April 2021

Fellow Stockholders:

As the pandemic broke in March of last year, ATN management's primary objectives were continuing the delivery of our communications services, protecting the health of our employees and customers, and accomplishing all of that while maintaining the company's strong financial condition.

In reflecting on events of the past year and where we are today, I am proud to say that we rose to the challenge. We not only maintained our core connectivity services, we expanded those services with numerous examples of enhancing capacity and speeds (typically for no additional charge), adding additional capabilities for commercial customers and expanding the reach of our networks with both fixed and wireless solutions. We maintained a healthy and productive workforce, thanks in large part to the attentiveness and adaptability of our employees and the rapid and sound decision making of our operational leaders. We also were able to maintain healthy revenue and margin levels and protect cash flows.

Of course, the last achievement was helped by our good fortune to be in the communications business. Delivery of our primary services was particularly important to our customers in the pandemic. That good fortune was enhanced by our long and consistent history of investing in our network and digital infrastructure and in our people. We are rich in quality assets and well positioned businesses.

Consolidated Operating Results

Consolidated revenues for 2020 were $455 million, an increase of 4% despite the pandemic operating conditions for most of the year. Operating income for the year was $9 million, as the sale of two thirds of our Indian renewable energy business resulted in a one-time $22 million loss alongside the $21 million of cash and other consideration received at closing. Our earnings before interest, taxes, depreciation and amortization, or EBITDA, after adding back that non-cash loss and certain transaction expenses, totaled $121 million (reported as "Adjusted EBITDA")[1]. This represented an 11% annual increase in Adjusted EBITDA. We recorded a net loss for the year of just over $14 million, or $0.89 per share, compared to a net loss of $0.68 per share for 2019. The loss on the renewable energy sale along with still high depreciation and amortization expense (running at about 20% of revenue) are the primary factors for the increase in net loss.

International Telecom Segment

ATN's International Telecom segment provides roughly two thirds of the company's revenue and an even higher percentage of consolidated EBITDA and it was rewarding to have

[1] See appendix for reconciliation of Operating Income to Adjusted EBITDA, a non-GAAP measure.

another strong and steady performance from this collection of operating businesses in 2020. We have robust networks and systems that provide critical connectivity, particularly high-speed data connectivity, to consumers and businesses. The pandemic reinforced and, indeed, added to the demand for those services. We saw a 10% increase in fixed data subscribers and a 7% increase in mobile subscribers, which filled the revenue gap created by lower enterprise and roaming revenues as a result of the pandemic. Operating income for the segment increased from $47 million to $58 million and Adjusted EBITDA for the segment increased from $103 million to $114 million, each more than a 10% improvement, as our team worked quickly to reduce costs in the face of the uncertain operating environment. As our markets and operations emerge from pandemic restrictions, we are looking to increase business and carrier service revenues and continue to grow our consumer subscribers while maintaining a portion of the cost savings we realized during the pandemic.

We continue to see strong cash flow from our prior infrastructure investments and were able to deploy an additional $39 million in 2020 (compared to $42 million in 2019) despite the challenging conditions. Capital expenditures for this segment are expected to rise a bit in 2021 to fund additional fiber and mobile data expansions and upgrades.

Our markets are changing, most notably Guyana. ATN first invested there more than 30 years ago, and we recently have seen many signs that the local economy is picking up pace as the prospect for oil revenues and related activities becomes reality. We also anticipate longer term economic growth in Cayman and expect a post-pandemic rebound in certain other markets. Along with those upsides, challenges for this segment remain. In Guyana, the government unilaterally issued licenses to several market participants despite our exclusive right to provide national and international voice and data connectivity and local fixed line services in the country. While we have repeatedly advocated for a negotiated settlement rather than unilateral action, and devoted time and resources, we believe an outcome that is beneficial for both us and the government's goals is still achievable. Because the government had long failed to enforce our exclusivity and allowed substantial unlicensed activity to take place, competition in this market is not new to us. Indeed, our past and current investments made us ready for both increased competition and the expected acceleration in growth of the Guyana economy. We will be ready.

In the US Virgin Islands we were disappointed with the FCC's announced award of subsidies under its Connect USVI program to a small fixed wireless provider promising to overbuild our high-speed broadband network with a new network throughout the Territory. The Connect USVI program replaces the $16 million in annual federal high-cost support we currently receive. We think this result is bad policy, bad for the Territory and contrary to the goals of federal universal service programs. We are unhappy with this program and result and have requested the FCC reconsider this outcome. Aside from this matter, our operating unit in that market, Viya, is keeping its focus on its customers. Viya turned in a very strong 2020 after completing a major multi-year network rebuild and upgrade, and it is now looking to reduce costs, while continuing to attract new customers and grow service revenue.

Overall, we feel good about the International Telecom segment's prospects. Our businesses benefit from a consistent and long-term pattern of investments in our people, products and networks. The leaders and employees in our International Telecom operating subsidiaries, supported by our extensive operating capabilities and personnel at the parent company level, are working hard to effectively serve their customers, capture further operating efficiencies, improve our competitive positioning and generate new sources of revenue. Furthermore, demand for our core communications services continues to be strong, and we expect that trend to continue for some time. Given those factors, and some of the initiatives we have under way, we believe the group of businesses in this segment are in a good position to continue to deliver reasonable top-line growth and strong net cashflows outside of expansion- and growth-based capital spending.

US Telecom Segment

Our US Telecom segment is in the midst of a significant business transition. Today, we are focused on two operating models—providing wholesale, enterprise and retail services in the rural United States, and providing private network solutions throughout the country. In 2005, we acquired the Commnet subsidiary that still accounts for most of this segment's wireless revenue, and for more than a decade that investment featured a growing wholesale wireless footprint and rapidly growing revenues and cash flows. Since then, we have had to change both our strategic focus and service offerings to adapt to the changing needs of our carrier customers and rural operating markets and develop new sources of potential growth.

We took a major step forward with this re-positioning last year with the agreement to build out infrastructure for FirstNet in support of AT&T and to provide on-going operating support of part of the network. The services we provide under those arrangements are at a lower operating margin than the legacy roaming revenues, but do not require the same substantial ongoing capital commitment. Ultimately, our goal is to go deeper and broader with our service capabilities and infrastructure investments to provide retail and enterprise services in rural areas of the United States, particularly in and around our historical operating area in the mountain west and southwest regions. The network and human resources needed to support our wholesale solutions for other carriers also allows us to provide services direct to the local enterprise and consumer customers that are not a market focus for the larger national carriers. This shift requires meaningful operating investments that result in higher fixed costs, which contributed to the decline in segment operating income in 2020 to $7 million (an 8% decline) and a decline in segment Adjusted EBITDA in 2020 to $31 million (a 2% decline). Segment revenue rose 13% to $122 million in 2020, driven primarily by FirstNet construction revenue which offset a decrease in legacy wholesale roaming revenue. Additionally, we spent approximately $6 million on operating costs related to the earlier stage private networks business, a figure we expect to double in 2021.

A feature of our new strategic focus is the company's efforts to bring connectivity to remote and underserved markets to bridge the "digital divide" and support the extension of high quality, high speed data connectivity to rural and marginalized communities. Our team made good progress on this effort in 2020, and we have intensified our focus on building and operating regional and local fiber facilities and mobile site backhaul in 2021. Evidence of this progress includes securing state, local and federal funds to bring connectivity and private networks to rural schools and libraries in Arizona and fiber to the Grand Canyon. Our NTUA Wireless subsidiary utilized $18 million in CARES Act funding to build 85 wireless sites to deliver broadband to under-served areas of the Navajo Nation. We also won awards under the recently launched Rural Digital Opportunity Fund, as a result of which we will provide broadband capabilities to a number of communities in the southwest and pacific northwest in return for approximately $2 million in annual subsidies for the next decade.

We are pursuing further public-private partnerships of this type as there continues to be a strong movement towards government spending on this critical infrastructure in more challenging geographies. As with the carrier services shift, we expect that the revenues generated by these investments will be more predictable and longer term in nature but at lower operating margins than our legacy wholesale revenues with lower maintenance capital expense. It is a multi-year transition and we are in the middle stage.

On the private networks side, 2020 was slower than we would have liked, but much of this was pandemic related. We see significant interest and support for the prospects for growth in the sector, and we consider the potential rewards to warrant additional capital investments to grow the business and position ourselves to be a leading participant moving forward. We are increasing our investments in our sales and delivery capabilities and continue to invest in perfecting our technical solutions. There have been some nice wins to date and more appear to be within reach. Geoverse was part of a group awarded the contract for building and operating two significant neutral host municipal networks as U.S. cities look to support home learning and smart city solutions. We are also exploring partnerships with other technology providers and carriers looking to help deploy edge computing and "internet of things" solutions for governmental and commercial customers. This business and the entire emerging sector of private networks is still developing, and we will test our investment and business strategy regularly given the dynamic market environment.

Capital Allocation and Strategic Developments

At ATN, with our portfolio structure and operating and investment history, we view our decisions around the allocation of capital to be one of the most important ways we create and protect value for stockholders over time. We are proud of our track record in this regard and we look to learn from our mistakes as much as our successes.

The sources of capital we allocate are cash generated by ordinary operations of the business, capital sourced through financing activities and capital generated through asset sales. Some of our subsidiaries also have a history of securing capital through government programs designed to expand access to critical infrastructure. In 2020, net cash provided by operating activities totaled $86 million, slightly below 2019 because of increased working capital needed to support the FirstNet construction project. We also received $16 million in government grants, and $12 million through an investment tax credit for a US solar energy investment on the Navajo Nation (recorded in the investing activities of our cash flow statement).

Uses of that capital broadly fall into the following categories: 1) "maintenance" capital expenditures that are necessary to support existing revenue streams, 2) "growth" capital expenditures where we are investing in property, plant or equipment that we believe will generate new sources of revenue or reduce existing cash expense, 3) investments in new businesses, 4) investments in affiliates, 5) early retirements of debt, 6) buying back shares of ATN common stock, 7) buying equity of our subsidiaries or affiliates held by third parties, and 8) paying cash dividends to ATN stockholders.

So how did we allocate capital, as well as existing cash on our balance sheet, in 2020? We incurred $75 million in capital expenditures. We consider a little less than half of that amount to have been used for growth capital expenditures. A large portion of that was for terrestrial fiber expansion in multiple markets. Other investments during the year included approximately $20 million spent acquiring CBRS spectrum licenses across the United States, including the US Virgin Islands, and nearly $3 million in an additional equity investment in Stilmark, an emerging Australian tower and communications infrastructure company. Almost $14 million was used to repay principal on outstanding debt.

In 2020, we returned approximately $48 million of capital to stockholders, directly and indirectly, through share buybacks and dividends. We spent $37 million in 2020 on purchasing shares of ATN and our subsidiaries. Approximately $29 million of that total was spent on purchases of minority shares in our subsidiaries, and the balance buying back shares of ATN's common stock in the market. We have always taken an opportunistic approach to buybacks at the parent and subsidiary level. The minority shares were acquired at a value (in terms of a multiple of EBITDA) well below the value the market assigns to ATN as a whole, even now, and at an intrinsic value we felt to be attractive considering our history with the business and its prospects. In this category of returning value to stockholders, we paid out $11 million in dividends on our common stock for the year. Another $10 million of our consolidated cash flow was used to pay dividends to minority stockholders in our subsidiaries.

Strategic Developments

A major strategic development for 2020 came at the very end of the year, New Year's Eve, when we signed a definitive agreement to acquire all of the common stock of Alaska Communications Systems ("ACS") in an all-cash transaction valued at approximately $332 million including net debt assumed. We partnered with Freedom 3 Capital which is providing just under half the equity capital required to fund the purchase, with ATN providing the balance as the majority stockholder and provider of management services and oversight. We also have committed debt financing of $235 million completed (which will be an obligation of ACS), to help fund the purchase price. ACS generated $241 million of revenue in 2020. More than two thirds of that revenue was from a diversified group of business and wholesale customers and the balance is roughly split between consumer and regulatory revenue.

ACS represents an excellent business and cultural fit for us. ACS has made great progress in recent years building out fiber facilities and growing enterprise and wholesale revenue. They know their markets well and we understand the type of business they are in and believe we can help them accelerate the execution of their business strategy and achieve further operating efficiencies. We see opportunities to generate growth in the enterprise and wholesale revenue areas as a result of those recent and ongoing fiber network builds and also expect to fund further growth initiatives. There is potential to create value in a number of other areas, including through augmenting their offerings in managed services and private networks.

Beyond those specifics, this transaction has other attributes that we find attractive. First, it is the type of business and market in which we have been quite successful for some time. It is a smaller market with a limited number of major facilities-based providers. Alaska is a challenging market in which to operate, but we are accustomed to that type of operating environment and believe that those market characteristics contribute to make services ACS provides and the infrastructure it has built particularly valuable. We expect revenue synergies, cost synergies and the broadening of strategic opportunities.

Second, the structure and financing of this transaction maximizes the use of our balance sheet in a way that we believe opens up future investment opportunities. We have an operating platform that can improve the execution and strategic development of middle market communications services businesses like ACS. This should be attractive to financial investors eager to invest in high recurring revenue communications infrastructure businesses. The transaction is still dependent on receiving certain regulatory approvals and we are anticipating closing sometime in the middle of this year. In the meantime, we have identified several stage one priorities including: the opportunity to accelerate growth of the company's fiber-based revenues, including through the expansion of anchor tenant fiber builds, and cross-selling next-generation managed services and private network solutions.

I have indicated for the last year or more that we were seeking strategic alternatives for our Indian solar business, Vibrant Energy. We settled on one late in the year—announcing that we would be selling a two thirds interest to a green infrastructure fund. The transaction closed in early 2021 and thus we will no longer be managing this business or consolidating its results. We received roughly $21 million in cash and other consideration at closing and may receive up to another $6 million over the next two years in "earnouts," in addition to any value generated through our remaining 33% equity interest. While to date this has been a poor investment for us, marked in part by a loss recorded on the sale, I believe the nature and timing of this transaction are beneficial to us. We recognized that the business, was not a good match for us at this time and concluded that our financial and operating resources are better spent on the opportunities we see in the communications services sector. We had great success with our US renewable energy investments, but that has not been the case in India despite the fine work of late by the Vibrant leadership team developing the business and positioning it to pursue faster growth. With our new majority partners from Macquarie's Green Investment Group unit, Blueleaf Energy, in place, we are optimistic on the prospects for this business going forward.

Market Performance and Communications

I know that fellow stockholders share my frustration with the second consecutive year of poor market performance for ATN's common stock. The management team and the board of directors focus most of our attention on fundamentals: increasing the value of the company's businesses by developing a strong engine for current and future cash flows and managing risk. However, we recognize that we need to step up our efforts to build a broader base of demand for the company's common stock. In 2021, we will be spending more time on investor outreach and communications to better convey what we believe is a strong investment case of valuable core assets and multiple paths to additional value creation.

We also think we have a good story to tell the growing number of investors focused on "ESG" (environmental, social and governance) issues as discussed in last year's letter. We are determined to do a better job providing information on the things ATN has done, is doing, and will be doing that are relevant to those considerations. We made progress in this regard during 2020, but there is more to do. We are delivering very positive impacts to the communities we serve—primarily through the investment in, and delivery of, high quality communications infrastructure. And we are looking for ways to operate more efficiently with lesser environmental impacts while generating related economic benefits. We are also committed to maintaining a diverse, positive and rewarding workplace for our employees and believe we follow good corporate governance standards for the benefit of stockholders. Interested investors can find additional information, and follow our progress, on our website and in our proxy statement.

One recent decision made by your board of directors is worth noting here. In March 2021, the board decided to change the equity compensation mix for the company's senior executives in a move designed to further align the compensation of those individuals with stockholder returns. As described in much more detail in this year's proxy statement, the company reduced the awards of solely time vested equity and introduced performance stock units where payout levels are based on total stockholder return relative to other companies in the Russell 2000 Index.

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You will notice in the proxy statement that is being circulated at the same time as this letter that Charles Roesslein is not on the slate of director nominees for your consideration. Mr. Roesslein decided not to seek re-election to ATN's board of directors after 19 years of service. Charlie has been a director of ATN for longer than me and has been critical to the growth and maturation of your company over that tenure. Charlie chaired the audit committee of the board of directors for the entire 19 years of his board service. That is always an important role, but particularly so for a complex and growing multi-national enterprise with numerous acquisitions and divestitures and a changing accounting and regulatory environment, including the introduction of the Sarbanes-Oxley requirements. Since he joined the board, ATN has grown from reporting $70 million in annual revenue (generated almost entirely by a single operating subsidiary) to a company with annual revenues of $455 million and a half dozen significant controlled operating companies. There has been great growth in the company's enterprise and equity value over that period, as well as over $200 million in dividends paid to ATN stockholders during that span. Charlie has been a great contributor throughout his time as a director of your company, and, for me personally and for the rest of the senior management team, he has been a valuable advisor, coach and colleague. We had moments of great triumph and moments of concern, and Charlie was a steady and thoughtful presence throughout. He will be missed by me, by the rest of the management team, and by his fellow directors.

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Thank you for your continued interest in ATN. Please do not hesitate to contact me if you have any questions or comments on the contents of this letter or otherwise.

Michael T. Prior
Chairman of the Board and
Chief Executive Officer

Cautionary Language Concerning Forward Looking Statements

This letter contains forward-looking statements relating to, among other matters, our future financial performance and results of operations; expectations regarding future revenue, operating income, EBITDA and capital expenditures; the competitive environment in our key markets, demand for our services and industry trends; our expectations regarding construction progress under our FirstNet agreement and the effect such progress will have on our financial results; our expectations regarding the benefits and timing of our pending acquisition of Alaska Communications; the impact of federal support program revenues and the FirstNet transaction; our liquidity; and management's plans and strategy for the future. These forward-looking statements are based on estimates, projections, beliefs, and assumptions and are not guarantees of future events or results. Actual future events and results could differ materially from the events and results indicated in these statements as a result of many factors, including in the forward-looking statements set forth more fully under Item 1A "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on March 1, 2021, and the other reports we file from time to time with the SEC.

Use of Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with generally accepted accounting principles (GAAP), this letter also contains a non-GAAP financial measure, Adjusted EBITDA. Adjusted EBITDA is defined as operating income (loss) before depreciation and amortization expense, transaction-related charges, impairment of goodwill and the gain (loss) on disposition of assets. The Company believes that the inclusion of this non-GAAP financial measure helps investors gain a meaningful understanding of the Company's core operating results and enhances the usefulness of comparing such performance with prior periods. Management uses this non-GAAP measure, in addition to GAAP financial measures, as the basis for measuring the Company's core operating performance and comparing such performance to that of prior periods. The non-GAAP financial measure included in this letter is not meant to be considered superior to or a substitute for results of operations prepared in accordance with GAAP. Reconciliations of this non-GAAP financial measures to the most directly comparable GAAP financial measures is set forth in the table below. While the non-GAAP financial measure is an important tool for financial and operational decision-making and for evaluating the Company's own operating results over different periods of time, the Company urges investors to review the reconciliation of this financial measure to the comparable GAAP financial measure included below, and not to rely on any single financial measure to evaluate its business.

Reconciliation of Operating Income to Adjusted EBITDA

	Year ended December 31,	
	2020	**2019**
Operating income	$ 9,180	$ 13,377
Depreciation and amortization expense	88,311	89,125
EBITDA	97,491	102,502
Transaction-related charges	1,641	244
Impairment of goodwill	-	3,279
(Gain) loss on disposition of assets	21,572	2,841
Adjusted EBITDA	$120,704	$108,866