UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended March 31, 2022

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 001-12593

ATN INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**47-0728886** (I.R.S. Employer Identification No.)
500 Cummings Center, Suite 2450 **Beverly, Massachusetts** (Address of principal executive offices)	**01915** (Zip Code)

(978) 619-1300

(Registrant's telephone number, including area code)

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, par value $.01 per share	ATNI	The Nasdaq Stock Market LLC

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 ☐	Accelerated filer ☒
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

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 May 10, 2022, the registrant had outstanding 15,744,687 shares of its common stock ($.01 par value).

ATN INTERNATIONAL, INC.
FORM 10-Q

Quarter Ended March 31, 2022

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (or the "Report") contains forward-looking statements relating to, among other matters, our future financial performance and results of operations, including our expectations regarding the benefits of our acquisition of Alaska Communications; the impact of federal support program revenues; the impact of COVID-19 on the economies of the markets we serve, and on our business and 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 agreement as part of the FirstNet Transaction and the effect such progress will have on our financial results; expectations regarding litigation; 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, among others, (1) our ability to successfully transition our U.S. Telecom business away from wholesale wireless to other carrier and consumer-based services; (2) the general performance of our operations, including operating margins, revenues, capital expenditures, and the retention of and future growth of our subscriber base and ARPU; (3) our ability to realize cost synergies and expansion plans for our newly acquired Alaska Communications business; (4) our ability to satisfy the needs and demands of our major carrier customers; (5) our ability to efficiently and cost-effectively upgrade our networks and IT platforms to address rapid and significant technological changes in the telecommunications industry; (6) government subsidy program availability and regulation of our businesses, which may impact our revenue, expansion plans and operating costs; (7) our reliance on a limited number of key suppliers and vendors for timely supply of equipment and services relating to our network infrastructure; (8) economic, political and other risks and opportunities facing our operations, including those resulting from the pandemic, geopolitical tensions, including the Ukraine invasion, and inflation, including increased costs and supply chain disruptions; (9) the loss of or an inability to recruit skilled personnel in our various jurisdictions, including key members of management; (10) our ability to find investment or acquisition or disposition opportunities that fit the strategic goals of the Company; (11) the occurrence of weather events and natural catastrophes and our ability to secure the appropriate level of insurance coverage for these assets; (12) increased competition; (13) the adequacy and expansion capabilities of our network capacity and customer service system to support our customer growth; and (14) our continued access to capital and credit markets. These and other additional factors that may cause actual future events and results to differ materially from the events and results indicated in the forward-looking statements above are set forth more fully under Item 1A "Risk Factors" in each of the Company's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 16, 2022, and the other reports we file from time to time with the SEC. The Company undertakes no obligation and has no intention to update these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors that may affect such forward-looking statements, except as required by law.

In this Report, the words "the Company," "we," "our," "ours," "us" and "ATN" refer to ATN International, Inc. and its subsidiaries. This Report contains trademarks, service marks and trade names that are the property of, or licensed by, ATN and its subsidiaries.

Reference to dollars ($) refer to US dollars unless otherwise specifically indicated.

PART I—FINANCIAL INFORMATION
Item 1. Unaudited Condensed Consolidated Financial Statements
ATN INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In Thousands, Except Share Data)

	March 31, 2022	December 31, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 75,748	$ 79,601
Restricted cash	1,097	1,096
Short-term investments	300	300
Accounts receivable, net of allowances for credit losses of $15.0 million and $13.9 million, respectively	70,109	73,701
Customer receivable	4,336	4,145
Inventory, materials and supplies	9,984	10,177
Prepayments and other current assets	59,267	63,597
Total current assets	220,841	232,617
Fixed Assets:		
Property, plant and equipment	1,759,855	1,748,092
Less accumulated depreciation	(825,980)	(804,883)
Net fixed assets	933,875	943,209
Telecommunication licenses, net	113,766	113,766
Goodwill	40,104	40,104
Intangible assets, net	41,067	44,294
Operating lease right-of-use assets	118,091	118,843
Customer receivable - long term	40,206	39,652
Other assets	82,757	76,119
Total assets	$ 1,590,707	$ 1,608,604
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 3,743	$ 4,665
Current portion of customer receivable credit facility	5,280	4,620
Accounts payable and accrued liabilities	113,698	151,463
Dividends payable	2,676	2,672
Accrued taxes	6,680	5,681
Current portion of lease liabilities	16,953	16,201
Advance payments and deposits	35,696	35,642
Total current liabilities	184,726	220,944
Deferred income taxes	21,651	21,460
Lease liabilities, excluding current portion	91,494	91,719
Other liabilities	140,246	142,033
Customer receivable credit facility, net of current portion	36,515	30,148
Long-term debt, excluding current portion	348,463	327,111
Total liabilities	823,095	833,415
Commitments and contingencies (Note 14)		
Redeemable noncontrolling interests:		
Preferred redeemable noncontrolling interests	51,412	50,296
Common redeemable noncontrolling interests	22,640	22,640
Total redeemable noncontrolling interests	74,052	72,936
ATN International, Inc. Stockholders' Equity:		
Preferred stock, $0.01 par value per share; 10,000,000 shares authorized, none issued and outstanding	—	—
Common stock, $0.01 par value per share; 50,000,000 shares authorized; 17,562,666 and 17,476,542 shares issued, respectively, 15,742,780 and 15,712,941 shares outstanding, respectively	172	172
Treasury stock, at cost; 1,819,885 and 1,763,601 shares, respectively	(73,795)	(71,714)
Additional paid-in capital	193,164	192,132
Retained earnings	470,056	475,887
Accumulated other comprehensive income	5,195	4,773
Total ATN International, Inc. stockholders' equity	594,792	601,250
Noncontrolling interests	98,768	101,003
Total equity	693,560	702,253
Total liabilities, redeemable noncontrolling interests and equity	$ 1,590,707	$ 1,608,604

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

ATN INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Unaudited)
(In Thousands, Except Per Share Data)

	Three months ended March 31, 2022	Three months ended March 31, 2021
REVENUE:		
Communication services	$ 166,543	$ 110,636
Construction	1,987	12,306
Other	3,489	1,568
Total revenue	172,019	124,510
OPERATING EXPENSES *(excluding depreciation and amortization unless otherwise indicated)*:		
Cost of communication services and other	73,011	49,507
Cost of construction revenue	2,033	12,606
Selling, general and administrative	56,343	37,693
Transaction-related charges	554	730
Depreciation and amortization	33,292	20,111
Amortization of intangibles from acquisitions	3,258	397
Loss on disposition of long-lived assets	3,420	117
Total operating expenses	171,911	121,161
Income from operations	108	3,349
OTHER INCOME (EXPENSE)		
Interest income	51	(6)
Interest expense	(3,363)	(1,147)
Other income	4,199	2,375
Other income (expense), net	887	1,222
INCOME BEFORE INCOME TAXES	995	4,571
Income tax provision	2,952	295
NET INCOME (LOSS)	(1,957)	4,276
Net income (loss) attributable to noncontrolling interests, net of tax expense (benefit) of $(0.5) million and $0.1 million, respectively.	1,009	(1,570)
NET INCOME (LOSS) ATTRIBUTABLE TO ATN INTERNATIONAL, INC. STOCKHOLDERS	$ (948)	$ 2,706
NET INCOME (LOSS) PER WEIGHTED AVERAGE SHARE ATTRIBUTABLE TO ATN INTERNATIONAL, INC. STOCKHOLDERS:		
Basic	$ (0.13)	$ 0.17
Diluted	$ (0.13)	$ 0.17
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic	15,708	15,902
Diluted	15,708	15,952
DIVIDENDS PER SHARE APPLICABLE TO COMMON STOCK	$ 0.17	$ 0.17

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

ATN INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Unaudited)
(In Thousands)

	Three months ended March 31,	
	2022	2021
Net income (loss)	$ (1,957)	$ 4,276
Other comprehensive income (loss):		
Foreign currency translation adjustment	256	(40)
Unrealized gain (loss) on derivatives	166	31
Other comprehensive income (loss), net of tax	422	(9)
Comprehensive income (loss)	(1,535)	4,267
Less: Comprehensive income (loss) attributable to noncontrolling interests	1,009	(1,570)
Comprehensive income (loss) attributable to ATN International, Inc.	$ (526)	$ 2,697

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

ATN INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Unaudited)
(In Thousands, Except Per Share Data)

	Total Redeemable Noncontrolling Interests			Total Equity								
	Redeemable Preferred Units	Redeemable Common Units	Total Redeemable Noncontrolling Interests	Common Stock	Treasury Stock, at cost	Additional Paid In Capital	Retained Earnings	Redeemable Common Units	Other Comprehensive Income/(Loss)	ATNI Stockholders' Equity	Non-Controlling Interests	Total Equity
Balance, December 31, 2021	$ 50,296	$ 22,640	$ 72,936	$ 172	$ (71,714)	$ 192,132	$ 475,887	$ —	$ 4,773	$ 601,250	$ 101,003	$ 702,253
Purchase of 56,284 shares of common stock	—	—	—	—	(2,081)	—	—	—	—	(2,081)	—	(2,081)
Stock-based compensation	—	—	—	—	—	1,310	—	—	—	1,310	150	1,460
Dividends declared on common stock ($0.17 per common share)	—	—	—	—	—	—	(2,675)	—	—	(2,675)	(263)	(2,938)
Repurchase of noncontrolling interests	—	—	—	—	—	(278)	—	—	—	(278)	(2,205)	(2,483)
Accrued dividend - redeemable preferred units	1,116	—	1,116	—	—	—	(1,116)	—		(1,116)	—	(1,116)
Deemed dividend - redeemable common units	—	1,092	1,092	—	—	—	(1,092)	1,092	—	—	—	—
Comprehensive income:												
Net income (loss)	—	(1,092)	(1,092)	—	—	—	(948)	(1,092)	—	(2,040)	83	(1,957)
Other comprehensive income	—	—	—	—	—	—	—	—	422	422	—	422
Total comprehensive income (loss)	—	(1,092)	(1,092)	—	—	—	(948)	(1,092)	422	(1,618)	83	(1,535)
Balance, March 31, 2022	$ 51,412	$ 22,640	$ 74,052	$ 172	$ (73,795)	$ 193,164	$ 470,056	$ —	$ 5,195	$ 594,792	$ 98,768	$ 693,560
Balance, December 31, 2020	$ —	$ —	$ —	$ 172	$ (59,456)	$ 187,754	$ 516,901	$ —	$ 278	$ 645,649	$ 108,687	$ 754,336
Purchase of 43,978 shares of common stock	—	—	—	—	(2,221)	—	—	—	—	(2,221)	—	(2,221)
Stock-based compensation	—	—	—	—	—	1,262	—	—	—	1,262	74	1,336
Dividends declared on common stock ($0.17 per common share)	—	—	—	—	—	—	(2,710)	—	—	(2,710)	—	(2,710)
Distributions to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(1,530)	(1,530)
Repurchase of noncontrolling interests	—	—	—	—	—	(2,086)	—	—	—	(2,086)	(9,123)	(11,209)
Comprehensive income:												
Net income	—	—	—	—	—	—	2,706	—	—	2,706	1,570	4,276
Other comprehensive income (loss)	—	—	—	—	—	—	—	—	(9)	(9)	—	(9)
Total comprehensive income (loss)	—	—	—	—	—	—	2,706	—	(9)	2,697	1,570	4,267
Balance, March 31, 2021	$ —	$ —	$ —	$ 172	$ (61,677)	$ 186,930	$ 516,897	$ —	$ 269	$ 642,591	$ 99,678	$ 742,269

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

ATN INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(In Thousands)

	Three Months Ended March 31,	
	2022	2021
Cash flows from operating activities:		
Net income	$ (1,957)	$ 4,276
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation	33,292	20,111
Amortization of acquisition intangibles	3,258	397
Provision for doubtful accounts	1,913	1,122
Amortization of debt discount and debt issuance costs	501	168
Stock-based compensation	1,461	1,336
Deferred income taxes	191	(2,504)
Gain on equity investments	(4,222)	(2,188)
Loss on disposition of long-lived assets	3,420	117
Unrealized gain on foreign currency	—	(81)
Changes in operating assets and liabilities, excluding the effects of acquisitions and dispositions:		
Accounts receivable	1,677	1,430
Customer receivable	(746)	(12,579)
Materials and supplies, prepayments, and other current assets	(5,330)	(253)
Prepaid income taxes	6,206	—
Accounts payable and accrued liabilities, advance payments and deposits and other current liabilities	(27,465)	(7,648)
Accrued taxes	2,763	1,810
Other assets	(325)	(242)
Other liabilities	(3,249)	51
Net cash provided by operating activities	11,388	5,323
Cash flows from investing activities:		
Capital expenditures	(34,220)	(19,495)
Reimbursable capital expenditures	(248)	(6,185)
Receipt of capital government grants	—	3,292
Divestiture of businesses, net of transferred cash of $0.9 million	—	18,597
Purchases of strategic investments	—	(4,155)
Net cash used in investing activities	(34,468)	(7,946)
Cash flows from financing activities:		
Dividends paid on common stock	(2,672)	(2,703)
Distributions to noncontrolling interests	(263)	(3,530)
Payment of debt issuance costs	—	53
Finance lease payment	(338)	—
Term loan - repayments	(938)	(938)
Revolving credit facility – borrowings	36,500	—
Revolving credit facility – repayments	(15,500)	—
Repayment of customer receivable credit facility	(1,003)	—
Purchases of common stock – stock- based compensation	(1,136)	(1,677)
Purchases of common stock – share repurchase plan	(941)	(540)
Repurchases of noncontrolling interests	(2,481)	(11,522)
Proceeds from customer receivable credit facility	8,000	10,814
Net cash provided by (used in) financing activities of continuing operations	19,228	(10,043)
Net change in cash, cash equivalents, and restricted cash	(3,852)	(12,666)
Total cash, cash equivalents, and restricted cash, beginning of period	80,697	104,997
Total cash, cash equivalents, and restricted cash, end of period	$ 76,845	$ 92,331
Purchases of property, plant and equipment included in accounts payable and accrued expenses	$ 13,221	$ 10,075

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

ATN INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND BUSINESS OPERATIONS

The Company provides critical infrastructure-based communications and related information technology solutions to remote and historically underserved markets in the United States, Bermuda, and the Caribbean. The Company seeks to invest in its existing and new markets for long term growth led by its Glass and Steel and "fiber first" strategies that enable it to bring new or enhanced communications services to markets often overlooked by larger telecommunications providers.

At the holding company level, the Company oversees the allocation of capital within and among its subsidiaries, affiliates, new investments, and stockholders. The Company also has developed significant operational expertise and resources that it uses to augment the capabilities of its individual operating subsidiaries in its local markets. Over the past 10 years, the Company has built a platform of resources and expertise to support its operating subsidiaries and to improve their quality of service with greater economies of scale and expertise than would typically be available at the operating subsidiary level. The Company also provides management, technical, financial, regulatory, and marketing services to its operating subsidiaries and typically receives a management fee calculated as a percentage of their revenues, which is eliminated in consolidation. The Company also actively evaluates potential acquisitions, investment opportunities and other strategic transactions, both domestic and international, and generally looks for those that it believes fit the Company's profile of telecommunications businesses and have the potential to complement its Glass and Steel and "fiber first" approach in markets while generating steady excess cash flows over extended periods of time. The Company uses the cash generated from its operations to re-invest in organic growth in its existing businesses, to make strategic investments in additional businesses, and to return cash to its investors through dividends or stock repurchases.

As of March 31, 2022, the Company offered the following types of services to its customers:

- ***Mobility Telecommunications Services***. The Company offers mobile communications services and equipment over our wireless networks to both its business and consumer subscribers. In certain markets, mobility services also includes private network services to business customers and municipalities.

- ***Fixed Telecommunications Services***. The Company provides fixed data and voice telecommunications services to both its business and consumer subscribers in all of its markets. These services include consumer broadband and high speed data solutions for businesses. For some markets, fixed services also include video services and revenue derived from support under certain government programs.

- ***Carrier Telecommunication Services***. The Company delivers services to other telecommunications providers such as wholesale roaming, the leasing of critical network infrastructure such as tower and transport facilities, site maintenance and international long-distance services.

- ***Managed Services***. The Company provides information technology services such as network, application, infrastructure and hosting services to both its business and consumer customers to complement its fixed services in its existing markets.

Through March 31, 2022, the Company has identified three operating segments to manage and review its operations and to facilitate investor presentations of its results. These three operating segments are as follows:

- ***International Telecom.*** In the Company's international markets, it offers fixed services, mobility services, carrier services and managed services to customers in Bermuda, the Cayman Islands, Guyana and the US Virgin Islands.

- ***US Telecom.*** In the United States, the Company offers fixed services, carrier services, and managed services to business and consumer customers in Alaska and the western United States. In the western United States, the Company also provides mobility services and private network services to enterprise and consumer customers.

- ***Renewable Energy.*** In India, the Company provided distributed generation solar power to commercial and industrial customers through January 27, 2021. See *Disposition of International Solar Business* for further details.

The following chart summarizes the operating activities of the Company's principal subsidiaries, the segments in which it reports its revenue and the markets it served during the three months ended March 31, 2022:

Segment	Services	Markets	Tradenames
International Telecom	Mobility Services	Bermuda, Guyana, US Virgin Islands	One, GTT+, Viya
	Fixed Services	Bermuda, Cayman Islands, Guyana, US Virgin Islands	One, Logic, GTT, Viya
	Carrier Services	Bermuda, Guyana, US Virgin Islands	One, GTT+, Viya
	Managed Services	Bermuda, Cayman Islands, US Virgin Islands, Guyana	Fireminds, One, Logic, GTT, Viya
US Telecom	Mobility Services	United States (rural markets)	Choice, Choice NTUA Wireless, Geoverse
	Fixed Services	United States	Alaska Communications, Commnet, Choice, Choice NTUA Wireless
	Carrier Services	United States	Alaska Communications, Commnet, Essextel
	Managed Services	United States	Alaska Communications, Choice
Renewable Energy (1)	Solar	India	Vibrant Energy

(1) See *Disposition of International Solar Business* for further details.

For further information about the Company's financial segments and geographical information about its operating revenues and assets, see Note 13 to the Unaudited Condensed Consolidated Financial Statements included in this Report.

Acquisition of Alaska Communications

On July 22, 2021, the Company completed the acquisition of Alaska Communications Systems Group, Inc. ("Alaska Communications"), a publicly listed company, for approximately $339.5 million in cash, net of cash acquired, (the "Alaska Transaction"). Alaska Communications provides broadband telecommunication and managed information technology services to customers in the state of Alaska and beyond using its statewide and interstate telecommunications network. The Company completed the Alaska Transaction to enter a new market with similar characteristics to its existing operations.

In conjunction with the Alaska Transaction, the Company entered into an agreement with affiliates and investment funds managed by Freedom 3 Capital, LLC as well as other institutional investors (collectively the "Freedom 3 Investors"). The Freedom 3 Investors contributed approximately $71.5 million in conjunction with the Alaska

Transaction (the “Freedom 3 Investment”). The Freedom 3 Investment consists of redeemable common and preferred equity instruments in a subsidiary of the Company which holds the ownership of Alaska Communications. The Company accounted for the Freedom 3 Investment as redeemable noncontrolling interests in its consolidated financial statements because the instruments contain put options allowing the holders to sell the instruments to a subsidiary of the Company. The put option is solely the obligation of the Alaska Communications subsidiary and is nonrecourse to the Company. The Company also entered into a financing transaction drawing $220 million on a new credit facility to complete the Alaska Transaction. As a result of the Alaska Transaction, the Company owns approximately 52% of the common equity of Alaska Communications and controls its operations and management. The Company incurred $11.0 million of transaction costs in conjunction with the Alaska Transaction. Beginning on July 22, 2021, the results of the Alaska Transaction are included in the Company’s US Telecom segment.

COVID-19

The Company continues to monitor and assess the effects of the ongoing COVID-19 pandemic on its commercial operations, the safety of its employees and their families, its sales force and customers.

The preparation of the condensed consolidated financial statements requires us to make estimates, judgments and assumptions, which are evaluated on an ongoing basis, that may affect the reported amounts of assets, liabilities, equity, revenues and expenses and related disclosure of contingent assets and liabilities. The Company assessed certain accounting matters and estimates that generally require consideration of forecasted financial information in context with the information and estimates reasonably available to the Company and the unknown future impacts of COVID-19 as of March 31, 2022 and through the date of this report. The accounting matters assessed included, but were not limited to, the allowance for credit losses, the carrying value of goodwill and other long-lived assets, financial assets, valuation allowances for tax assets and revenue recognition.

The Company’s assessment of the impact of COVID-19 on its operations did not indicate that there was a material adverse impact to its consolidated financial statements as of and for the three months ended March 31, 2022. However, future assessments of the impacts of COVID-19, as well as other factors, including the possible reinstatement of certain COVID-19 travel-related and stay-at-home restrictions, could result in material adverse impacts to its consolidated financial statements in future reporting periods. For example, the Company may experience difficulty in procuring network or retail equipment, such as handsets for subscribers, as a result of COVID-19 restrictions. Apart from possible government issued travel restrictions, the Company currently cannot assess how COVID-19 may influence subscribers’ procurement behavior for services or how that behavior will impact revenues in the foreseeable future.

2. BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The financial information included herein is unaudited; however, the Company believes such information and the disclosures herein are adequate to make the information presented not misleading and reflect all adjustments (consisting only of normal recurring adjustments) that are necessary for a fair statement of the Company’s financial position and results of operations for the periods described therein. The year-end condensed balance sheet data was derived from audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. Results of interim periods may not be indicative of results for the full year. These condensed consolidated financial statements and related notes should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 16, 2022.

The condensed consolidated financial statements include the accounts of the Company, its subsidiaries in which the Company holds controlling interests and certain entities which are consolidated in accordance with the provisions of the Financial Accounting Standards Board’s (“FASB”) authoritative guidance on the consolidation of variable interest entities, since it is determined that the Company is the primary beneficiary of these entities.

Presentation of Revenue

Effective October 1, 2021, the Company's statement of operations separately reflects Construction Revenue. All periods presented have been adjusted to conform to these presentation updates.

Presentation of Operating Expenses

Effective January 1, 2021, the Company changed its presentation of operating expenses in the Condensed Consolidated Statements of Operations by combining the previously disclosed Termination and Access Fees with Engineering and Operations as the newly represented Costs of communication services and other. In addition, the previously disclosed Sales, Marketing and Customer Service expenses are now combined with the previously disclosed General and Administrative expenses within the newly represented Selling, General and Administrative expenses. The change in presentation was made to better align the Company's results with industry standards. Cost of construction services continues to be broken out separately and all depreciation and amortization continues to be shown separately.

Recent Accounting Pronouncements

In October 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires entities to apply Topic 606 to recognize and measure contract assets and contract liabilities in a business combination. ASU 2021-08 is effective for fiscal years beginning after December 15, 2022, with early adoption permitted. The Company prospectively adopted this accounting standard in 2021.

In November 2021, the FASB issued ASU 2021-10, Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance, which required entities to make specific annual disclosures about transactions with a government. The new standard is effective for fiscal years beginning after December 15, 2021. We are currently evaluating the impact of the standard, but we do not expect it to have a material impact on our disclosures.

3. REVENUE RECOGNITION AND RECEIVABLES

Contract Assets and Liabilities

The Company recognizes contract assets and liabilities on its balance sheet. Contract assets represent unbilled amounts typically resulting from consumer Mobility contracts with both a multiyear service period and a promotional discount. In these contracts the revenue recognized exceeds the amount billed to the customer. The current portion of the contract asset is recorded in prepayments and other current assets and the noncurrent portion is included in other assets on the Company's balance sheets.

Contract liabilities consist of advance payments and billings in excess of revenue recognized. Mobility and Fixed revenue for postpaid customers is generally billed one month in advance and recognized over the period that the corresponding service is rendered to customers. To the extent the service is not provided by the reporting date the amount is recognized as a contract liability. Prepaid service, including Mobility services, sold to customers is recorded as deferred revenue prior to the commencement of services. Contract liabilities are recorded in advanced payments and deposits and other liabilities on the Company's balance sheets.

In July 2019, the Company entered into a Network Build and Maintenance Agreement with AT&T Mobility, LLC ("AT&T") and subsequently entered into amendments in August 2020 and May 2021 (the "FirstNet Agreement"). In connection with the FirstNet Agreement, the Company is building a portion of AT&T's network for the First Responder Network Authority in or near the Company's current operating area in the western United States (the "FirstNet Transaction"). The FirstNet Transaction includes construction and service performance obligations. The Company allocated the transaction price of the FirstNet Agreement to each performance obligation based on the relative standalone selling price of each performance obligation in the contract. The standalone selling price is the estimated price the Company would charge for the good or service in a separate transaction with similar customers in similar circumstances. The current portion receivables under this agreement are recorded in customer receivable and the long-term portion is recorded in customer receivable long-term on the Company's balance sheet.

The Company has certain Carrier Services roaming agreements that contain stand-ready performance obligations and management allocates transaction value to performance obligations based on the standalone selling price. The standalone selling price is the estimated price the Company would charge for the good or service with similar customers in similar circumstances. Management determined the performance obligations were obligations to make the service continuously available and will recognize revenue evenly over the service period.

Contract assets and liabilities consisted of the following (amounts in thousands)

	March 31, 2022	December 31, 2021	$ Change	% Change
Contract asset – current	$ 4,123	$ 4,805	$ (682)	(14)%
Contract asset – noncurrent	890	900	(10)	(1)%
Contract liability – current	(23,756)	(25,332)	1,576	6 %
Contract liability – noncurrent	(78,861)	(81,391)	2,530	3 %
Net contract liability	$ (97,604)	$ (101,018)	$ 3,414	3 %

The contract asset – current is included in prepayments and other current assets and the contract asset – noncurrent is included in other assets on the Company's balance sheet. The contract liability – current is included in advance payments and deposits and the contract liability – noncurrent is included in other liabilities on the Company's balance sheet. The decrease in the Company's net contract liability was due to the timing of customer prepayments, contract billings, and recognition of deferred revenue. During the three months ended March 31, 2022, the Company recognized revenue of $15.0 million related to its December 31, 2021 contract liability and amortized $0.7 million of the December 31, 2021 contract asset into revenue.

Contract Acquisition Costs

The March 31, 2022 balance sheet includes contract acquisition costs of $5.1 million in other assets. During the three months ended March 31, 2022 and 2021, the Company amortized $0.8 million and $0.6 million, respectively, of contract acquisition costs.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price allocated to unsatisfied performance obligations of certain multiyear Mobility contracts, which include a promotional discount, Managed Services contracts, and the Company's Carrier Services construction and service contracts. The transaction price allocated to unsatisfied performance obligations was $350 million and $369 million at March 31, 2022 and December 31, 2021, respectively. The Company expects to satisfy approximately 52% of the remaining performance obligations and recognize the transaction price within 24 months and the remainder thereafter.

The Company has certain Mobility, Fixed, and Carrier Services contracts where the transaction price is allocated to remaining performance obligations. However, the Company omits these contracts from its disclosure by applying the right to invoice, one year or less, and wholly unsatisfied performance obligation practical expedients.

Disaggregation

The Company's revenue is presented on a disaggregated basis in Note 13 based on an evaluation of disclosures outside the financial statements, information regularly reviewed by the chief operating decision makers for evaluating the financial performance of operating segments and other information that is used for performance evaluation and resource allocations. This includes revenue from Communication Services, Construction, and Other revenue. Communication Services revenue is further disaggregated into business and consumer Mobility, business and consumer Fixed, Carrier Services, and Other services. Other revenue is further disaggregated into Renewable Energy and, Managed Services revenue. This disaggregation of revenue depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Receivables

The Company records an estimate of future credit losses in conjunction with the revenue transaction based on the information available including historical experience and management's expectations of future conditions. Those estimates will be updated as additional information becomes available. The Company's allowance for uncollectible accounts receivable is based on management's assessment of the collectability of assets pooled together with similar risk characteristics.

At March 31, 2022 the Company had gross accounts receivable of $129.7 million and an allowance for credit losses of $15.0 million. The receivable under the FirstNet Agreement totaled $44.5 million of which $4.3 million was current and $40.2 million was long-term. At December 31, 2021, the Company had gross accounts receivable of $131.4 million and an allowance for credit losses of $13.9 million. The receivable under the FirstNet Agreement totaled $43.8 million, of which $4.1 million was current and $39.7 million was long-term. The Company monitors receivables through the use of historical operating data adjusted for expectation of future performance as appropriate. Activity in the allowance for credit losses is below:

	Three months ended March 31, 2022	Three months ended March 31, 2021
Balance at beginning of period	$ 13,885	$ 12,121
Current period provision for expected losses	1,913	1,122
Write-offs charged against the allowance	(862)	(354)
Recoveries collected	108	124
Balance at end of period	$ 15,044	$ 13,013

4. LEASES

Lessee Disclosure

The Company has operating and financing leases for towers, land, corporate offices, retail facilities, and data transport capacity. The lease terms are generally between 3 and 10 years, some of which include additional renewal options.

Supplemental lease information

The components of lease expense were as follows (in thousands):

	Three months ended March 31, 2022		Three months ended March 31, 2021	
Operating lease cost:				
Operating lease cost	$	6,142	$	4,225
Short-term lease cost		509		408
Variable lease cost		804		1,065
Total operating lease cost	$	7,455	$	5,698
Finance lease cost:				
Amortization of right-of-use asset	$	797	$	574
Variable costs		248		196
Interest costs		102		-
Total finance lease cost	$	1,147	$	770

During the three month periods ended March 31, 2022 and 2021, the Company paid $5.6 million and $3.5 million, respectively for operating lease liabilities. During the three months ended March 31, 2022, the Company recorded $3.7 million of operating lease liabilities arising from ROU assets. During the three months ended March 31, 2021, the Company recorded $2.2 million of operating lease liabilities arising from ROU assets.

At March 31, 2022, finance leases with a cost of $28.1 million and accumulated amortization of $11.1 million were included in property, plant and equipment. During the three months ended March 31, 2022, the Company paid $0.3 million of financing cash flows and $0.1 million of operating cash flows for finance lease liabilities and recorded $0.8 million of additional finance lease liabilities. Additionally, during the three months ended March 31, 2022, the Company disposed of a finance lease with a net book value of $1.0 million recording a loss for that amount. At March 31, 2022, finance leases had a lease liability of $6.5 million, of which $1.1 million was current.

At March 31, 2021, finance leases with a cost of $26.5 million and accumulated amortization of $10.1 million were included in property, plant and equipment. During the three months ended March 31, 2021, the Company recorded $1.1 million of additional finance lease liabilities. At March 31, 2021, finance leases had a lease liability of $2.2 million, of which $0.4 million was current. At December 31, 2021, finance leases with a cost of $30.8 million and accumulated amortization of $12.1 million were included in property, plant and equipment.

The weighted average remaining lease terms and discount rates as of March 31, 2022 and December 31, 2021 are noted in the table below:

	March 31, 2022	December 31, 2021
Weighted-average remaining lease term		
Operating leases	11.3 years	11.3 years
Financing leases	9.6 years	9.5 years
Weighted-average discount rate		
Operating leases	5.2%	5.4%
Financing leases	6.2%	6.4%

Maturities of lease liabilities as of March 31, 2022 were as follows (in thousands):

	Operating Leases	Financing Leases
2022 (excluding the three months ended March 31, 2022)	$ 16,310	$ 1,092
2023	18,466	1,463
2024	16,996	1,354
2025	14,156	1,132
2026	10,047	532
Thereafter	68,363	3,145
Total lease payments	144,338	8,718
Less imputed interest	(42,399)	(2,211)
Total	$ 101,939	$ 6,507

Maturities of lease liabilities as of December 31, 2021 were as follows (in thousands):

	Operating Leases	Financing Leases
2022	$ 20,474	$ 1,269
2023	17,941	1,278
2024	16,634	1,169
2025	13,640	975
2026	9,610	484
Thereafter	65,902	3,145
Total lease payments	144,201	8,320
Less imputed interest	(42,333)	(2,268)
Total	$ 101,868	$ 6,052

As of March 31, 2022, the Company did not have any material operating or finance leases that have not yet commenced.

Lessor Disclosure

The Company is the lessor in agreements to lease the use of its network assets including its cell sites and buildings. For the three months ended March 31, 2022 the Company recorded $1.0 million of lease income from agreements in which the Company is the lessor. Lease income is classified as Carrier Services revenue in the statement of operations.

The following table presents the maturities of future undiscounted lease payments for the periods indicated:

2022 (excluding the three months ended March 31, 2022)	$	4,042
2023		4,807
2024		4,406
2025		4,288
2026		3,916
Thereafter		10,455
Total future lease payments	$	31,914

5. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. The most significant estimates relate to the allowance for credit losses, useful lives of the Company's fixed and finite-lived intangible assets, allocation of purchase price to assets acquired and liabilities assumed in business combinations, fair value of indefinite-lived intangible assets, goodwill, assessing the impairment of assets, revenue, and income taxes. Actual results could differ significantly from those estimates. See Note 1 to the Unaudited Condensed Consolidated Financial Statements included in this Report for a discussion of the impact of COVID-19 on the use of these estimates.

6. ACQUISITIONS AND DISPOSITIONS

US Telecom

Acquisition of Alaska Communications

On July 22, 2021 ("Closing Date"), the Company completed the acquisition of Alaska Communications pursuant to the terms of the Merger Agreement whereby Alaska Communications became a consolidated subsidiary of the Company. At completion of the Merger, each Alaska Communications common share was converted into the right to receive $3.40 per share in cash representing a total value of $353.3 million of cash and consideration payable, ("Merger Consideration"). The consideration transferred consists of $339.5 million of cash, net of $11.9 million of cash and restricted cash acquired and $1.9 million of accrued consideration representing amounts payable related to stock compensation payable within one year of the close date. The cash consideration was used to purchase $186.8 million of Alaska Communications equity and repay $164.6 million of existing Alaska Communications debt.

The Company funded the acquisition with cash on hand, debt, and a contribution from the Freedom 3 Investors. The Company borrowed, through multiple financing transactions, a net of $283 million. On the Closing Date, the lenders advanced to Merger Sub (a) the full $210 million aggregate amount of the Alaska Term Loan (as defined below) in a single borrowing and (b) $10 million of the Alaska Revolving Facility (as defined below). The Company incurred $6.6 million of debt issuance and debt discount costs. Also, to fund the Merger Consideration in part, the Company drew a net $63.0 million under its revolving credit facility under the 2019 CoBank Credit Facility (as defined below). Lastly, the Freedom 3 Investors contributed $71.5 million in conjunction with the Merger. The Company has accounted for the Freedom 3 Investment as redeemable noncontrolling interests in its consolidated financial statements. On the Closing Date, the redeemable noncontrolling interests consisted of $22.6 million of redeemable common units, $48.3 million of redeemable preferred units, and $0.6 million of warrants to purchase common units. The common units contain a put option allowing the holder to sell the common units to a subsidiary of the Company at the then fair market value. The put option begins at the earlier of a future initial public offering of the Alaska Communications operations or July 2028. The redeemable preferred units carry a 9% preferred dividend which compounds quarterly. The preferred units contain a put option allowing the holder to sell the preferred units to a subsidiary of the Company at the unpaid issue price plus unpaid dividends. The put option begins at the earlier of a future initial public offering of the Alaska Communications operations or July 2028. Lastly, the Company issued warrants in the Alaska Communications operations allowing the holders to purchase an additional 3% of the common units at a fixed price.

The fair value of the common units remained at $22.6 million at March 31, 2022, unchanged from the value at July 22, 2021. The value of the preferred units was $51.4 million at March 31, 2022 which consists of the original issue price of $48.3 million and $3.1 million of accrued preferred dividends. The value of the warrants was $0.6 million at March 31, 2022, unchanged from July 22, 2021.

As a result of the Alaska Transaction, the Company owns 52% of the common equity of Alaska Communications and controls its operations and management.

The table below represents the allocation of the total consideration transferred to the acquired assets and assumed liabilities based on management's estimate of their acquisition date fair values (amounts in thousands):

Consideration Transferred	$	353,280
Noncontrolling interests		470
Total value to allocate		353,750
Purchase price allocation:		
Cash and cash equivalents		10,553
Restricted cash		1,326
Short-term investments		434
Accounts receivable		30,453
Inventory, materials and supplies		1,374
Prepayments and other current assets		8,038
Fixed assets		408,694
Telecommunication licenses		683
Intangible assets		44,333
Operating lease right-of-use assets		60,402
Other assets		2,387
Accounts payable and accrued liabilities		(39,188)
Accrued taxes		(3,766)
Advance payments and deposits		(15,842)
Current portion of lease liabilities		(2,425)
Deferred income taxes		(17,040)
Lease liabilities, excluding current portion		(44,234)
Other liabilities		(92,432)
Net assets acquired	$	353,750

The acquired fixed assets are comprised of telecommunication equipment located in the Alaska and the Western United States. The fixed assets were valued using the income and cost approaches. Cash flows were discounted between 4% and 14% based on the risk associated with the cash flows to determine fair value under the income approach. The fixed assets have useful lives ranging from 2 to 30 years. The intangible assets consist of $34.9 million of customer relationships and $9.5 million of trade name. The intangibles were valued using an income approach based on data specific to Alaska Communications as well as market participant assumptions where appropriate. The estimated fair value of the customer relationships was determined using the multi-period excess earnings method. The estimated fair value of the trade name was determined using the relief from royalty method. The useful lives of the customer relationships and trade name are 5 and 15 years, respectively. The acquired receivables consist of trade receivables incurred in the ordinary course of business. The Company expects to collect the full amount of the receivables. Other liabilities includes $81.5 million of deferred revenue from long term customer contracts. The Company adopted ASU

2021-08 in 2021, which requires contract liabilities to be accounted for consistently with how they were recognized and measured in the acquiree's financial statements. As a result, the acquired deferred revenue was recorded at Alaska Communications' book value as of the Closing Date.

The Company's statement of operations for the three months ended March 31, 2022 includes $58.3 million of revenue and $2.8 million of losses before taxes attributable to the Alaska Transaction, excluding transaction fees. The Company incurred $11.0 million of transaction related charges pertaining to legal, accounting, consulting services, and employee related costs associated with the transaction, of which $0.5 million were incurred during the three months ended March 31, 2022.

The following table reflects unaudited pro forma operating results of the Company for the three months ended March 31, 2021 assuming the transaction occurred on January 1, 2020. The unaudited pro forma amounts adjust Alaska Communications' results to reflect the depreciation and amortization that would have been recorded assuming the fair value adjustments to fixed assets and intangible assets had been applied from January 1, 2020. Additionally, all transaction costs associated with the Alaska Transaction were recorded on January 1, 2020 in the unaudited pro forma results. Lastly, the unaudited pro forma results were adjusted to reflect changes to the acquired entities' financial structure related to the transaction. Specifically, the pre-Close debt of $164.6 million, and associated interest, was removed and $283.0 million of transaction debt, and associated interest, was included in the unaudited pro forma results. In addition, the pro forma results included the allocation of income and accrual of preferred dividends to the redeemable noncontrolling interest.

	Three months ended March 30, 2021	
	As Reported	Pro Forma
Revenue	$ 124,510	$ 185,178
Net Income attributable to ATN International, Inc. Stockholders	$ 2,706	$ 1,034
Earnings Per Share		
Basic	$ 0.17	$ (0.01)
Diluted	$ 0.17	$ (0.01)

The unaudited pro forma adjustments decreased net income attributable to ATN International, Inc. Stockholders by $1.7 million for the three months ended March 31, 2021. The increase was due to an increase from the net income of the Alaska Communications operations excluding transaction costs offset by increased acquisition related depreciation and amortization expenses.

The unaudited pro forma data is presented for illustrative purposes only and is not necessarily indicative of the operating results that would have occurred if the acquisitions had been consummated on these dates or of future operating results of the combined company following this transaction.

Renewable Energy

Disposition of International Solar Business

In January 2021, the Company completed the sale of 67% of the outstanding equity in its business that owns and operates distributed generation solar power projects operated under the Vibrant name in India (the "Vibrant Transaction"). The post-sale results of the Company's ownership interest in Vibrant are recorded through the equity method of accounting within the Corporate and Other operating segment. As such, the Company's consolidated financial statements do not include revenue and operating expenses from Vibrant, but instead, "other income (expense)" within the Corporate and Other operating segment includes the Company's share of Vibrant's profits or losses. The Company will continue to present the historical results of its Renewable Energy segment for comparative purposes.

The table below identifies the assets and liabilities transferred (in thousands):

Consideration Received	$	35,218
Assets and liabilities disposed		
Current assets		4,899
Property, plant and equipment		45,891
Other assets		439
Current liabilities		(759)
Net assets disposed	$	50,470
Consideration less net assets disposed		(15,252)
Foreign currency losses reclassified from accumulated other comprehensive income		(6,258)
Loss on sale		(21,510)
Transaction costs		(1,283)
Loss on sale including transaction costs	$	(22,793)

The Company reported a loss on sale of $21.5 million during the year ended December 31, 2020 due to the Vibrant Transaction. The Company recorded transaction costs of $1.3 million on the Vibrant Transaction, of which $0.7 million was recorded during the year ended December 31, 2020 and $0.6 million was recorded during the year ended December 31, 2021. The consideration received includes $19.5 million of cash and $3.9 million of receivables related to the amounts held in escrow and earn out consideration. The Company has recorded $11.8 million pursuant to an equity method investment with respect to its remaining 33% ownership interest in Vibrant. The Company is assessing earn out and escrow amounts which will be finalized in 2023. During the year ended December 31, 2021, the Company recorded additional losses of $1.6 million related to the ongoing working capital, escrow, and contingent consideration assessment. The Company has 24 months after the close of the transaction to satisfy the conditions necessary to receive the earn-out consideration.

The Vibrant Transaction does not qualify as discontinued operations because the disposition was not a strategic shift which will have a major effect on the Company's operations, and as a result, the historical results and financial position of the operations are presented within continuing operations.

7. FAIR VALUE MEASUREMENTS AND INVESTMENTS

In accordance with the provisions of fair value accounting, a fair value measurement assumes that a transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability, and defines fair value based upon an exit price model.

The fair value measurement guidance establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of inputs that may be used to measure fair value:

Level 1	Quoted prices in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset and liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 assets and liabilities include money market funds, debt and equity securities and derivative contracts that are traded in an active exchange market.
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes corporate obligations and non-exchange traded derivative contracts.
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments and intangible assets that have been impaired whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Assets and liabilities of the Company measured at fair value on a recurring basis as of March 31, 2022 and December 31, 2021 are summarized as follows (in thousands):

	March 31, 2022			
Description	**Quoted Prices in Active Markets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**	**Total**
Money market funds	$ 3,164	$ —	$ —	$ 3,164
Short term investments	300	—	—	300
Other investments	—	—	2,024	2,024
Alaska Communications redeemable common units	—	—	(22,640)	(22,640)
Warrants on Alaska Communications redeemable common units	—	—	(559)	(559)
Interest rate swap	—	(279)	—	(279)
Total assets and liabilities measured at fair value	$ 3,464	$ (279)	$ (21,175)	$ (17,990)

	December 31, 2021			
Description	**Quoted Prices in Active Markets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**	**Total**
Money market funds	$ 3,301	$ —	$ —	$ 3,301
Short term investments	300	—	—	300
Other investments	—	—	1,925	1,925
Alaska Communications redeemable common units	—	—	(22,640)	(22,640)
Warrants on Alaska Communications redeemable common units	—	—	(559)	(559)
Interest rate swap	—	(894)	—	(894)
Total assets and liabilities measured at fair value	$ 3,601	$ (894)	$ (21,274)	$ (18,567)

During the three months ended March 31, 2022, the fair value of the remaining Level 3 investments increased $0.1 million due to income recognized in the other income line of the Company's statement of operations.

Certificate of Deposit

As of March 31, 2022 and December 31, 2021 this asset class consisted of a time deposit at a financial institution denominated in US dollars. The asset class is classified within Level 2 of the fair value hierarchy because the fair value was based on observable market data.

Money Market Funds

As of March 31, 2022 and December 31, 2021, this asset class consisted of a money market portfolio that comprises Federal government and US Treasury securities. The asset class is classified within Level 1 of the fair value hierarchy because its underlying investments are valued using quoted market prices in active markets for identical assets.

Other Investments

In 2019, the Company made a $14.4 million investment in a renewable energy partnership as a tax equity investor. In 2020, the Company received an investment tax credit of $12.0 million from its investment and will receive future cash distributions from the partnership's operations. The Company elected the deferral method to account for the credit and elected the fair value option to account for the equity investment. The Company's investment had a fair value of $2.0 million at March 31, 2022, and $1.9 million at December 31, 2021. The asset is classified within Level 3 of the fair value hierarchy. The Company used the income approach to fair value the investment and the inputs consisted of a discount rate and future cash flows calculated based on the investment attributes.

Also in 2019, the Company made an investment in an early-stage venture through the acquisition of a convertible debt instrument. The instrument converted into equity during the first quarter of 2021. Upon conversion the Company accounted for the investment under the cost method of accounting as the investment does not have a readily determinable fair value. Prior to conversion, the Company accounted for the investment under the fair value option using Level 3 inputs. The book value of the investment remained unchanged at $16.5 million at March 31, 2022 and December 31, 2021.

The Company also holds investments in equity securities consisting of noncontrolling investments in privately held companies. These investments, over which the Company does not have the ability to exercise significant influence, are without readily determinable fair values. The investments are measured at cost, less any impairment, adjusted for observable price changes of similar investments of the same issuer. Fair value is not estimated for these investments if there are no identified events or changes in circumstances that may have an effect on the fair value of the investment. The carrying value of the investment was $6.1 million and $1.3 million at March 31, 2022 and December 31, 2021, respectively. This increase of $4.8 million is due to a gain recognized from an observable price change in the security during the three months ended March 31, 2022. These investments are included with other assets on the consolidated balance sheets.

Equity Method Investments

In the first quarter of 2020, the Company increased its ownership in one investment of a privately held company to approximately 24% of the outstanding voting equity through an additional $2.8 million investment. With this investment the Company obtained the ability to exercise significant influence over the investee and began accounting for the investment under the equity method of accounting including the recording of its share of the investee's earnings or losses. The carrying value of the investment was $14.8 million at March 31, 2022 and December 31, 2021, respectively. The value remained unchanged from the December 31, 2021 balance due to $0.4 million of the Company's share of investee losses offset by currency gains of $0.4 million. The investment is included with other assets on the consolidated balance sheets.

In the first quarter of 2021, the Company began to account for its former India solar operations under the equity method of accounting. Subsequent to the close of the Vibrant Transaction in January 2021, the value of the investment decreased from $13.9 million at December 31, 2021 to $13.4 million at March 31, 2022. The decrease of $0.5 million was due to currency losses of $0.2 million and operating losses of $0.3 million.

Redeemable Common Units and Warrants

The Company issued redeemable common units, and warrants to purchase additional common units, in a subsidiary of the Company in conjunction with its acquisition of Alaska Communications. (Refer to Note 5). The instruments are redeemable at the option of the holder. Both the common units and warrants to purchase common units are recorded at fair value in the Company's financial statements. The common units are recorded in redeemable noncontrolling interest and the warrants are recorded in other liabilities on the Company's balance sheets. The Company calculates the fair value of the instruments using a market approach with Level 3 inputs.

Other Fair Value Disclosures

The carrying amounts of cash and cash equivalents, accounts receivable, and accounts payable and accrued expenses approximate their fair values because of the relatively short-term maturities of these financial instruments. The fair value of the interest rate swap is measured using Level 2 inputs.

The fair value of long-term debt is estimated using Level 2 inputs. At March 31, 2022, the fair value of long-term debt, including the current portion, was $400.8 million and its book value was $394.0 million. At December 31, 2021, the fair value of long-term debt, including the current portion, was $373.7 million and its book value was $366.5 million.

8. LONG-TERM DEBT

On April 10, 2019, the Company entered into a credit facility, with CoBank, ACB and a syndicate of other lenders (the "2019 CoBank Credit Facility"). The 2019 CoBank Credit Facility provides for a $200 million revolving credit facility that includes (i) up to $75 million for standby or trade letters of credit and (ii) up to $10 million under a swingline sub-facility. Approximately $18.0 million of performance letters of credit have been issued and remain outstanding and undrawn as of March 31, 2022. The 2019 CoBank Credit Facility matures on April 10, 2024.

Amounts borrowed under the 2019 CoBank Credit Facility bear interest at a rate equal to, at the Company's option, either (i) the London Interbank Offered Rate ("LIBOR") plus an applicable margin ranging between 1.25% to 2.25% or (ii) a base rate plus an applicable margin ranging from 0.25% to 1.25%. Swingline loans bear interest at the base rate plus the applicable margin for base rate loans. The base rate is equal to the higher of (i) 1.00% plus the higher of (x) LIBOR for an interest period of one month and (y) LIBOR for an interest period of one week; (ii) the Federal Funds Effective Rate (as defined in the 2019 CoBank Credit Facility) plus 0.50% per annum; and (iii) the Prime Rate (as defined in the 2019 CoBank Credit Facility). The applicable margin is determined based on the Total Net Leverage Ratio (as defined in the 2019 CoBank Credit Facility). Under the terms of the 2019 CoBank Credit Facility, the Company must also pay a fee ranging from 0.150% to 0.375% of the average daily unused portion of the 2019 CoBank Credit Facility over each calendar quarter.

The 2019 CoBank Credit Facility contains customary representations, warranties and covenants, including a financial covenant that imposes a maximum ratio of indebtedness to EBITDA as well as covenants limiting additional indebtedness, liens, guaranties, mergers and consolidations, substantial asset sales, investments and loans, sale and leasebacks, transactions with affiliates and fundamental changes. The Company's investments in "unrestricted" subsidiaries and certain dividend payments to its stockholders are not limited unless the Total Net Leverage Ratio is equal to or greater than 1.75 to 1.0. The Total Net Leverage Ratio is measured each fiscal quarter and is required to be less than or equal to 2.75 to 1.0. In the event of a Qualifying Acquisition (as defined in the 2019 CoBank Credit Facility), the Total Net Leverage Ratio increases to 3.25 to 1.0 for the subsequent three fiscal quarters.

The 2019 CoBank Credit Facility also provides for the incurrence by the Company of incremental term loan facilities, when combined with increases to revolving loan commitments, in an aggregate amount not to exceed $200 million (the "Accordion"). Amounts borrowed under the Accordion are also subject to proforma compliance with a net leverage ratio financial covenant.

As of March 31, 2022, the Company was in compliance with all of the financial covenants, had $71.5 million outstanding in borrowings and, net of the $18.0 million of outstanding performance letters of credit, had $110.5 million of availability under the 2019 CoBank Credit Facility.

Alaska Credit Facility

On July 22, 2021, Alaska Communications entered into a Credit Agreement (the "Alaska Credit Facility") with Fifth Third Bank, National Association, as Administrative Agent, and a syndicate of lenders to provide a $35.0 million revolving facility (the "Alaska Revolving Facility") and a $210.0 million initial term loan facility (the "Alaska Term

Loan"). As of March 31, 2022, $210.0 million was outstanding under the Alaska Term Loan and $13.0 million was outstanding under the Alaska Revolving Facility. Both facilities mature on July 22, 2026.

The Company capitalized $6.6 million of fees associated with the Alaska Credit Facility which are being amortized over the life of the debt and $5.6 million were unamortized at March 31, 2022.

The Alaska Credit Facility also provides for incremental term loans up to an aggregate principal amount of the greater of $70.0 million and Alaska Communications' trailing twelve month Consolidated EBITDA (as defined in the Alaska Credit Facility).

The key terms and conditions of the Alaska Credit Facility include the following:

- Amounts outstanding bear an interest rate of LIBOR, or a LIBOR replacement rate as applicable, plus a margin ranging from 3.00% to 4.00% based on Alaska Communications' Consolidated Total Net Leverage Ratio (as defined in the Credit Agreement) or an alternate base rate may be selected at a margin that is 1% lower than the counterpart LIBOR margin;

- Principal repayments are due quarterly commencing in the fourth quarter of 2023 in quarterly amounts as follows: from the fourth quarter of 2023 through the third quarter of 2024, $1.3 million; and from the fourth quarter of 2024 through the third quarter of 2026, $2.6 million. The remaining unpaid balance is due on the final maturity date;

- Alaska Communications is required to maintain financial ratios subsequent to the closing of the Alaska Transaction, as defined in the Alaska Credit Facility, including (a) a maximum Consolidated Net Total Leverage Ratio of 4.00 to 1, stepping down to 3.75 to 1 beginning with the second quarter of 2024; and (b) a minimum Consolidated Fixed Charge Coverage Ratio of not less than 1.25 to 1; and

- The Alaska Credit Facility is non-recourse to the Company and is secured by substantially all of the personal property and certain material real property owned by Alaska Communications.

Alaska Communication entered into an amortizing interest rate swap that has been designated as a cash flow hedge that has an interest rate of 1.6735% and expires on June 30, 2022. As of March 31, 2022, the swap had an unamortized notional amount of $119.8 million.

FirstNet Receivables Credit Facility

On March 26, 2020, Commnet Finance, a wholly owned subsidiary of Commnet Wireless, entered into a receivables credit facility with the Company, Commnet Wireless, and CoBank, ACB (the "Receivables Credit Facility").

The Receivables Credit Facility provides for a senior secured delayed draw term loan in an aggregate principal amount of up to $75.0 million and the proceeds may be used to acquire certain receivables from Commnet Wireless. The receivables to be financed and sold under the Receivables Credit Facility, which provide the loan security, relate to the obligations of AT&T under the FirstNet Agreement. On December 29, 2021, CoBank amended the Receivables Credit Facility and extended the delayed draw period to December 31, 2022.

The maturity date for each loan will be set by CoBank and will match the weighted average maturity of the certain receivables financed.

Interest on the loans accrues at a fixed annual interest rate to be quoted by CoBank.

The Receivables Credit Facility contains customary events of termination, representations and warranties, affirmative and negative covenants and events of default customary for facilities of this type.

As of March 31, 2022, the Company had $42.5 million outstanding, of which $5.3 million was current, and $29.7 million of availability under the Receivables Credit Facility. The Company capitalized $0.9 million of fees associated with the Receivables Credit Facility which are being amortized over the life of the debt and $0.7 million were unamortized at March 31, 2022.

Viya Debt

The Company, and certain of its subsidiaries, have entered into a $60.0 million loan agreement (the "Viya Debt") with Rural Telephone Finance Cooperative ("RTFC"). The Viya Debt agreement contains customary representations, warranties and affirmative and negative covenants (including limitations on additional debt, guaranties, sale of assets and liens) and a financial covenant that limits the maximum ratio of indebtedness to annual operating cash flow to 3.5 to 1.0 (the "Net Leverage Ratio"). This covenant is tested on an annual basis at the end of each fiscal year. Interest is paid quarterly at a fixed rate of 4.0% per annum and principal repayment is not required until maturity on July 1, 2026. Prepayment of the Viya Debt may be subject to a fee under certain circumstances. The debt is secured by certain assets of our Viya subsidiaries and is guaranteed by us. With RTFC's consent, the Company funded the restoration of Viya's network, following Hurricanes Irma and Maria in 2017, through an intercompany loan arrangement in the amount of $51.6 million.

The Company paid a fee of $0.9 million in 2016 to lock the interest rate at 4% per annum over the term of the Viya Debt. The fee was recorded as a reduction to the Viya Debt carrying amount and is being amortized over the life of the loan.

As of March 31, 2022, $60.0 million of the Viya Debt remained outstanding and $0.4 million of the rate lock fee was unamortized.

On May 5, 2022, RTFC agreed to amend the Net Leverage Ratio to 7.0 to 1.0 through the maturity date of July 1, 2026. This covenant will be tested on December 31, 2022.

One Communications Debt

The Company has an outstanding loan from HSBC Bank Bermuda Limited (the "One Communications Debt") which is scheduled to mature on May 22, 2022 and bears interest at the one-month LIBOR plus a margin ranging between 2.5% to 2.75% per annum paid quarterly.

The One Communications Debt contains customary representations, warranties and affirmative and negative covenants (including limitations on additional debt, guaranties, sale of assets and liens) and financial covenants, tested annually as of and for the twelve months ended December 31st, that limit the ratio of tangible net worth to long term debt and total net debt to EBITDA and require a minimum debt service coverage ratio (as defined in the One Communications Debt agreement).

The Company entered into an amortizing interest rate swap that has been designated as a cash flow hedge, which has an original notional amount of $11.0 million, an interest rate of 1.874%, and expires in May 2022. As of March 31, 2022, the swap had an unamortized notional amount of $3.8 million.

As of March 31, 2022, $3.8 million of the One Communications Debt was outstanding.

9. GOVERNMENT SUPPORT AND SPECTRUM PROGRAMS

Universal Service Fund and Connect America Fund Phase II Programs

The Company recognizes revenue from several government funded programs including the Universal Service Fund ("USF"), a subsidy program managed by the Federal Communications Commission ("FCC"), and the Alaska Universal Service Fund ("AUSF"), a similar program managed by the Regulatory Commission of Alaska (the "RCA").

USF funds are disbursed to telecommunication providers through four programs: the High Cost Program; the Low Income Program (“Lifeline Program”); the Schools and Libraries Program (“E-Rate Program”); and the Rural Health Care Support Program.

The Company also recognizes revenue from the Connect America Fund Phase II program (“CAF II”) which offers subsidies to carriers to expand broadband coverage in designated areas. Under CAF II, the Company’s US Telecom segment will receive an aggregate of $27.7 million annually through December 2025 and an aggregate of $8.0 million annually from January 2026 through July 2028.

Both the USF and CAFII programs are subject to certain operational and reporting compliance requirements. The Company believes it is in compliance with these requirements as of March 31, 2022.

The Company recorded the amounts below as communication services revenue for the reported periods:

	Three months ended March 31, 2022		
	US Telecom	International Telecom	Total
High cost support	$ 1,056	$ 2,761	$ 3,817
CAF II	6,822	—	6,822
Other Programs	5,554	—	5,554
Total	$ 13,432	$ 2,761	$ 16,193

	Three months ended March 31, 2021		
	US Telecom	International Telecom	Total
High cost support	$ 311	$ 4,090	$ 4,401
CAF II	1,899	—	1,899
Other Programs	2,132	—	2,132
Total	$ 4,342	$ 4,090	$ 8,432

In 2018, the FCC initiated a proceeding to replace the High Cost Program support received by Viya in the US Virgin Islands with a new Connect USVI Fund. On November 16, 2020, the FCC announced that Viya was not the recipient of the Connect USVI Fund award and authorized funding to be issued to the new awardee in June 2021. Pursuant to the terms of the program and effective in July 2021, Viya’s annual USF support was reduced from $16.4 million to $10.9 million. In July 2022, this support will be reduced again to $5.5 million for the annual period through June 2023. Thereafter, Viya will not receive High Cost Program support.

RDOF (“Rural Digital Opportunities Fund”)

The Company expects to receive approximately $20.1 million over 10 years to provide broadband and voice coverage to over 10,000 households in the United States (not including Alaska) under the 2020 Rural Digital Opportunity Fund Phase I Auction (“RDOF”). The Company recorded $0.5 million of revenue from the RDOF program in the three months ended March 31, 2022.

Construction Grants

The Company has also been awarded construction grants to build network connectivity for eligible communities. The funding of these grants, used to reimburse the Company for its construction costs, is distributed upon completion of a project. As of December 31, 2021, the Company had been awarded approximately $27.9 million of such grants. The Company was awarded $0.4 million of additional grants and cancelled $2.1 million of previously awarded grants in the three months ended March 31, 2022. Of this $28.3 million of awards, the Company has completed its construction obligations on $15.0 million of these projects and $11.2 million of such construction obligations remain with completion deadlines beginning in July 2022. Once these projects are constructed, the Company is obligated to provide service to the participants. The Company expects to meet all requirements associated with these grants.

CARES Act

As of December 31, 2020, the Company had received $16.3 million of funding under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) to construct network infrastructure within the Company’s US Telecom segment. During the year ended December 31, 2021, the Company received an additional $2.4 million of funding for the same purpose. The construction was completed as of December 31, 2021 and $18.4 million of the funding was recorded as a reduction to property, plant and equipment with a subsequent reduction to depreciation expense. The remaining $0.3 million was recorded as a reduction to operating expense in the year ended December 31, 2021.

CBRS Auction

During the third quarter of 2020, the Company participated in the FCC’s Citizens Broadband Radio Service (CBRS) auction for Priority Access Licenses (PALs) in the 3.5 GHz spectrum band. These PALs are licensed on a county-by-county basis and are awarded for a 10-year renewable term. The Company was a winning bidder for PALs located strategically throughout the United States at a total cost of approximately $20.4 million. In connection with the awarded licenses, the Company will have to achieve certain CBRS spectrum build out obligations. The Company currently expects to comply with all applicable requirements related to these licenses.

10. RETIREMENT PLANS

Multi-employer Defined Benefit Plan

Pension benefits for substantially all of the Company's Alaska-based employees are provided through the Alaska Electrical Pension Fund ("AEPF"). The Company pays a contractual hourly amount based on employee classification or base compensation to the AEPF. As a multi-employer defined benefit plan, the accumulated benefits and plan assets are not determined for, or allocated separately to, the individual employer. This plan was not in endangered or critical status during the plan year.

Defined Benefit Plan

The Company has noncontributory defined benefit pension and noncontributory defined medical, dental, vision, and life benefit plans for eligible employees in its International Telecom segment who meet certain eligibility criteria. As part of the Alaska Transaction, the Company acquired a defined benefit pension plan and a post-retirement medical plan covering certain employees. The pension plan had a projected benefit obligation of $15.4 million and plan assets of $12.1 million on July 22, 2021. The post-retirement medical plan is unfunded and had a projected benefit obligation of $0.4 million on July 22, 2021.

The Company recorded the net periodic benefit cost identified below (in thousands):

	Three months ended			
	March 31, 2022		March 31, 2021	
	Pension benefits	Postretirement benefits	Pension benefits	Postretirement benefits
Operating expense				
Service cost	$ 57	$ 36	$ 54	$ 35
Non-operating expense				
Interest cost	565	33	572	41
Expected return on plan assets	(925)	—	(687)	—
Actuarial (gain)/ loss	—	—	—	—
Net periodic pension expense (benefit)	$ (303)	$ 69	$ (61)	$ 76

The Company was not required to make contributions to its pension plans during the three months ended March 31, 2022 and 2021. However, the Company periodically evaluates whether to make discretionary contributions. The Company funds its postretirement benefit plans as claims are made and did not make contributions to its pension plans during the three months ended March 31, 2022 and 2021.

11. INCOME TAXES

The Company's effective tax rate for the three months ended March 31, 2022 and 2021 was 296.7% and 6.5%, respectively.

The Company recorded an income tax provision of $3.0 million in relation to income before taxes of $1.0 million for the three months ended March 31, 2022. The effective tax rate for the three months ended March 31, 2022 was primarily impacted by the following items: (i) a $0.5 million net increase of unrecognized tax positions recognized discretely, (ii) a $2.1 million net expense recognized discretely to record a valuation allowance on certain deferred tax assets that are not expected to be realizable based on the weight of positive and negative evidence, and (iii) the mix of income generated among the jurisdictions in which the Company operates.

The effective tax rate for the three months ended March 31, 2021 was primarily impacted by the following items: (i) the mix of income generated among the jurisdictions in which the Company operates and (ii) a discrete expense of $0.5 million for interest on unrecognized tax positions.

The Company's effective tax rate is based upon estimated income before provision for income taxes for the year, composition of the income in different countries, and adjustments, if any, in the applicable quarterly periods for potential tax consequences, benefits and/or resolutions of tax contingencies. The Company's consolidated tax rate will continue to be impacted by any transactional or one-time items in the future and the mix of income in any given year generated among the jurisdictions in which the Company operates. While the Company believes it has adequately provided for all tax positions, amounts asserted by taxing authorities could materially differ from the Company's accrued positions as a result of uncertain and complex application of tax law and regulations. Additionally, the recognition and measurement of certain tax benefits include estimates and judgment by management. Accordingly, the Company could record additional provisions or benefits for US federal, state, and foreign tax matters in future periods as new information becomes available.

12. EARNINGS PER SHARE AND REDEEMABLE NONCONTROLLING INTERESTS

Earnings Per Share

The following table reconciles the numerator and denominator in the computations of basic and diluted earnings per share (in thousands):

	Three months ended March 31,	
	2022	2021
Numerator:		
Net loss attributable to ATN International, Inc. stockholders	(948)	2,706
Less: Preferred dividends	(1,116)	—
Net loss attributable to ATN International, Inc. common stockholders	$ (2,064)	$ 2,706
Denominator:		
Weighted-average shares outstanding- Basic	15,708	15,902
Effective of dilutive securities:		
Stock options, restricted stock units and performance stock units	—	50
Weighted-average shares outstanding- Diluted	15,708	15,952

For each of the three months ended March 31, 2022 and 2021, the calculations of basic and diluted weighted average shares of common stock outstanding do not include 5,000 shares relating to stock options as the effects of those options were anti-dilutive.

Redeemable Noncontrolling Interests

In connection with the Alaska Transaction, the Company has accounted for the Freedom 3 Investment as redeemable noncontrolling interests in its consolidated financial statements. The redeemable noncontrolling interests consist of $22.6 million of redeemable common units and $48.3 million of redeemable preferred units. The common units contain a put option allowing the holder to sell the common units to a subsidiary of the Company at the then fair market value. The put option is solely the obligation of Alaska Communications and is nonrecourse to the Company. The put option begins at the earlier of a future initial public offering of the Alaska Communications operations or July 2028. The fair value of the common units remained at $22.6 million at March 31, 2022, unchanged from the value at July 22, 2021. The redeemable preferred equity carries a 9% preferred dividend which compounds quarterly. The preferred units contain a put option allowing the holder to sell the preferred units to a subsidiary of the Company at the unpaid issue price plus unpaid dividends. The put option is solely the obligation of the Alaska Communications and is nonrecourse to the Company. The put option begins at the earlier of a future initial public offering of the Alaska Communications operations or July 2028. The unpaid preferred dividend was $3.1 million at March 31, 2022.

For the three months ended March 31, 2022, the Company allocated losses of $1.1 million to the redeemable common units representing their proportionate share of operating losses. Additionally, the fair value of the redeemable common units increased by $1.1 million during the three months ended March 31, 2022.

The following table provides a roll forward of the activity related to the Company's redeemable noncontrolling interests for the three months ended March 31, 2022:

	Redeemable Preferred Units	Redeemable Common Units	Total Redeemable Noncontrolling Interests
Balance, December 31, 2021	$ 50,296	$ 22,640	$ 72,936
Accrued preferred dividend	1,116	—	1,116
Allocated net loss	—	(1,092)	(1,092)
Change in fair value	—	1,092	1,092
Balance, March 31, 2022	$ 51,412	$ 22,640	$ 74,052

13. SEGMENT REPORTING

The Company has the following three reportable and operating segments: i) International Telecom, ii) US Telecom, and iii) Renewable Energy.

The following tables provide information for each operating segment (in thousands):

For the Three Months Ended March 31, 2022					
	International Telecom	US Telecom	Renewable Energy	Corporate and Other (1)	Consolidated
Revenue					
Communication Services					
Mobility - Business	$ 3,616	$ 374	$ —	$ —	$ 3,990
Mobility - Consumer	19,970	1,456	—	—	21,426
Total Mobility	23,586	1,830	—	—	25,416
Fixed - Business	17,254	27,145	—	—	44,399
Fixed - Consumer	41,093	18,968	—	—	60,061
Total Fixed	58,347	46,113	—	—	104,460
Carrier Services	3,402	32,989	—	—	36,391
Other	276	—	—	—	276
Total Communication Services Revenue	85,611	80,932	—	—	166,543
Construction	—	1,987	—	—	1,987
Other					
Managed Services	1,176	2,313	—	—	3,489
Total Other Revenue	1,176	2,313	—	—	3,489
Total Revenue	86,787	85,232	—	—	172,019
Depreciation	13,897	18,442	—	953	33,292
Amortization of intangibles from acquisitions	418	2,840	—	—	3,258
Non-cash stock-based compensation	60	90	—	1,311	1,461
Operating income (loss)	11,803	(4,635)	(23)	(7,037)	108

	For the Three Months Ended March 31, 2021				
	International Telecom	US Telecom	Renewable Energy	Corporate and Other (1)	Consolidated
Revenue					
Communication Services					
Mobility - Business	$ 1,197	$ 576	$ —	$ —	$ 1,773
Mobility - Consumer	20,624	2,284	—	—	22,908
Total Mobility	21,821	2,860	—	—	24,681
Fixed - Business	16,634	2,696	—	—	19,330
Fixed - Consumer	42,114	3,674	—	—	45,788
Total Fixed	58,748	6,370	—	—	65,118
Carrier Services	1,883	18,736	—	—	20,619
Other	218	—	—	—	218
Total Communication Services Revenue	82,670	27,966	—	—	110,636
Construction	—	12,306	—	—	12,306
Other					
Renewable Energy	—	—	418	—	418
Managed Services	1,150	—	—	—	1,150
Total Other Revenue	1,150	—	418	—	1,568
Total Revenue	83,820	40,272	418	—	124,510
Depreciation	13,429	5,193	188	1,301	20,111
Amortization of intangibles from acquisitions	397	—	—	—	397
Non-cash stock-based compensation	37	15	22	1,262	1,336
Operating income (loss)	13,116	(534)	(662)	(8,571)	3,349

(1) Corporate and Other items refer to corporate overhead costs and consolidating adjustments

Selected balance sheet data for each of the Company's segments as of March 31, 2022 and December 31, 2021 consists of the following (in thousands):

	International Telecom	US Telecom	Renewable Energy	Corporate and Other (1)	Consolidated
March 31, 2022					
Cash, cash equivalents, and short term investments	$ 40,101	$ 29,285	$ 705	$ 5,957	$ 76,048
Total current assets	105,551	108,779	3,653	2,858	220,841
Fixed assets, net	448,064	476,491	—	9,320	933,875
Goodwill	4,835	35,269	—	—	40,104
Total assets	623,497	868,338	17,053	81,819	1,590,707
Total current liabilities	80,857	87,434	356	16,079	184,726
Total debt	63,342	259,159	—	71,500	394,001
December 31, 2021					
Cash, cash equivalents, and short term investments	$ 43,128	$ 28,486	$ 659	$ 7,628	$ 79,901
Total current assets	108,677	111,741	3,585	8,614	232,617
Fixed assets, net	452,856	480,250	—	10,103	943,209
Goodwill	4,835	35,269	—	—	40,104
Total assets	630,515	877,041	17,481	83,567	1,608,604
Total current liabilities	91,090	108,950	356	20,548	220,944
Total debt	64,243	240,802	—	61,499	366,544

	Capital Expenditures			
Three months ended March 31,	International Telecom	US Telecom	Corporate and Other (1)	Consolidated
2022	$ 15,170	$ 19,095	$ 203	$ 34,468
2021	10,506	14,939	235	25,680

(1) Corporate and other items refer to corporate overhead costs and consolidating adjustments

14. COMMITMENTS AND CONTINGENCIES

Regulatory and Litigation Matters

The Company and its subsidiaries are subject to certain regulatory and legal proceedings and other claims arising in the ordinary course of business, some of which involve claims for damages and taxes that are substantial in amount. The Company believes that, except for the items discussed below, for which the Company is currently unable to predict the final outcome, the disposition of proceedings currently pending will not have a material adverse effect on the Company's financial position or results of operations.

In 1990, the Company's Guyana subsidiary, GTT, was awarded a license to provide domestic and international voice and data services in Guyana on an exclusive basis until December 2030. Since 2001, the Government of Guyana has stated its intention to introduce additional competition into Guyana's telecommunications sector. In connection therewith, the Company and GTT met on several occasions with officials of the Government of Guyana to discuss potential modifications of GTT's exclusivity and other rights under the existing agreement and license. On October 5, 2020, the Prime Minister of Guyana formally implemented telecommunications legislation previously passed by the Guyana Parliament in 2016 that introduces material changes to many features of Guyana's existing telecommunications regulatory regime with the intention of creating a more competitive market. At that time, the Company was issued a new license to provide domestic and international voice as well as data services and mobile services in Guyana. Two of the

Company's competitors were issued service licenses as well. While the Company has requested details of its competitors' licenses, such information has not been made public by the Guyana Telecommunications Agency, and the Company is not yet able to ascertain whether the licenses issued to its competitors permit any competitors to provide services that have been subject to GTT's exclusive rights contained in its 1990 license.

On October 23, 2020, the Government of Guyana also brought into effect new telecommunications regulations called for by the telecommunications legislation. The regulations include new requirements for the market as a whole, which impose costly additional regulatory fees and impact the Company's operations, administrative reporting and services. There can be no assurance that these regulations will be effectively implemented, or that they will be administered in a fair and transparent manner.

Historically, GTT has been subject to other long-standing litigation proceedings and disputes in Guyana that have not yet been resolved. The Company believes that none of these additional proceedings would, in the event of an adverse outcome, have a material impact on the Company's consolidated financial position, results of operations or liquidity.

In a letter dated September 8, 2006, the National Frequency Management Unit ("NFMU") agreed that total spectrum fees in Guyana should not increase for the years 2006 and 2007. However, that letter implied that spectrum fees in 2008 and onward may be increased beyond the amount GTT agreed to with the Government of Guyana. GTT has objected to the NFMU's proposed action and reiterated its position that an increase in fees prior to development of an acceptable methodology would violate the Government's prior agreement. In 2011, GTT paid the NFMU $2.6 million representing payments in full for 2008, 2009 and 2010. However, by letter dated November 23, 2011, the NFMU stated that it did not concur with GTT's inference that the amount was payment in full for the specified years as it was NFMU's continued opinion that the final calculation for spectrum fees was not agreed upon and was still an outstanding issue. By further letter dated November 24, 2011, the NFMU further rejected a proposal that was previously submitted jointly by GTT and another communications provider that outlined a recommended methodology for the calculation of these fees. The NFMU stated that it would prepare its own recommendation for consideration by the Minister of Telecommunications, who would decide the matter. GTT has paid undisputed spectrum fees according to the methodology used for its 2011 payments and has reserved amounts payable according to this methodology. There have been limited further discussions on this subject and GTT has not been given the opportunity to review recommendations made by the NFMU to the Minister on spectrum fee methodology, if any.

On May 8, 2009, a GTT competitor, Digicel, filed a lawsuit in Guyana challenging the legality of GTT's exclusive license rights under Guyana's constitution and GTT intervened in the suit in order to oppose Digicel's claims. The case remains pending. The Company believes that any legal challenge to GTT's exclusive license rights granted in 1990 is without merit and the Company continues to defend vigorously against such legal challenge.

GTT has filed several lawsuits in the High Court of Guyana asserting that, despite its denials, Digicel is engaged in international bypass in violation of GTT's exclusive license rights, the interconnection agreement between the parties, and the laws of Guyana. Digicel filed counterclaims alleging that GTT has violated the terms of the interconnection agreement and Guyana laws. These suits, filed in 2010 and 2012, have been consolidated with Digicel's constitutional challenge described above. Prior to the declaration of COVID-19 related travel and business restrictions in Guyana, the consolidated cases were scheduled to proceed to trial in 2020. GTT expects to resume the litigation following the lifting of COVID-19 related restrictions and intends to prosecute these matters vigorously; however, the Company cannot accurately predict at this time when the consolidated suit will go to trial.

GTT is also involved in several legal claims regarding its tax filings with the Guyana Revenue Authority dating back to 1991 regarding the deductibility of intercompany advisory fees as well as other tax assessments. The Company maintains that any liability GTT might be found to have with respect to the disputed tax assessments, totaling $44.1 million, would be offset in part by the amounts necessary to ensure that GTT's return on investment was no less than 15% per annum for the relevant periods.

On May 20, 2021, the Company was served with a notice of application for enforcement of a foreign judgment with respect to a matter brought by the Trinidad & Tobago Electric Commission ("TTEC") in the High Court of Justice in the Republic of Trinidad and Tobago in August 2013 against the Company and other defendants, alleging breach of contract due to the Company's failure to pay TTEC in connection with amounts alleged to be owed as reimbursement for cable repair costs. In May 2015, the Company failed to appear in the matter and a default judgment was entered against the Company in the amount of approximately $2.8 million. In May 2021, TTEC took steps to enforce the judgment by commencing proceedings against GTT in Guyana, however, in May of 2022, the High Court of Guyana denied TTEC's petition. GTT intends to continue to defend its position against the legitimacy of the claim.

In February 2020, the Company's Alaska Communications subsidiary received a draft audit report from USAC in connection with USAC's inquiry into Alaska Communications' funding requests under the Rural Health Care Support Program for certain customers for the time period of July 2012 through June 2017. The draft audit report alleges violations of the FCC's rules for establishing rural rates and urban rates, the provisioning and billing of ineligible services and products, and violations of the FCC's competitive bidding rules. Alaska Communications has provided USAC with extensive comments in response to its draft audit report seeking correction of numerous factual and legal errors that it believed it had identified. As a result of these conversations and comments being submitted by Alaska Communications, USAC's auditors may revise their findings, including the amounts they recommend USAC seek to recover. USAC's auditors are expected to issue a final audit report incorporating Alaska Communications' responses that will be sent to USAC's Rural Health Care Division to review and determine if corrective action would be appropriate. In the event that the Company disagrees with USAC's final audit report, the Company can appeal that decision to USAC's Rural Health Care Division and/or the FCC. At this time, the Company cannot predict the contents or timing of the final USAC audit report, the outcome of the audit or the impact on the Company's business, financial condition, results of operations, or liquidity.

Alaska Communications also received a Letter of Inquiry on March 18, 2018, and subsequent follow up information requests, from the FCC Enforcement Bureau requesting historical information regarding Alaska Communications' participation in the FCC's Rural Health Care Support Program. The Company will continue to work constructively with the FCC's Enforcement Bureau to provide it the information it is seeking. At this time, the Company cannot predict the outcome of the FCC Enforcement Bureau's inquiry or the impact it may have on its business, financial condition, results of operations or liquidity.

With respect to all of the foregoing matters, the Company believes that some adverse outcome is probable and has accordingly accrued $13.3 million as of March 31, 2022 for these and other potential liabilities arising in various claims, legal actions and regulatory proceedings arising in the ordinary course of business. The Company also faces contingencies that are reasonably possible to occur that cannot currently be estimated. It is the Company's policy to expense costs associated with loss contingencies, including any related legal fees, as they are incurred.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We provide critical infrastructure-based communications and related information technology solutions to remote and historically underserved markets in the United States, Bermuda, and the Caribbean. We seek to invest in our existing and new markets for long term growth led by our Glass and Steel and "fiber first" strategies that enables us to bring new or enhanced communications services to markets often overlooked by larger telecommunications providers.

At the holding company level, we oversee the allocation of capital within and among our subsidiaries, affiliates, new investments, and stockholders. We also have developed significant operational expertise and resources that we use to augment the capabilities of our individual operating subsidiaries in our local markets. Over the past 10 years, we have built a platform of resources and expertise to support our operating subsidiaries and to improve their quality of service with greater economies of scale and expertise than would typically be available at the operating subsidiary level. We also provide management, technical, financial, regulatory, and marketing services to our operating subsidiaries and typically receive a management fee calculated as a percentage of their revenues, which is eliminated in consolidation. We also actively evaluate potential acquisitions, investment opportunities and other strategic transactions, both domestic and international, and generally look for those that we believe fit our profile of telecommunications businesses and have the potential to complement our Glass and Steel and "fiber first" approach in markets while generating steady excess cash flows over extended periods of time. We use the cash generated from our operations to re-invest in organic growth in our existing businesses, to make strategic investments in additional businesses, and to return cash to our investors through dividends or stock repurchases.

For further information about our financial segments and geographical information about our operating revenues and assets, see Notes 1 and 13 to the Consolidated Financial Statements included in this Report.

As of March 31, 2022, we offer the following types of services to our customers:

- ***Mobility Telecommunications Services***. We offer mobile communications services and equipment ("Mobility") over our wireless networks to both our business and consumer subscribers. In certain markets, mobility services also includes private network services to business customers and municipalities.
- ***Fixed Telecommunications Services***. We provide fixed data and voice telecommunications services ("Fixed") to both our business and consumer subscribers in all of our markets. These services include consumer broadband and high speed data solutions for businesses. For some markets, fixed services also include video services and revenue derived from support under certain government programs.
- ***Carrier Telecommunication Services***. We deliver services ("Carrier Services") such as wholesale roaming, the leasing of critical network infrastructure such as tower and transport facilities, site maintenance and international long-distance services to other telecommunications providers.
- ***Managed Services***. We provide information technology services ("Managed Services") such as network, application, infrastructure and hosting services to both our business and consumer customers to complement our Fixed Services in our existing markets.

Through March 31, 2022, we have identified three operating segments to manage and review our operations and to facilitate investor presentations of our results. These three operating segments are as follows:

- ***International Telecom.*** In our international markets, we offer Fixed Services, Mobility Services, Carrier Services and Managed Services to customers in Bermuda, the Cayman Islands, Guyana and the

US Virgin Islands.

- ***US Telecom.*** In the United States, we offer Fixed Services, Carrier Services, and Managed Services to business and consumer customers in Alaska and the western United States. In the western United States, we also provide Mobility Services and private network services to enterprise and consumer customers.

- ***Renewable Energy.*** In India, we provided distributed generation solar power to commercial and industrial customers through January 27, 2021. See *Disposition of International Solar Business* for further details.

The following chart summarizes the operating activities of our principal subsidiaries, the segments in which we report our revenue and the markets we served as of March 31, 2022:

Segment	Services	Markets	Tradenames
International Telecom	Mobility Services	Bermuda, Guyana, US Virgin Islands	One, GTT+, Viya
	Fixed Services	Bermuda, Cayman Islands, Guyana, US Virgin Islands	One, Logic, GTT, Viya
	Carrier Services	Bermuda, Guyana, US Virgin Islands	One, GTT+, Viya
	Managed Services	Bermuda, Cayman Islands, US Virgin Islands, Guyana	Fireminds, One, Logic, GTT, Viya
US Telecom	Mobility Services	United States (rural markets)	Choice, Choice NTUA Wireless, Geoverse
	Fixed Services	United States	Alaska Communications, Commnet, Choice, Choice NTUA Wireless
	Carrier Services	United States	Alaska Communications, Commnet, Essextel
	Managed Services	United States	Alaska Communications, Choice
Renewable Energy (1)	Solar	India	Vibrant Energy

(1) See *Disposition of International Solar Business* for further details.

Acquisition of Alaska Communications

On July 22, 2021, we completed the acquisition of Alaska Communications Systems Group, Inc. ("Alaska Communications"), a publicly listed company, for approximately $339.5 million in cash, net of cash acquired, (the "Alaska Transaction"). Alaska Communications provides broadband telecommunication and managed information technology services to customers in the state of Alaska and beyond using its statewide and interstate telecommunications network.

In conjunction with the Alaska Transaction, we entered into an agreement with affiliates and investment funds managed by Freedom 3 Capital, LLC as well as other institutional investors (collectively the "Freedom 3 Investors"). The Freedom 3 Investors contributed $71.5 million in conjunction with the Alaska Transaction (the "Freedom 3 Investment"). The Freedom 3 Investment consists of common and preferred equity instruments in our subsidiary of which holds the ownership of Alaska Communications. We accounted for the Freedom 3 Investment as a redeemable noncontrolling interest in our consolidated financial statements and we also entered into a financing transaction drawing $220 million on a new credit facility to complete the Alaska Transaction. As a result of the Alaska Transaction, we own approximately 52% of the common equity of Alaska Communications and control its operations and management. Beginning on July 22, 2021, the results of Alaska Communications are included in our US Telecom segment.

See *Liquidity and Capital Resources* for a discussion regarding the credit agreement used to help finance the Alaska Transaction.

COVID-19

We are continuing to monitor and assess the effects of the ongoing COVID-19 pandemic on our commercial operations, the safety of our employees and their families, our sales force and customers.

The preparation of the condensed consolidated financial statements requires us to make estimates, judgments and assumptions, which are evaluated on an ongoing basis, that may affect the reported amounts of assets, liabilities, equity, revenues and expenses and related disclosure of contingent assets and liabilities. We assessed certain accounting matters and estimates that generally require consideration of forecasted financial information in context with the information and estimates reasonably available to us and the unknown future impacts of COVID-19 as of March 31, 2022 and through the date of this report. The accounting matters assessed included, but were not limited to, the allowance for credit losses, the carrying value of goodwill and other long-lived assets, financial assets, valuation allowances for tax assets and revenue recognition.

Our assessment of the impact of COVID-19 on our operations did not indicate that there was a material adverse impact to our consolidated financial statements as of and for the three months ended March 31, 2022. However, future assessments of the impacts of COVID-19, as well as other factors, including the possible reinstatement of certain COVID-19 travel-related and stay-at-home restrictions, could result in material adverse impacts to our consolidated financial statements in future reporting periods. For example, we may experience difficulty in procuring network or retail equipment, such as handsets for subscribers, as a result of COVID-19 restrictions. Apart from possible government issued travel restrictions, we currently cannot assess how COVID-19 may influence subscribers' procurement behavior for services or how that behavior will impact revenues in the foreseeable future.

Disposition of International Solar Business

In January 2021, we completed the sale of 67% of the outstanding equity in our business that owns and operates distributed generation solar power projects operated under the Vibrant name in India (the "Vibrant Transaction"). The post-sale results of our ownership interest in Vibrant, representing 33% of Vibrant's profits and losses, will be recorded through the equity method of accounting within the Corporate and Other operating segment. We will continue to present the historical results of our Renewable Energy segment for comparative purposes.

The operations of Vibrant did not qualify as discontinued operations because the disposition did not represent a strategic shift that had a major effect on our operations and financial results.

FirstNet Agreement

In July 2019, we entered into a Network Build and Maintenance Agreement with AT&T Mobility, LLC ("AT&T") that we amended in August 2020 and May 2021 (the "FirstNet Agreement"). In connection with the FirstNet Agreement, we are building a portion of AT&T's network for the First Responder Network Authority ("FirstNet") in or near our current operating area in the Western United States. Pursuant to the FirstNet Agreement and subject to certain limitations contained therein, all cell sites must be completed and accepted within a specified period of time. Since inception of the project through March 31, 2022, we have recorded $48.8 million in construction revenue, including $2.0 million during 2022, and expect to record an additional $31.0 million to $36.0 million in 2022 as sites are completed. In 2022, we also expect to record additional costs of construction revenue, as sites are completed, that will approximate that revenue. Revenues from construction are expected to have minimal impact on operating income. The network build portion of the FirstNet Agreement has continued during the COVID-19 pandemic, but the overall timing of the build schedule has been delayed.

Following acceptance of a cell site, AT&T will own the cell site and we will assign to AT&T any third-party tower lease applicable to such cell site. If the cell site is located on a communications tower we own, AT&T will pay us pursuant to a separate lease agreement for an initial term of 8 years. In addition to building the network, we will provide ongoing equipment and site maintenance and high-capacity transport to and from these cell sites for an initial term ending in 2029.

AT&T will continue to use our wholesale domestic mobility network for roaming services at a fixed rate per site during the construction period until such time as the cell site is transferred to AT&T. Thereafter, revenue from the maintenance, leasing and transport services provided to AT&T is expected to generally offset revenue from wholesale mobility roaming services. We are currently receiving revenue from the FirstNet Transaction and expect overall operating income contributions from the FirstNet Transaction to have a relatively steady impact going forward.

Universal Service Fund and Connect America Fund Phase II Programs

We recognize revenue from several government funded programs including the USF, a subsidy program managed by the Federal Communications Commission (“FCC”), and the Alaska Universal Service Fund (“AUSF”), a similar program managed by the Regulatory Commission of Alaska (the “RCA”). USF funds are disbursed to telecommunication providers through four programs: the High Cost Program; the Low Income Program (“Lifeline Program”); the Schools and Libraries Program (“E-Rate Program”); and the Rural Health Care Support Program.

We also recognize revenue from the Connect America Fund Phase II program (“CAF II”) which offers subsidies to carriers to expand broadband coverage in designated areas. Under CAF II, our US Telecom segment will receive an aggregate of $27.7 million annually through December 2025 and an aggregate of $8.0 million annually from January 2026 through July 2028.

Both the USF and CAFII programs are subject to certain operational and reporting compliance requirements. We believe we are in compliance with these requirements as of March 31, 2022.

In 2018, the FCC initiated a proceeding to replace the High Cost Program support received by Viya in the US Virgin Islands with a new Connect USVI Fund. On November 16, 2020, the FCC announced that Viya was not the recipient of the Connect USVI Fund award and authorized funding to be issued to the new awardee in June 2021. Pursuant to the terms of the program and effective in July 2021, Viya’s annual USF support was reduced from $16.4 million to $10.9 million. In July 2022, this support will be reduced again to $5.5 million for the annual period through June 2023. Thereafter, Viya will not receive High Cost Program support.

RDOF (“Rural Digital Opportunities Fund”)

We expect to receive approximately $20.1 million over 10 years to provide broadband and voice coverage to over 10,000 households in the United States (not including Alaska) under the 2020 Rural Digital Opportunity Fund Phase I Auction (“RDOF”). We recorded $0.5 million of revenue from the RDOF program in the three months ended March 31, 2022.

Construction Grants

We have also been awarded construction grants to build network connectivity for eligible communities. The funding of these grants, used to reimburse us for our construction costs, is distributed upon completion of a project. As of December 31, 2021, we had been awarded approximately $27.9 million of such grants. We were awarded $0.4 million of additional grants and cancelled $2.1 million of previously awarded grants during the three months ended March 31, 2022. Of this $28.3 million of awards, we have completed our construction obligations on $15.0 million of these projects and $11.2 million of such construction obligations remain with completion deadlines beginning in July 2022. Once these projects are constructed, we are obligated to provide service to the participants. We expect to meet all requirements associated with these grants.

CBRS Auction

During the third quarter of 2020, we participated in the FCC's Citizens Broadband Radio Service (CBRS) auction for Priority Access Licenses (PALs) in the 3.5 GHz spectrum band. These PALs are licensed on a county-by-county basis and are awarded for a 10-year renewable term. We were a winning bidder for PALs located strategically throughout the United States at a total cost of approximately $20.4 million. In connection with the awarded licenses, we will have to achieve certain CBRS spectrum build out obligations. We currently expect to comply with all applicable requirements related to these licenses.

Presentation of Revenue

Effective July 1, 2021, we began to categorize Mobility revenue and Fixed revenue as either "consumer" or "business" based upon the characteristics of our subscribers. Effective October 1, 2021, the Company's statement of operations separately reflects Construction Revenue. All periods presented have been adjusted to conform to these presentation updates.

Presentation of Operating Expenses

Effective January 1, 2021, we changed our presentation of operating expenses in the Condensed Consolidated Statements of Operations by combining the previously disclosed Termination and Access Fees with Engineering and Operations as the newly represented Cost of communications services and other. In addition, the previously disclosed Sales, Marketing and Customer Service expenses are now combined with the previously disclosed General and Administrative expenses within the newly represented Selling, General and Administrative expenses. The change in presentation was made to better align our results with industry standards. Cost of construction services continues to be broken out separately and all depreciation and amortization continues to be shown separately.

Selected Segment Financial Information

The following represents selected segment information for the three months ended March 31, 2022 and 2021 (in thousands):

	For the Three Months Ended March 31, 2022				
	International Telecom	US Telecom	Renewable Energy	Corporate and Other (1)	Consolidated
Revenue					
Communication Services					
Mobility - Business	$ 3,616	$ 374	$ —	$ —	$ 3,990
Mobility - Consumer	19,970	1,456	—	—	21,426
Total Mobility	23,586	1,830	—	—	25,416
Fixed - Business	17,254	27,145	—	—	44,399
Fixed - Consumer	41,093	18,968	—	—	60,061
Total Fixed	58,347	46,113	—	—	104,460
Carrier Services	3,402	32,989	—	—	36,391
Other	276	—	—	—	276
Total Communication Services Revenue	85,611	80,932	—	—	166,543
Construction	—	1,987	—	—	1,987
Other					
Managed Services	1,176	2,313	—	—	3,489
Total Other Revenue	1,176	2,313	—	—	3,489
Total Revenue	86,787	85,232	—	—	172,019
Operating income (loss)	11,803	(4,635)	(23)	(7,037)	108

For the Three Months Ended March 31, 2021					
	International Telecom	US Telecom	Renewable Energy	Corporate and Other (1)	Consolidated
Revenue					
Communication Services					
Mobility - Business	$ 1,197	$ 576	$ —	$ —	$ 1,773
Mobility - Consumer	20,624	2,284	—	—	22,908
Total Mobility	21,821	2,860	—	—	24,681
Fixed - Business	16,634	2,696	—	—	19,330
Fixed - Consumer	42,114	3,674	—	—	45,788
Total Fixed	58,748	6,370	—	—	65,118
Carrier Services	1,883	18,736	—	—	20,619
Other	218	—	—	—	218
Total Communication Services Revenue	82,670	27,966	—	—	110,636
Construction	—	12,306	—	—	12,306
Other					
Renewable Energy	—	—	418	—	418
Managed Services	1,150	—	—	—	1,150
Total Other Revenue	1,150	—	418	—	1,568
Total Revenue	83,820	40,272	418	—	124,510
Operating income (loss)	13,116	(534)	(662)	(8,571)	3,349

(1) Corporate and Other items refer to corporate overhead costs and consolidating adjustments

A comparison of our segment results for the three months ended March 31, 2022, and 2021 is as follows:

International Telecom. Revenues within our International Telecom segment increased $3.0 million, or 3.6%, to $86.8 million from $83.8 million for the three months ended March 31, 2022 and 2021, respectively, as a result of an increase in Fixed and Mobility subscribers within our international markets. In addition, our US Virgin Islands and Bermuda markets recognized an increase in Carrier Services revenue as a result of increased tourism as certain COVID-19 related travel and stay-at-home restrictions were lifted. These increases, however, were partially offset by a $1.3 million reduction in federal support revenues in the US Virgin Islands.

Operating expenses within our International Telecom segment increased by $4.3 million, or 6.1%, to $75.0 million from $70.7 million for the three months ended March 31, 2022 and 2021, respectively. The increase was primarily the result of an increase in direct costs, primarily roaming expenses due to increased tourism in the US Virgin Islands and Bermuda and equipment expenses due to increased handset sales, and certain costs being incurred during the three months ended March 31, 2022 that were not incurred during the three months ended March 31, 2021 as a result of the impact of COVID-19 restrictions.

As a result, our International Telecom segment's operating income decreased $1.3 million, or 9.9%, to $11.8 million from $13.1 million for the three months ended March 31, 2022 and 2021, respectively.

US Telecom. Revenue within our US Telecom segment increased by $44.9 million, or 111.4%, to $85.2 million from $40.3 million for the three months ended March 31, 2022 and 2021, respectively, primarily as a result of $58.3 million associated with the Alaska Transaction partially offset by a $10.3 million reduction in construction revenue related to the FirstNet Transaction as well as a reduction in roaming revenue due to the restructuring of certain carrier contracts in our western United States operations.

Operating expenses within our US Telecom segment increased $49.0 million, or 120.1%, to $89.8 million from $40.8 million for the three months ended March 31, 2022 and 2021, respectively, as a result of $58.4 million being incurred in relation to the Alaska Transaction and increases in other expenses being incurred in connection with both the FirstNet Transaction and the CARES Act-funded build-out of rural broadband operations, partially offset be a decrease in FirstNet construction costs of $10.6 million, In addition, certain costs were incurred during the three months ended March 31, 2022 that were not incurred during the three months ended December 31, 2020 as a result of the impact of COVID-19 restrictions.

As a result of the above, our US Telecom segment's operating income decreased by $4.1 million to a loss of $4.6 million from a loss of $0.5 million for the three months ended March 31, 2022 and 2021, respectively.

Renewable Energy. Until the completion of the Vibrant Transaction on January 27, 2021, we distributed generation solar power to commercial and industrial customers under the Vibrant name in India. Accordingly, we did not generate revenue or incur operating expenses within our Renewable Energy segment subsequent to that date. For the three months ended March 31, 2021, we generated revenue, incurred operating expenses and reported an operating loss of $0.4 million, $1.1 million and $0.7 million, respectively.

The following represents a year over year discussion and analysis of our results of operations for the three months ended March 31, 2022 and 2021 (in thousands):

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Amount of Increase (Decrease)	Percent Increase (Decrease)
REVENUE:				
Communication services	$ 166,543	$ 110,636	$ 55,907	50.5 %
Construction	1,987	12,306	(10,319)	(83.9)
Other	3,489	1,568	1,921	122.5
Total revenue	172,019	124,510	47,509	38.2
OPERATING EXPENSES (*excluding depreciation and amortization unless otherwise indicated*):				
Cost of communications services and other	73,011	49,507	23,504	47.5
Cost of construction revenue	2,033	12,606	(10,573)	(83.9)
Selling, general and administrative	56,343	37,693	18,650	49.5
Transaction-related charges	554	730	(176)	(24.1)
Depreciation	33,292	20,111	13,181	65.5
Amortization of intangibles from acquisitions	3,258	397	2,861	n/m
Loss on disposition of long-lived assets	3,420	117	3,303	n/m
Total operating expenses	171,911	121,161	50,750	41.9
Income from operations	108	3,349	(3,241)	(96.8)
OTHER INCOME (EXPENSE):				
Interest income	51	(6)	57	n/m
Interest expense	(3,363)	(1,147)	(2,216)	193.2
Other income (expense)	4,199	2,375	1,824	76.8
Other income (expense), net	887	1,222	(335)	(27.4)
INCOME BEFORE INCOME TAXES	995	4,571	(3,576)	(78.2)
Income tax provision	2,952	295	2,657	n/m
NET INCOME (LOSS)	(1,957)	4,276	(6,233)	(145.8)
(Net income) loss attributable to noncontrolling interests, net of tax:	1,009	(1,570)	2,579	(164.3)
NET INCOME (LOSS) ATTRIBUTABLE TO ATN INTERNATIONAL, INC. STOCKHOLDERS	$ (948)	$ 2,706	$ (3,654)	(135.0)%

n/m = not meaningful

Communications Services Revenue

Mobility Revenue. Our Mobility revenue consists of retail revenue generated within both our International Telecom and US Telecom segments by providing retail mobile voice and data services over our wireless networks as well as through the sale and repair services of related equipment, such as handsets and other accessories, to our retail subscribers. Mobility revenue increased by $0.7 million, or 2.8%, to $25.4 million for the three months ended March 31, 2022 from $24.7 million for the three months ended March 31, 2021. Of this increase, $2.2 million related to an increase in revenue from business customers while revenue from consumers declined by $1.5 million. The increase in Mobility revenue, within our segments, consisted of the following:

- *International Telecom*. Within our International Telecom segment, Mobility revenue increased by $1.8 million, or 8.3%, to $23.6 million for the three months ended March 31, 2022 from $21.8 million for the three months ended March 31, 2021. Mobility revenue increased in each of our markets as total revenue from business customers increased by $2.4 million which was partially offset by a decline of $0.6 million in revenue from consumers. The increases were the result of improved retail and marketing strategies which lead to an increase in subscribers and equipment sales in certain markets. In addition, the three months ended March 31, 2022 include the results of our handset repair business which we acquired in May 2021. Furthermore, the three months ended March 31, 2021 was negatively affected by the impact that COVID-19 related travel and stay-at-home restrictions had during those three months.

- *US Telecom*. Mobility revenue within our US Telecom segment decreased by $1.1 million, or 37.9%, to $1.8 million from $2.9 million for the three months ended March 31, 2022 and 2021, respectively. Of this decrease, $0.8 million related to a decrease in revenue from consumers within our retail operations due to a decrease in subscribers while the remaining decrease was the result of a decrease in revenue from our private networks business.

We expect that Mobility revenue within both our US Telecom and International Telecom segments may increase as a result of an increase in subscribers if certain COVID-19 travel related restrictions continue to be lifted. However, such growth in both segments may be partially offset due to increased competition, and if COVID-19 related travel restrictions are reinstated so as to result in significant business interruptions and retail store closures.

Apart from possible government issued travel restrictions, we currently cannot assess how the impact of COVID-19 may influence our subscribers' procurement behavior for our services or how that behavior will affect our Mobility revenues in the foreseeable future.

Fixed Revenue. Fixed revenue is primarily generated by broadband, voice, and video service revenues provided to retail and business customers over our wireline networks. Fixed revenue within our US Telecom segment also includes revenue from the Connect America Fund Phase II program awards in the western United States and Alaska, as well as revenue from the Alaska Universal Service Fund. Within our International Telecom segment, Fixed revenue also includes funding under the FCC's High Cost Program in the US Virgin Islands. Fixed revenue increased by $39.4 million, or 60.5%, to $104.5 million from $65.1 million for the three months ended March 31, 2022 and 2021, respectively. Of this increase, $25.1 million relates to revenue from business customers while the remaining increase of $14.3 million pertains to consumers. The increase in Fixed revenue, within our segments, consisted of the following:

- *International Telecom*. Within our International Telecom segment, Fixed revenue decreased by $0.4 million, or 0.7%, to $58.3 million from $58.7 million for the three months ended March 31, 2022 and 2021, respectively, primarily as a result of a $1.3 million reduction in revenue from the FCC's High Cost Program, a decrease in revenue from certain enterprise customers, and a decrease in revenue from video services as a result of a decline in those subscribers. Partially offsetting these decreases was an increase in revenue from fixed broadband fiber subscribers and services to further enable and support remote working in our markets.

- *US Telecom*. Fixed revenue within our US Telecom segment increased by $39.7 million, to $46.1 million from $6.4 million for the three months ended March 31, 2022 and 2021, respectively. This increase was related to the Alaska Transaction, which generated $39.4 million of Fixed revenue during the three months ended March 31, 2022, and a $0.3 million increase, within the western United States, related to an increase in usage for both business and consumer subscribers to support remote working and better connectivity during the COVID-19 pandemic.

Fixed revenue within our International Telecom segment may further decrease as a result of the loss of USF funding in the US Virgin Islands, a decrease in demand for our video services due to subscribers using alternative methods to receive video content, and if COVID-19 travel related restrictions are reinstated in some of our international markets. Such decreases, however, may be partially offset as a result of an increase in broadband subscribers as workers continue to shift to remote working, subscribers adopting higher bandwidth offerings at higher price points and in connection with certain new contracts with oil and gas providers in Guyana.

Within our US Telecom segment, Fixed Revenue is expected to increase as both our Alaska operations and our western United States operations further deploy broadband access to both consumers and businesses.

Apart from possible government issued travel restrictions, we currently cannot assess how the impact of any COVID-19 restrictions may influence our subscribers' procurement behavior for our services or how that behavior will affect our Fixed revenue in the foreseeable future.

Carrier Services Revenue. Carrier Services revenue is generated by both our International Telecom and US Telecom segments**.** Within our International Telecom segment, Carrier Services revenue includes international long-distance services, roaming revenues generated by other carriers' customers roaming into our retail markets, transport services and access services provided to other telecommunications carriers. Within our US Telecom segment, Carrier Services revenue includes services provided under the FirstNet Transaction, wholesale roaming revenues, the provision of network switching services, tower lease revenue and other services provided to other carriers. Carrier Services revenue increased by $15.8 million, or 76.7%, to $36.4 million from $20.6 million for the three months ended March 31, 2022 and 2021, respectively. The increase, within our segments, consisted of the following:

- *International Telecom*. Within our International Telecom segment, Carrier Services revenue increased by $1.5 million, or 78.9%, to $3.4 million from $1.9 million for the three months ended March 31, 2022 and 2021, respectively, as a result of an increase in tourism, primarily within the US Virgin Islands and Bermuda, that resulted in increased roaming revenues.

- *US Telecom*. Carrier Services revenue within our US Telecom segment increased by $14.3 million, or 76.5%, to $33.0 million from $18.7 million, for the three months ended March 31, 2022 and 2021, respectively, primarily as a result of the Alaska Transaction, which generated $16.6 million of Carrier Services revenue during 2022 partially offset by the revenue reductions as a result of the restructure of certain carrier contracts in our western United Stated operations.

Within our International Telecom segment, Carrier Services revenue may continue to increase if tourism continues to move toward a return to pre-pandemic levels. Apart from possible government issued travel restrictions, we currently cannot assess how the impact of COVID-19 may influence our subscribers' procurement behavior for our services or how that behavior will affect our revenues in the foreseeable future. Also, within our International Telecom segment, we expect that Carrier Services revenue from our international long-distance business in Guyana may decrease as consumers seek to use alternative technology services to place long-distance calls. In addition, such revenue may decline as the result of the implementation, by the Government of Guyana, of passed legislation which terminates our right to be the exclusive provider of domestic Fixed and international long-distance service in Guyana. While the loss of our exclusive rights may cause an immediate reduction in our Carrier Services revenue, the complete impact of the new legislation to our operations will not be fully known until the Government of Guyana makes the terms and conditions of licenses issued to two of our competitors available to us. Over the longer term, such declines in Carrier Services revenue may be offset by increased Fixed revenue from broadband services to consumers and enterprises in Guyana, increased Mobility revenue from an increase in regulated local calling rates in Guyana or possible economic growth within that country.

Within our US Telecom segment, Carrier Services revenue may decrease from the impact of continued reduced contractual wholesale roaming rates and imposed revenue caps with our Carrier customers. We believe that maintaining roaming favorable to our carrier customers allows us to preserve revenue for a longer period of time while creating the potential for long-lived shared infrastructure solutions for carriers in areas they may consider to be non-strategic.

The most significant competitive factor we face within our US Telecom segment is the extent to which our carrier customers in our wholesale carrier services business choose to roam on our networks and lease our tower space and transport services or elect to build or acquire their own infrastructure in a market, reducing or eliminating their need for our services in those markets. We also face competition from other providers of such shared infrastructure solutions. In the past, we have entered into buildout projects with existing carrier customers to help these customers accelerate the buildout of a given area in exchange for the carrier's agreement to lease us spectrum in that area and enter into a contract with specific pricing and terms. Historically, these arrangements have differed from our FirstNet Transaction and have typically included a purchase right in favor of the carrier to purchase that portion of the network for a predetermined price, depending on when the right to purchase is exercised.

Other Communications Services Revenue. Other Communications Services revenue includes miscellaneous services that the operations within our International Telecom segment provide to retail subscribers. Other Communications Services revenue increased to $0.3 million from $0.2 million for the three months ended March 31, 2022 and 2021, respectively.

Construction Revenue

Construction revenue represents revenue generated within our US Telecom segment for the construction of network cell sites related to the FirstNet Agreement. During the three months ended March 31, 2022 and 2021, Construction revenue decreased to $2.0 million from $12.3 million, respectively, as a result of a decrease in the number of sites completed during 2022 as compared to 2021. As of March 31, 2022, 60% of the cell sites related to the FirstNet Agreement were completed and we expect another 30% of the total build to be completed during 2022 with the remainder to be completed in early 2023.

Other Revenue

Renewable Energy Revenue. Our Renewable Energy segment generated $0.4 million of renewable energy revenue during the three months ended March 31, 2021. We did not generate any renewable energy revenue during the three months ended March 31, 2022 as a result of the Vibrant Transaction.

Managed Services Revenue. Managed Services revenue is generated within both our International and US Telecom segments and includes network, application, infrastructure, and hosting services.

Managed Services revenue increased by $2.3 million to $3.5 million from $1.2 million for the three months ended March 31, 2022 and 2021, respectively, as a result of the Alaska Transaction. Our Managed Services revenue in our International Telecom segment remained consistent at approximately $1.2 million for each of the three months ended March 31, 2022 and 2021.

We expect that Managed Services revenue may increase in our both our US and International Telecom segments as a result of our continued effort to sell certain Managed Services solutions to both our consumer and business customers in all of our markets.

Operating Expenses

Cost of communication services and other. Cost of communication services and other are charges that we incur for voice and data transport circuits (in particular, the circuits between our Mobility sites and our switches), internet capacity, video programming costs, access fees we pay to terminate our calls, telecommunication spectrum fees and direct costs associated within our managed services businesses. Cost of communication services and other also includes expenses associated with developing, operating, upgrading and supporting our telecommunications networks, including the salaries and benefits paid to employees directly involved in the development and operation of those businesses, as well as bad debt reserves and the cost of handsets and customer resale equipment incurred by our retail businesses.

Cost of communication services and other increased by $23.5 million, or 47.5%, to $73.0 million from $49.5 million for the three months ended March 31, 2022 and 2021, respectively. The net increase in cost of communication services and other, within our segments, consisted of the following:

- *International Telecom.* Within our International Telecom segment, cost of communication services and other decreased by $0.3 million, or 0.9%, to $34.1 million from $34.4 million, for the three months ended March 31, 2022 and 2021, respectively. This decrease was the result of reduced network maintenance and facility costs partially offset by an increase in roaming expense, due to an increase in related roaming revenues from higher levels of travel and tourism in the US Virgin Islands and Bermuda, as well as an increase in equipment expense as a result of improved retail and marketing strategies which lead to an increase in handset sales.

- *US Telecom*. Cost of communication services and other within our US Telecom segment increased by $24.3 million, or 160.9%, to $39.4 million from $15.1 million for the three months ended March 31, 2022 and 2021, respectively, as a result of the Alaska Transaction which incurred $23.8 million of these costs during 2022 and a $1.5 million increase in data transport costs in connection with the fully constructed cell sites as part of the FirstNet Transaction. These increases were partially offset by decreases in both our private network business and wholesale long-distance voice services businesses.

We expect that cost of communication services and other may increase within both our International and US Telecom segments due to an expected increase in roaming and other termination costs if COVID-19 related travel restrictions continue to be lifted. Within the US Telecom segment, we expect an increase in the expenses associated with our recent funding award under the CARES Act and anticipated expenses in connection with our performance under the construction phase of our FirstNet Transaction which is expected to be completed during early 2023. In addition, we expect cost of services may increase as a result of continued inflationary pressure, issues facing the global supply chain, and geopolitical uncertainty.

Cost of construction revenue. Cost of construction revenue includes the expenses incurred in connection with the construction of and the delivery to AT&T of cell sites in accordance with our FirstNet Agreement. During the three months ended March 31, 2022 and March 31, 2021, cost of construction revenue decreased to $2.0 million from $12.6 million as a result of a decrease in the number of sites completed during 2022 as compared to 2021. As of March 31, 2022, 60% of the cell sites related to the FirstNet Agreement were completed and we expect another 30% of the total build to be completed during 2022 with the remainder to be completed in early 2023.

Selling, general and administrative expenses. Selling, general and administrative expenses include salaries and benefits we pay to sales personnel, customer service expenses and the costs associated with the development and implementation of our promotional and marketing campaigns. Selling, general and administrative expenses also include salaries, benefits and related costs for general corporate functions including executive management, finance and administration, legal and regulatory, facilities, information technology and human resources as well as internal costs associated with our performance of due-diligence and integration related costs associated with acquisition activities.

Selling, general and administrative expenses increased by $18.6 million, or 49.3%, to $56.3 million from $37.7 million for the three months ended March 31, 2022 and 2021, respectively. The net increase in selling, general and administrative expenses, within our segments, consisted of the following:

- *International Telecom*. Within our International Telecom segment, our selling, general and administrative expenses increased by $3.0 million, or 13.3%, to $25.5 million from $22.5 million for the three months ended March 31, 2022 and 2021, respectively. This increase was incurred within certain international markets primarily as a result of an increase in brand positioning costs as well as expenses incurred during the three months ended March 31, 2022 that were reduced during the three months ended March 31, 2021 as a result of the impact of COVID-19.

- *US Telecom*. Selling, general and administrative expenses increased within our US Telecom segment by $16.3 million to $24.2 million from $7.9 million, for the three months ended March 31, 2022 and 2021, respectively, primarily as a result of the Alaska Transaction, which generated $17.8 million of these costs during 2021 partially offset by a decrease in spending within our private network business.

- *Renewable Energy.* During the three months ended March 31, 2021, our Renewable Energy segment incurred $0.4 million of selling, general and administrative expenses. This segment did not incur any selling, general and administrative expenses during the three months ended March 31, 2022 as a result of the Vibrant Transaction

- *Corporate Overhead.* Selling, general and administrative expenses within our corporate overhead decreased by $0.3 million, or 4.3%, to $6.6 million from $6.9 million, for the three months ended March 31, 2022 and 2021, respectively, primarily related to reduced professional service expenses and integration costs associated with the completion of the Alaska Transaction that were incurred during 2021.

Within both our International and US Telecom segments, we expect that selling, general and administrative expenses may increase if COVID-19 related travel restrictions continue to be lifted. We also expect an increase in 2022 in these costs as a result of expected costs associated with our recent funding award under the CARES Act and the impact of our performance during the construction phase of the FirstNet Transaction which is expected to be completed during early 2023. Our Corporate Overhead segment may also experience an increase in these expenses to support our expanding operations. In addition, we expect our selling, general, and administrative expenses may increase as a result of continued inflationary pressure, issues facing the global supply chain and geopolitical uncertainty.

Transaction-related charges. Transaction-related charges include the external costs, such as legal, tax, accounting and consulting fees directly associated with acquisition and disposition-related activities, which are expensed as incurred. Transaction-related charges do not include internal costs, such as employee salary and travel-related expenses, incurred in connection with acquisitions or dispositions or any integration-related costs.

We incurred $0.6 million and $0.7 million of transaction-related charges during the three months ended March 31, 2022 and 2021, respectively. Transaction-related charges incurred during both 2022 and 2021 were primarily related to the Alaska Transaction.

Depreciation and amortization expenses. Depreciation and amortization expenses represent the depreciation and amortization charges we record on our property and equipment.

Depreciation and amortization expenses increased by $13.2 million, or 65.7%, to $33.3 million from $20.1 million for the three months ended March 31, 2022 and 2021, respectively. The net increase in depreciation and amortization expenses, within our segments, consisted primarily of the following:

- *International Telecom*. Depreciation and amortization expenses increased within our International Telecom segment by $0.5 million, or 3.7%, to $13.9 million from $13.4 million, for the three months ended March 31, 2022 and 2021, respectively. This increase was a result of recent upgrades and expansions to this segment's network.

- *US Telecom*. Depreciation and amortization expenses increased within our US Telecom segment by $13.2 million to $18.4 million from $5.2 million, for the three months ended March 31, 2022 and 2021, respectively, primarily as a result of the Alaska Transaction.

- *Renewable Energy*. Our Renewable Energy segment incurred $0.2 million of depreciation and amortization expenses during the three months ended March 31, 2021. This segment did not incur depreciation and amortization expenses during the three months ended March 31, 2022 as a result of the Vibrant Transaction.

- *Corporate Overhead*. Depreciation and amortization expenses decreased within our corporate overhead by $0.3 million, or 23.1%, to $1.0 million from $1.3 million, for the three months ended March 31, 2022 and 2021, respectively, primarily as a result of certain assets becoming fully depreciated in recent periods.

We expect depreciation and amortization expense to increase within all of our segments as we acquire tangible assets to expand or upgrade our telecommunications networks.

Amortization of intangibles from acquisitions. Amortization of intangibles from acquisitions include the amortization of customer relationships and trade names related to our completed acquisitions.

Amortization of intangibles from acquisitions increased by $2.9 million to $3.3 million from $0.4 million for the three months ended March 31, 2022 and 2021, respectively, as a result of the Alaska Transaction.

Loss on disposition of long-lived assets. During the three months ended March 31, 2022, we recorded a loss on the disposition of long-lived assets of $3.4 million. Of this amount, $2.4 million was incurred in our US Telecom segment relating to the disposal of certain assets while $1.0 million was incurred in our International Telecom segment as a result of the modification of agreements for the use of other certain assets.

During the three months ended March 31, 2021, we recorded a loss on the disposition of long-lived assets of $0.1 million, primarily related to the Vibrant Transaction.

Interest income. Interest income represents interest earned on our cash, cash equivalents, restricted cash and short-term investment balances and were nominal amounts during both the three months ended March 31, 2022 and 2021.

Interest expense. We incur interest expense on the 2019 CoBank Credit Facility, the Alaska Credit Facility, the Viya Debt, the One Communications Debt and the Receivables Credit Facility (each as defined below). Interest expense also includes commitment fees, letter of credit fees and the amortization of debt issuance costs.

Interest expense increased to $3.4 million from $1.1 million for the three months ended March 31, 2022 and 2021, respectively, as additional interest expense was incurred as a result of an increase in interest rates and for new borrowings under the 2019 CoBank Credit Facility, the Alaska Credit Facility and the Receivables Credit Facility.

We expect that interest expense will increase in future periods as a result of an expected increase in both interest rates and borrowings under the 2019 CoBank Credit Facility and the Receivables Credit Facility.

Other income (expenses). Other income (expenses) represents miscellaneous non-operational income earned and expenses incurred.

For the three months ended March 31, 2022, other income (expenses) was $4.8 million of income primarily related to gains from our non-controlling investments.

For the three months ended March 31, 2021, other income (expense) was income of $2.4 million which was primarily related to gains from our non-controlling investments partially offset by a net loss on foreign currency transactions.

Income taxes. Our effective tax rate for the three months ended March 31, 2022 and 2021 was 296.7% and 6.5%, respectively.

We recorded an income tax provision of $3.0 million in relation to income before taxes of $1.0 million for the three months ended March 31, 2022. The effective tax rate for the three months ended March 31, 2022 was primarily impacted by the following items: (i) a $0.5 million net increase of unrecognized tax positions recognized discretely, (ii) a $2.1 million net expense recognized discretely to record a valuation allowance on certain deferred tax assets that are not expected to be realizable based on the weight of positive and negative evidence, and (iii) the mix of income generated among the jurisdictions in which we operate.

The effective tax rate for the three months ended March 31, 2021 was primarily impacted by the following items: (i) the mix of income generated among the jurisdictions in which we operate and (ii) a discrete expense of $0.5 million for interest on unrecognized tax positions.

Our effective tax rate is based upon estimated income before provision for income taxes for the year, composition of the income in different countries, and adjustments, if any, in the applicable quarterly periods for potential tax consequences, benefits and/or resolutions of tax contingencies. Our consolidated tax rate will continue to be impacted by any transactional or one-time items in the future and the mix of income in any given year generated among the jurisdictions in which we operate. While we believe we have adequately provided for all tax positions, amounts asserted by taxing authorities could materially differ from our accrued positions as a result of uncertain and complex application of tax law and regulations. Additionally, the recognition and measurement of certain tax benefits include estimates and judgment by management. Accordingly, we could record additional provisions or benefits for US federal, state, and foreign tax matters in future periods as new information becomes available.

Net income attributable to noncontrolling interests, net of tax. Net income attributable to noncontrolling interests, net of tax reflected an allocation of $1.0 million of losses and $1.6 million of income generated by our less than wholly owned subsidiaries for the three months ended March 31, 2022 and 2021, respectively. Changes in net income attributable to noncontrolling interests, net of tax, within our segments, consisted of the following:

- *International Telecom*. Net income attributable to noncontrolling interests, net of tax decreased by $0.2 million, or 11.8%, to an allocation of $1.5 million of income from an allocation of $1.7 million of income for the three months ended March 31, 2022 and 2021, respectively, primarily as a result of an increase in our ownership in profitable subsidiaries.

- *US Telecom*. Net income attributable to noncontrolling interests, net of tax decreased by $3.2 million to an allocation of losses of $2.5 million from an allocation of income of $0.7 million for the three months ended March 31, 2022 and 2021, respectively, as a result of the Alaska Transaction and reduced profitability in certain less than wholly owned subsidiaries within our US Mobility operations.

Net income (loss) attributable to ATN International, Inc. stockholders. Net income (loss) attributable to ATN International, Inc. stockholders was a loss of $0.9 million for the three months ended March 31, 2022 as compared to income of $2.7 million for the three months ended March 31, 2021.

On a per diluted share basis, net income (loss) was a loss of $0.13 per diluted share for the three months ended March 31, 2022 (which includes the impact of accrued preferred dividends of $1.1 million) as compared to income of $0.17 per diluted share for the three months ended March 31, 2021.

Regulatory and Tax Issues

We are involved in a number of regulatory and tax proceedings. A material and adverse outcome in one or more of these proceedings could have a material adverse impact on our financial condition and future operations. For a discussion of ongoing proceedings, see Note 14 to the Consolidated Financial Statements in this Report.

Tax Reform

The Tax Cuts and Jobs Act of 2017 (the "Tax Act"), which was signed into law on December 22, 2017, has resulted in significant changes to the US corporate income tax system and the US Virgin Islands mirror code which replaces "United States" with "US Virgin Islands" throughout the Internal Revenue Code. The Tax Act transitions international taxation from a worldwide system to a modified territorial system and includes two base erosion prevention measures on non-US earnings, which has the effect of subjecting certain earnings of our foreign subsidiaries to US taxation as global intangible low taxed income ("GILTI"), eliminates the deduction of certain payments made to related foreign corporations, and imposes a minimum tax if greater than regular tax under the base-erosion and anti-abuse tax ("BEAT"). These changes became effective beginning in 2018 but did not have an impact on us in the initial or following years. Based on our forecasted income for 2022, we are not currently projecting a GILTI inclusion. We do not expect we will be subject to BEAT and therefore have not included any tax impacts of BEAT in our consolidated financial statements for the quarter ended March 31, 2022.

Liquidity and Capital Resources

Historically, we have met our operational liquidity needs and have funded our capital expenditures and acquisitions through a combination of cash-on-hand, internally generated funds, proceeds from dispositions, borrowings under our credit facilities and seller financings. We believe our current cash, cash equivalents, short term investments and availability under our current credit facilities will be sufficient to meet our cash needs for at least the next twelve months for working capital needs and capital expenditures.

Total liquidity. As of March 31, 2022, we had approximately $77.1 million in cash, cash equivalents, restricted cash and short-term investments. Of this amount, $32.3 million was held by our foreign subsidiaries and is indefinitely invested outside the United States. In addition, we had approximately $394.0 million of debt, net of unamortized deferred financing costs, as of March 31, 2022. How and when we deploy our balance sheet capacity will figure prominently in our longer-term growth prospects and stockholder returns.

Uses of Cash

Acquisitions and investments. We have historically funded our acquisitions with a combination of cash-on-hand, borrowings under our credit facilities as well as equity investor and seller financings.

Alaska Transaction. On July 22, 2021, Alaska Communications entered into a new debt financing in connection with the Alaska Transaction. See *Acquisition of Alaska Communications System Group, Inc.*

We continue to explore opportunities to expand our telecommunications business or acquire new businesses and telecommunications licenses in the United States, the Caribbean and elsewhere. Such acquisitions may require external financing. While there can be no assurance as to whether, when or on what terms we will be able to acquire any such businesses or licenses or make such investments, such acquisitions may be completed through the issuance of shares of our capital stock, payment of cash or incurrence of additional debt. From time to time, we may raise capital ahead of any definitive use of proceeds to allow us to move more quickly and opportunistically if an attractive investment materializes.

Cash used in investing activities. Cash used in investing activities was $34.5 million and $7.9 million for the three months ended March 31, 2022 and 2021, respectively. For the three months ended March 31, 2022, the entire $34.5 million of cash used in investing activities related to capital expenditures. For the three months ended March 31, 2021, we used $25.7 million and $4.2 million for capital expenditures and strategic investments, respectively. Partially offsetting the 2021 expenditures were cash receipts of $18.6 million and $3.3 million for the receipt of the proceeds from the Vibrant Transaction and from government grants, respectively.

Cash provided by (used in) financing activities. Net cash provided by financing activities relating to the Alaska Transaction and FirstNet Agreement was an aggregate of $18.0 million and $10.8 million during the three months ended March 31, 2022 and 2021, respectively. During the three months ended March 31, 2022, we received $11.0 million in net borrowings (net of $13.0 million of repayments of those borrowings) under the Alaska Credit Facility and, relating to the construction phase of the FirstNet Agreement, we borrowed a net $7.0 million (net of $1.0 million of repayments of those borrowings). During the three months ended March 31, 2021 we borrowed $10.8 million under the FirstNet Receivables Credit Facility.

Excluding the impact of the Alaska Transaction and FirstNet Agreement, we were provided with $1.2 million of cash and used $20.9 million of cash relating to financing activities for the three months ended March 31, 2022 and 2021, respectively. This $22.1 million change was the result of an increase of $12.5 million in borrowings under the 2019 CoBank Credit Facility during 2022 as well as reductions in our payments to acquire noncontrolling interests in our less than wholly owned subsidiaries and distributions to those noncontrolling interests of $9.0 million and $3.3 million, respectively. Offsetting those decreases in expenditures were increases in expenditures of $2.8 million for the repayment of long-term debt.

Working Capital. Historically, we have internally funded our working capital needs. Pursuant to the FirstNet Agreement, AT&T has the option to repay construction costs, with interest, over an eight-year period. To fund the working capital needs created by AT&T's option to extend its payment terms, we completed the Receivables Credit Facility, as discussed below, on March 26, 2020.

Capital expenditures. Historically, a significant use of our cash has been for capital expenditures to expand and upgrade our telecommunications networks and to expand our previously owned renewable energy operations.

For the three months ended March 31, 2022 and 2021, we spent approximately $34.5 million and $25.7 million, respectively, on capital expenditures relating to our telecommunications networks and our business support systems of which $0.2 million and $6.2 million, respectively, are reimbursable. The following notes our capital expenditures, by operating segment, for these periods (in thousands):

	Capital Expenditures			
Three months ended March 31,	**International Telecom**	**US Telecom**	**Corporate and Other (1)**	**Consolidated**
2022	$ 15,170	$ 19,095	$ 203	$ 34,468
2021	10,506	14,939	235	25,680

(1) Corporate and other items refer to corporate overhead costs and consolidating adjustments

We are continuing to invest in our telecommunication networks along with our operating and business support systems in many of our markets. Such investments primarily relate to the upgrade and expansion of both our Mobility and Fixed telecommunications networks as well as our service delivery platforms. For 2022, we expect capital expenditures to be approximately $150 million to $160 million, net of reimbursable amounts.

We expect to fund our current capital expenditures primarily from our current cash balances, cash generated from operations and our existing credit facilities including the Receivables Credit Facility.

Income taxes. We have historically used cash-on-hand to make payments for income taxes. Our policy is to allocate capital where we believe we will get the best returns and to date has been to indefinitely reinvest the undistributed earnings of our foreign subsidiaries. As we continue to reinvest our remaining foreign earnings, no additional provision for income taxes has been made on accumulated earnings of foreign subsidiaries.

Dividends. We use cash-on-hand to make dividend payments to our stockholders when declared by our Board of Directors. For the three months ended March 31, 2022, our Board of Directors declared $2.7 million of dividends to our stockholders which includes a $0.17 per share dividend declared on March 28, 2022 and paid on April 15, 2022. We have declared quarterly dividends since the fourth quarter of 1998.

Stock Repurchase Plan. On September 19, 2016, our Board of Directors authorized the repurchase of up to $50.0 million of our common stock from time to time on the open market or in privately negotiated transactions (the "2016 Repurchase Plan"). We repurchased $0.9 million and $0.5 million of our common stock under the 2016 Repurchase Plan during the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022, we had $19.5 million authorized and available for share repurchases under the 2016 Repurchase Plan.

Sources of Cash

Cash provided by operations. Cash provided by operating activities was $11.4 million for the three months ended March 31, 2022 as compared to $5.3 million for the three months ended March 31, 2021. The increase of $6.1 million was primarily related to an increase in operating income (excluding a $16.0 million increase in depreciation and amortization expenses and a $3.3 million increase in losses on the disposal of assets) of $16.1 million. Partially offsetting this increase was the greater usage of cash as part of the decline in accrued expenses within our US Telecom segment.

CoBank Credit Facility

On April 10, 2019, we entered into a credit facility, with CoBank, ACB and a syndicate of other lenders (the "2019 CoBank Credit Facility"). The 2019 CoBank Credit Facility provides for a $200 million revolving credit facility that includes (i) up to $75 million for standby or trade letters of credit and (ii) up to $10 million under a swingline sub-facility. Approximately $18.0 million of performance letters of credit have been issued and remain outstanding and undrawn as of March 31, 2022. The 2019 CoBank Credit Facility matures on April 10, 2024.

Amounts borrowed under the 2019 CoBank Credit Facility bear interest at a rate equal to, at our option, either (i) the London Interbank Offered Rate ("LIBOR") plus an applicable margin ranging between 1.25% to 2.25% or (ii) a base rate plus an applicable margin ranging from 0.25% to 1.25%. Swingline loans bear interest at the base rate plus the applicable margin for base rate loans. The base rate is equal to the higher of (i) 1.00% plus the higher of (x) LIBOR for an interest period of one month and (y) LIBOR for an interest period of one week; (ii) the Federal Funds Effective Rate (as defined in the 2019 CoBank Credit Facility) plus 0.50% per annum; and (iii) the Prime Rate (as defined in the 2019 CoBank Credit Facility). The applicable margin is determined based on the Total Net Leverage Ratio (as defined in the 2019 CoBank Credit Facility). Under the terms of the 2019 CoBank Credit Facility, we must also pay a fee ranging from 0.150% to 0.375% of the average daily unused portion of the 2019 CoBank Credit Facility over each calendar quarter.

The 2019 CoBank Credit Facility contains customary representations, warranties and covenants, including a financial covenant that imposes a maximum ratio of indebtedness to EBITDA as well as covenants limiting additional indebtedness, liens, guaranties, mergers and consolidations, substantial asset sales, investments and loans, sale and leasebacks, transactions with affiliates and fundamental changes. Our investments in "unrestricted" subsidiaries and certain dividend payments to our stockholders are not limited unless the Total Net Leverage Ratio is equal to or greater than 1.75 to 1.0. The Total Net Leverage Ratio is measured each fiscal quarter and is required to be less than or equal to 2.75 to 1.0. In the event of a Qualifying Acquisition (as defined in the 2019 CoBank Credit Facility), the Total Net Leverage Ratio increases to 3.25 to 1.0 for the subsequent three fiscal quarters.

The 2019 CoBank Credit Facility also provides for the incurrence by us of incremental term loan facilities, when combined with increases to revolving loan commitments, in an aggregate amount not to exceed $200 million (the "Accordion"). Amounts borrowed under the Accordion are also subject to proforma compliance with a net leverage ratio financial covenant.

As of March 31, 2022, we were in compliance with all of the financial covenants, had $71.5 million outstanding in borrowings and, net of the $18.0 million of outstanding performance letters of credit, had $110.5 million of availability under the 2019 CoBank Credit Facility.

Alaska Credit Facility

On July 22, 2021, Alaska Communications entered into a Credit Agreement (the “Alaska Credit Facility”) with Fifth Third Bank, National Association, as Administrative Agent, and a syndicate of lenders to provide a $35.0 million revolving facility (the “Alaska Revolving Facility”) and a $210.0 million initial term loan facility (the “Alaska Term Loan”). As of March 31, 2022, $210.0 million was outstanding under the Alaska Term Loan and $13.0 million was outstanding under the Alaska Revolving Facility. Both facilities mature on July 22, 2026.

We capitalized $6.6 million of fees associated with the Alaska Credit Facility which are being amortized over the life of the debt and $5.6 million were unamortized at March 31, 2022.

The Alaska Credit Facility also provides for incremental term loans up to an aggregate principal amount of the greater of $70.0 million and Alaska Communications’ trailing twelve month Consolidated EBITDA (as defined in the Alaska Credit Facility).

The key terms and conditions of the Alaska Credit Facility include the following:

- Amounts outstanding bear an interest rate of LIBOR, or a LIBOR replacement rate as applicable, plus a margin ranging from 3.00% to 4.00% based on Alaska Communications’ Consolidated Total Net Leverage Ratio (as defined in the Credit Agreement) or an alternate base rate may be selected at a margin that is 1% lower than the counterpart LIBOR margin;

- Principal repayments are due quarterly commencing in the fourth quarter of 2023 in quarterly amounts as follows: from the fourth quarter of 2023 through the third quarter of 2024, $1.3 million; and from the fourth quarter of 2024 through the third quarter of 2026, $2.6 million. The remaining unpaid balance is due on the final maturity date;

- Alaska Communications is required to maintain financial ratios as defined in the Alaska Credit Facility, including (a) a maximum Consolidated Net Total Leverage Ratio of 4.00 to 1., stepping down to 3.75 to 1 beginning with the second quarter of 2024; and (b) a minimum Consolidated Fixed Charge Coverage Ratio of not less than 1.25 to 1; and

- The Alaska Credit Facility is non-recourse to the Company and is secured by substantially all of the personal property and certain material real property owned by Alaska Communications.

Alaska Communication entered into an amortizing interest rate swap that has been designated as a cash flow hedge that has an interest rate of 1.6735% and expires on June 30, 2022. As of March 31, 2022, the swap had an unamortized notional amount of $119.8 million.

FirstNet Receivables Credit Facility

On March 26, 2020, Commnet Finance, a wholly owned subsidiary of Commnet Wireless, entered into a receivables credit facility with the Company, Commnet Wireless, and CoBank, ACB (the “Receivables Credit Facility”).

The Receivables Credit Facility provides for a senior secured delayed draw term loan in an aggregate principal amount of up to $75.0 million and the proceeds may be used to acquire certain receivables from Commnet Wireless. The receivables to be financed and sold under the Receivables Credit Facility, which provide the loan security, relate to the obligations of AT&T under the FirstNet Agreement. On December 29, 2021, CoBank amended the Receivables Credit Facility and extended the delayed draw period to December 31, 2022.

The maturity date for each loan will be set by CoBank and will match the weighted average maturity of the certain receivables financed.

Interest on the loans accrues at a fixed annual interest rate to be quoted by CoBank.

The Receivables Credit Facility contains customary events of termination, representations and warranties, affirmative and negative covenants and events of default customary for facilities of this type.

As of March 31, 2022, we had $42.5 million outstanding, of which $5.3 million was current, and $29.7 million of availability under the Receivables Credit Facility. We capitalized $0.9 million of fees associated with the Receivables Credit Facility which are being amortized over the life of the debt and $0.7 million were unamortized at March 31, 2022.

Viya Debt

We, and certain of our subsidiaries, have entered into a $60.0 million loan agreement (the "Viya Debt") with Rural Telephone Finance Cooperative ("RTFC"). The Viya Debt agreement contains customary representations, warranties and affirmative and negative covenants (including limitations on additional debt, guaranties, sale of assets and liens) and a financial covenant that limits the maximum ratio of indebtedness to annual operating cash flow to 3.5 to 1.0 (the "Net Leverage Ratio"). This covenant is tested on an annual basis at the end of each fiscal year. Interest is paid quarterly at a fixed rate of 4.0% per annum and principal repayment is not required until maturity on July 1, 2026. Prepayment of the Viya Debt may be subject to a fee under certain circumstances. The debt is secured by certain assets of our Viya subsidiaries and is guaranteed by us. With RTFC's consent, we funded the restoration of Viya's network, following Hurricanes Irma and Maria in 2017, through an intercompany loan arrangement in the amount of $51.6 million.

We paid a fee of $0.9 million in 2016 to lock the interest rate at 4% per annum over the term of the Viya Debt. The fee was recorded as a reduction to the Viya Debt carrying amount and is being amortized over the life of the loan.

As of March 31, 2022, $60.0 million of the Viya Debt remained outstanding and $0.4 million of the rate lock fee was unamortized.

On May 5, 2022, RTFC agreed to amend the Net Leverage Ratio to 7.0 to 1.0 through the maturity date of July 1, 2026. This covenant will be tested on December 31, 2022.

One Communications Debt

We have an outstanding loan from HSBC Bank Bermuda Limited (the "One Communications Debt") which is scheduled to mature on May 22, 2022 and bears interest at the one-month LIBOR plus a margin ranging between 2.5% to 2.75% per annum paid quarterly.

The One Communications Debt contains customary representations, warranties and affirmative and negative covenants (including limitations on additional debt, guaranties, sale of assets and liens) and financial covenants, tested annually as of and for the twelve months ended December 31st, that limit the ratio of tangible net worth to long term debt and total net debt to EBITDA and require a minimum debt service coverage ratio (as defined in the One Communications Debt agreement).

We entered into an amortizing interest rate swap that has been designated as a cash flow hedge, which has an original notional amount of $11.0 million, an interest rate of 1.874%, and expires in May 2022. As of March 31, 2022, the swap had an unamortized notional amount of $3.8 million.

As of March 31, 2022, $3.8 million of the One Communications Debt was outstanding.

Factors Affecting Sources of Liquidity

Internally generated funds. The key factors affecting our internally generated funds are demand for our services, competition, regulatory developments, economic conditions in the markets where we operate our businesses and industry trends within the telecommunications and renewable energy industries.

Restrictions under Credit Facility. Our 2019 CoBank Credit Facility contains customary representations, warranties and covenants, including covenants limiting additional indebtedness, liens, guaranties, mergers and consolidations, substantial asset sales, investments and loans, sale and leasebacks, transactions with affiliates and fundamental changes.

In addition, the 2019 CoBank Credit Facility contains a financial covenant that imposes a maximum ratio of indebtedness to EBITDA. As of March 31, 2022, we were in compliance with all of the financial covenants of the 2019 CoBank Credit Facility.

Capital markets. Our ability to raise funds in the capital markets depends on, among other things, general economic conditions, the conditions of the telecommunications and renewable energy industries, our financial performance, the state of the capital markets and our compliance with SEC requirements for the offering of securities.

Foreign Currency

We translate the assets and liabilities of our foreign subsidiaries from their respective functional currencies, primarily the Guyana Dollar, to US Dollars at the appropriate rates as of the balance sheet date. Changes in the carrying value of these assets and liabilities attributable to fluctuations in rates are recognized in foreign currency translation adjustment, a component of accumulated other comprehensive income on our balance sheet. Income statement accounts are translated using the monthly average exchange rates during the year. Monetary assets and liabilities denominated in a currency that is different from a reporting entity's functional currency must first be remeasured from the applicable currency to the legal entity's functional currency. The effect of this remeasurement process is reported in other income within our income statement. During the three months ended March 31, 2022 and 2021, we recorded $0.2 million and $0.1 million, respectively, in losses on foreign currency transactions. We will continue to assess the impact of our exposure to the Guyana Dollar.

Inflation

If inflation continues or worsens, it could negatively impact our Company by increasing our operating expenses. Inflation may lead to cost increases in multiple areas across our business, for example, rises in the prices of raw materials and manufactured goods, increased energy rates, as well as increased wage pressures and other expenses related to our employees. In particular, where we have agreed to undertake infrastructure build outs on a fixed budget for our carrier customers or by accepting government grants, inflation may result in build costs that exceed our original budget given the long delays experienced in procuring equipment and materials due to global supply chain delays. To the extent that we are unable to pass on these costs through increased prices, revised budget estimates, or offset them in other ways, they may impact out financial condition and cash flows.

Recent Accounting Pronouncements

See Note 2 to the Unaudited Condensed Consolidated Financial Statements included in this Report.

Critical Accounting Estimates

There were no changes to critical accounting estimates from those disclosed in "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" of our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Translation and Remeasurement. We translate the assets and liabilities of our foreign subsidiaries from their respective functional currencies, primarily the Guyana Dollar, to US Dollars at the appropriate rates as of the balance sheet date. Changes in the carrying value of these assets and liabilities attributable to fluctuations in rates are recognized in foreign currency translation adjustment, a component of accumulated other comprehensive income on our balance sheet. Income statement accounts are translated using the monthly average exchange rates during the year.

Monetary assets and liabilities denominated in a currency that is different from a reporting entity's functional currency must first be remeasured from the applicable currency to the legal entity's functional currency. The effect of this remeasurement process is reported in other income on our income statement.

Employee Benefit Plans. We sponsor pension and other postretirement benefit plans for employees of certain subsidiaries. Net periodic pension expense is recognized in our income statement. We recognize a pension or other postretirement plan's funded status as either an asset or liability in our consolidated balance sheet. Actuarial gains and losses are reported as a component of other comprehensive income and amortized through other income in subsequent periods.

As of March 31, 2022, we had $161.7 million of variable rate debt outstanding, which is subject to fluctuations in interest rates. Our interest expense may be affected by changes in interest rates. We believe that a 10% increase in the interest rates on our variable rate debt would have an immaterial impact on our Financial Statements. We may have additional exposure to fluctuations in interest rates if we again borrow amounts under our revolver loan within our 2019 CoBank Credit Facility.

Item 4. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2022. Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits 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 an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of March 31, 2022, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in internal control over financial reporting. There were no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

See Note 14 to the Unaudited Condensed Consolidated Financial Statements included in this Report.

Item 1A. Risk Factors

In addition to the other information set forth in this Report, you should carefully consider the factors discussed under Part I, Item 1A “Risk Factors” of our 2021 Annual Report on Form 10-K. The risks described herein and in our 2021 Annual Report on Form 10-K, as amended, are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities by the Issuer

On September 19, 2016, our Board of Directors authorized the repurchase of up to $50.0 million of our common stock from time to time on the open market or in privately negotiated transactions (the “2016 Repurchase Plan”). We have $19.5 million available to be repurchased under that plan as of March 31, 2022.

The following table reflects the repurchases by us of our common stock during the quarter ended March 31, 2022:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May be Purchased Under the Plans or Programs
January 1, 2022— January 31, 2022	23,714	$ 39.70	23,714	$ 19,451,514
February 1, 2022 — February 28, 2022	—	—	—	19,451,514
March 1, 2022 — March 31, 2022	32,570 (1)	34.89	—	19,451,514

(1) Represents shares purchased on March 7, 2022, March 9, 2022, March 11, 2022 and March 13, 2022 from our executive officers and other employees who tendered these shares to us to satisfy their tax withholding obligations incurred in connection with the vesting of restricted stock units at such date. These shares were not purchased under the 2016 Repurchase Plan discussed above. The price paid per share was the closing price per share of our common stock on the Nasdaq Stock Market on the date those shares were purchased.

Item 5. Other Information

None

Item 6. Exhibits:

10.1*	Amendment to Loan Agreement dated May 5, 2022 between ATN VI Holdings, LLC and Rural Telephone Finance Cooperative.
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its 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 (formatted as Inline XBRL and embedded within Exhibit 101).

* Filed herewith.

** The certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Report and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates them by reference.

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.

	ATN International, Inc.
Date: May 10, 2022	/s/ Michael T. Prior Michael T. Prior President and Chief Executive Officer
Date: May 10, 2022	/s/ Justin D. Benincasa Justin D. Benincasa Chief Financial Officer

Exhibit 10.1

AMENDMENT TO LOAN AGREEMENT

AMENDMENT TO LOAN AGREEMENT (the "Amendment") dated as of May 5, 2022, by and between ATN VI HOLDINGS, LLC (the “Borrower”), a corporation organized and existing under the laws of the State of Delaware and RURAL TELEPHONE FINANCE COOPERATIVE ("RTFC"), a cooperative association organized and existing under the laws of the District of Columbia.

RECITALS

WHEREAS, the Borrower and RTFC are parties to a certain loan agreement dated as of July 1, 2016 (the "Original Agreement"); and

WHEREAS, the Borrower and RTFC have agreed to amend the Original Agreement.

NOW, THEREFORE, for and in consideration of the foregoing, and in further consideration of the premises and the mutual covenants herein contained, the parties hereby amend the Original Agreement, agree and bind themselves as follows:

Section 1. Recitals. The foregoing recitals are incorporated herein by reference.

Section 2. Definitions. Capitalized terms that are not defined herein shall have the meanings assigned to them as set forth in the Original Agreement. If not otherwise defined therein or herein, such capitalized terms shall be defined in accordance with GAAP.

Section 3. Amendments.

3.1 Financial Covenant. Section 6.04 of the Loan Agreement is hereby deleted and the following is inserted in its place:

> **“6.04 Financial Covenant.** Maintain, commencing as of the last day of the Borrower’s fiscal year 2022 and as of the last day of each fiscal year of the Borrower’s thereafter, a Net Leverage Ratio not greater than 7.0; provided that, in the event the Borrower requests a waiver of the Net Leverage Ratio requirement set forth in this Section 6.04 and the Lender approves the Borrower’s request for waiver of such financial covenant, the Borrower shall pay a fee of $30,000.00 that is equal to five (5) basis points times the outstanding amount of the Loan.”

Section 4. Conditions to Effectiveness. Notwithstanding anything herein to the contrary, this Amendment shall be effective upon satisfaction of each of the conditions set forth in this Section 4:

4.1 Borrower Documents. RTFC shall have been furnished with (i) an executed original of this Amendment and (ii) certified copies of all such organizational documents and proceedings of the Borrower authorizing the transactions hereby contemplated as RTFC shall require.

4.2 Government Approvals. The Borrower shall have furnished to RTFC true and correct copies of all certificates, authorizations and consents necessary for the execution, delivery and performance by the Borrower of this Amendment.

Section 5. Representations and Warranties. As a further inducement for RTFC to enter into this Amendment, the Borrower represents and warrants that:

5.1 Good Standing. The Borrower is a corporation organized and validly existing and in good standing under the laws of the state of its incorporation, is duly qualified in those states in which it is required to be qualified to conduct its business and has power to enter into and perform this Amendment.

5.2 Authority. The execution, delivery and performance by the Borrower of this Amendment and the performance hereof, have been duly authorized by all necessary corporate action and will not violate any provision of law or of the articles of incorporation or bylaws of the Borrower, or result in a breach of, or constitute a default under, any agreement, indenture or other instrument to which the Borrower is a party or by which it may be bound. The individual executing this Amendment has been duly authorized to act on behalf of the Borrower and has the requisite authority to bind the Borrower to the terms hereof without further action of, and without obtaining any additional approvals from, the Borrower's governing body or any other person or entity.

5.3 Material Adverse Change. There has been no material adverse change in the financial condition or operations of the Borrower since the date of the Original Agreement, except as set forth in the most recent financial statements submitted to RTFC or as otherwise disclosed in writing to RTFC prior to the date hereof.

5.4 REQUIRED APPROVALS. NO LICENSE, CONSENT OR APPROVAL OF ANY GOVERNMENTAL AGENCY OR AUTHORITY IS REQUIRED TO ENABLE THE BORROWER TO ENTER INTO THIS AMENDMENT, OR TO PERFORM ANY OF THE OBLIGATIONS PROVIDED FOR HEREIN, EXCEPT AS HAVE BEEN OBTAINED BY THE BORROWER AND DELIVERED TO RTFC PRIOR TO THE DATE HEREOF.

5.5 Prior Representations and Warranties. All representations and warranties made by the Borrower in the Original Agreement are true and correct as of the date hereof.

Section 6. Miscellaneous.

6.1 Modifications. No modification or waiver of any provision of this Amendment, and no consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing by the party granting such modification, waiver or consent.

6.2 Merger and Integration. This Amendment, the Original Agreement and the matters incorporated by reference contain the entire agreement of the parties hereto with respect to the matters covered and the transactions contemplated hereby.

6.3 Headings. The headings and sub-headings contained in the titling of this Amendment are intended to be used for convenience only and do not constitute part of this Amendment.

6.4 Severability. If any term, provision or condition, or any part thereof, of this Amendment, shall for any reason be found or held invalid or unenforceable by any governmental agency or court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition nor any other term, provision or condition, and this Amendment and the Original Agreement shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

6.5 Incorporation; Inconsistency with Original Agreement. Except as otherwise amended or modified herein, the terms, conditions and provisions of the Original Agreement are incorporated herein by reference as if set forth in full herein and remain in full force and effect. In the event of any conflict or inconsistency between the terms of this Amendment and the Original Agreement, the terms of this Amendment shall control. Nothing in this Amendment shall, however, eliminate or modify any special condition, special affirmative covenant or special negative covenant, if any, specified in the Original Agreement.

6.6 GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(A) THE PERFORMANCE AND CONSTRUCTION OF THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF VIRGINIA.

(B) THE BORROWER HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN VIRGINIA AND OF ANY STATE COURT SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE BORROWER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTIONS THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDINGS BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(C) THE BORROWER AND RTFC EACH HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

6.7 Counterparts. This Amendment may be executed in any number of counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Amendment.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first above written.

ATN VI HOLDINGS, LLC

By: /s/ Domenic Micale
Name: Domenic Micale
Title: Assistant Treasurer

Attest: /s/ Mary Mabey
Name: Mary Mabey
Title: Secretary

RURAL TELEPHONE FINANCE COOPERATIVE

By: /s/ Ian Flanders
Assistant Secretary-Treasurer

Attest: /s/ Adam Lush
Assistant Secretary-Treasurer

Loan Number: MA802-A-9000

Exhibit 31.1

**CERTIFICATIONS PURSUANT TO
RULE 13a-14(a) OR RULE 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael T. Prior, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ATN International, 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.

ATN International, Inc.

Date: May 10, 2022

/s/ Michael T. Prior
Michael T. Prior
President and Chief Executive Officer

Exhibit 31.2

**CERTIFICATIONS PURSUANT TO
RULE 13a-14(a) OR RULE 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Justin D. Benincasa, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ATN International, 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.

ATN International, Inc.

Date: May 10, 2022

By: /s/ Justin D. Benincasa
Justin D. Benincasa
Chief Financial Officer

Exhibit 32.1

**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 ATN International, Inc. (the "Company") for the period ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael T. Prior, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 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.

ATN International, Inc.

Date: May 10, 2022

By: /s/ Michael T. Prior
Michael T. Prior
President and Chief Executive Officer

Exhibit 32.2

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 ATN International, Inc. (the "Company") for the period ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Justin D. Benincasa, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 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.

ATN International, Inc.

Date: May 10, 2022

By: /s/ Justin D. Benincasa
Justin D. Benincasa
Chief Financial Officer