to hold certain assets through subsidiaries that are taxed as REITs, which may also facilitate future acquisition opportunities.

We aim to grow and diversify our portfolio and tenant base by pursuing a range of transaction structures with communication service providers, including (i) sale-leaseback transactions, whereby we acquire existing infrastructure assets from third parties, including communication service providers, and lease them back on a long-term triple-net basis; (ii) leasing of dark fiber and selling of lit services on our existing fiber network assets that we either constructed or acquired; (iii) whole company acquisitions, which may include the use of one or more TRSs that are permitted under the tax laws to acquire and operate non-REIT businesses and assets subject to certain limitations; (iv) capital investment financing, whereby we offer communication service providers a cost efficient method of raising funds for discrete capital investments to upgrade or expand their network; and (v) mergers and acquisitions financing, whereby we facilitate mergers and acquisition transactions as a capital partner, including through operating company-property company (“OpCo-PropCo”) structures.

## Segments

We manage our operations as two reportable business segments, in addition to our corporate operations, which include:

Uniti Leasing: Represents the operations of our leasing business, Uniti Leasing, which is engaged in the acquisition and construction of mission-critical communications assets and leasing them to anchor customers on either an exclusive or shared-tenant basis, in addition to the leasing of dark fiber on our existing fiber network assets that we either constructed or acquired. While the Leasing segment represents our REIT operations, certain aspects of the Leasing segment are also operated through TRSs.

Uniti Fiber: Represents the operations of our fiber business, Uniti Fiber, which is a leading provider of infrastructure solutions, including cell site backhaul and dark fiber, to the telecommunications industry.

Corporate: Represents our corporate office and shared service functions. Certain costs and expenses, primarily related to headcount, information technology systems, insurance, professional fees and similar charges, that are directly attributable to operations of our business segments are allocated to the respective segments.

We evaluate the performance of each segment based on Adjusted EBITDA, which is a segment performance measure we define as net income determined in accordance with GAAP, before interest expense, provision for income taxes, depreciation and amortization, stock-based compensation expense and the impact, which may be recurring in nature, of transaction and integration related costs, costs associated with Windstream's bankruptcy, costs associated with litigation claims made against us, costs associated with the implementation of our enterprise resource planning system, executive severance costs, costs related to the settlement with Windstream, amortization of non-cash rights-of-use assets, the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, including early tender and redemption premiums and costs associated with the termination of related hedging activities, gains or losses on dispositions, changes in the fair value of contingent consideration and financial instruments, and other similar or infrequent items (although we may not have had such charges in the periods presented). Adjusted EBITDA includes adjustments to reflect the Company's share of Adjusted EBITDA from unconsolidated entities. For more information on Adjusted EBITDA, see "Non-GAAP Financial Measures." Detailed information about our segments can be found in Note 12 to our accompanying Condensed Consolidated Financial Statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q.

## Results of Operations

### Comparison of the three months ended September 30, 2023 and 2022

The following table sets forth our results of operations expressed as dollars and as a percentage of total revenues for the periods indicated:

(Thousands)	Three Months Ended September 30,			
	2023		2022	
	Amount	% of Revenues	Amount	% of Revenues
<b>Revenues:</b>				
Uniti Leasing	\$ 214,588	73.8%	\$ 208,623	73.7%
Uniti Fiber	76,067	26.2%	74,480	26.3%
Total revenues	290,655	100.0%	283,103	100.0%
<b>Costs and Expenses:</b>				
Interest expense, net	120,691	41.5%	97,731	34.5%
Depreciation and amortization	77,337	26.6%	73,516	26.1%
General and administrative expense	25,481	8.8%	26,863	9.5%
Operating expense (exclusive of depreciation and amortization)	37,392	12.9%	36,291	12.8%
Goodwill impairment	153,000	52.6%	216,000	76.3%
Transaction related and other costs	1,441	0.5%	2,375	0.8%
Gain on sale of real estate	(1,424)	(0.5)%	(94)	0.0%
Gain on sale of operations	—	—%	(176)	(0.1)%
Other expense (income), net	1,435	0.5%	74	0.0%
Total costs and expenses	415,353	142.9%	452,580	159.9%
<b>Loss before income taxes and equity in earnings from unconsolidated entities</b>				
	(124,698)	(42.9)%	(169,477)	(59.8)%
Income tax benefit	(43,095)	(14.9)%	(13,056)	(4.6)%
Equity in earnings from unconsolidated entities	(670)	(0.2)%	(672)	(0.2)%
<b>Net loss</b>	<b>(80,933)</b>	<b>(27.8)%</b>	<b>(155,749)</b>	<b>(55.0)%</b>
Net loss attributable to noncontrolling interests	(36)	(0.0)%	(70)	0.0%
<b>Net loss attributable to shareholders</b>	<b>(80,897)</b>	<b>(27.8)%</b>	<b>(155,679)</b>	<b>(55.0)%</b>
Participating securities' share in earnings	(321)	(0.1)%	(226)	(0.1)%
Dividends declared on convertible preferred stock	(5)	(0.0)%	(5)	(0.0)%
<b>Net loss attributable to common shareholders</b>	<b>\$ (81,223)</b>	<b>(27.9)%</b>	<b>\$ (155,910)</b>	<b>(55.1)%</b>

The following tables set forth revenues, Adjusted EBITDA and net income of our reportable segments for the three months ended September 30, 2023 and 2022:

(Thousands)	Three Months Ended September 30, 2023			
	Uniti Leasing	Uniti Fiber	Corporate	Subtotal of Reportable Segments
	Revenues	\$ 214,588	\$ 76,067	\$ —
Adjusted EBITDA	\$ 208,561	\$ 29,857	\$ (5,408)	\$ 233,010
Less:				
Interest expense				120,691
Depreciation and amortization	44,754	32,570	13	77,337
Transaction related and other costs				1,441
Goodwill impairment				153,000
Gain on sale of real estate				(1,424)
Other, net				2,091
Stock-based compensation				3,148
Income tax benefit				(43,095)
Adjustments for equity in earnings from unconsolidated entities				754
Net loss				<b>\$ (80,933)</b>

Three Months Ended September 30, 2022

(Thousands)	Uniti Leasing	Uniti Fiber	Corporate	Subtotal of Reportable Segments
Revenues	\$ 208,623	\$ 74,480	\$ —	\$ 283,103
Adjusted EBITDA	\$ 203,209	\$ 28,586	\$ (6,742)	\$ 225,053
Less:				
Interest expense				97,731
Depreciation and amortization	43,121	30,370	25	73,516
Transaction related and other costs				2,375
Goodwill impairment				216,000
Gain on sale of real estate				(94)
Gain on sale of operations				(176)
Other, net				600
Stock-based compensation				3,151
Income tax benefit				(13,056)
Adjustments for equity in earnings from unconsolidated entities				755
Net loss				<u>\$ (155,749)</u>

**Summary of Operating Metrics**

	Operating Metrics September 30,		
	2023	2022	% Increase / (Decrease)
<b>Operating metrics:</b>			
Uniti Leasing:			
Fiber strand miles	5,460,000	5,140,000	6.2%
Copper strand miles	230,000	230,000	0.0%
Uniti Fiber:			
Fiber strand miles	2,940,000	2,840,000	3.5%
Customer connections	28,257	27,615	2.3%

**Revenues**

(Thousands)	Three Months Ended September 30,			
	2023		2022	
	Amount	% of Consolidated Revenues	Amount	% of Consolidated Revenues
<b>Revenues:</b>				
Uniti Leasing	\$ 214,588	73.8%	\$ 208,623	73.7%
Uniti Fiber	76,067	26.2%	74,480	26.3%
Total revenues	<u>\$ 290,655</u>	<u>100.0%</u>	<u>\$ 283,103</u>	<u>100.0%</u>

**Uniti Leasing** – Uniti Leasing revenues are primarily attributable to rental revenue from leasing our Distribution Systems to Windstream pursuant to the Windstream Leases (and historically, the Master Lease). Under the Windstream Leases, Windstream is responsible for the costs related to operating the Distribution Systems, including property taxes, insurance, and maintenance and repair costs. As a result, we do not record an obligation related to the payment of property taxes, as Windstream makes direct payments to the taxing authorities. The initial term of the Windstream Leases expires on April 30, 2030. Annual rent under the Windstream Leases for the full year 2023 is \$672.2 million and is subject to annual escalation at a rate of 0.5%. For a description of the Windstream Leases, see “Liquidity and Capital Resources— Windstream Leases” below.

The rent for the first year of each renewal term will be an amount agreed to by us and Windstream. While the agreement requires that the renewal rent be “Fair Market Rent,” if we are unable to agree, the renewal Fair Market Rent will be determined by an independent appraisal process. Commencing with the second year of each renewal term, the renewal rent will increase at an escalation rate of 0.5%.

Pursuant to the Windstream Leases, Windstream (or any successor tenant under a Windstream Lease) has the right to cause Uniti to reimburse up to an aggregate \$1.75 billion for certain growth capital improvements in long-term value accretive fiber and related assets made by Windstream (or the applicable tenant under the Windstream Lease) to certain ILEC and CLEC properties (the “Growth Capital Improvements” or “GCIs”). Uniti’s total annual reimbursement commitments to Windstream for the Growth Capital Improvements is discussed below in “Liquidity and Capital Resources—Windstream Leases.”

Starting on the first anniversary of each installment of reimbursement for a Growth Capital Improvement, the rent payable by Windstream under the applicable Windstream Lease will increase by an amount equal to 8.0% (the “Rent Rate”) of such installment of reimbursement. The Rent Rate will thereafter increase to 100.5% of the prior Rent Rate on each anniversary of each reimbursement. In the event that the tenant’s interest in either Windstream Lease is transferred by Windstream under the terms thereof (unless transferred to the same transferee), or if Uniti transfers its interests as landlord under either Windstream Lease (unless to the same transferee), the reimbursement rights and obligations will be allocated between the ILEC MLA and the CLEC MLA by Windstream, provided that the maximum that may be allocated to the CLEC MLA following such transfer is \$20 million per year. If Uniti fails to reimburse any Growth Capital Improvement reimbursement

payment or equipment loan funding request as and when it is required to do so under the terms of the Windstream Leases, and such failure continues for thirty (30) days, then such unreimbursed amounts may be applied as an offset against the rent owed by Windstream under the Windstream Leases (and such

amounts will thereafter be treated as if Uniti had reimbursed them).

The Windstream Leases provide that tenant funded capital improvements (“TCIs”), defined as maintenance, repair, overbuild, upgrade or replacement to the Distribution Systems, including without limitation, the replacement of copper distribution systems with fiber distribution systems, automatically become property of Uniti upon their construction by Windstream. We receive non-monetary consideration related to TCIs as they automatically become our property, and we recognize the cost basis of TCIs that are capital in nature as property, plant, and equipment and deferred revenue. We depreciate the property, plant, and equipment over their estimated useful lives and amortize the deferred revenue as additional leasing revenues over the same depreciable life of the TCI assets. TCIs exclude Growth Capital Improvements as and when reimbursed by Uniti.

(Thousands)	Three Months Ended September 30,			
	2023		2022	
	Amount	% of Segment Revenues	Amount	% of Segment Revenues
<b>Uniti Leasing revenues:</b>				
Windstream Leases:				
Cash revenue				
Cash rent	\$ 168,338	78.5%	\$ 167,500	80.3%
GCI revenue	8,450	3.9%	3,914	1.9%
Total cash revenue	176,788	82.4%	171,414	82.2%
Non-cash revenue				
TCI revenue	11,707	5.4%	10,939	5.2%
GCI revenue	4,436	2.1%	3,624	1.7%
Other straight-line revenue	1,401	0.7%	2,241	1.1%
Total non-cash revenue	17,544	8.2%	16,804	8.0%
Total Windstream revenue	194,332	90.6%	188,218	90.2%
Other services	20,256	9.4%	20,405	9.8%
Total Uniti Leasing revenues	\$ 214,588	100.0%	\$ 208,623	100.0%

The increase in TCI revenue is attributable to continued investment by Windstream. As of September 30, 2023 and 2022, the total amount invested in TCIs by Windstream since the inception of the Windstream Leases and Master Lease was \$1.1 billion and \$1.1 billion, respectively.

The increase in GCI revenue is attributable to Uniti’s continued reimbursement of Growth Capital Improvements. During the three months ended September 30, 2023, Uniti reimbursed \$74.7 million of Growth Capital Improvements. Subsequent to September 30, 2023, Windstream requested, and we reimbursed \$16.5 million of qualifying Growth Capital Improvements. As of the date of this Quarterly Report on Form 10-Q, we have reimbursed a total of \$794.2 million of Growth Capital Improvements.

We recognized \$20.3 million and \$20.4 million of revenues from other services including non-Windstream triple-net leasing and dark fiber infeasible rights of use (“IRU”) arrangements for the three months ended September 30, 2023 and 2022, respectively.

Because a substantial portion of our revenue and cash flows are derived from lease payments by Windstream pursuant to the Windstream Leases, there could be a material adverse impact on our consolidated results of operations, liquidity, financial condition and/or ability to maintain our status as a REIT and service debt if Windstream were to become unable to generate sufficient cash to make payments to us.

We monitor the credit quality of Windstream through numerous methods, including by (i) reviewing credit ratings of Windstream by nationally recognized credit agencies, (ii) reviewing the financial statements of Windstream that are required to be delivered to us pursuant to the Windstream Leases, (iii) monitoring news reports regarding Windstream and

its business, (iv) conducting research to ascertain industry trends potentially affecting Windstream, (v) monitoring Windstream’s compliance with the terms of the Windstream Leases and (vi) monitoring the timeliness of its payments under the Windstream Leases.

As of the date of this Quarterly Report on Form 10-Q, Windstream is current on all lease payments. Moody’s Investor Service’s current corporate family rating for Windstream is B3 with a stable outlook. S&P Global Ratings’ current issuer rating for Windstream is B- with a stable outlook. In addition, in order to assist us in our continuing assessment of Windstream’s creditworthiness, we periodically receive certain confidential financial information and metrics from Windstream.

Uniti Fiber – Uniti Fiber revenues for the three months ended September 30, 2023 and 2022 consisted of the following:

(Thousands)	Three Months Ended September 30,			
	2023		2022	
	Amount	% of Segment Revenues	Amount	% of Segment Revenues
<b>Uniti Fiber revenues:</b>				
Lit backhaul services	\$ 18,246	24.0%	\$ 19,969	26.8%
Enterprise and wholesale	24,211	31.9%	21,423	28.8%
E-Rate and government	15,911	20.9%	15,245	20.5%
Dark fiber and small cells	16,913	22.2%	17,140	23.0%
Other services	786	1.0%	703	0.9%
Total Uniti Fiber revenues	\$ 76,067	100.0%	\$ 74,480	100.0%

For the three months ended September 30, 2023, Uniti Fiber revenues totaled \$76.1 million as compared to \$74.5 million for the three months ended September 30, 2022. The increase in Uniti Fiber revenues of \$1.6 million is primarily due to an increase in Enterprise and wholesale revenues of \$2.8 million, driven primarily by increased internet services, and an increase in E-Rate and government revenues of \$0.7 million, driven primarily by increased equipment and installation sales, partially offset by a decrease in Lit backhaul services revenues of \$1.7 million, driven primarily by decreased one-time unsplicing and cancellation fees.

## Interest Expense, net

(Thousands)	Three Months Ended September 30,		
	2023	2022	Increase / (Decrease)
<b>Interest expense, net:</b>			
<b>Cash:</b>			
Senior secured notes	75,019	\$ 51,066	23,953
Senior unsecured notes	35,514	31,988	3,526
Senior secured revolving credit facility - variable rate	3,510	3,539	(29)
Interest rate swap termination	—	2,829	(2,829)
Other	49	985	(936)
Total cash interest	114,092	90,407	23,685
<b>Non-cash:</b>			
Amortization of deferred financing costs and debt discount	4,520	4,495	25
Accretion of settlement payable	2,497	2,946	(449)
Capitalized interest	(418)	(117)	(301)
Total non-cash interest	6,599	7,324	(725)
Total interest expense, net	\$ 120,691	\$ 97,731	\$ 22,960

Interest expense for the three months ended September 30, 2023 increased by \$23.0 million compared to the three months ended September 30, 2022. The increase is primarily due to higher cash interest on our secured and unsecured notes of \$27.5 million, partially offset by a \$2.8 million decrease in interest rate swap termination interest which ceased October 2022.

## Depreciation and Amortization Expense

(Thousands)	Three Months Ended September 30,		
	2023	2022	Increase / (Decrease)
<b>Depreciation and amortization expense by segment:</b>			
<b>Depreciation expense</b>			
Uniti Leasing	\$ 43,026	\$ 41,392	\$ 1,634
Uniti Fiber	26,872	24,653	2,219
Corporate	13	25	(12)
Total depreciation expense	69,911	66,070	3,841
<b>Amortization expense</b>			
Uniti Leasing	1,728	1,729	(1)
Uniti Fiber	5,698	5,717	(19)
Total amortization expense	7,426	7,446	(20)
Total depreciation and amortization expense	\$ 77,337	\$ 73,516	\$ 3,821

**Uniti Leasing** – Uniti Leasing depreciation expense increased \$1.6 million for the three months ended September 30, 2023 compared to the three months ended September 30, 2022. The increase is primarily due to asset additions since September 30, 2022.

**Uniti Fiber** – Uniti Fiber depreciation expense increased \$2.2 million for the three months ended September 30, 2023 compared to the three months ended September 30, 2022. The increase is primarily due to asset additions since September 30, 2022.

## General and Administrative Expense

General and administrative expense includes compensation costs, including stock-based compensation awards, professional and legal services, corporate office costs and other costs associated with administrative activities of our segments.

(Thousands)	Three Months Ended September 30,			
	2023		2022	
	Amount	% of Consolidated Revenues	Amount	% of Consolidated Revenues
<b>General and administrative expense by segment:</b>				
Uniti Leasing	\$ 2,668	1.0%	\$ 3,368	1.2%
Uniti Fiber	15,590	5.4%	14,820	5.2%
Corporate	7,223	2.4%	8,675	3.1%
Total general and administrative expenses	\$ 25,481	8.8%	\$ 26,863	9.5%

**Uniti Leasing** – Uniti Leasing general and administrative expense decreased \$0.7 million for the three months ended September 30, 2023 compared to the three months ended September 30, 2022, which is primarily due to a decrease in personnel expense of \$0.5 million.

**Uniti Fiber** – Uniti Fiber general and administrative expense increased \$0.8 million for the three months ended September 30, 2023 compared to the three months ended September 30, 2022, which is primarily due to an increase in personnel expense of \$0.7 million and insurance expense of \$0.3 million.

**Corporate** – Corporate general and administrative expense decreased \$1.5 million for the three months ended September 30, 2023 compared to the three months ended September 30, 2022, which is primarily due to decreases in legal fees, professional fees, and insurance expense of \$1.3 million.

## Operating Expense

Operating expense consists of network related costs, such as dark fiber and tower rents, lit service and maintenance expense and costs associated with our construction activities.

(Thousands)	Three Months Ended September 30,			
	2023		2022	
	Amount	% of Consolidated Revenues	Amount	% of Consolidated Revenues
<b>Operating expense by segment:</b>				
Uniti Leasing	\$ 6,070	2.1%	\$ 4,679	1.7%
Uniti Fiber	31,322	10.8%	31,612	11.1%
Total operating expenses	\$ 37,392	12.9%	\$ 36,291	12.8%

*Uniti Leasing* – Uniti Leasing operating expense increased \$1.4 million for the three months ended September 30, 2023 compared to the three months ended September 30, 2022, which is primarily due to increased leased asset costs of \$1.1 million.

*Uniti Fiber* – Uniti Fiber operating expenses decreased \$0.3 million for the three months ended September 30, 2023 compared to the three months ended September 30, 2022, which is primarily due to decreased personnel expense of \$1.4 million, partially offset by increased maintenance and repairs of \$1.3 million.

### **Goodwill Impairment**

As a result of macroeconomic and financial market factors, specifically increased interest rates impacting our discount rate, we concluded that it was more likely than not that the fair value of the Uniti Fiber segment, estimated using a combination of the income approach and market approach, is less than its carrying amount. Accordingly, we recorded a \$153.0 million

(\$113.9 million net of tax) goodwill impairment in Uniti Fiber segment during the three months ended September 30, 2023 as compared to a \$216.0 million (\$205.7 million net of tax) goodwill impairment in the Uniti Fiber segment during the three months ended September 30, 2022. See Note 2 of Notes to Condensed Consolidated Financial Statements in Part I Item 1 of this Quarterly Report on Form 10-Q.

### **Transaction Related and Other Costs**

Transaction related and other costs during the three months ended September 30, 2023 and 2022 included acquisition, pursuit, transaction, and integration costs (including unsuccessful acquisition pursuit costs). For the three months ended September 30, 2023, we incurred \$1.4 million of transaction related and other costs, compared to \$2.4 million of such costs during the three months ended September 30, 2022.

### **Income Tax Benefit**

The income tax benefit recorded for the three months ended September 30, 2023 and 2022, respectively, is related to the tax impact of the following:

(Thousands)	Three Months Ended September 30,	
	2023	2022
<b>Income tax benefit</b>		
Pre-tax loss (Uniti Fiber)	\$ (43,487)	\$ (14,555)
Other undistributed REIT taxable income	—	963
REIT state and local taxes	392	516
Other	—	20
Total income tax benefit	\$ (43,095)	\$ (13,056)

### **Comparison of the nine months ended September 30, 2023 and 2022**

The following table sets forth our results of operations expressed as dollars and as a percentage of total revenues for the periods indicated:

(Thousands)	Nine Months Ended September 30,			
	2023		2022	
	Amount	% of Revenues	Amount	% of Revenues
<b>Revenues:</b>				
Uniti Leasing	\$ 637,849	73.8 %	\$ 618,878	73.2 %
Uniti Fiber	226,326	26.2 %	226,234	26.8 %
Total revenues	864,175	100.0 %	845,112	100.0 %
<b>Costs and Expenses:</b>				
Interest expense, net	389,243	45.0 %	290,280	34.3 %
Depreciation and amortization	231,379	26.8 %	217,276	25.7 %
General and administrative expense	77,331	9.0 %	75,818	8.9 %
Operating expense (exclusive of depreciation and amortization)	109,878	12.7 %	108,184	12.8 %
Goodwill impairment	153,000	17.7 %	216,000	25.6 %
Transaction related and other costs	9,805	1.1 %	7,324	0.9 %
Gain on sale of real estate	(1,424)	(0.2)%	(344)	0.0 %
Gain on sale of operations	—	— %	(176)	0.0 %
Other expense (income), net	21,323	2.5 %	(8,254)	(1.0)%
Total costs and expenses	990,535	114.6 %	906,108	107.2 %
<b>Loss before income taxes and equity in earnings from unconsolidated entities</b>	(126,360)	(14.6)%	(60,996)	(7.2)%
Income tax benefit	(49,864)	(5.8)%	(10,183)	(1.2)%
Equity in earnings from unconsolidated entities	(1,990)	(0.2)%	(1,696)	(0.2)%
<b>Net loss</b>	(74,506)	(8.6)%	(49,117)	(5.8)%
Net loss attributable to noncontrolling interests	(33)	0.0 %	135	0.0 %
<b>Net loss attributable to shareholders</b>	(74,473)	(8.6)%	(49,252)	(5.8)%
Participating securities' share in earnings	(890)	(0.1)%	(897)	(0.1)%
Dividends declared on convertible preferred stock	(15)	(0.0)%	(15)	(0.0)%
<b>Net loss attributable to common shareholders</b>	\$ (75,378)	(8.7)%	\$ (50,164)	(5.9)%

The following tables set forth revenues, Adjusted EBITDA and net income of our reportable segments for the nine months ended September 30, 2023 and 2022:



(Thousands)	Nine Months Ended September 30, 2023			
	Uniti Leasing	Uniti Fiber	Corporate	Subtotal of Reportable Segments
Revenues	\$ 637,849	\$ 226,326	\$ —	\$ 864,175
Adjusted EBITDA	\$ 620,079	\$ 88,712	\$ (16,413)	\$ 692,378
Less:				
Interest expense				389,243
Depreciation and amortization	133,617	97,719	43	231,379
Goodwill impairment				153,000
Gain on sale of real estate				(1,424)
Transaction related and other costs				9,805
Other, net				23,073
Stock-based compensation				9,408
Income tax benefit				(49,864)
Adjustments for equity in earnings from unconsolidated entities				2,264
Net loss				<u>(74,506)</u>

(Thousands)	Nine Months Ended September 30, 2022			
	Uniti Leasing	Uniti Fiber	Corporate	Subtotal of Reportable Segments
Revenues	\$ 618,878	\$ 226,234	\$ —	\$ 845,112
Adjusted EBITDA	\$ 602,531	\$ 93,628	\$ (19,153)	\$ 677,006
Less:				
Interest expense				290,280
Depreciation and amortization	127,738	89,440	98	217,276
Goodwill impairment				216,000
Gain on sale of real estate				(344)
Gain on sale of operations				(176)
Transaction related and other costs				7,324
Other, net				(6,534)
Stock-based compensation				9,664
Income tax benefit				(10,183)
Adjustments for equity in earnings from unconsolidated entities				2,816
Net loss				<u>(49,117)</u>

**Revenues**

(Thousands)	Nine Months Ended September 30,			
	2023		2022	
	Amount	% of Consolidated Revenues	Amount	% of Consolidated Revenues
<b>Revenues:</b>				
Uniti Leasing	\$ 637,849	73.8%	\$ 618,878	73.2%
Uniti Fiber	226,326	26.2%	226,234	26.8%
Total revenues	<u>\$ 864,175</u>	<u>100.0%</u>	<u>\$ 845,112</u>	<u>100.0%</u>

Uniti Leasing – Uniti Leasing revenues for the nine months ended September 30, 2023 and 2022 consisted of the following:

(Thousands)	Nine Months Ended September 30,			
	2023		2022	
	Amount	% of Segment Revenues	Amount	% of Segment Revenues
<b>Uniti Leasing revenues:</b>				
Windstream Leases:				
Cash revenue				
Cash rent	\$ 503,897	79.0%	\$ 501,390	81.0%
GCI revenue	22,128	3.5%	8,734	1.4%
Total cash revenue	526,025	82.5%	510,124	82.4%
Non-cash revenue				
TCI revenue	34,628	5.4%	32,010	5.2%
GCI revenue	12,245	1.9%	11,073	1.7%
Other straight-line revenue	5,323	0.9%	7,850	1.3%
Total non-cash revenue	52,196	8.2%	50,933	8.2%
Total Windstream revenue	578,221	90.7%	561,057	90.7%
Other services	59,628	9.3%	57,821	9.3%
Total Uniti Leasing revenues	<u>\$ 637,849</u>	<u>100.0%</u>	<u>\$ 618,878</u>	<u>100.0%</u>

The increase in TCI revenue is attributable to continued investment by Windstream. As of September 30, 2023 and 2022, the total amount invested in TCIs by Windstream since the inception of the Windstream Leases and Master Lease was \$1.1 billion and \$1.1 billion, respectively.

The increase in GCI revenue is attributable to Uniti's continued reimbursement of Growth Capital Improvements. During the nine months ended September 30, 2023, Uniti reimbursed \$233.5 million of Growth Capital Improvements. Subsequent to September 30, 2023, Windstream requested, and we reimbursed \$16.5 million of qualifying Growth Capital Improvements. As of the date of this Quarterly Report on Form 10-Q, we have reimbursed a total of \$794.2 million of Growth Capital Improvements.

We recognized \$59.6 million and \$57.8 million of revenues from non-Windstream triple-net leasing, dark fiber IRU arrangements, and other services for the nine months ended September 30, 2023 and 2022, respectively. The increase is primarily due to revenues from new customer arrangements.

Uniti Fiber – Uniti Fiber revenues for the nine months ended September 30, 2023 and 2022 consisted of the following:

(Thousands)	Nine Months Ended September 30,			
	2023		2022	
	Amount	% of Segment Revenues	Amount	% of Segment Revenues
<b>Uniti Fiber revenues:</b>				
Lit backhaul services	\$ 57,221	25.3%	\$ 59,344	26.3%
Enterprise and wholesale	70,144	31.0%	63,359	28.0%
E-Rate and government	43,947	19.4%	48,026	21.2%
Dark fiber and small cells	52,750	23.3%	53,429	23.6%
Other services	2,264	1.0%	2,076	0.9%
Total Uniti Fiber revenues	<u>\$ 226,326</u>	<u>100.0%</u>	<u>\$ 226,234</u>	<u>100.0%</u>

For the nine months ended September 30, 2023, Uniti Fiber revenues totaled \$226.3 million as compared to \$226.2 million for the nine months ended September 30, 2022. The increase in revenues of \$0.1 million is primarily due to an increase in Enterprise and wholesale revenues of \$6.8 million, driven primarily by increased internet services, partially offset by a decrease in E-Rate and government revenues of \$4.1 million, driven primarily by decreased equipment and installation sales, and a decrease in Lit backhaul services revenues of \$2.1 million, driven primarily by decreased one-time unsplicing and cancellation fees.

**Interest Expense, net**

(Thousands)	Nine Months Ended September 30,		
	2023	2022	Increase / (Decrease)
<b>Interest expense, net:</b>			
<b>Cash:</b>			
Senior secured notes	\$ 243,226	\$ 153,198	90,028
Senior unsecured notes	106,674	95,963	10,711
Senior secured revolving credit facility - variable rate	8,143	9,018	(875)
Interest rate swap termination	—	8,488	(8,488)
Other	758	1,664	(906)
Total cash interest	358,801	268,331	90,470
<b>Non-cash:</b>			
Amortization of deferred financing costs and debt discount	13,974	13,510	464
Write off of deferred financing costs and debt discount	10,412	—	10,412
Accretion of settlement payable	8,273	8,733	(460)
Gain on extinguishment of debt	(1,269)	—	(1,269)
Capitalized interest	(948)	(294)	(654)
Total non-cash interest	\$ 30,442	\$ 21,949	\$ 8,493
Total interest expense, net	\$ 389,243	\$ 290,280	\$ 98,963

Interest expense for the nine months ended September 30, 2023 increased \$99.0 million compared to the nine months ended September 30, 2022. The increase is primarily due to a loss on extinguishment of debt of \$32.3 million on the 7.875% senior secured notes due 2025 (the "2025 Secured Notes"), which included \$10.3 million of non-cash interest expense for the write off of unamortized discount and deferred financing costs and \$22.0 million of cash interest expense for the redemption premium, and an increase in cash interest on secured and unsecured notes of \$78.7 million, partially offset by a decrease in interest rate swap termination interest of \$8.5 million that ceased October 2022.

**Depreciation and Amortization Expense**

(Thousands)	Nine Months Ended September 30,		
	2023	2022	Increase / (Decrease)
<b>Depreciation and amortization expense by segment:</b>			
<b>Depreciation expense</b>			
Uniti Leasing	\$ 128,430	\$ 122,550	\$ 5,880
Uniti Fiber	80,601	72,290	8,311
Corporate	43	98	(55)
Total depreciation expense	209,074	194,938	14,136
<b>Amortization expense</b>			
Uniti Leasing	5,187	5,188	(1)
Uniti Fiber	17,118	17,150	(32)
Total amortization expense	22,305	22,338	(33)
Total depreciation and amortization expense	\$ 231,379	\$ 217,276	\$ 14,103

Uniti Leasing – Uniti Leasing depreciation expense increased \$5.9 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The increase is primarily due to asset additions since September 30, 2022.

**Uniti Fiber** – Uniti Fiber depreciation expense increased \$8.3 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The increase is primarily due to asset additions since September 30, 2022.

### General and Administrative Expense

General and administrative expenses include compensation costs, including stock-based compensation awards, professional and legal services, corporate office costs and other costs associated with administrative activities of our segments.

(Thousands)	Nine Months Ended September 30,			
	2023		2022	
	Amount	% of Consolidated Revenues	Amount	% of Consolidated Revenues
<b>General and administrative expense by segment:</b>				
Uniti Leasing	\$ 8,713	1.0 %	\$ 9,907	1.1 %
Uniti Fiber	46,692	5.4 %	40,603	4.9 %
Corporate	21,926	2.5 %	25,308	3.0 %
<b>Total general and administrative expenses</b>	<b>\$ 77,331</b>	<b>8.9 %</b>	<b>\$ 75,818</b>	<b>9.0 %</b>

**Uniti Leasing** – Uniti Leasing general and administrative expense decreased \$1.2 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, which is primarily due to decreased personnel costs of \$0.8 million.

**Uniti Fiber** – Uniti Fiber general and administrative expense increased \$6.1 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, which is primarily due to increases in personnel expense of \$3.3 million, insurance expense of \$1.0 million, and regulatory expense, driven predominantly by universal service fees, of \$0.8 million.

**Corporate** – Corporate general and administrative expense decreased \$3.4 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, which is primarily due to decreases in legal fees, professional fees, and insurance expense of \$4.7 million, partially offset by an increase in personnel costs of \$1.3 million.

### Operating Expense

Operating expense consists of network related costs, such as dark fiber and tower rents, lit service and maintenance expense and costs associated with our construction activities.

(Thousands)	Nine Months Ended September 30,			
	2023		2022	
	Amount	% of Consolidated Revenues	Amount	% of Consolidated Revenues
<b>Operating expense by segment:</b>				
Uniti Leasing	\$ 17,113	2.0%	\$ 14,385	1.7%
Uniti Fiber	92,765	10.7%	93,799	11.1%
<b>Total operating expenses</b>	<b>\$ 109,878</b>	<b>12.7%</b>	<b>\$ 108,184</b>	<b>12.8%</b>

**Uniti Leasing** – Uniti Leasing operating expense increased \$2.7 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The increase is primarily due to increased leased asset cost of \$2.6 million and other network related charges of \$0.6 million, partially offset by decreased personnel expense of \$0.4 million.

**Uniti Fiber** – Uniti Fiber operating expenses decreased \$1.0 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The decrease is primarily due to decreased dark fiber early

termination fees of \$2.6 million and non-recurring equipment and installation costs of \$2.2 million, partially offset by increased maintenance and repairs of \$4.0 million.

**Goodwill Impairment**

As a result of macroeconomic and financial market factors, specifically increased interest rates impacting our discount rate, we concluded that it was more likely than not that the fair value of the Unit Fiber segment, estimated using a combination of the income approach and market approach, is less than its carrying amount. Accordingly, we recorded a \$153.0 million (\$113.9 million net of tax) goodwill impairment in the Unit Fiber segment during the nine months ended September 30, 2023 as compared to a \$216.0 million (\$205.7 million net of tax) goodwill impairment in the Unit Fiber segment during the nine months ended September 30, 2022. See Note 2 of Notes to Condensed Consolidated Financial Statements in Part I Item 1 of this Quarterly Report on Form 10-Q.

**Transaction Related and Other Costs**

Transaction related and other costs during the nine months ended September 30, 2023 and 2022 included acquisition, pursuit, transaction and integration costs (including unsuccessful acquisition pursuit costs). For the nine months ended September 30, 2023, we incurred \$9.8 million of transaction related and other costs, compared to \$7.3 million of such costs during the nine months ended September 30, 2022.

**Other Expense (Income), net**

Other expense for the nine months ended September 30, 2023 totaled \$21.3 million, which included \$20.6 million of costs related to the issuance of the February 2028 Secured Notes.

**Income Tax Benefit**

The income tax benefit recorded for the nine months ended September 30, 2023 and 2022, respectively, is related to the tax impact of the following:

(Thousands)	Nine Months Ended September 30,	
	2023	2022
<b>Income tax benefit</b>		
Pre-tax loss (Unit Fiber)	\$ (51,042)	\$ (21,798)
Gain on sale of unconsolidated entity	—	6,711
Other undistributed REIT taxable income	—	3,229
REIT state and local taxes	1,151	1,594
Other	27	81
<b>Total income tax benefit</b>	<b>\$ (49,864)</b>	<b>\$ (10,183)</b>

**Non-GAAP Financial Measures**

We refer to EBITDA, Adjusted EBITDA, Funds From Operations (“FFO”) (as defined by the National Association of Real Estate Investment Trusts (“NAREIT”)) and Adjusted Funds From Operations (“AFFO”) in our analysis of our results of operations, which are not required by, or presented in accordance with, accounting principles generally accepted in the United States (“GAAP”). While we believe that net income, as defined by GAAP, is the most appropriate earnings measure, we also believe that EBITDA, Adjusted EBITDA, FFO and AFFO are important non-GAAP supplemental measures of operating performance for a REIT.

We define “EBITDA” as net income, as defined by GAAP, before interest expense, provision for income taxes and depreciation and amortization. We define “Adjusted EBITDA” as EBITDA before stock-based compensation expense and the impact, which may be recurring in nature, of incremental acquisition, pursuit, transaction and integration costs (including unsuccessful acquisition pursuit costs), costs associated with Windstream’s bankruptcy, costs associated with litigation claims made against us, and costs associated with the implementation of our enterprise resource planning system, (collectively, “Transaction Related and Other Costs”), costs related to the settlement with Windstream, goodwill impairment charges, executive severance costs, amortization of non-cash rights-of-use assets, the write off of unamortized

deferred financing costs, costs incurred as a result of the early repayment of debt, including early tender and redemption premiums and costs associated with the termination of related hedging activities, gains or losses on dispositions, changes in the fair value of contingent consideration and financial instruments, and other similar or infrequent items (although we may not have had such charges in the periods presented). Adjusted EBITDA includes adjustments to reflect the Company's share of Adjusted EBITDA from unconsolidated entities. We believe EBITDA and Adjusted EBITDA are important supplemental measures to net income because they provide additional information to evaluate our operating performance on an unleveraged basis. In addition, Adjusted EBITDA is calculated similar to defined terms in our material debt agreements used to determine compliance with specific financial covenants. Since EBITDA and Adjusted EBITDA are not measures calculated in accordance with GAAP, they should not be considered as alternatives to net income determined in accordance with GAAP.

Because the historical cost accounting convention used for real estate assets requires the recognition of depreciation expense except on land, such accounting presentation implies that the value of real estate assets diminishes predictably over time. However, since real estate values have historically risen or fallen with market and other conditions, presentations of operating results for a REIT that uses historical cost accounting for depreciation could be less informative. Thus, NAREIT created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. FFO is defined by NAREIT as net income attributable to common shareholders computed in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization and impairment charges, and includes adjustments to reflect the Company's share of FFO from unconsolidated entities. We compute FFO in accordance with NAREIT's definition.

The Company defines AFFO, as FFO excluding (i) Transaction Related and Other Costs; (ii) costs related to the litigation settlement with Windstream, accretion on our settlement obligation, and gains on prepayment of our settlement obligation as these items are not reflective of ongoing operating performance; (iii) goodwill impairment charges; (iv) certain non-cash revenues and expenses such as stock-based compensation expense, amortization of debt and equity discounts, amortization of deferred financing costs, depreciation and amortization of non-real estate assets, amortization of non-cash rights-of-use assets, straight line revenues, non-cash income taxes, and the amortization of other non-cash revenues to the extent that cash has not been received, such as revenue associated with the amortization of TCIs; and (v) the impact, which may be recurring in nature, of the write-off of unamortized deferred financing fees, additional costs incurred as a result of the early repayment of debt, including early tender and redemption premiums and costs associated with the termination of related hedging activities, executive severance costs, taxes associated with tax basis cancellation of debt, gains or losses on dispositions, changes in the fair value of contingent consideration and financial instruments and similar or infrequent items less maintenance capital expenditures. AFFO includes adjustments to reflect the Company's share of AFFO from unconsolidated entities. We believe that the use of FFO and AFFO, and their respective per share amounts, combined with the required GAAP presentations, improves the understanding of operating results of REITs among investors and analysts, and makes comparisons of operating results among such companies more meaningful. We consider FFO and AFFO to be useful measures for reviewing comparative operating performance. In particular, we believe AFFO, by excluding certain revenue and expense items, can help investors compare our operating performance between periods and to other REITs on a consistent basis without having to account for differences caused by unanticipated items and events, such as transaction and integration related costs. The Company uses FFO and AFFO, and their respective per share amounts, only as performance measures, and FFO and AFFO do not purport to be indicative of cash available to fund our future cash requirements. While FFO and AFFO are relevant and widely used measures of operating performance of REITs, they do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity or operating performance.

Further, our computations of EBITDA, Adjusted EBITDA, FFO and AFFO may not be comparable to that reported by other REITs or companies that do not define FFO in accordance with the current NAREIT definition or that interpret the current NAREIT definition or define EBITDA, Adjusted EBITDA and AFFO differently than we do.

The reconciliation of our net loss to EBITDA and Adjusted EBITDA and of our net loss attributable to common shareholders to FFO and AFFO attributable to common shareholders for the three and nine months ended September 30, 2023 and 2022 is as follows:

(Thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Net loss</b>	\$ (80,933)	\$ (155,749)	\$ (74,506)	\$ (49,117)
Depreciation and amortization	77,337	73,516	231,379	217,276
Interest expense, net	120,691	97,731	389,243	290,280
Income tax benefit	(43,095)	(13,056)	(49,864)	(10,183)
<b>EBITDA</b>	\$ 74,000	\$ 2,442	\$ 496,252	\$ 448,256
Stock-based compensation	3,148	3,151	9,408	9,664
Transaction related and other costs	1,441	2,375	9,805	7,324
Gain on sale of operations	—	(176)	—	(176)
Gain on sale of real estate	(1,424)	(94)	(1,424)	(344)
Goodwill impairment	153,000	216,000	153,000	216,000
Other, net	2,091	600	23,073	(6,534)
Adjustments for equity in earnings from unconsolidated entities	754	755	2,264	2,816
<b>Adjusted EBITDA</b>	\$ 233,010	\$ 225,053	\$ 692,378	\$ 677,006



(Thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Net loss attributable to common shareholders</b>	\$ (81,223)	\$ (155,910)	\$ (75,378)	\$ (50,164)
Real estate depreciation and amortization	55,405	53,118	164,983	157,436
Gain on sale of real estate assets	(1,424)	(94)	(1,424)	(344)
Participating securities share in earnings	321	226	890	897
Participating securities share in FFO	(321)	(226)	(1,298)	(1,788)
Real estate depreciation and amortization from unconsolidated entities	435	436	1,305	1,931
Adjustments for noncontrolling interests	(24)	(24)	(74)	(235)
<b>FFO attributable to common shareholders</b>	\$ (26,831)	\$ (102,474)	\$ 89,004	\$ 107,733
Transaction related and other costs	1,441	2,375	9,805	7,324
Amortization of deferred financing costs and debt discount	4,521	4,495	13,975	13,510
Write off of deferred financing costs and debt discount	—	—	10,412	—
Costs related to the early repayment of debt	—	—	51,997	—
Stock-based compensation	3,148	3,151	9,408	9,664
Gain on sale of unconsolidated entity, net of tax	—	—	—	(1,212)
Gain on sale of operations	—	(176)	—	(176)
Non-real estate depreciation and amortization	21,932	20,398	66,396	59,840
Goodwill impairment	153,000	216,000	153,000	216,000
Straight-line revenues and amortization of below-market lease intangibles	(9,579)	(9,918)	(28,795)	(31,066)
Maintenance capital expenditures	(1,594)	(2,314)	(5,338)	(7,136)
Other, net	(50,963)	(19,182)	(77,041)	(35,412)
Adjustments for equity in earnings from unconsolidated entities	320	319	960	887
Adjustments for noncontrolling interests	(55)	(96)	(92)	(137)
<b>AFFO attributable to common shareholders</b>	\$ 95,340	\$ 112,578	\$ 293,691	\$ 339,819

### Liquidity and Capital Resources

Our principal liquidity needs are to fund operating expenses, meet debt service obligations, fund investment activities, including capital expenditures, and make dividend distributions. Furthermore, following consummation of our settlement agreement with Windstream, including entry into the Windstream Leases, we are obligated (i) to make \$490.1 million of cash payments to Windstream in equal installments over 20 consecutive quarters beginning in October 2020 and (ii) to reimburse Windstream for up to an aggregate of \$1.75 billion for Growth Capital Improvements in long-term value accretive fiber and related assets made by Windstream through 2029. To date, we have paid \$288.9 million of the \$490.1 million due to Windstream under the settlement agreement. Uniti's reimbursement commitment for Growth Capital Improvements does not require Uniti to reimburse Windstream for maintenance or repair expenditures (except for costs incurred for fiber replacements to the CLEC MLA leased property, up to \$70 million during the term), and each such reimbursement is subject to underwriting standards. Uniti's total annual reimbursement commitments for the Growth Capital Improvements under both Windstream Leases (and under separate equipment loan facilities) were limited to \$225 million in 2022, and are limited to \$225 million per year in 2023 and 2024; \$175 million per year in 2025 and 2026; and \$125 million per year in 2027 through 2029.

Our primary sources of liquidity and capital resources are cash on hand, cash provided by operating activities (primarily from the Windstream Leases), available borrowings under our credit agreement by and among the Operating Partnership, CSL Capital, LLC and Uniti Group Finance 2019 Inc., the guarantors party thereto, Bank of America, N.A., as administrative agent, collateral agent, swing line lender and an L/C issuer and certain other lenders named therein (the "Credit Agreement"), and proceeds from the issuance of debt and equity securities.

As of September 30, 2023, we had cash and cash equivalents of \$34.1 million and approximately \$229.0 million of borrowing availability under our Revolving Credit Facility under the Credit Agreement (subject to customary borrowing conditions). Subsequent to September 30, 2023, other than \$16.5 million of Growth Capital Improvements (see “*Results of Operations—Revenues*” above), there have been no material outlays of funds outside of our scheduled interest and dividend payments. Availability under our Revolving Credit Facility is subject to various conditions, including a maximum secured leverage ratio of 5.0:1. In addition, if we incur debt under our Revolving Credit Facility or otherwise such that our total leverage ratio exceeds 6.5:1, our Revolving Credit Facility would impose significant restrictions on our ability to pay dividends. See “—Dividends.”

(Thousands)	Nine Months Ended September 30,	
	2023	2022
<b>Cash flow from operating activities:</b>		
Net cash provided by operating activities	\$ 190,575	\$ 285,107

Cash provided by operating activities is primarily attributable to our leasing activities, which includes the leasing of mission-critical communications assets to anchor customers on either an exclusive or shared-tenant basis, in addition to the leasing of dark fiber network assets to the telecommunications industry. Cash used in operating activities includes compensation and related costs, interest payments, and other changes in working capital. Net cash provided by operating activities was \$190.6 million and \$285.1 million for the nine months ended September 30, 2023 and 2022, respectively. The decrease in net cash provided by operating activities during the nine months ended September 30, 2023 is primarily attributable to increases in cash interest expense, related to the issuance of the February 2028 Secured Notes, and changes in working capital, including the timing of interest payments associated with debt activities occurring in 2023.

(Thousands)	Nine Months Ended September 30,	
	2023	2022
<b>Cash flow from investing activities:</b>		
Capital expenditures	\$ (368,264)	\$ (292,666)
Proceeds from sale of unconsolidated entity (see Note 5 of Notes to Condensed Consolidated Financial Statements in Part I Item 1 of this Quarterly Report on Form 10-Q)	—	32,527
Proceeds from sale of real estate, net of cash	1,530	575
Proceeds from sale of operations	—	541
Proceeds from sale of other equipment	1,581	338
Net cash used in investing activities	\$ (365,153)	\$ (258,685)

Net cash used in investing activities increased \$106.5 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, primarily driven by an increase in Growth Capital Improvements of \$75.4 million, which we classify as success-based capital expenditures. Additionally, net cash used in investing activities for the nine months ended September 30, 2022 was partially offset by proceeds from the sale of an unconsolidated entity, which was not repeated in the current period. Capital expenditures are primarily related to our Uniti Fiber and Uniti Leasing businesses for deployment of network assets, as described below under “—Capital Expenditures.”

(Thousands)	Nine Months Ended September 30,	
	2023	2022
<b>Cash flow from financing activities:</b>		
Repayment of debt	\$ (2,263,662)	\$ —
Proceeds from issuance of notes	2,600,000	—
Dividends paid	(107,395)	(107,362)
Payments of settlement payable	(73,516)	—
Distributions paid to noncontrolling interest	(48)	(217)
Payment for exchange of noncontrolling interest	—	(4,620)
Borrowings under revolving credit facility	450,000	180,000
Payments under revolving credit facility	(367,000)	(105,000)
Finance lease payments	(1,601)	(887)
Payments for financing costs	(26,955)	—
Payment for settlement of common stock warrant	(56)	—
Termination of bond hedge option	59	—
Costs related to the early repayment of debt	(44,303)	—
Employee stock purchase program	730	589
Payments related to tax withholding for stock-based compensation	(1,359)	(4,434)
Net cash provided by (used in) financing activities	<u>\$ 164,894</u>	<u>\$ (41,931)</u>

Net cash provided by financing activities was \$164.9 million for the nine months ended September 30, 2023, while net cash used in financing activities was \$41.9 million for the nine months ended September 30, 2022. The change is primarily related to proceeds from the issuance of the February 2028 Secured Notes of \$2.6 billion, offset by the repayment of the 2025 Secured Notes of \$2.3 billion, repayment of the settlement payable of \$73.5 million, costs related to the early repayment of the 2025 Secured Notes of \$44.3 million, payments for financing costs related to the February 2028 Secured Notes of \$27.0 million, and net borrowings under the Revolving Credit Facility of \$83.0 million.

#### Windstream Leases

The initial term of the Windstream Leases expires on April 30, 2030. The aggregate initial annual rent under the Windstream Leases is \$663.0 million. The Windstream Leases contain cross-guarantees and cross-default provisions, which will remain effective as long as Windstream or an affiliate is the tenant under both of the Windstream Leases and unless and until the landlords under the ILEC MLA are different from the landlords under the CLEC MLA. The Windstream Leases permit Uniti to transfer its rights and obligations and otherwise monetize or encumber the Windstream Leases, together or separately, so long as Uniti does not transfer interests in either Windstream Lease to a Windstream competitor.

Beginning in October 2020, pursuant to the Windstream Leases, Windstream (or any successor tenant under a Windstream Lease) has the right to cause Uniti to reimburse up to an aggregate \$1.75 billion of Growth Capital Improvements through 2029. Uniti's reimbursement commitment for Growth Capital Improvements does not require Uniti to reimburse Windstream for maintenance or repair expenditures (except for costs incurred for fiber replacements to the CLEC MLA leased property, up to \$70 million during the term), and each such reimbursement is subject to underwriting standards. Uniti's total annual reimbursement commitments for the Growth Capital Improvements under both Windstream Leases (and under separate equipment loan facilities) were limited to \$225 million in 2022, and are limited to \$225 million in 2023 and 2024; \$175 million per year in 2025 and 2026; and \$125 million per year in 2027 through 2029. If the cost incurred by Windstream (or the successor tenant under a Windstream Lease) for Growth Capital Improvements in any calendar year exceeds the annual limit for such calendar year, Windstream (or such tenant, as the case may be) may submit such excess costs for reimbursement in any subsequent year and such excess costs shall be funded from the annual commitment amounts in such subsequent period. In addition, to the extent that reimbursements for Growth Capital Improvements funded in any calendar year during the term is less than the annual limit for such calendar year, the unfunded amount in any calendar year will carry-over and may be added to the annual limits for subsequent calendar years, subject to an annual limit of \$250 million in any calendar year.

Starting on the first anniversary of each installment of reimbursement for a Growth Capital Improvement, the rent payable by Windstream under the applicable Windstream Lease will increase by an amount equal to 8.0% (the “Rent Rate”) of such installment of reimbursement. The Rent Rate will thereafter increase to 100.5% of the prior Rent Rate on each anniversary of each reimbursement. In the event that the tenant’s interest in either Windstream Lease is transferred by Windstream under the terms thereof (unless transferred to the same transferee), or if Uniti transfers its interests as landlord under either Windstream Lease (unless to the same transferee), the reimbursement rights and obligations will be allocated between the ILEC MLA and the CLEC MLA by Windstream, provided that the maximum that may be allocated to the CLEC MLA following such transfer is \$20 million per year. If Uniti fails to reimburse any Growth Capital Improvement reimbursement payment or equipment loan funding request as and when it is required to do so under the terms of the Windstream Leases, and such failure continues for thirty (30) days, then such unreimbursed amounts may be applied as an offset against the rent owed by Windstream under the Windstream Leases (and such amounts will thereafter be treated as if Uniti had reimbursed them).

Uniti and Windstream have entered into separate ILEC and CLEC Equipment Loan and Security Agreements (collectively “Equipment Loan Agreement”) in which Uniti will provide up to \$125 million (limited to \$25 million in any calendar year) of the \$1.75 billion of Growth Capital Improvements commitments discussed above in the form of loans for Windstream to purchase equipment related to network upgrades or to be used in connection with the Windstream Leases. Interest on these loans will accrue at 8% from the date of the borrowing. All equipment financed through the Equipment Loan Agreement is the sole property of Windstream; however, Uniti will receive a first-lien security interest in the equipment purchased with the loans. No such loans have been made as of September 30, 2023.

#### UPREIT Operating Partnership Units

Our UPREIT structure enables us to acquire properties by issuing to sellers, as a form of consideration, limited partnership interests in our operating partnership, (commonly called “OP Units”). We believe that this structure will facilitate our ability to acquire individual properties and portfolios of properties by enabling us to structure transactions which will defer taxes payable by a seller while preserving our available cash for other purposes, including the possible payment of dividends.

#### Outlook

We anticipate continuing to invest in our network infrastructure across our Uniti Leasing and Uniti Fiber portfolios. We anticipate that we will partially finance these needs, as well as operating expenses (including our debt service obligations), from our cash on hand and cash flows provided by operating activities. As of September 30, 2023, we had \$229.0 million in borrowing availability under our Revolving Credit Facility (subject to customary borrowing conditions), however, we may need to access the capital markets to generate additional funds in an amount sufficient to fund our business operations, announced investment activities, capital expenditures, including reimbursement commitments for Growth Capital Improvements, debt service and distributions to our shareholders. We are closely monitoring the equity and debt markets and may seek to access them promptly if and when we determine market conditions are appropriate.

The amount, nature and timing of any capital markets transactions will depend on: our operating performance and other circumstances; our then-current commitments and obligations; the amount, nature and timing of our capital requirements; any limitations imposed by our current credit arrangements; and overall market conditions. These expectations are forward-looking and subject to a number of uncertainties and assumptions. If our expectations about our liquidity prove to be incorrect or we are unable to access the capital markets as we anticipate, we would be subject to a shortfall in liquidity in the future which could lead to a reduction in our capital expenditures and/or dividends and, in an extreme case, our ability to pay our debt service obligations. If this shortfall occurs rapidly and with little or no notice, it could limit our ability to address the shortfall on a timely basis.

In addition to exploring potential capital markets transactions, the Company regularly evaluates market conditions, its liquidity profile, and various financing alternatives for opportunities to enhance its capital structure. If opportunities are favorable, the Company may refinance or repurchase existing debt. However, there can be no assurances that any debt refinancing would be on similar or more favorable terms than our existing arrangements. This would include the risk that interest rates could increase and/or there may be changes to our existing covenants.

If circumstances warrant, we may take measures to conserve cash as we anticipate that it will be more difficult for us to access the capital markets at attractive rates until such uncertainty is clarified.

## Capital Expenditures

(Thousands)	Nine Months Ended September 30, 2023			Total
	Success Based	Maintenance	Non-Network	
<b>Capital expenditures</b>				
Uniti Leasing, excluding growth capital improvements	\$ 20,657	\$ —	\$ —	\$ 20,657
Growth capital improvements	233,465	—	—	233,465
Uniti Fiber	108,173	5,338	631	114,142
<b>Total capital expenditures</b>	<b>\$ 362,295</b>	<b>\$ 5,338</b>	<b>\$ 631</b>	<b>\$ 368,264</b>

We categorize our capital expenditures as either (i) success-based, (ii) maintenance, or (iii) corporate and non-network. We define success-based capital expenditures as those related to installing existing or anticipated contractual customer service orders. Maintenance capital expenditures are those necessary to keep existing network elements fully operational. We anticipate continuing to invest in our network infrastructure across our Uniti Leasing and Uniti Fiber businesses and expect that cash on hand and cash flows provided by operating activities will be sufficient to support these investments. We have the right, but not the obligation (except for Growth Capital Improvements), to reimburse growth capital expenditures in certain of our lease arrangements where we are the lessor.

Uniti's total annual reimbursement commitments to Windstream for the Growth Capital Improvements is discussed above in this Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in "Liquidity and Capital Resources—Windstream Leases." Growth Capital Improvements are treated as success-based capital improvements based on the rents paid with respect to such amounts.

If circumstances warrant, we may need to take measures to conserve cash, which may include a suspension, delay or reduction in success-based capital expenditures.

## Dividends

We have elected to be taxed as a REIT for U.S. federal income tax purposes. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that it pay tax at regular corporate rates to the extent that it annually distributes less than 100% of its taxable income. In order to maintain our REIT status, we intend to make dividend payments of all or substantially all of our taxable income to holders of our common stock out of assets legally available for this purpose, if and to the extent authorized by our board of directors. Before we make any dividend payments, whether for U.S. federal income tax purposes or otherwise, we must first meet both our operating requirements and debt service obligations. If our cash available for distribution is less than our taxable income, we could be required to sell assets or borrow funds to make cash dividends or we may make a portion of the required dividend in the form of a taxable distribution of stock or debt securities.

The following table sets out details regarding our cash dividends on our common stock:

Period	Payment Date	Cash Dividend Per Share	Record Date
January 1, 2023 - March 31, 2023	April 14, 2023	\$ 0.15	March 31, 2023
April 1, 2023 - June 30, 2023	June 30, 2023	\$ 0.15	June 16, 2023
July 1, 2023 - September 30, 2023	September 22, 2023	\$ 0.15	September 8, 2023

Any dividends must be declared by the Board, which will take into account various factors including our current and anticipated operating results, our financial position, REIT requirements, conditions prevailing in the market, restrictions in our debt documents and additional factors they deem appropriate. Dividend payments are not guaranteed, and the Board may decide, in its absolute discretion, at any time and for any reason, not to pay dividends or to change the amount paid as dividends.

## Critical Accounting Estimates

We make certain judgments and use certain estimates and assumptions when applying accounting principles in the preparation of our Condensed Consolidated Financial Statements. The nature of the estimates and assumptions are material due to the levels of subjectivity and judgment necessary to account for highly uncertain factors or the susceptibility of such factors to change. We have identified the accounting for income taxes, revenue recognition, the impairment of property, plant and equipment, goodwill impairment and business combinations as critical accounting estimates, as they are the most important to our financial statement presentation and require difficult, subjective and complex judgments.

We believe the current assumptions and other considerations used to estimate amounts reflected in our accompanying Condensed Consolidated Financial Statements are appropriate. However, if actual experience differs from the assumptions and other considerations used in estimating amounts reflected in our Condensed Consolidated Financial Statements, the resulting changes could have a material adverse effect on our consolidated results of operations and, in certain situations, could have a material adverse effect on our financial condition.

**Goodwill**—As of September 30, 2023 and December 31, 2022, all of our goodwill is included in our Uniti Fiber segment. Goodwill is recognized for the excess of purchase price over the fair value of net assets of businesses acquired. Goodwill is reviewed for impairment on an annual basis during the fourth quarter. Application of the goodwill impairment test requires significant judgment, including: the identification of reporting units; assignment of assets and liabilities to reporting units; and assignment of goodwill to reporting units. In accordance with ASC 350-20, Intangibles-Goodwill and Other, we evaluate goodwill for impairment between annual impairment tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount (a “Triggering Event”). On the occurrence of a Triggering Event, an entity has the option to first assess qualitative factors to determine whether a quantitative impairment test is necessary. If it is more likely than not that goodwill is impaired, the fair value of the reporting unit must be estimated and compared with its carrying value.

In performing the quantitative assessment of goodwill, we estimate the fair value of our fiber reporting unit using a combination of an income approach based on the present value of estimated future cash flows and a market approach based on market data of comparable businesses, and acquisition multiples paid in recent transactions. Inherent in our preparation of cash flow projections are significant assumptions and estimates derived from a review of our operating results and business plans, which include expected revenue and expense growth rates, capital expenditure plans and discount rate. In determining these assumptions, we consider our ability to execute on our plans, future economic conditions, interest rates and other market data. Many of the factors used in assessing fair value are outside the control of management, and these assumptions and estimates may change in future periods. Small changes in these assumptions or estimates could materially affect our cash flow projections, and therefore could affect the likelihood and amount of potential impairment in future periods. Potential events that could negatively impact these assumptions or estimates may include customer losses or poor execution of our business plans, which impact revenue growth, cost escalation impacting margin, the level of capital expenditures required to sustain our growth and market factors, including stock price fluctuations and increased interest rates, impacting our discount rate. For example, if we were to experience a significant delay in our permitting process in the construction of our fiber networks, the timing of effected cash flows could impact long term growth rates and negatively impact the income approach, leading to potential impairment. As a result, should our expectations of average projected revenue growth percentage, average projected EBITDA margin percentage and/or average projected capital expenditures as a percentage of revenue change, we may experience future impairment to goodwill (while other assumptions remain constant). Furthermore, a deterioration in market factors such as stock prices or increased interest rates and/or declines in acquisition multiples utilized in the market approach could affect the likelihood and amount of potential impairment. We evaluate the appropriateness of each valuation methodology in determining the weighting applied to each methodology in the determination of the concluded fair value. If the carrying amount of a reporting unit's net assets is less than its fair value, no impairment exists. If the carrying amount of the reporting unit is greater than the fair value of the reporting unit, an impairment loss must be recognized for the excess and recorded in the Consolidated Statements of Loss not to exceed the carrying amount of goodwill.

In connection with the preparation of the Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2023, the Company identified a Triggering Event and, therefore, performed a qualitative and quantitative goodwill impairment test. The Triggering Event was a result of macroeconomic and financial market factors, specifically the continuing rise in interest rates, impacting our discount rate. As a result of the interim assessment of goodwill, we concluded that the fair value of the Uniti Fiber segment, estimated using a combination of the income approach and market approach, is less than its carrying amount. Accordingly, we recorded a \$153.0 million (\$113.9 million net of tax) goodwill impairment charge in the Uniti Fiber segment during the three months ended September 30, 2023.

In connection with the preparation of the Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2022, the Company identified a Triggering Event and, therefore, performed a qualitative and quantitative goodwill impairment test. The Triggering Event was a result of macroeconomic and financial market factors, specifically increased interest rates, impacting our discount rate. As a result of this interim assessment of goodwill, we concluded that the fair value of the Uniti Fiber segment, estimated using a combination of the income approach and market approach, is less than its carrying amount. Accordingly, we recorded a \$216.0 million (\$205.7 million net of tax) goodwill impairment charge in the Uniti Fiber segment during the three months ended September 30, 2022.

For further information on our critical accounting estimates, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the notes to our audited financial statements included in our Annual Report. As of September 30, 2023, there has been no material change to these estimates other than discussions above on goodwill.

#### **Recent Accounting Guidance**

New accounting rules and disclosures can impact our reported results and comparability of our financial statements. See Note 2 of Notes to Condensed Consolidated Financial Statements in Part I Item 1 of this Quarterly Report on Form 10-Q.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

There have been no material changes from the information reported under Item 7A of our Annual Report.

#### **Item 4. Controls and Procedures.**

##### *Disclosure Controls and Procedures*

We have established disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers as appropriate, to allow timely decisions regarding required disclosure.

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2023, and based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2023.

##### *Changes in Internal Control over Financial Reporting*

There were no changes in our internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act, that occurred during the quarter ended September 30, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**PART II—OTHER INFORMATION****Item 1. Legal Proceedings.**

A description of legal proceedings can be found in Note 13 - Commitments and Contingencies to our Condensed Consolidated Financial Statements, included in this report at Part I, Item 1- Financial Statements, and is incorporated by reference into this Item 1.

**Item 1A. Risk Factors.**

There have been no material changes to the risk factors affecting our business that were discussed in Part I, “Item 1A. Risk Factors” in our Annual Report.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.*****Issuer Purchases of Equity Securities***

The table below provides information regarding shares withheld from Uniti employees to satisfy minimum statutory tax withholding obligations arising from the vesting of restricted stock granted under the Uniti Group Inc. 2015 Equity Incentive Plan. The shares of common stock withheld to satisfy tax withholding obligations may be deemed purchases of such shares required to be disclosed pursuant to this Item 2.

Period	Total Number of Shares Purchased	Average Price Paid per Share <sup>(1)</sup>	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
July 1, 2023 to July 31, 2023	644	\$ 5.07	—	—
August 1, 2023 to August 31, 2023	987	5.49	—	—
September 1, 2023 to September 30, 2023	67	4.58	—	—
Total	<u>1,698</u>	\$ 5.30	<u>—</u>	<u>—</u>

<sup>(1)</sup> The average price paid per share is the weighted average of the fair market prices at which we calculated the number of shares withheld to cover tax withholdings for the employees.

**Item 3. Defaults Upon Senior Securities.**

None

**Item 4. Mine Safety Disclosures.**

Not Applicable

**Item 5. Other Information.**

(a) On November 1, 2023, the Board approved an amendment (the “Amendment”) to the Company’s Amended and Restated Bylaws (the “Bylaws”) to address Rule 14a-19 promulgated by the SEC under the Exchange Act regarding the use of universal proxy cards. The Amendment, which became effective immediately upon adoption, revised the advance notice provisions in Article II, Section 6 of the Bylaws to, among other things: (i) require that a stockholder delivering a notice for the nomination of individuals for election to the Board must comply with Rule 14a-19; (ii) require stockholders to provide evidence and certification of compliance with Rule 14a-19; (iii) provide that the Company will disregard a stockholder nomination if the nominating stockholder fails to comply with Rule 14a-19 or the nominating stockholder (or its qualified representative) fails to appear and present a nomination at the applicable stockholder meeting; and (iv) specify that any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white.



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The complete text of the Bylaws, as amended, is attached hereto as Exhibit 3.1 and is incorporated herein by reference. The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by Exhibit 3.1.

(b) None

(c) During the three months ended September 30, 2023, none of the Company's directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

**Item 6. Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
3.1*	<a href="#">Amended and Restated Bylaws of Uniti Group Inc., as amended November 1, 2023.</a>
31.1*	<a href="#">Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1*	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2*	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Filed herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**UNITI GROUP INC.**

Date: November 2, 2023

/s/ Paul E. Bullington

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**Paul E. Bullington**  
**Senior Vice President – Chief Financial Officer and Treasurer**  
**(Principal Financial Officer)**

Date: November 2, 2023

/s/ Travis T. Black

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**Travis T. Black**  
**Vice President – Chief Accounting Officer**  
**(Principal Accounting Officer)**

**UNITI GROUP INC.**  
**(the "Corporation")**

**AMENDED AND RESTATED BYLAWS**

**ARTICLE I**

**OFFICES**

Section 1. **PRINCIPAL OFFICE.** The principal office of the Corporation in the State of Maryland shall be located at such place as the Board of Directors of the Corporation (the "Board of Directors") may designate.

Section 2. **ADDITIONAL OFFICES.** The Corporation may have additional offices, including a principal executive office, at such places as the Board of Directors may from time to time determine or the business of the Corporation may require.

**ARTICLE II**

**MEETINGS OF STOCKHOLDERS**

Section 1. **PLACE.** All meetings of stockholders shall be held at the principal executive office of the Corporation or at such other place as shall be set by the Board of Directors, either within or without the State of Maryland, and stated in the notice of the meeting.

Section 2. **ANNUAL MEETING.** An annual meeting of the stockholders for the election of directors and the transaction of any business within the powers of the Corporation shall be held on a date and at the time set by the Board of Directors, beginning in the year 2016. Any proper business may be transacted at the annual meeting of stockholders.

Section 3. **SPECIAL MEETINGS.** The Chairman of the Board, President, Chief Executive Officer, or a majority of the Board of Directors may call special meetings of the stockholders. Special meetings of stockholders shall also be called by the Secretary upon the written request of the holders of shares entitled to cast not less than twenty percent of all the votes entitled to be cast at such meeting. Such written request shall state the purpose of such meeting and the matters proposed to be acted on at such meeting. The Secretary shall inform such stockholders of the reasonably estimated cost of preparing and mailing notice of the meeting and, upon payment to the Corporation by such stockholders of such costs, the Secretary shall give notice to each stockholder entitled to notice of the meeting. Any requesting stockholder may revoke his, her, or its request for a special meeting at any time by written revocation delivered to the Secretary. Upon receipt of any written revocations, the Secretary may refrain from sending out a notice if the result is that holders entitled to cast not less than a majority of all votes entitled to be cast at such meeting no longer have requested a special meeting. In such event, if the notice has already been delivered to the stockholders, either the Secretary may revoke the notice of the meeting by written notice to the stockholders or the chairman of the meeting may call the meeting to order and adjourn the meeting without any action on the matter.

Section 4. **NOTICE.** Subject to Section 6, not less than ten nor more than 90 days before each special meeting of stockholders, the Secretary shall give to each stockholder entitled to vote at such meeting and to each stockholder not entitled to vote who is entitled to notice of the meeting written or printed notice stating the time and place of the meeting and, in the case of a special meeting or as otherwise may be required by any statute, the purpose for which the meeting is called, either by mail, by presenting it to such stockholder personally, by leaving it at the stockholder's residence or usual place of business or by any other means permitted by the laws of the State of Maryland. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the stockholder at the stockholder's address as it appears on the records of the Corporation, with postage thereon prepaid.

Any business of the Corporation may be transacted at an annual meeting of stockholders without being specifically designated in the notice, except such business as is required by any statute to be stated in such notice. No business shall be transacted at a special meeting of stockholders except as specifically designated in the notice.

Section 5. **ORGANIZATION AND CONDUCT.** Every meeting of stockholders shall be conducted by an individual appointed by the Board of Directors to be chairman of the meeting or, in the absence of such appointment, by the Chairman of the Board or, in the case of a vacancy in the office or absence of the Chairman of the Board, by one of the following officers present at the meeting: the Vice Chairman of the Board, if there be one,

the President, the Vice Presidents in their order of rank and seniority, or, in the absence of such officers, a chairman chosen by the stockholders by the vote of a majority of the votes cast by stockholders present in person or by proxy. The Secretary, or, in the Secretary's absence, an Assistant Secretary, or in the absence of both the Secretary and Assistant Secretaries, a person appointed by the Board of Directors or, in the absence of such appointment, a person appointed by the chairman of the meeting shall act as Secretary. In the event that the Secretary presides at a meeting of the stockholders, an Assistant Secretary, or in the absence of Assistant Secretaries, an individual appointed by the Board of Directors or the chairman of the meeting, shall record the minutes of the meeting. The order of business and all other matters of procedure at any meeting of stockholders shall be determined by the chairman of the meeting. The chairman of the meeting may prescribe such rules, regulations and procedures and take such action as, in the discretion of such chairman, are appropriate for the proper conduct of the meeting, including, without limitation, (a) restricting admission to the time set for the commencement of the meeting; (b) limiting attendance at the meeting to stockholders of record of the Corporation, their duly authorized proxies and other such individuals as the chairman of the meeting may determine; (c) limiting participation at the meeting on any matter to stockholders of record of the Corporation entitled to vote on such matter, their duly authorized proxies and other such individuals as the chairman of the meeting may determine; (d) limiting the time allotted to questions or comments by participants; (e) maintaining order and security at the meeting; (f) removing any stockholder or any other individual who refuses to comply with meeting procedures, rules or guidelines as set forth by the chairman of the meeting; and (g) recessing or adjourning the meeting to a later date and time and place announced at the meeting. Unless otherwise determined by the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

#### Section 6. ADVANCE NOTICE OF STOCKHOLDER NOMINEES FOR DIRECTOR AND OTHER STOCKHOLDER PROPOSALS.

##### (a) Annual Meetings of Stockholders.

(1) Nominations of individuals for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the Corporation who was a stockholder of record both at the time of giving of notice by the stockholder as provided for in this Section 6(a) and at the time of the annual meeting, who is entitled to vote at the meeting in the election of each individual so nominated or on any such other business and who has complied with this Section 6(a). For the avoidance of doubt, the foregoing clause (iii) shall be the sole and exclusive means for a stockholder to make nominations or propose business (other than business included in the Corporation's proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (such act, and the rules and regulations promulgated thereunder, the "Exchange Act")), at an annual meeting of stockholders, and such stockholder must fully comply with the notice and other procedures set forth in this Section 6(a) to make such nominations or propose business before an annual meeting.

(2) For any nomination or other business to be properly brought before an annual meeting by a stockholder pursuant to ~~clause (iii) of paragraph Section 6(a)(1) of this Section 6(iii)~~, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and any such other business must otherwise be a proper matter for action by the stockholders. To be timely, a stockholder's notice shall set forth all information required under this Section 6 and (i) shall be delivered to the Secretary at the principal executive office of the Corporation not earlier than the 150<sup>th</sup> day nor later than 5:00 p.m., Central Time, on the 120<sup>th</sup> day prior to the first anniversary of the date of the proxy statement (as defined in Section 6(c)(3)) for the preceding year's annual meeting; provided, however, that ~~in connection with the Corporation's first annual meeting or~~, in the event that the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the 150<sup>th</sup> day prior to the date of such annual meeting and not later than 5:00 p.m., Central Time, on the later of the 120<sup>th</sup> day prior to the date of such annual meeting, as originally convened, or the tenth day following the day on which public announcement of the date of such meeting is first made. ~~The~~, (ii) in the case of a proposal for the nomination of persons for election to the Board of Directors, the stockholder shall have complied in all respects with the requirements of Section 14 of the Exchange Act, including, without limitation, if applicable, the requirements of Rule 14a-19 (as such rule and regulations may be amended from time to time by the Securities and Exchange Commission, including any Securities and Exchange Commission Staff interpretations relating thereto) and (iii) in the case of a proposal for the nomination of persons for election to the Board of Directors, the Board of Directors or an executive officer designated thereby shall have determined that the stockholder has satisfied the requirements of this Section 6. In no event shall a postponement, adjournment or rescheduling (or the public announcement of a postponement or adjournment thereof) of an annual meeting shall not for which notice has been given or a public announcement of the meeting date has been made commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(3) Such stockholder's notice shall set forth:

(i) as to each individual whom the stockholder proposes to nominate for election or reelection as a director (each, a "Proposed Nominee"), all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the ~~Securities Exchange Act of 1934, as amended (the "Exchange Act")~~, and the rules thereunder; and the Corporation may require any Proposed Nominee to furnish such other information as it may reasonably require to determine the eligibility of such Proposed Nominee to serve as a director of the Corporation and to determine the independence of such director under the Exchange Act and rules and regulations thereunder and applicable stock exchange rules;

(ii) as to any other business that the stockholder proposes to bring before the meeting, a description of such business, the stockholder's reasons for proposing such business at the meeting and any material interest in such business of such stockholder or any Stockholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the stockholder or the Stockholder Associated Person therefrom;

(iii) as to the stockholder giving the notice, any Proposed Nominee and any Stockholder Associated Person,

(A) the class, series and number of all shares of stock or other securities of the Corporation (collectively, the "Company Securities"), if any, which are owned (beneficially or of record) by such stockholder, Proposed Nominee or Stockholder Associated Person and the date on which each such Company Security was acquired and the investment intent of such acquisition and

(B) the nominee holder for, and number of, any Company Securities owned beneficially but not of record by such stockholder, Proposed Nominee or Stockholder Associated Person;

(iv) as to the stockholder giving the notice, any Stockholder Associated Person with an interest or ownership referred to in ~~clauses Section 6(a)(3)(ii) or (iii) of this paragraph (3) of this Section 6(a)~~ and any Proposed Nominee,

(A) the name and address of such stockholder, as they appear on the Corporation's stock ledger, and the current name and business address, if different, of each such Stockholder Associated Person and any Proposed Nominee and

(B) the investment strategy or objective, if any, of such stockholder and each such Stockholder Associated Person who is not an individual and a copy of the prospectus, offering memorandum or similar document, if any, provided to investors or potential investors in such stockholder and each such Stockholder Associated Person; and

(v) to the extent known by the stockholder giving the notice, the name and address of any other stockholder supporting the nominee for election or reelection as a director or the proposal of other business on the date of such stockholder's notice.

(4) Such stockholder's notice shall, with respect to any Proposed Nominee, be accompanied by a certificate executed by the Proposed Nominee (i) representing that such stockholder intends to solicit the holders of shares representing at least 67% of the voting power of the shares entitled to vote on the election of directors in support of director nominees other than the Corporation's nominees in accordance with Rule 14a-19, and the name of each participant (as defined in Item 4 of Exchange Act Schedule 14A) in such solicitation; (ii) certifying that such Proposed Nominee (a) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the Corporation in connection with service or action as a director that has not been disclosed to the Corporation and (b) will serve as a director of the Corporation if elected; and (iii) attaching a completed Proposed Nominee questionnaire (which questionnaire shall be provided by the Corporation, upon request, to the stockholder providing the notice and shall include all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act and the rules thereunder, or would be required pursuant to the rules of any national securities exchange on which any securities of the Corporation are listed or over-the-counter market on which any securities of the Corporation are traded). Notwithstanding the foregoing, if a stockholder no longer plans to solicit proxies in accordance with its representation pursuant to Section 6(a)(4)(i), the stockholder shall inform the Corporation of this change by delivering a writing to the Secretary at the principal executive offices of the Corporation no later than two business days after the occurrence of such change. If a stockholder providing written notice required by this Section 6(a) fails to provide any written update in accordance with this Section 6(a), the

information as to which such written update relates may be deemed not to have been provided in accordance with these Bylaws.

(5) Notwithstanding anything in this ~~subsection Section 6(a) of this Section 6~~ to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased, and there is no public announcement of such action at least 130 days prior to the first anniversary of the date of the proxy statement (as defined in Section 6(c)(3)) for the preceding year's annual meeting, a stockholder's notice required by this Section 6(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive office of the Corporation not later than 5:00 p.m., Central Time, on the tenth day following the day on which such public announcement is first made by the Corporation.

(6) For purposes of this Section 6, "Stockholder Associated Person" of any stockholder shall mean (i) any person acting in concert with such stockholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder (other than a stockholder that is a depository) and (iii) any person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such stockholder or such Stockholder Associated Person.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of individuals for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected only (i) by or at the direction of the Board of Directors, or (ii) provided that the special meeting has been called in accordance with Section 3 for the purpose of electing directors, by such stockholders of the Corporation who are stockholders of record both at the time of giving of notice provided for in this Section 6 and at the time of the special meeting, who are entitled to vote at the meeting in the election of each individual so nominated, who have complied with the notice procedures set forth in this Section 6 and who provide the information required by Section 6(a)(3) and (4), as if such provisions were applicable to a special meeting of stockholders, and (iii) the stockholder has complied in all respects with the requirements of Section 14 of the Exchange Act, including, without limitation, if applicable, the requirements of Rule 14a-19 (as such rule and regulations may be amended from time to time by the Securities and Exchange Commission, including any Securities and Exchange Staff interpretations relating thereto), and (iv) the Board of Directors or an executive officer designated thereby has determined that the stockholder has satisfied the requirements of Section 6. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more individuals to the Board of Directors, any stockholder may nominate an individual or individuals (as the case may be) for election as a director as specified in the Corporation's notice of meeting, if the stockholder's notice, containing the information required by ~~paragraph Section 6(a)(3) of this Section 6~~, is delivered to the Secretary at the principal executive office of the Corporation not earlier than the 120<sup>th</sup> day prior to such special meeting and not later than 5:00 p.m., Central Time on the later of the 90<sup>th</sup> day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. The public announcement of a postponement or adjournment of a postponement, adjournment or rescheduling of a special meeting (or the public announcement thereof) shall not commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) General.

(1) If information submitted pursuant to this Section 6 by any stockholder proposing a nominee for election as a director or any proposal for other business at a meeting of stockholders shall be inaccurate or incomplete in any material respect, such information may be deemed not to have been provided in accordance with this Section 6. Any such stockholder shall notify the Corporation of any inaccuracy or change (within two business days of becoming aware of such inaccuracy or change) in any such information. Upon written request by the Secretary or the Board of Directors, any such stockholder shall provide, within five business days of delivery of such request (or such other period as may be specified in such request), (i) written verification, satisfactory, in the discretion of the Board of Directors or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by the stockholder pursuant to this Section 6 and (ii) a written update of any information (including, if requested by the Corporation, written confirmation by such stockholder that it continues to intend to bring such nomination or other business proposal before the meeting) submitted by the stockholder pursuant to this Section 6 as of an earlier date. If a stockholder fails to provide such written verification or written update within such period, the information as to which written verification or a written update was requested may be deemed not to have been provided in accordance with this Section 6. For the avoidance of doubt, the obligation to update and supplement as set forth in this Section 6 or any other section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any stockholder's notice, extend any applicable deadlines under these Bylaws or enable or be deemed to permit a stockholder who has previously submitted a stockholder's notice under these Bylaws to amend or update any proposal or to submit any new proposal, including by changing or adding nominees, matters, business and/or resolutions proposed to be brought before a meeting of stockholders.

(2) Only such individuals who are nominated in accordance with this Section 6 shall be eligible for election by stockholders as directors, and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with this Section 6. The number of nominees a stockholder may nominate for election at a meeting of stockholders (or in the case of a stockholder giving the notice on behalf of another proposing person, the number of nominees a stockholder may nominate for election at the meeting on behalf of such proposing person) shall not exceed the number of directors to be elected at such meeting. The chairman of the meeting shall have the power to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with this Section 6: (including satisfying the information requirements set forth herein with accurate and complete information) and, if any proposed nomination or business is not in compliance herewith, to declare that such defective proposal or nomination shall be disregarded (and any such nominee shall be disqualified), including that, unless otherwise required by law, if a stockholder provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act with respect to any Proposed Nominee and subsequently fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) promulgated under the Exchange Act, including the provision to the Corporation of notices required thereunder in a timely manner (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such stockholder has met the requirements of Rule 14a-19(a)(3) under the Exchange Act in accordance with the following sentence), then any such Proposed Nominee shall be disqualified notwithstanding that the nominee is included as a nominee in the Corporation's proxy statement, notice of meeting or other proxy materials for any meeting (or any supplement thereto) and notwithstanding that proxies or votes in respect of the election of the nominees may have been received by the Corporation (which proxies and votes shall be disregarded). Upon request by the Corporation, if any stockholder provides notice pursuant to Rule 14a-19(b) under the Exchange Act, such stockholder shall deliver to the Corporation, no later than five business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) under the Exchange Act. To the extent Rule 14a-19 applies, then Rule 14a-19 will govern any inconsistency with this Section 6, and the applicable inconsistent provisions of this Section 6 will not apply; provided, however, in order for a stockholder's notice to be considered timely, this Section 6 may require notice to be delivered to the Corporation prior to the applicable dates set forth under Rule 14a-19. Notwithstanding the foregoing provisions of this Section 6, unless otherwise required by law, if the stockholder (or a Qualified Representative of the stockholder (as defined below)) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that the Proposed Nominee or business is included in the Corporation's proxy statement, notice of meeting or other proxy materials for any annual meeting (or any supplement thereto) and notwithstanding that proxies in respect of such vote may have been received by the Corporation. If a stockholder has given timely notice as required herein to make a nomination or bring a proposal of other business before any annual or special meeting of stockholders of the Corporation and intends to authorize a Qualified Representative to act for such stockholder as a proxy to present the nomination or proposal at such meeting, the stockholder shall give notice of such authorization in writing to the Secretary not less than three business days before the date of such meeting, including the name and contact information for such person. Notwithstanding the foregoing provisions of Section 6, unless otherwise required by law, no stockholder shall solicit proxies in support of director nominees other than the Corporation's nominees unless such stockholder has complied with Rule 14a-19 promulgated under the Exchange Act in connection with the solicitation of such proxies, including the provision to the Corporation of notices required thereunder in a timely manner.

(3) For purposes of this Section 6, "the date of the proxy statement" shall have the same meaning as "the date of the company's proxy statement released to shareholders" as used in Rule 14a-8(e) promulgated under the Exchange Act, as interpreted by the Securities and Exchange Commission from time to time. "Public announcement" shall mean disclosure (i) in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, PR Newswire or other widely circulated news or wire service or (ii) in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to the Exchange Act. To be considered a "Qualified Representative" of a stockholder, a person must be a duly authorized officer, manager, trustee or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as a proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction thereof, at the meeting. The Secretary of the Corporation, or any other person who shall be appointed to serve as secretary of the meeting, may require, on behalf of the Corporation, reasonable and appropriate documentation to verify the status of a person purporting to be a "Qualified Representative" for purposes hereof.

(4) Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for exclusive use by the Corporation.

(45) Notwithstanding the foregoing provisions of this Section 6, a stockholder shall also comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 6, for the avoidance of doubt including, but not limited to, Rule 14a-19 of the Exchange Act. Nothing in this Section 6 shall be deemed to affect any right of a stockholder to request inclusion of a

proposal in, or the right of the Corporation to omit a proposal from, the Corporation's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act. Nothing in this Section 6 shall require disclosure of revocable proxies received by the stockholder or Stockholder Associated Person pursuant to a solicitation of proxies after the filing of an effective Schedule 14A by such stockholder or Stockholder Associated Person under Section 14(a) of the Exchange Act.

Section 7. **QUORUM.** At any meeting of stockholders, the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting shall constitute a quorum; but this section shall not affect any requirement under any statute or the charter of the Corporation (as may be amended, modified, supplemented or restated from time to time, the "Charter") for the vote necessary for the adoption of any measure. If, however, such quorum shall not be present at any meeting of the stockholders, the chairman of the meeting shall have the power to adjourn the meeting from time to time to a date not more than 120 days after the original record date without notice other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

The stockholders present either in person or by proxy, at a meeting which has been duly called and convened, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 8. **VOTING.** Each nominee for director in an election in which the number of nominees is equal to the number of open board seats (an "Uncontested Election") shall be elected by a majority of the votes cast, whether in person or represented by proxy, with respect to that nominee's election at an annual meeting of stockholders at which a quorum is present. If, however, as of a date that is fourteen (14) days in advance of the date the Corporation files its definitive proxy statement (regardless of whether or not thereafter revised or supplemented) with the Securities and Exchange Commission, the number of nominees exceeds the number of open board seats (i.e., a contested election), then the directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the annual meeting of stockholders and entitled to vote in the election of directors, whether or not such election becomes an Uncontested Election after such date. For purposes of this Section 8, a majority of votes cast shall mean that the number of shares voted "for" a nominee's election exceeds the number of shares voted "against" that nominee's election. With regard to Uncontested Elections, the Board of Directors has established procedures pursuant to which any incumbent director who fails to receive a majority of the votes cast will tender his or her resignation to the Board of Directors. The Board of Directors will act upon a tendered resignation within ninety (90) days of the date on which the election results were certified and will promptly make public disclosure of the results of its actions. If the Board of Directors accepts a director's resignation, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors shall fill the resulting vacancy in accordance with Section 11 of Article III.

A majority of the votes cast at a meeting of stockholders duly called and at which a quorum is present shall be sufficient to approve any other matter which may properly come before the meeting, unless more than a majority of the votes cast is required by statute, the Charter, these Bylaws or contract. Unless otherwise provided in the Charter, each outstanding share of the Corporation's stock, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders.

Section 9. **PROXIES.** A stockholder may cast the votes entitled to be cast by the shares of stock owned of record by the stockholder in person or by proxy executed by the stockholder or by the stockholder's duly authorized agent in any manner permitted by law.

Such proxy or evidence of authorization of such proxy shall be filed with the Secretary before or at the meeting. No proxy shall be valid more than eleven months after its date unless otherwise provided in the proxy. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission authorizing another person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used; provided, however, that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

Section 10. **CONSENT OF STOCKHOLDERS IN LIEU OF MEETING.** For so long as any security of the Corporation is registered under Section 12 of the Exchange Act, the stockholders of the Corporation may not take any action by written consent in lieu of a meeting, and must take any actions at a duly called annual or special meeting of stockholders and the power of stockholders to consent in writing without a meeting is denied.

Section 11. **VOTING OF STOCK BY CERTAIN HOLDERS.** Stock of the Corporation registered in the name of a corporation, partnership, trust or other entity, if entitled to be voted, may be voted by the president or a vice



president, a general partner or trustee thereof, as the case may be, or a proxy appointed by any of the foregoing individuals, unless some other person who has been appointed to vote such stock pursuant to a bylaw or a resolution of the governing body of such corporation or other entity or agreement of the partners of a partnership presents a certified copy of such bylaw, resolution or agreement, in which case such person may vote such stock. Any director or other fiduciary may vote stock registered in his or her name as such fiduciary, either in person or by proxy.

Shares of stock of the Corporation directly or indirectly owned by it shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares entitled to be voted at any given time, unless they are held by it in a fiduciary capacity, in which case they may be voted and shall be counted in determining the total number of outstanding shares at any given time.

The Board of Directors may adopt by resolution a procedure by which a stockholder may certify in writing to the Corporation that any shares of stock registered in the name of the stockholder are held for the account of a specified person other than the stockholder. The resolution shall set forth the class of stockholders who may make the certification, the purpose for which the certification may be made, the form of certification and the information to be contained in it; if the certification is with respect to a record date or closing of the stock transfer books, the time after the record date or closing of the stock transfer books within which the certification must be received by the Corporation; and any other provisions with respect to the procedure which the Board of Directors considers necessary or desirable. On receipt of such certification, the person specified in the certification shall be regarded as, for the purposes set forth in the certification, the stockholder of record of the specified stock in place of the stockholder who makes the certification.

Section 11. INSPECTORS. The Board of Directors, in advance of any meeting, may, but need not, appoint one or more individual inspectors or one or more entities that designate individuals as inspectors to act at the meeting or any adjournment thereof. If an inspector or inspectors are not appointed, the person presiding at the meeting may, but need not, appoint one or more inspectors. In case any person who may be appointed as an inspector fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or at the meeting by the chairman of the meeting. The inspectors, if any, shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. Each such report shall be in writing and signed by him or her or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the results of the voting shall be prima facie evidence thereof.

Section 12. VOTING BY BALLOT. Voting on any question or in any election may be viva voce unless the presiding officer shall order or any stockholder shall demand that voting be by ballot.

### ARTICLE III

#### DIRECTORS

Section 1. GENERAL POWERS. The business and affairs of the Corporation shall be managed under the direction of its Board of Directors.

Section 2. NUMBER, TENURE AND QUALIFICATIONS. At any regular meeting or at any special meeting called for that purpose, a majority of the entire Board of Directors may establish, increase or decrease the number of directors, provided that the number thereof shall never be less than 2 nor more than 9, and further provided that the tenure of office of a director shall not be affected by any decrease in the number of directors. Any director may resign at any time by delivering his or her resignation to the Board of Directors, the Chairman of the Board, or the Secretary. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation. Any resignation shall take effect immediately upon its receipt or at such later time or event specified in the resignation.

Section 3. ANNUAL AND REGULAR MEETINGS. An annual meeting of the Board of Directors shall be held immediately after and at the same place as the annual meeting of stockholders, no notice other than this Bylaw being necessary. In the event such meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors.

Section 4. **SPECIAL MEETINGS.** Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the Chief Executive Officer, the President or by a majority of the directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix any place as the place for holding any special meeting of the Board of Directors called by them. The Board of Directors may provide, by resolution, the time and place for the holding of special meetings of the Board of Directors without other notice than such resolution.

Section 5. **NOTICE.** Notice of any special meeting of the Board of Directors shall be delivered personally or by telephone, electronic mail, facsimile transmission, United States mail or courier or, if to be delivered to an address outside of the United States, by an internationally recognized courier, to each director at his or her business or residence address. Notice by personal delivery, telephone, electronic mail or facsimile transmission shall be given at least 24 hours prior to the meeting. Notice by United States mail shall be given at least three days prior to the meeting. Notice by any courier shall be given at least two days prior to the meeting. Telephone notice shall be deemed to be given when the director or his or her agent is personally given such notice in a telephone call to which the director or his or her agent is a party. Electronic mail notice shall be deemed to be given upon transmission of the message to the electronic mail address given to the Corporation by the director. Facsimile transmission notice shall be deemed to be given upon completion of the transmission of the message to the number given to the Corporation by the director and receipt of a completed answer-back indicating receipt. Notice by United States mail shall be deemed to be given when deposited in the United States mail properly addressed, with postage thereon prepaid. Notice by any courier shall be deemed to be given when deposited with or delivered to such courier properly addressed. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be stated in the notice, unless specifically required by statute or these Bylaws.

Section 6. **QUORUM.** A majority of the directors shall constitute a quorum for transaction of business at any meeting of the Board of Directors, provided that if less than a majority of such directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice, and provided further that if, pursuant to the Charter or these Bylaws, the vote of a majority of a particular group of directors is required for action, a quorum must also include a majority of such group.

The directors present at a meeting which has been duly called and convened may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

Section 7. **VOTING.** The action of the majority of the directors present at a meeting at which a quorum is present shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable statute, the Charter or these Bylaws. If enough directors have withdrawn from a meeting to leave less than a quorum but the meeting is not adjourned, the action of the majority of the directors still present at such meeting shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable statute, the Charter or these Bylaws.

Section 8. **ORGANIZATION.** At each meeting of the Board of Directors, the Chairman of the Board or, in the absence of the Chairman of the Board, the Vice Chairman of the Board, if any, shall act as chairman of the meeting. In the absence of both the Chairman and Vice Chairman of the Board, the Chief Executive Officer or in the absence of the Chief Executive Officer, the President or in the absence of the President, a director chosen by a majority of the directors present, shall act as chairman of the meeting. The Secretary or, in his or her absence, an Assistant Secretary, or in the absence of the Secretary and all Assistant Secretaries, a person appointed by the chairman of the meeting, shall act as secretary of the meeting.

Section 9. **TELEPHONE MEETINGS.** Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 10. **WRITTEN CONSENT BY DIRECTORS.** Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if all of the members of the Board of Directors then in office consent thereto in writing or by electronic transmission and such writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 11. **VACANCIES.** If for any reason any or all of the directors cease to be directors, such event shall not terminate the Corporation or affect these Bylaws or the powers of the remaining directors hereunder (even if fewer than three directors remain). Any vacancy on the Board of Directors for any cause other than an increase in the number of directors shall be filled by a majority of the remaining directors, even if such majority is less than a

quorum and any vacancy in the number of directors created by an increase in the number of directors may be filled by a majority vote of the entire Board of Directors. Any individual so elected as director shall serve until the next annual meeting of stockholders and until his or her successor is elected and qualifies.

Section 12. COMPENSATION. Directors shall not receive any stated salary for their services as directors but, by resolution of the Board of Directors, may receive compensation per year and/or per meeting and/or per visit to real property or other facilities owned or leased by the Corporation and for any service or activity they performed or engaged in as directors. Directors may be reimbursed for expenses of attendance, if any, at each annual, regular or special meeting of the Board of Directors or of any committee thereof and for their expenses, if any, in connection with each property visit and any other service or activity they performed or engaged in as directors; but nothing herein contained shall be construed to preclude any directors from serving the Corporation in any other capacity and receiving compensation therefor.

Section 13. LOSS OF DEPOSITS. No director shall be liable for any loss which may occur by reason of the failure of the bank, trust company, savings and loan association, or other institution with whom moneys or stock have been deposited.

Section 14. SURETY BONDS. Unless required by law, no director shall be obligated to give any bond or surety or other security for the performance of any of his or her duties.

Section 15. RELIANCE. Each director, officer, employee and agent of the Corporation shall, in the performance of his or her duties with respect to the Corporation, be fully justified and protected with regard to any act or failure to act in reliance in good faith upon the books of account or other records of the Corporation, upon an opinion of counsel or upon reports made to the Corporation by any of its officers or employees or by the adviser, accountants, appraisers or other experts or consultants selected by the Board of Directors or officers of the Corporation, regardless of whether such counsel or expert may also be a director.

Section 16. CERTAIN RIGHTS OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS. The directors shall have no responsibility to devote their full time to the affairs of the Corporation. Any director or officer, employee or agent of the Corporation, in his or her personal capacity or in a capacity as an affiliate, employee, or agent of any other person, or otherwise, may have business interests and engage in business activities similar to or in addition to or in competition with those of or relating to the Corporation.

Section 17. RATIFICATION. The Board of Directors or the stockholders may ratify and make binding on the Corporation any action or inaction by the Corporation or its officers to the extent that the Board of Directors or the stockholders could have originally authorized the matter. Moreover, any action or inaction questioned in any stockholders' derivative proceeding or any other proceeding on the ground of lack of authority, defective or irregular execution, adverse interest of a director, officer or stockholder, non-disclosure, miscomputation, the application of improper principles or practices of accounting, or otherwise, may be ratified, before or after judgment, by the Board of Directors or by the stockholders, and if so ratified, shall have the same force and effect as if the questioned action or inaction had been originally duly authorized, and such ratification shall be binding upon the Corporation and its stockholders and shall constitute a bar to any claim or execution of any judgment in respect of such questioned action or inaction.

Section 18. EMERGENCY PROVISIONS. Notwithstanding any other provision in the Articles of Incorporation or these Bylaws, this Section 18 shall apply during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board of Directors under these Bylaws cannot readily be obtained (an "Emergency"). During any Emergency, unless otherwise provided by the Board of Directors, (a) a meeting of the Board of Directors or a committee thereof may be called by any director or officer by any means feasible under the circumstances; (b) notice of any meeting of the Board of Directors during such an Emergency may be given less than 24 hours prior to the meeting to as many directors and by such means as may be feasible at the time, including publication, television or radio, and (c) the number of directors necessary to constitute a quorum shall be one-third of the entire Board of Directors.

#### ARTICLE IV

#### COMMITTEES

Section 1. NUMBER, TENURE AND QUALIFICATIONS. The Board of Directors may appoint from among its members an Executive Committee, an Audit Committee and other committees, composed of two or more directors, to serve at the pleasure of the Board of Directors.

Section 2. **POWERS.** The Board of Directors may delegate to committees appointed under Section 1 of this Article any of the powers of the Board of Directors, except as prohibited by law.

Section 3. **MEETINGS.** Notice of committee meetings shall be given in the same manner as notice for special meetings of the Board of Directors. A majority of the members of the committee shall constitute a quorum for the transaction of business at any meeting of the committee. The act of a majority of the committee members present at a meeting shall be the act of such committee. The Board of Directors may designate a chairman of any committee, and such chairman or, in the absence of a chairman, any two members of any committee may fix the time and place of its meeting unless the Board shall otherwise provide. In the absence of any member of any such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint another director to act in the place of such absent member. Each committee shall keep minutes of its proceedings.

Section 4. **TELEPHONE MEETINGS.** Members of a committee of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 5. **WRITTEN CONSENT BY COMMITTEES.** Any action required or permitted to be taken at any meeting of a committee of the Board of Directors may be taken without a meeting, if all of the members of such committee of the Board of Directors consent thereto in writing or by electronic transmission and such writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of such committee of the Board of Directors. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 6. **VACANCIES.** Subject to the provisions hereof and of applicable law and any contract or agreement between the Corporation and its stockholders, the Board of Directors shall have the power at any time to change the membership of any committee, to fill all vacancies, to designate alternate members to replace any absent or disqualified member or to dissolve any such committee.

## **ARTICLE V**

### **OFFICERS**

Section 1. **GENERAL PROVISIONS.** The officers of the Corporation shall include a President, a Secretary and a Treasurer and may include a Chairman of the Board, a Vice Chairman of the Board, a Chief Executive Officer, one or more Vice Presidents, a Chief Operating Officer, a Chief Financial Officer, one or more Assistant Secretaries and one or more Assistant Treasurers. In addition, the Board of Directors may from time to time elect such other officers with such powers and duties as they shall deem necessary or desirable. The officers of the Corporation shall be elected annually by the Board of Directors, except that the Chief Executive Officer or President may from time to time appoint one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers or other officers. Each officer shall hold office until his or her successor is elected and qualifies or until his or her death, or his or her resignation or removal in the manner hereinafter provided. Any two or more offices except President and Vice President may be held by the same person. Election of an officer or agent shall not of itself create contract rights between the Corporation and such officer or agent.

Section 2. **REMOVAL AND RESIGNATION.** Any officer or agent of the Corporation may be removed, with or without cause, by the Board of Directors if in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer of the Corporation may resign at any time by giving written notice of his or her resignation to the Board of Directors, the Chairman of the Board, the President or the Secretary. Any resignation shall take effect immediately upon its receipt or at such later time specified in the notice of resignation. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation. Such resignation shall be without prejudice to the contract rights, if any, of the Corporation.

Section 3. **VACANCIES.** A vacancy in any office may be filled by the Board of Directors for the balance of the term.

Section 4. **CHIEF EXECUTIVE OFFICER.** The Board of Directors may designate a Chief Executive Officer. In the absence of such designation, the Chairman of the Board shall be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall have general responsibility for implementation of the policies of the Corporation, as determined by the Board of Directors, and for the management of the business and affairs of the Corporation.

Section 5. CHIEF OPERATING OFFICER. The Board of Directors may designate a Chief Operating Officer. The Chief Operating Officer shall have the responsibilities and duties as set forth by the Board of Directors or the Chief Executive Officer.

Section 6. CHIEF FINANCIAL OFFICER. The Board of Directors may designate a chief financial officer. The Chief Financial Officer shall have the responsibilities and duties as set forth by the Board of Directors or the Chief Executive Officer.

Section 7. CHAIRMAN OF THE BOARD. The Board of Directors shall designate a Chairman of the Board. The Chairman of the Board shall preside over the meetings of the Board of Directors and of the stockholders at which he shall be present. The Chairman of the Board shall perform such other duties as may be assigned to him or her by the Board of Directors.

Section 8. PRESIDENT. In the absence of a Chief Executive Officer, the President shall in general supervise and control all of the business and affairs of the Corporation. In the absence of a designation of a Chief Operating Officer by the Board of Directors, the President shall also be the Chief Operating Officer. The President may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 9. VICE PRESIDENTS. In the absence of the President or in the event of a vacancy in such office, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President; and shall perform such other duties as from time to time may be assigned to such Vice President by the President or by the Board of Directors. The Board of Directors may designate one or more Vice Presidents as Executive Vice President or as Vice President for particular areas of responsibility.

Section 10. SECRETARY. The Secretary shall (a) keep the minutes of the proceedings of the stockholders, the Board of Directors and committees of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation; (d) keep a register of the post office address of each stockholder which shall be furnished to the Secretary by such stockholder; (e) have general charge of the stock transfer books of the Corporation; and (f) in general perform such other duties as from time to time may be assigned to him by the Chief Executive Officer, the President or by the Board of Directors.

Section 11. TREASURER. The Treasurer shall have the custody of the funds and securities of the Corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. In the absence of a designation of a Chief Financial Officer by the Board of Directors, the Treasurer shall be the Chief Financial Officer of the Corporation.

The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and Board of Directors, at the regular meetings of the Board of Directors or whenever it may so require, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation.

If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the Corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, moneys and other property of whatever kind in his or her possession or under his or her control belonging to the Corporation.

Section 12. ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or Treasurer, respectively, or by the President or the Board of Directors. The Assistant Treasurers shall, if required by the Board of Directors, give bonds for the faithful performance of their duties in such sums and with such surety or sureties as shall be satisfactory to the Board of Directors.

Section 13. SALARIES. The salaries and other compensation of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary or other compensation by reason of the fact that he is also a director.

## ARTICLE VI

### CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. CONTRACTS. The Board of Directors may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances. Any agreement, deed, mortgage, lease or other document shall be valid and binding upon the Corporation when authorized or ratified by action of the Board of Directors and executed by an authorized person.

Section 2. CHECKS AND DRAFTS. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or agent of the Corporation in such manner as shall from time to time be determined by the Board of Directors.

Section 3. DEPOSITS. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may designate.

## ARTICLE VII

### STOCK

Section 1. CERTIFICATES. Except as otherwise provided in these Bylaws, this Section shall not be interpreted to limit the authority of the Board of Directors to issue some or all of the shares of any or all of its classes or series without certificates. Each stockholder, upon written request to the Secretary, shall be entitled to a certificate or certificates which shall represent and certify the number of shares of each class of stock held by him in the Corporation. Each certificate shall be signed by the Chairman of the Board, the President or a Vice President and countersigned by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer and may be sealed with the seal, if any, of the Corporation. The signatures may be either manual or facsimile. Certificates shall be consecutively numbered; and if the Corporation shall, from time to time, issue several classes of stock, each class may have its own number series. A certificate is valid and may be issued whether or not an officer who signed it is still an officer when it is issued. Each certificate representing shares which are restricted as to their transferability or voting powers, which are preferred or limited as to their dividends or as to their allocable portion of the assets upon liquidation or which are redeemable at the option of the Corporation, shall have a statement of such restriction, limitation, preference or redemption provision, or a summary thereof, plainly stated on the certificate. If the Corporation has authority to issue stock of more than one class, the certificate shall contain on the face or back a full statement or summary of the designations and any preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of each class of stock and, if the Corporation is authorized to issue any preferred or special class in series, the differences in the relative rights and preferences between the shares of each series to the extent they have been set and the authority of the Board of Directors to set the relative rights and preferences of subsequent series. In lieu of such statement or summary, the certificate may state that the Corporation will furnish a full statement of such information to any stockholder upon request and without charge. If any class of stock is restricted by the Corporation as to transferability, the certificate shall contain a full statement of the restriction or state that the Corporation will furnish information about the restrictions to the stockholder on request and without charge.

Section 2. TRANSFERS. Upon surrender to the Corporation or the transfer agent of the Corporation of a stock certificate duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

The Corporation shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Maryland. Notwithstanding the foregoing, transfers of shares of any class of stock will be subject in all respects to the Charter and all of the terms and conditions contained therein.

Section 3. REPLACEMENT CERTIFICATE. Any officer designated by the Board of Directors may direct a new certificate to be issued in place of any certificate previously issued by the Corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate to be lost,

stolen or destroyed. When authorizing the issuance of a new certificate, an officer designated by the Board of Directors may, in his or her discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or the owner's legal representative to advertise the same in such manner as he shall require and/or to give bond, with sufficient surety, to the Corporation to indemnify it against any loss or claim which may arise as a result of the issuance of a new certificate.

Section 4. **CLOSING OF TRANSFER BOOKS OR FIXING OF RECORD DATE.** The Board of Directors may set, in advance, a record date for the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or determining stockholders entitled to receive payment of any dividend or the allotment of any other rights, or in order to make a determination of stockholders for any other proper purpose. Such date, in any case, shall not be prior to the close of business on the day the record date is fixed and shall be not more than 90 days and, in the case of a meeting of stockholders, not less than ten days, before the date on which the meeting or particular action requiring such determination of stockholders of record is to be held or taken.

In lieu of fixing a record date, the Board of Directors may provide that the stock transfer books shall be closed for a stated period but not longer than 20 days. If the stock transfer books are closed for the purpose of determining stockholders entitled to notice of or to vote at a meeting of stockholders, such books shall be closed for at least ten days before the date of such meeting.

If no record date is fixed and the stock transfer books are not closed for the determination of stockholders, (a) the record date for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day on which the notice of meeting is mailed or the 30th day before the meeting, whichever is the closer date to the meeting; and (b) the record date for the determination of stockholders entitled to receive payment of a dividend or an allotment of any other rights shall be the close of business on the day on which the resolution of the directors, declaring the dividend or allotment of rights, is adopted.

When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this section, such determination shall apply to any adjournment thereof, except when (i) the determination has been made through the closing of the transfer books and the stated period of closing has expired or (ii) the meeting is adjourned to a date more than 120 days after the record date fixed for the original meeting, in either of which case a new record date shall be determined as set forth herein.

Section 5. **STOCK LEDGER.** The Corporation shall maintain at its principal office or at the office of its counsel, accountants or transfer agent, an original or duplicate share ledger containing the name and address of each stockholder and the number of shares of each class held by such stockholder.

Section 6. **FRACTIONAL STOCK; ISSUANCE OF UNITS.** The Board of Directors may issue fractional stock or provide for the issuance of scrip, all on such terms and under such conditions as they may determine. Notwithstanding any other provision of the Charter or these Bylaws, the Board of Directors may issue units consisting of different securities of the Corporation. Any security issued in a unit shall have the same characteristics as any identical securities issued by the Corporation, except that the Board of Directors may provide that for a specified period securities of the Corporation issued in such unit may be transferred on the books of the Corporation only in such unit.

## **ARTICLE VIII**

### **ACCOUNTING YEAR**

The Board of Directors shall have the power, from time to time, to fix the fiscal year of the Corporation by a duly adopted resolution.

## **ARTICLE IX**

### **DISTRIBUTIONS**

Section 1. **AUTHORIZATION.** Dividends and other distributions upon the stock of the Corporation may be authorized by the Board of Directors, subject to the provisions of applicable law and the Charter. Dividends and other distributions may be paid in cash, property or stock of the Corporation, subject to the provisions of applicable law and the Charter.

Section 2. **CONTINGENCIES.** Before payment of any dividends or other distributions, there may be set aside out of any assets of the Corporation available for dividends or other distributions such sum or sums as the Board of Directors may from time to time, in its absolute discretion, think proper as a reserve fund for contingencies, for equalizing dividends or other distributions, for repairing or maintaining any property of the Corporation or for such other purpose as the Board of Directors shall determine to be in the best interest of the Corporation, and the Board of Directors may modify or abolish any such reserve.

## **ARTICLE X**

### **INVESTMENT POLICY**

Subject to the provisions of the Charter, the Board of Directors may from time to time adopt, amend, revise or terminate any policy or policies with respect to investments by the Corporation as it shall deem appropriate in its sole discretion.

## **ARTICLE XI**

### **SEAL**

Section 1. **SEAL.** The Board of Directors may authorize the adoption of a seal by the Corporation. The seal shall contain the name of the Corporation and the year of its incorporation and the words "Incorporated Maryland." The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 2. **AFFIXING SEAL.** Whenever the Corporation is permitted or required to affix its seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a seal to place the word "(SEAL)" adjacent to the signature of the person authorized to execute the document on behalf of the Corporation.

## **ARTICLE XII**

### **INDEMNIFICATION; ADVANCE OF EXPENSES; INSURANCE**

Section 1. **INDEMNIFICATION AND ADVANCE OF EXPENSES.** To the maximum extent permitted by the laws of the State of Maryland in effect from time to time, the Corporation shall indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, shall pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any individual who is a present or former director or officer of the Corporation and who is made a party to the proceeding by reason of his or her service in that capacity or (b) any individual who, while a director of the Corporation and at the request of the Corporation, serves or has served as a director, officer, partner or trustee of such corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made a party to the proceeding by reason of his or her service in that capacity. The Corporation may, with the approval of the Board of Directors, provide such indemnification and advance for expenses to a person who served a predecessor of the Corporation in any of the capacities described in (a) or (b) above and to any employee or agent of the Corporation or a predecessor of the Corporation. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article XII shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 2. **INSURANCE.** The Corporation may purchase and maintain insurance on behalf of any person who is a present or former director or officer of the Corporation, or is a present or former director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article XII.

Section 3. **NONEXCLUSIVITY OF INDEMNIFICATION AND ADVANCEMENT OF EXPENSES.** The indemnification and advancement of expenses provided by, or granted pursuant to, this Article XII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Charter, these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise,



both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Section 1 of this Article XII shall be made to the fullest extent permitted by law. The provisions of this Article XII shall not be deemed to preclude the indemnification of any person who is not specified in Section 1 of this Article XII but whom the Corporation has the power or obligation to indemnify under the provisions of the Maryland General Corporation Law, or otherwise.

Section 4. **AMENDMENTS AND MODIFICATIONS.** Neither the amendment nor repeal of this Article XII, nor the adoption or amendment of any other provision of the Bylaws or Charter inconsistent with this Article XII, shall apply to or affect in any respect the applicability of the preceding paragraph with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

### **ARTICLE XIII**

#### **WAIVER OF NOTICE**

Whenever any notice is required to be given pursuant to the Charter or these Bylaws or pursuant to applicable law, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

### **ARTICLE XIV**

#### **EXCLUSIVE FORUM FOR CERTAIN LITIGATION**

Unless the Corporation consents in writing to the selection of an alternative forum (an "Alternative Forum Consent"), the Circuit Court for Baltimore City, Maryland shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, stockholder, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation or any director, officer, stockholder, employee or agent of the Corporation arising out of or relating to any provision of the Maryland General Corporation Law, this Charter or the Bylaws of the Corporation, or (iv) any action asserting a claim against the Corporation or any director, officer, stockholder, employee or agent of the Corporation governed by the internal affairs doctrine of the State of Maryland; provided, however, that, in the event that the Circuit Court for Baltimore City, Maryland lacks subject matter jurisdiction over any such action or proceeding, the sole and exclusive forum for such action or proceeding shall be another state or federal court located within the State of Maryland, in each such case, unless the Circuit Court for Baltimore City, Maryland (or such other state or federal court located within the State of Maryland, as applicable) has dismissed a prior action by the same plaintiff asserting the same claims because such court lacked personal jurisdiction over an indispensable party named as a defendant therein. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XIV. The existence of any prior Alternative Forum Consent shall not act as a waiver of the Corporation's ongoing consent right as set forth above in this Article XIV with respect to any current or future actions or claims.

### **ARTICLE XV**

#### **AMENDMENT OF BYLAWS**

Any and all provisions of these Bylaws may be repealed, altered, amended, or rescinded and new bylaws may be adopted (a) by the stockholders at any annual meeting of the stockholders or at any special meeting called for that purpose (provided that notice of such proposal is included in the notice of such meeting) and (b) by the Board of Directors at any regular or special meeting of the Board of Directors; provided, however, the Board of Directors does not have the power to alter or repeal any bylaw made by the stockholders.

### **ARTICLE XVI**

## MISCELLANEOUS

Section 1. BOOKS AND RECORDS. The Corporation shall keep correct and complete books and records of its accounts and transactions and minutes of the proceedings of its stockholders and Board of Directors and of an executive or other committee when exercising any of the powers of the Board of Directors. The books and records of the Corporation may be in written form or in any other form which can be converted within a reasonable time into written form for visual inspection. Minutes shall be recorded in written form but may be maintained in the form of a reproduction. The original or a certified copy of these Bylaws shall be kept at the principal office of the Corporation.

Section 2. VOTING STOCK IN OTHER COMPANIES. Stock of other corporations or associations, registered in the name of the Corporation, may be voted by the chief executive officer, the president, a vice-president, or a proxy appointed by any of them. The Board of Directors, however, may by resolution appoint some other person to vote such shares, in which case such person shall be entitled to vote such shares upon the production of a certified copy of such resolution.

Section 3. EXECUTION OF DOCUMENTS. A person who holds more than one office in the Corporation may not act in more than one capacity to execute, acknowledge, or verify an instrument required by law to be executed, acknowledged, or verified by more than one officer.

Section 4. SEVERABILITY. If any provision of the Bylaws shall be held invalid or unenforceable in any respect, such holding shall apply only to the extent of any such invalidity or unenforceability and shall not in any manner affect, impair or render invalid or unenforceable any other provision of the Bylaws in any jurisdiction.

Adopted as of: April 9, 2015 (amended February 27, 2017 ~~and~~, May 1, 2017 ~~and~~ November 1, 2023)

**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kenneth A. Gunderman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Uniti Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant, as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023

By: \_\_\_\_\_ /s/Kenneth A. Gunderman

**Kenneth A. Gunderman**  
**President and Chief Executive Officer**



**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Uniti Group Inc. (the "Company") for the period ending September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2023

By: \_\_\_\_\_ /s/ Kenneth A. Gunderman

**Kenneth A. Gunderman**  
**President and Chief Executive Officer**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Uniti Group Inc. (the “Company”) for the period ending September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2023

By: \_\_\_\_\_ /s/ Paul E. Bullington

**Paul E. Bullington**  
**Senior Vice President – Chief Financial Officer**  
**and Treasurer**