



October 18, 2021

Thumb Electric Cooperative (TEC) announced today that TEC has entered into a definitive agreement to purchase Air Advantage, a Thumb area Internet Service Provider (ISP) established in 2002. This acquisition will compliment TEC's plans to expand and enhance internet services throughout the Thumb. TEC plans to build and offer Fiber-To-The-Home internet services to its members and the surrounding communities. TEC plans to continue to offer fixed wireless service and upgrade transmission towers.

TEC currently provides electric power to 12,300 businesses and residents in Huron, Sanilac, and Tuscola Counties. In late 2020, TEC participated in and secured \$22.5 million in the Rural Development Opportunities Fund (RDOF) auction to bring high speed fiber internet to the area. In 2021, the TEC Board of Directors authorized a five-year, \$80 million Fiber-To-The-Home construction project. The first phase of the project is scheduled to begin in Tuscola County later this fall.

As TEC planned how to best roll out the new TEC Fiber internet service and speed up the construction schedule, discussions between the two companies began on how to best utilize Air Advantage's existing infrastructure. This led to acquisition discussions between the two companies. TEC and Air Advantage have enjoyed a strong partnership since 2004, and have worked together to bring broadband service to TEC's main office, warehouses, data collection sites, and substations. Dallas Braun, TEC General Manager, said "It became apparent early on in our discussions that on the surface, this appeared to be a great opportunity for TEC, Air Advantage, and the local communities, and six months of due diligence confirmed this. We are excited about the opportunity to have an experienced, talented, professional, and committed ISP workforce from Air Advantage be part of the TEC team as we work to close the digital divide with TEC Fiber."

Scott Zimmer, CEO of Air Advantage said of the transaction, "Air Advantage has worked hard for the past 19 years to bring better broadband to the Thumb, and we are proud of what we've accomplished. This transition will bring faster internet speeds, and the RDOF funds will aid to accelerate the buildout to many areas throughout the Thumb. We know that TEC has a passion for serving Thumb area residents and understands the unique challenges we face in a rural market. It was important to us to find a partner that understood those needs. We strongly believe that TEC is the right group to continue what we started".

Air Advantage has a fiber network of over 600 miles throughout Huron, Tuscola, Sanilac, Bay, and Saginaw Counties. The fiber feeds over 140 towers providing fixed-wireless broadband service throughout the Thumb and surrounding area. The 6,000 fixed-wireless and fiber customers acquired from Air Advantage will jump start TEC Fiber and will bring a well-seasoned team to support the existing and new internet infrastructure.



The recent pandemic has proven that fast, reliable, reasonably priced broadband service is critical to businesses, homes, education, telecommuting, and remote learning. With many Thumb area residents and students unserved or underserved, this acquisition will help close the digital divide that exists throughout the region. Fiber is the fastest, most reliable way to meet the needs of an ever important reliance on the Internet.

The transaction is expected to close following customary regulatory approvals.

About Thumb Electric Cooperative:

Thumb Electric is a non-profit cooperative that was incorporated in 1937, and in June of 1938, energized its first lines to bring electric service to many farm homes in the rural area of the Thumb. Prior to that, farmers could only wonder what life would be like as they watched the city residents' standard of living increase from electrification. Today, TEC's electric infrastructure consists of over 2,000 miles of line, 16 substations, and two emergency generating facilities that serve 12,300 member-owners in Huron, Sanilac, and Tuscola Counties. TEC's main office is in Ubly with two warehouse outposts near Caro and one near Ubly, has 33 employees, and is governed by a nine-member Board of Directors.

About Air Advantage:

Air Advantage began providing fixed wireless broadband service throughout the Thumb of Michigan in 2002. Air Advantage connected its first customer on July 26, 2002, in Pigeon, Michigan. Since then, Air Advantage has grown by building over 600 miles of fiber optic cable through the Thumb region which feeds over 140 towers that transmit fixed wireless broadband service in seven counties throughout the Thumb and surrounding area.