

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 1934For the quarterly period ended September 30, 2025

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: 001-11001

FRONTIER

FRONTIER COMMUNICATIONS PARENT, INC.
(Exact name of registrant as specified in its charter)Delaware(State or other jurisdiction of
incorporation or organization)86-2359749

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

1919 McKinney Avenue
Dallas, Texas

(Address of principal executive offices)

75201

(Zip Code)

Registrant's telephone number, including area code: (972) 445-0042

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	FYBR	The NASDAQ Stock Market LLC

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒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 and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post 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 definition of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock as of October 24, 2025 was 250,338,000.

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (\$ in millions and shares in thousands, except for per-share amounts)

	(Unaudited) September 30, 2025	December 31, 2024
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 336	\$ 750
Accounts receivable, less allowances of \$55 and \$66, respectively	441	379
Prepaid expenses	89	67
Income taxes and other current assets	97	64
Total current assets	963	1,260
Property, plant and equipment, net	17,345	15,678
Other intangibles, net	3,023	3,264
Other assets	296	412
Total assets	<u>\$ 21,627</u>	<u>\$ 20,614</u>
<u>LIABILITIES AND EQUITY</u>		
Current liabilities:		
Long-term debt due within one year	\$ 10	\$ 10
Accounts payable and accrued liabilities	1,249	1,033
Advanced billings	201	180
Accrued other taxes	128	124
Accrued interest	187	128
Pension and other postretirement benefits	39	39
Other current liabilities	1,347	775
Total current liabilities	3,161	2,289
Deferred income taxes	560	609
Pension and other postretirement benefits	476	591
Other liabilities	723	633
Long-term debt	12,008	11,551
Total liabilities	16,928	15,673
Equity:		
Common stock, \$0.01 par value (1,750,000 authorized shares, 250,336 and 249,695 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively)	3	3
Additional paid-in capital	4,334	4,299
Retained earnings	299	562
Accumulated other comprehensive income, net of tax	63	77
Total equity	4,699	4,941
Total liabilities and equity	<u>\$ 21,627</u>	<u>\$ 20,614</u>

The accompanying Notes are an integral part of these unaudited Consolidated Financial Statements.

PART I. FINANCIAL INFORMATION (Continued)

**FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS**

(\$ in millions and shares in thousands, except for per-share amounts)
(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 1,550	\$ 1,489	\$ 4,600	\$ 4,431
Operating expenses:				
Cost of service	547	538	1,600	1,576
Selling, general, and administrative expenses	395	427	1,318	1,304
Depreciation and amortization	470	410	1,372	1,196
Restructuring costs and other charges	21	28	73	88
Total operating expenses	1,433	1,403	4,363	4,164
Operating income	117	86	237	267
Investment and other income (loss), net (See Note 12)	(9)	29	54	117
Interest expense	(198)	(203)	(595)	(601)
Loss before income taxes	(90)	(88)	(304)	(217)
Income tax benefit	(14)	(6)	(41)	(13)
Net loss	\$ (76)	\$ (82)	\$ (263)	\$ (204)
Basic net loss per share				
attributable to Frontier common shareholders	\$ (0.30)	\$ (0.33)	\$ (1.05)	\$ (0.82)
Diluted net loss per share				
attributable to Frontier common shareholders	\$ (0.30)	\$ (0.33)	\$ (1.05)	\$ (0.82)
Total weighted average shares outstanding - basic	250,320	248,986	250,111	247,866
Total weighted average shares outstanding - diluted	250,320	248,986	250,111	247,866

The accompanying Notes are an integral part of these unaudited Consolidated Financial Statements.

PART I. FINANCIAL INFORMATION (Continued)

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(\$ in millions)
(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Net loss	\$ (76)	\$ (82)	\$ (263)	\$ (204)
Other comprehensive loss, net of tax	(5)	(5)	(14)	(14)
Comprehensive loss	<u>\$ (81)</u>	<u>\$ (87)</u>	<u>\$ (277)</u>	<u>\$ (218)</u>

The accompanying Notes are an integral part of these unaudited Consolidated Financial Statements.

PART I. FINANCIAL INFORMATION (Continued)

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY

(\$ in millions and shares in thousands)
(Unaudited)

For the nine months ended September 30, 2025						
	Common Stock		Additional	Retained	Accumulated	Total
	Shares	Amount	Paid-In	Earnings	Other	Equity
			Capital		Comprehensive	
					Income	
Balance at January 1, 2025	249,695	\$ 3	\$ 4,299	\$ 562	\$ 77	\$ 4,941
Stock plans, net	531	-	5	-	-	5
Net loss	-	-	-	(64)	-	(64)
Other comprehensive	-	-	-	-	-	-
loss, net of tax	-	-	-	-	(5)	(5)
Balance at March 31, 2025	250,226	\$ 3	\$ 4,304	\$ 498	\$ 72	\$ 4,877
Stock plans, net	73	-	11	-	-	11
Net loss	-	-	-	(123)	-	(123)
Other comprehensive	-	-	-	-	-	-
loss, net of tax	-	-	-	-	(4)	(4)
Balance at June 30, 2025	250,299	\$ 3	\$ 4,315	\$ 375	\$ 68	\$ 4,761
Stock plans	37	-	19	-	-	19
Net loss	-	-	-	(76)	-	(76)
Other comprehensive	-	-	-	-	-	-
income, net of tax	-	-	-	-	(5)	(5)
Balance at September 30, 2025	250,336	\$ 3	\$ 4,334	\$ 299	\$ 63	\$ 4,699

For the nine months ended September 30, 2024						
	Common Stock		Additional	Retained	Accumulated	Total
	Shares	Amount	Paid-In	Earnings	Other	Equity
			Capital		Comprehensive	
					Income	
Balance at January 1, 2024	245,813	\$ 2	\$ 4,297	\$ 884	\$ 96	\$ 5,279
Stock plans, net	2,734	-	(16)	-	-	(16)
Net income	-	-	-	1	-	1
Other comprehensive	-	-	-	-	-	-
loss, net of tax	-	-	-	-	(5)	(5)
Balance at March 31, 2024	248,547	\$ 2	\$ 4,281	\$ 885	\$ 91	\$ 5,259
Stock plans, net	415	-	5	-	-	5
Net loss	-	-	-	(123)	-	(123)
Other comprehensive	-	-	-	-	-	-
loss, net of tax	-	-	-	-	(4)	(4)
Balance at June 30, 2024	248,962	\$ 2	\$ 4,286	\$ 762	\$ 87	\$ 5,137
Stock plans	45	-	16	-	-	16
Net loss	-	-	-	(82)	-	(82)
Other comprehensive	-	-	-	-	-	-
income, net of tax	-	-	-	-	(5)	(5)
Balance at September 30, 2024	249,007	\$ 2	\$ 4,302	\$ 680	\$ 82	\$ 5,066

The accompanying Notes are an integral part of these unaudited Consolidated Financial Statements.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(\$ in millions)
(Unaudited)

	For the nine months ended September 30,	
	2025	2024
Cash flows provided from (used by) operating activities:		
Net loss	\$ (263)	\$ (204)
Adjustments to reconcile net income to net cash provided from (used by) operating activities:		
Depreciation and amortization	1,372	1,196
Pension / OPEB special termination benefit enhancements	-	11
Stock-based compensation expense	48	54
Amortization of premium	(16)	(15)
Bad debt expense	33	30
Other adjustments	15	10
Deferred income taxes	(44)	(18)
Change in accounts receivable	(96)	(3)
Change in long-term pension and other postretirement liabilities	(134)	(156)
Change in accounts payable and other liabilities	604	392
Change in prepaid expenses, income taxes, and other assets	(19)	30
Net cash provided from operating activities	1,500	1,327
Cash flows provided from (used by) investing activities:		
Capital expenditures	(2,421)	(1,991)
Sale of short-term investments	-	1,075
Proceeds on sale of assets	4	12
Other	2	6
Net cash used by investing activities	(2,415)	(898)
Cash flows provided from (used by) financing activities:		
Long-term debt principal payments	(5)	(410)
Net proceeds from long-term debt borrowings	480	750
Payments of vendor financing	(16)	(415)
Financing costs paid	(17)	(29)
Proceeds from Notes Payable	50	-
Finance lease obligation payments	(35)	(23)
Taxes paid on behalf of employees for shares withheld	(12)	(49)
Other	(14)	(12)
Net cash provided from (used by) financing activities	431	(188)
Increase (Decrease) in cash, cash equivalents, and restricted cash	(484)	241
Cash, cash equivalents, and restricted cash at January 1,	911	1,239
Cash, cash equivalents, and restricted cash at September 30,	<u>\$ 427</u>	<u>\$ 1,480</u>
Supplemental cash flow information:		
Cash paid during the period for:		
Interest	\$ 570	\$ 565
Income tax payments (refund), net	\$ 2	\$ (8)

The accompanying Notes are an integral part of these unaudited Consolidated Financial Statements.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

(1) Summary of Significant Accounting Policies:

a) Description of Business:

Frontier Communications Parent, Inc. is a provider of communications services in the United States, with approximately 3.3 million broadband subscribers and approximately 12,700 employees, operating in 25 states as of September 30, 2025. We were incorporated in 1935, originally under the name of Citizens Utilities Company. Frontier and its subsidiaries are referred to herein as “we,” “us,” “our,” “Frontier,” or the “Company” in this report.

b) Basis of Presentation and Use of Estimates:

Our interim unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and should be read in conjunction with the consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2024. The consolidated financial statements include the accounts of Frontier Communications Parent, Inc., all consolidated subsidiaries and variable interest entities of which the Company is the primary beneficiary. All significant intercompany balances and transactions have been eliminated in consolidation. These interim unaudited consolidated financial statements include all adjustments (consisting of normal recurring accruals) considered necessary, in the opinion of Frontier’s management, to present fairly the results for the interim periods shown. Revenues, net income, and cash flows for any interim periods are not necessarily indicative of results that may be expected for the full year.

We operate in one reportable segment. Frontier provides both regulated and unregulated voice, data and video services to consumer, business, and wholesale customers and is typically the incumbent voice services provider in its service areas. Certain reclassifications of prior period balances have been made to conform to the current period presentation. For our interim financial statements as of and for the period ended September 30, 2025, we evaluated subsequent events and transactions for potential recognition or disclosure through the date that we filed this Form 10-Q with the Securities and Exchange Commission (“SEC”).

The preparation of our financial statements in conformity with GAAP requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities at the date of the financial statements, (ii) the disclosure of contingent assets and liabilities, and (iii) the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates. Estimates and judgments are used when accounting for the application of allowance for credit losses, asset impairments, indefinite-lived intangibles, depreciation and amortization, income taxes, and pension and other postretirement benefits, among others.

c) Going Concern:

In accordance with the requirements of Accounting Standards Update (“ASU”) 2014-15, “Presentation of Financial Statements Going Concern (ASU 2014-15)”, and ASC 205, “Presentation of Financial Statements”, we have the responsibility to evaluate at each reporting period, including interim periods, whether conditions and/or events raise substantial doubt about our ability to meet our future financial obligations. In its evaluation of this report, management considered our current financial condition and liquidity sources, including current funds available, forecasted future cash flows and our conditional and unconditional obligations due within one year following the date of issuance of this Quarterly Report on Form 10-Q.

We believe we have the ability to meet our obligations for at least one year from the date of issuance of this Form 10-Q. Accordingly, the accompanying consolidated financial statements have been prepared assuming that we will continue as a going concern and contemplate the realization of assets and the satisfaction of liabilities in the normal course of business.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

d) Cash Equivalents and Restricted Cash:

We consider all liquid investments with an original maturity of three months or less to be cash equivalents. Restricted cash amounts represent cash collateral required for certain Letter of Credit obligations and utility vendors and collateral for debt arrangements.

At September 30, 2025 and December 31, 2024, the Company had \$91 million and \$161 million, respectively, in restricted cash on our consolidated balance sheet. Pursuant to the terms of the Company's secured fiber network revenue term notes, and secured fiber network revenue variable funding note facility, as described in Note 9, restricted cash is held in securitization escrow accounts. As of September 30, 2025 and December 31, 2024, approximately \$84 million and \$56 million, respectively, is current restricted cash held for the purpose of paying interest and certain fees. This current restricted cash is included within the line item "Income taxes and other current assets" on our consolidated balance sheet. In addition, as of September 30, 2025 and December 31, 2024, we had approximately \$7 million and \$105 million, respectively, in noncurrent restricted cash held for the purpose of satisfying the required liquidity reserve amount and other collateral obligations. This non-current restricted cash is included within the line item "other assets" on our consolidated balance sheet.

e) Investments:

Short-term Investments

Given the long-term nature of our fiber build, we may invest cash into short-term investments to improve interest income while preserving funding flexibility.

As of September 30, 2025 and December 31, 2024, the Company had no short-term investments.

Other Investments

In connection with the closing of the securitization transaction, approximately \$63 million in the form of U.S. Treasuries was deposited in an escrow account established with a trustee, for the purpose of paying interest and principal on \$47 million principal amount in remaining debt of our subsidiary Frontier Southwest Incorporated. As of September 30, 2025 and December 31, 2024, this balance was approximately \$55 million and \$57 million, respectively, and is included in "Other assets" on our consolidated balance sheets and is restricted. See Note 9 for further details.

f) Revenue Recognition:

Revenue for data and Internet services, voice services, video services, and switched and non-switched access services is recognized as services are provided to customers. Services that are billed in advance include monthly recurring network access services (including data services), special access services, and monthly recurring voice, video, and related charges. Revenue is recognized by measuring progress toward the complete satisfaction of our performance obligations. The unearned portion of these fees is deferred as a component of "Advanced billings" on our consolidated balance sheet and recognized as revenue over the period that the services are provided. Services that are billed in arrears include non-recurring network access services (including data services), switched access services, and non-recurring voice and video services. The earned but unbilled portion of these fees is recognized as revenue in our consolidated statements of operations and accrued in "Accounts receivable" on our consolidated balance sheet in the period that services are provided. Excise taxes are recognized as a liability when billed.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

Satisfaction of Performance Obligations

We satisfy our obligations to customers by transferring goods and services in exchange for consideration received from the customer. The timing of our satisfaction of the performance obligation may differ from the timing of the customer's payment.

Bundled Service and Allocation of Discounts

When customers purchase more than one service, revenue for each is determined by allocating the total transaction price based upon the relative stand-alone selling price of each service. We frequently offer service discounts as an incentive to customers, which reduce the total transaction price. Any incentives which are considered cash equivalents (e.g. gift cards) that are granted will similarly result in a reduction of the total transaction price. Cash equivalent incentives are accounted for on a portfolio basis and are recognized in the month they are awarded to customers.

Customer Incentives

In the process of acquiring and/or retaining customers, we may issue a variety of incentives aside from service discounts or cash equivalent incentives. Those incentives that have stand-alone value (e.g. gift cards not considered cash equivalents or free goods/services) are considered separate performance obligations. While these incentives are free to the customer, a portion of the consideration received from the customer is ascribed to them based upon their relative stand-alone selling price. These types of incentives are accounted for on a portfolio basis with both revenue and expense recognized in the month they are awarded to the customer. The earned revenue associated with these incentives is reflected in "Other" revenue while the associated costs are reflected in "Cost of Services".

Upfront Fees

All non-refundable upfront fees assessed to our customers provide them with a material right to renew; therefore, they are deferred by creating a contract liability and amortized into "Data and Internet service revenue" for fees charged to our wholesale customers and "Other revenue" for fees charged to all other customers over the average customer life using a portfolio approach.

Customer Acquisition Costs

Sales commission expenses are recognized as incurred. According to ASC 606, incremental costs in obtaining a contract with a customer are deferred and recorded as a contract asset if the period of benefit is expected to be greater than one year. For our retail customers, this period of benefit has been determined to be less than one year. As such, we applied the practical expedient that allows such costs to be expensed as incurred.

Taxes, Surcharges and Subsidies

We collect various taxes, Universal Service Funds ("USF") surcharges (primarily federal USF), and certain other surcharges from our customers and subsequently remits these taxes to governmental authorities.

In June 2015, we accepted the FCC offer of support to price cap carriers under the Connect America Fund ("CAF") Phase II program, which was intended to provide long-term support for broadband build commitments in high cost unserved or underserved areas. The seven-year funding term ended on December 31, 2021. The Universal Service Administrative Company ("USAC") and the FCC are reviewing carriers' CAF II program completion data, and if USAC or the FCC determines that we did not satisfy certain applicable CAF Phase II requirements, we could be required to return a portion of the funds previously received and may be subject to certain other penalties, requirements and obligations.

In May 2022, we accepted the FCC offer under the Rural Digital Opportunity Fund ("RDOF") Phase I program, which provides funding over a ten-year period to support the construction of broadband networks in rural communities across the country. We accepted \$37 million in annual support through 2032 in return for our commitment to make broadband available to households within the RDOF eligible areas. We will recognize the FCC's RDOF Phase I subsidies into revenue on a straight-line basis over the ten-year funding

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

term which will end March 31, 2032. We are required to complete the RDOF deployment meeting certain annual milestones starting on December 31, 2025 through December 31, 2028. Thereafter, USAC and the FCC will review carriers' RDOF program completion data, and if USAC or the FCC determines that we did not satisfy applicable FCC RDOF requirements, funding provided to us can be discontinued and we could be required to return a portion of the funds previously received and may be subject to certain other penalties, requirements and obligations. Fines and penalties could also be assessed to the extent Frontier were ever to decide to surrender RDOF locations previously awarded. We accrue for any potential shortfall in the household build commitment that we deem to be probable and reasonably estimated.

- g) Property, Plant and Equipment:
Property, plant and equipment are stated at original cost, including capitalized interest. Maintenance and repairs are charged to operating expenses as incurred. The gross book value of routine property, plant and equipment retired is charged against accumulated depreciation.
- h) Definite Lived Intangible Assets:
Intangible assets are initially recorded at estimated fair value. Customer relationship intangibles were established for business and wholesale customers. These intangibles are amortized on a straight-line basis over their assigned useful lives of between 11 and 16 years. Additionally, trademark and tradename assets established upon emergence are amortized on a straight-line basis over 5 years. We review such intangible assets annually, or more often if indicators of impairment arise, to determine whether there is evidence that indicates an impairment condition may exist that would necessitate a change in useful life and a different amortization period.
- (i) Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of:
We review long-lived assets to be held and used, including customer lists and property, plant and equipment, and long-lived assets to be disposed of for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount of the asset to the future undiscounted net cash flows expected to be generated by the asset. Recoverability of assets held for sale is measured by comparing the carrying amount of the assets to their estimated fair market value. If any assets are considered to be impaired, the impairment is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value. Also, we periodically reassess the useful lives of our long-lived assets to determine whether any changes are required.
- j) Lease Accounting:
We determine if an arrangement contains a lease at inception. Right-of-use (ROU) assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating and Finance lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating and finance lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms used in accounting for leases may reflect options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term. ROU assets for operating leases are recorded to "Other Assets", and the related liabilities recorded to "Other current liabilities", and "Other liabilities" on our consolidated balance sheets. Assets subject to finance leases are included in "Property, Plant & Equipment", with corresponding liabilities recorded to "Other current liabilities", and "Other liabilities" on our consolidated balance sheets.

We assess potential impairments to our leases annually, or as indicators exist, if indicators of impairment arise to determine whether there is evidence that indicate an impairment condition may exist.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

k) Income Taxes and Deferred Income Taxes:

We file a consolidated federal income tax return. We utilize the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recorded for the tax effect of temporary differences between the financial statement basis and the tax basis of assets and liabilities using tax rates expected to be in effect when the temporary differences are expected to reverse.

We recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, tax-planning strategies, and results of recent operations. If we determine that we are not able to realize a portion of our net deferred tax assets in the future, we would make an adjustment to the deferred tax asset valuation allowance, which would increase the provision for income taxes.

The tax effect of a change in tax law or rates included in income tax expense from continuing operations includes effect of changes in deferred tax assets and liabilities initially recognized through a charge or credit to other comprehensive income. The residual tax effects typically are released when the item giving rise to the tax effect is disposed of, liquidated, or terminated.

l) Stock Plans:

The 2024 Management Incentive Plan is our only plan under which grants are currently made. Awards are outstanding under both our 2024 Management Incentive Plan and our prior 2021 Management Incentive Plan. Awards under the 2024 Management Incentive Plan may be made to employees, directors or consultants of the Company or its affiliates, as determined by the Compensation and Human Capital Committee of the Board. Awards may be made in the form of restricted stock, restricted stock units, incentive stock options, non-qualified stock options, stock appreciation rights or other stock-based awards, including awards with performance, market, and time-vesting conditions. See Note 13 for further details.

The compensation cost recognized is based on awards ultimately expected to vest. GAAP requires forfeitures to be estimated and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

(2) Merger Agreement:

On September 4, 2024, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with Verizon Communications Inc., a Delaware corporation ("Verizon"), and France Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of Verizon ("Merger Sub"), pursuant to which, subject to the satisfaction or waiver (to the extent permitted by law) of specified conditions, Merger Sub will be merged with and into the Company (the "Merger"), with the Company surviving the Merger as a wholly owned subsidiary of Verizon.

Subject to the terms and conditions of the Merger Agreement, which was unanimously approved by the Board, at the effective time of the Merger (the "Effective Time"), each share of common stock, par value \$0.01 per share, of the Company issued and outstanding as of immediately prior to the Effective Time (subject to certain exceptions set forth in the Merger Agreement) shall be converted into the right to receive \$38.50 in cash, without interest (the "Merger Consideration").

At the Effective Time, other than as set forth below, each outstanding RSU and PSU will vest and be canceled and the holder thereof will be entitled to receive an amount in cash equal to the number of shares of Company Common Stock underlying such award (in the case of PSUs, based on attainment of all applicable performance goals at the greater of target and actual level of performance measured at the Effective Time) multiplied by the Merger Consideration. At the Effective Time, a portion of the outstanding RSUs and PSUs granted following the date of the Merger Agreement (determined by proration of any such grant based on the time remaining

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between the Effective Time and the end of the relevant vesting period) shall be automatically converted into a number of unvested restricted stock units of Verizon ("Verizon RSUs") equal to the number of such RSUs and PSUs multiplied by an exchange ratio equal to the Merger Consideration divided by the five day volume weighted average price of Verizon common stock ending with the second complete trading day immediately prior to the closing date. Such conversion of PSUs shall be based on attainment of all applicable performance goals at the greater of target and actual level of performance measured at the Effective Time. The Verizon RSUs shall be subject to the same terms and conditions as applied to the RSUs and PSUs of the Company (including time-based vesting conditions but excluding performance-based vesting conditions) prior to the Effective Time.

The consummation of the Merger is subject to certain closing conditions, including, among other things: (i) the approval of the holders of a majority of the voting power represented by the outstanding shares of Company Common Stock entitled to vote thereon (the "Company Stockholder Approval"); (ii) the expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; (iii) the receipt of certain required consents or approvals from the FCC and certain specified state regulatory authorities; (iv) the absence of legal restraints prohibiting the Merger; and (v) other customary conditions specified in the Merger Agreement. The transaction is not subject to a financing condition. The Company Stockholder approval was obtained on November 13, 2024, and the applicable HSR waiting period expired on February 14, 2025. The FCC approved the transaction on May 16, 2025. Subject to such remaining conditions, the Company expects to consummate the merger by the first quarter of 2026.

The Merger Agreement contains certain termination rights for the Company and Verizon, including, among others, the right of either party to terminate the Merger Agreement if the Merger is not consummated by March 4, 2026 (subject to two automatic three-month extensions if certain closing conditions have not been satisfied).

Upon termination of the Merger Agreement under specified circumstances, the Company will be required to pay Verizon a termination fee equal to \$320 million. Additionally, upon termination of the Merger Agreement under specified circumstances relating to the failure to obtain certain specified antitrust or other regulatory approvals, Verizon will be required to pay the Company a termination fee equal to \$590 million.

The Company has incurred and will incur certain costs relating to the proposed Merger, such as financial advisory, legal, accounting and other professional services fees.

(3) Recent Accounting Pronouncements:

Financial Accounting Standards Not Yet Adopted

ASU No. 2025-06 – Goodwill and Other – Internal Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal Use Software. This update eliminates the prior project-state model for internal-use software and introduces a principles-based capitalization threshold based on management authorization, commitment of funding, and probability of completion. The amendments also require entities to expense costs when "significant development uncertainty" exists and supersede the separate guidance on website development costs. The standard is effective for annual reporting periods beginning after December 15, 2027, and for interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements and related disclosures.

ASU No. 2025-05 – Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. This update introduces a practical expedient that allows entities to estimate expected credit losses for current trade receivables and current contract assets by assuming that current conditions at the balances sheet date will remain unchanged over the asset's remaining life. Public business entities that elect this expedient are required to disclose that election. The amendments are effective for fiscal years beginning after December 15, 2025, including interim periods within those fiscal years, with

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early adoption permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements and related disclosures.

ASU No. 2024-03 – Income Statement – Reporting Comprehensive Income (Topic 220): Expense Disaggregation Disclosures. This update requires public business entities to provide detailed disclosures in the notes to financial statements, disaggregating specific expense categories within relevant income statement captions. The required categories include purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion. The standard is effective for annual reporting periods beginning after December 15, 2026, and for interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements and related disclosures.

ASU No. 2023-09 – Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments in this Update require that public business entities on an annual basis (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income [or loss] by the applicable statutory income tax rate). For public business entities, the amendments in this Update are effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact of this standard on its related disclosure.

(4) Revenue Recognition:

We categorize our products, services, and other revenues into the following categories:

Data and Internet services include broadband services for consumer and business customers. We provide data transmission services to high volume business customers and other carriers with dedicated high-capacity circuits (“nonswitched access”) including services to wireless providers (“wireless backhaul”);

Voice services include traditional local and long-distance wireline services, Voice over Internet Protocol (VoIP) services, as well as a number of unified messaging services offered to our consumer and business customers. Voice services also include the long-distance voice origination and termination services that we provide to our business customers and other carriers;

Video services include revenues generated from traditional television (TV) services provided directly to consumer customers as well as satellite TV services provided through various satellite providers, and through partnerships with over-the-top (OTT) video providers. Video services also includes pay-per-view revenues, video on demand, equipment rentals, and video advertising. We have made the strategic decision to limit sales of new traditional TV services, focusing on our broadband products and OTT video options;

Other customer revenue includes switched access revenue, rents collected for collocation services, and other services and fees. Switched access revenue includes revenues derived from allowing other carriers to use our network to originate and/or terminate their local and long-distance voice traffic. These services are primarily billed on a minutes-of-use basis applying tariffed rates filed with the FCC or state agencies; and

Subsidy and other regulatory revenue include revenues generated from cost subsidies from state and federal authorities, including RDOF.

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The following tables provide a summary of revenues, by category.

(\$ in millions)	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Data and Internet services	\$ 1,120	\$ 1,004	\$ 3,254	\$ 2,934
Voice services	272	301	844	934
Video services	63	83	205	265
Other	78	83	247	250
Revenue from contracts with customers ⁽¹⁾	1,533	1,471	4,550	4,383
Subsidy and other revenue	17	18	50	48
Total revenue	<u>\$ 1,550</u>	<u>\$ 1,489</u>	<u>\$ 4,600</u>	<u>\$ 4,431</u>

(\$ in millions)	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Consumer	\$ 826	\$ 789	\$ 2,464	\$ 2,365
Business and wholesale	707	682	2,086	2,018
Revenue from contracts with customers ⁽¹⁾	1,533	1,471	4,550	4,383
Subsidy and other revenue	17	18	50	48
Total revenue	<u>\$ 1,550</u>	<u>\$ 1,489</u>	<u>\$ 4,600</u>	<u>\$ 4,431</u>

⁽¹⁾ Includes lease revenue of \$12 million and \$38 million for the three and nine months ended September 30, 2025 and \$13 million and \$40 million for the three and nine months ended September 30, 2024, respectively.

The following is a summary of the changes in the contract liabilities:

(\$ in millions)	Contract Liabilities	
	Current	Noncurrent
Balance at December 31, 2024	\$ 34	\$ 14
Revenue recognized included in opening contract balance	(31)	(14)
Credits granted, excluding amounts recognized as revenue	40	10
Reclassified between current and noncurrent	(3)	3
Balance at September 30, 2025	<u>\$ 40</u>	<u>\$ 13</u>

(\$ in millions)	Contract Liabilities	
	Current	Noncurrent
Balance at December 31, 2023	\$ 33	\$ 16
Revenue recognized included in opening contract balance	(26)	(14)
Credits granted, excluding amounts recognized as revenue	26	12
Reclassified between current and noncurrent	-	-
Balance at September 30, 2024	<u>\$ 33</u>	<u>\$ 14</u>

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The unsatisfied obligations for retail customers consist of amounts in advance billings, which are expected to be earned within the following monthly billing cycle. Unsatisfied obligations for wholesale customers are based on a point-in-time calculation and determined by the number of circuits provided and the contractual price. These wholesale customer obligations change from period to period based on new circuits added as well as circuits that are terminated.

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period:

<i>(\$ in millions)</i>	Revenue from contracts with customers
2025 (remaining three months)	\$ 450
2026	94
2027	109
2028	142
2029	54
Thereafter	93
Total	<u>\$ 942</u>

(5) Accounts Receivable:

The components of accounts receivable, net at September 30, 2025 and December 31, 2024 are as follows:

<i>(\$ in millions)</i>	September 30, 2025	December 31, 2024
Retail and Wholesale	\$ 450	\$ 388
Other	46	57
Less: Allowance for doubtful accounts	(55)	(66)
Accounts receivable, net	<u>\$ 441</u>	<u>\$ 379</u>

We maintain an allowance for credit losses based on the estimated ability to collect accounts receivable. The allowance for credit losses is increased by recording an expense for the provision for bad debts for retail customers, and through decreases to revenue at the time of billing for wholesale customers. The allowance is decreased when customer accounts are written off, or when customers are given credits.

The provision for bad debts was \$33 million and \$30 million for the nine months ended September 30, 2025 and 2024, respectively.

Approximately \$972 million and \$440 million of credits related to customers are included in other current liabilities on our consolidated balance sheets as of September 30, 2025, and December 31, 2024, respectively.

In accordance with ASC 326, we performed calculations to estimate expected credit losses, utilizing rates that are consistent with our write-offs (net of recoveries) because such events affect the entity's loss given default experience.

Activity in the allowance for credit losses for the nine months ended September 30, 2025 was as follows:

<i>(\$ in millions)</i>	
Balance at December 31, 2024	\$ 66
Provision for bad debt	33
Amounts charged to revenue	(3)
Write offs charged against the allowance	(41)
Balance at September 30, 2025	<u>\$ 55</u>

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(6) Property, Plant and Equipment:

Property, plant and equipment, net at September 30, 2025 and December 31, 2024 are as follows:

<i>(\$ in millions)</i>	September 30, 2025	December 31, 2024
Property, plant and equipment	\$ 22,091	\$ 19,318
Less: Accumulated depreciation	(4,746)	(3,640)
Property, plant and equipment, net	<u>\$ 17,345</u>	<u>\$ 15,678</u>

As of September 30, 2025, our materials and supplies were \$324 million, as compared to \$431 million as of December 31, 2024. Components of this include fiber, network electronics, and customer premises equipment.

Frontier has negotiated payment terms with certain of our vendors, (referred to as vendor financing), which are excluded from capital expenditures and reported as financing activities on the statement of cash flows. During the nine months ended September 30, 2025, our capital expenditures were \$2,421 million. During the nine months ended September 30, 2025, our vendor financing payments were \$16 million. As of September 30, 2025, there was \$809 million, \$13 million, and \$55 million in "Accounts payable and accrued liabilities", "Other current liabilities" and "Other liabilities", respectively, for payables associated with capital expenditures. As of September 30, 2025 the company had no outstanding vendor financing payables associated with capital expenditures. For the nine months ended September 30, 2025, we had capitalized interest of \$49 million.

Depreciation expense is principally based on the composite group method. Depreciation expense was as follows:

<i>(\$ in millions)</i>	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Depreciation expense	\$ 390	\$ 330	\$ 1,131	\$ 955

(7) Intangibles:

We consider whether the carrying values of finite-lived intangible assets and property plant and equipment may not be recoverable or whether the carrying value of certain indefinite-lived intangible assets were impaired. No impairment was present for either intangibles or property plant and equipment as of September 30, 2025, and 2024.

The balances of these assets as of September 30, 2025 and December 31, 2024 are as follows:

<i>(\$ in millions)</i>	September 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangibles:						
Customer Relationships - Business	\$ 800	\$ (321)	\$ 479	\$ 800	\$ (267)	\$ 533
Customer Relationships - Wholesale	3,491	(964)	2,527	3,491	(800)	2,691
Trademarks & Tradenames	150	(133)	17	150	(110)	40
Total other intangibles	<u>\$ 4,441</u>	<u>\$ (1,418)</u>	<u>\$ 3,023</u>	<u>\$ 4,441</u>	<u>\$ (1,177)</u>	<u>\$ 3,264</u>

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Amortization expense was as follows:

(\$ in millions)	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Amortization expense	\$ 80	\$ 80	\$ 241	\$ 241

We amortize our intangible assets on a straight-line basis, over the assigned useful lives of 16 years for our wholesale customer relationships, 11 years for our business customer relationships, and five years for our trademarks and tradenames.

(8) Fair Value of Financial Instruments:

The following table summarizes the carrying amounts and estimated fair values for total long-term debt at September 30, 2025 and December 31, 2024. For the other financial instruments including cash, short-term investments, accounts receivable, accounts payable and other current liabilities, the carrying amounts approximate fair value due to the relatively short maturities of those instruments.

The fair value of our total long-term debt is estimated based upon quoted market prices at the reporting date for those financial instruments.

(\$ in millions)	September 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Total debt	\$ 12,044	\$ 12,264	\$ 11,569	\$ 11,749

(9) Long-Term Debt:

The activity in long-term debt is summarized as follows:

(\$ in millions)	January 1, 2025	For the nine months ended September 30, 2025		September 30, 2025
		Principal Payments and Retirements	New Borrowings	
Secured debt issued by Frontier	\$ 8,436	\$ (5)	\$ -	\$ 8,431
Secured debt issued by subsidiaries	2,383	-	480	2,863
Unsecured debt issued by subsidiaries	750	-	-	750
Principal outstanding	<u>\$ 11,569</u>	<u>\$ (5)</u>	<u>\$ 480</u>	<u>\$ 12,044</u>
Less: Debt issuance costs	(89)			(91)
Less: Current portion	(10)			(10)
Less: Debt premium / (discount)	(44)			(36)
Plus: Unamortized fair value adjustments ⁽¹⁾	125			101
Total Long-term debt	<u>\$ 11,551</u>			<u>\$ 12,008</u>

(1) Upon emergence, we adjusted the carrying value of our debt to fair value. The adjustment consisted of the elimination of the existing unamortized debt issuance costs and unamortized discounts and recording a balance of \$236 million as a fair value adjustment. The fair value accounting adjustment is being amortized into interest expense using the effective interest method.

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Additional information regarding our senior unsecured debt, senior secured debt, and subsidiary debt at September 30, 2025 and December 31, 2024 is as follows:

	September 30, 2025		December 31, 2024	
	Principal Outstanding	Interest Rate	Principal Outstanding	Interest Rate
<i>(\$ in millions)</i>				
Secured debt issued by Frontier				
Term loan due 7/1/2031	\$ 1,018	6.650% (Variable)	\$ 1,023	8.763% (Variable)
First lien notes due 10/15/2027	1,150	5.875%	1,150	5.875%
First lien notes due 5/1/2028	1,550	5.000%	1,550	5.000%
First lien notes due 5/15/2030	1,200	8.750%	1,200	8.750%
First lien notes due 3/15/2031	750	8.625%	750	8.625%
Second lien notes due 5/1/2029	1,000	6.750%	1,000	6.750%
Second lien notes due 11/1/2029	750	5.875%	750	5.875%
Second lien notes due 1/15/2030	1,000	6.000%	1,000	6.000%
IDRB due 5/1/2030	13	6.200%	13	6.200%
Total secured debt issued by Frontier	8,431		8,436	
Secured debt issued by subsidiaries				
Debentures due 11/15/2031 ⁽²⁾	47	8.500%	47	8.500%
Series 2023-1 revenue term notes Class A-2 due 7/20/2028	1,119	6.600%	1,119	6.600%
Series 2023-1 revenue term notes Class B due 7/20/2028	155	8.300%	155	8.300%
Series 2023-1 revenue term notes Class C due 7/20/2028	312	11.500%	312	11.500%
Series 2024-1 revenue term notes Class A-2 due 5/20/2031	530	6.190%	530	6.190%
Series 2024-1 revenue term notes Class B due 5/30/2031	73	7.020%	73	7.020%
Series 2024-1 revenue term notes Class C due 5/20/2031	147	11.160%	147	11.160%
DDTL Facility due 12/31/2029 ⁽³⁾	480	5.908% (Variable)	-	-
Total secured debt issued by subsidiaries	2,863		2,383	
Unsecured debt issued by subsidiaries				
Debentures due 5/15/2027	200	6.750%	200	6.750%
Debentures due 2/1/2028	300	6.860%	300	6.860%
Debentures due 2/15/2028	200	6.730%	200	6.730%
Debentures due 10/15/2029	50	8.400%	50	8.400%
Total unsecured debt issued by subsidiaries	750		750	
Principal outstanding	\$ 12,044	6.774% ⁽¹⁾	\$ 11,569	6.996% ⁽¹⁾

(1) Interest rate represents a weighted average of the stated interest rates of multiple issuances. The anticipated repayment date of July 2028 is used for the Series 2023-1 Revenue Term Notes, classes A-2, B, and C when calculating the weighted average, and the anticipated repayment date of May 2031 is used for the Series 2024-1 Revenue Term Notes, classes A-2, B, and C when calculating the weighted average.

(2) \$47 million principal amount in remaining debt of our subsidiary Frontier Southwest Incorporated which was defeased in connection with the closing of the August 2023 securitization transaction.

(3) On October 15, 2025, the Company drew an incremental \$150 million under its DDTL facility.

Summaries of our various credit and debt agreements, including our credit agreements and the indentures for our senior secured first lien and senior secured second lien notes, and the indenture for the secured fiber network revenue term notes are contained in our Annual Report on Form 10-K including agreements filed as exhibits thereto.

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Credit Facilities and Term Loans

Revolving Facility

On May 22, 2024, Frontier Communications Holdings, LLC, a subsidiary of Frontier ("Frontier Holdings"), entered into an amendment (the "2024 Credit Agreement Amendment") to its existing credit agreement that governs its Revolving Facility which, among other things, (i) increased the aggregate amount of certain additional obligations permitted to be outstanding, including first lien debt, and securitization and receivables facilities, and non-loan party debt, from \$2,500 million to \$5,500 million; provided that at least 40% of the net available cash from the first \$1,915 million in securitization and receivables facilities received after May 22, 2024 (excluding net available cash received from drawings with respect to \$500 million of commitments of variable funding notes) is applied to prepay Frontier Holdings' existing term loans and other applicable indebtedness, and 100% of the net available cash from securitization and receivables facilities in excess thereof (up to the cap of \$5,500 million) shall be applied to prepay Frontier Holdings' existing term loans and other applicable indebtedness; (ii) limited future securitizations and receivables facilities to assets located in Texas and/or Florida; and (iii) amended the financial maintenance covenant for the benefit of the Revolving Facility by, commencing with the period ending June 30, 2024, (a) including outstanding securitization and receivables facilities in the calculation of indebtedness and (b) increasing the maximum financial maintenance covenant leverage ratio thereunder to 5.25:1.00, with a step-down to 4.75:1.00 commencing with the period ending March 31, 2027, and continuing thereafter. The 2024 Credit Agreement Amendment became effective on July 1, 2024, when \$402 million of net available cash from the securitization closing on such date was applied to prepay existing term loans.

On July 30, 2024, Frontier Holdings entered into a further amendment to its existing credit agreement that governs its Revolving Facility, pursuant to which \$50 million of revolving credit commitments of a terminating lender were replaced by \$75 million of commitments from a new lender, increasing overall capacity from \$900 million to \$925 million. The maturity date of the Revolving Facility will be the earliest of (a) April 30, 2028, (b) 91 days prior to the maturity of the term loan facility, (c) unless such notes have been repaid and/or redeemed in full, the date that is 91 days prior to the stated maturity date of our 5.875% First Lien Notes due 2027, and (d) unless such notes have been repaid and/or redeemed in full, the date that is 91 days prior to the stated maturity date of our 5.000% First Lien Notes due 2028.

On March 18, 2025, Frontier Holdings entered into a further amendment to its existing credit agreement that governs its Revolving Facility which, among other things, (x) (i) lowers the margin over adjusted Term SOFR with respect to the Revolving Facility from 3.50% to 2.50% and (ii) lowers the margin over the alternative base rate with respect to the Revolving Facility from 2.50% to 1.50%, (y) revises the prepayment requirement with respect to the Term Facility to replace the \$500 million prepayment exception for the funding of variable funding notes with a \$500 million prepayment exception for funding pursuant to a qualified securitization facility and (z) provides for an additional prepayment exception with respect to the Term Facility for up to \$135 million, subject to certain requirements and limitations.

Subject to customary exceptions and thresholds, the security package under the Revolving Facility includes pledges of the equity interests in certain of our subsidiaries, which is currently limited to certain specified pledged entities and substantially all personal property of Frontier Video, which same assets also secure our First Lien Notes. The Revolving Facility is guaranteed by the same subsidiaries that guarantee the First Lien Notes. After giving effect to approximately \$210 million of letters of credit outstanding, we had \$715 million of available borrowing capacity under the Revolving Facility as of September 30, 2025.

The Revolving Facility includes customary negative covenants for loan agreements of this type, including covenants limiting Frontier and our restricted subsidiaries' (other than certain covenants therein which are limited to subsidiary guarantors) ability to, among other things, incur additional indebtedness, create liens on assets, make investments, loans or advances, engage in mergers, consolidations, sales of assets and acquisitions, pay dividends and distributions and make payments in respect of certain material payment subordinated indebtedness, in each case subject to customary exceptions for loan agreements of this type.

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The Revolving Facility also includes certain customary representations and warranties, affirmative covenants, and events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, certain events under ERISA, change of control or damage to a material portion of the collateral.

Term Loan Facility

On January 14, 2025, Frontier Holdings entered into an amendment to its existing Term Loan Facility, which, among other things, (x) further lowered the margin over adjusted Term SOFR with respect to the Term Loan from 3.50% to 2.50% and (y) further lowered the margin over the alternative base rate with respect to the Term loan from 2.50% to 1.50%. On July 1, 2024, Frontier Holdings entered into an amendment to the Term Loan Facility which, among other things, extended the maturity date of \$1.025 billion of the Term Loan to July 1, 2031 and eliminated the credit spread adjustment previously applicable to the Term Loan.

On March 18, 2025, Frontier Holdings entered into a further amendment to its existing credit agreement as described under “Revolving Facility” above.

Subject to certain exceptions and thresholds, the security package under the Term Loan Facility includes pledges of the equity interests in certain of our subsidiaries, which as of the issue date is limited to certain specified pledged entities and substantially all personal property of Frontier Video Services Inc., a Delaware corporation (“Frontier Video”), which same assets also secure the First Lien Notes (as defined below). The Term Loan Facility is guaranteed by the same subsidiaries that guarantee the First Lien Notes.

The Term Loan Facility includes customary negative covenants for loan agreements of this type, including covenants limiting Frontier and our restricted subsidiaries’ (other than certain covenants therein which are limited to subsidiary guarantors) ability to, among other things, incur additional indebtedness, create liens on assets, make investments, loans or advances, engage in mergers, consolidations, sales of assets and acquisitions, pay dividends and distributions and make payments in respect of certain material payment subordinated indebtedness, in each case subject to customary exceptions for loan agreements of this type.

The Term Loan Facility also includes certain customary representations and warranties, affirmative covenants and events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, certain events under ERISA, upon the conversion date, unstayed judgments in favor of a third-party involving an aggregate liability in excess of a certain threshold, change of control, upon the conversion date, specified governmental actions having a material adverse effect or condemnation or damage to a material portion of the collateral.

Warehouse Facilities

On December 31, 2024 (the “Warehouse Effective Date”), Frontier Tampa Bay FL Fiber 1 LLC (the “Warehouse Borrower”) and Frontier SPE FL Guarantor LLC, as guarantor (the “Warehouse Guarantor”), each a subsidiary of Frontier, entered into a credit agreement (the “Warehouse Credit Agreement”) with certain lenders that establishes and governs certain credit facilities (the “Warehouse Facilities”). The Warehouse Facilities include:

- A delayed draw term loan facility (the “DDTL Facility”) of \$1.5 billion, less commitments reserved for letters of credit (the “Maximum DDTL Amount”) and borrowed amounts. The DDTL Facility is available from the Warehouse Effective Date until the earlier of the full draw of the Maximum DDTL Amount or the third anniversary of the Warehouse Effective Date (such earlier date, the “DDTL Commitment Expiration Date”). To draw amounts under the DDTL Facility, the Warehouse Borrower must comply with a total leverage ratio of no more than 6.75:1.00 and a debt service coverage ratio of at least 2.00:1.00. Additionally, no defaults or other specified conditions may be continuing, and all conditions precedent for each extension of credit must be satisfied. The Warehouse Borrower must repay all outstanding amounts under the DDTL Facility due on the fifth anniversary of the Warehouse Effective Date. The

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interest rate for the DDTL Facility is either, at the sole discretion of the Warehouse Borrower, for Base Rate Loans, (a) the highest of (i) the "U.S. Prime Lending Rate" published by the Wall Street Journal, (ii) the Federal Funds Effective Rate (as agreed to in good faith by the parties to the Warehouse Credit Agreement) plus 0.50%, and (iii) one-month Term SOFR plus 1.00% per annum, plus (b) 0.75%, with step-ups from and after the third anniversary, or, for SOFR Loans, Term SOFR plus 1.75%, with step-ups from and after the third anniversary. Optional prepayments are allowed without fees or penalties, subject to notice requirements. A portion of the DDTL Facility, up to \$200 million, is reserved as a letter of credit sublimit.

- An incremental term loan facility (the "Incremental Term Loan") under which the Warehouse Borrower has the right to increase the commitments under the DDTL Facility by up to \$750 million after the DDTL Commitment Expiration Date. No lender is required to increase its commitment. The Warehouse Borrower must comply with all representations and warranties, and the terms of any Incremental Term Loan must be identical to those of the DDTL Facilities, including maturity, priority of liens, prepayment terms, and pricing.

In the event of default, an additional 2.00% per annum will be applied to overdue amounts. Fees include commitment fees on undrawn portions, letter of credit fees, and fronting fees. The Warehouse Facilities are secured by first-priority pledges of equity interests and security interests in substantially all owned tangible and intangible assets of the Warehouse Borrower and its guarantors, which consist of the Warehouse Borrower's fiber network assets and associated customer contracts in certain neighborhoods in the Tampa, Florida area.

Fiber Network Revenue Term Notes

On July 1, 2024, Frontier Issuer LLC ("Frontier Issuer"), a limited-purpose, bankruptcy remote, subsidiary of Frontier completed the issuance of \$750 million aggregate principal amount of secured fiber network revenue term notes consisting of \$530 million 6.19% Series 2024-1, Class A-2 term notes, \$73 million 7.02% Series 2024-1, Class B term notes and \$147 million 11.16% Series 2024-1, Class C term notes, each with an anticipated repayment term of seven years (collectively, the "Notes"). Collectively, the Notes have a weighted average yield of approximately 7.4%. The Notes are secured by certain of Frontier's fiber assets and associated customer contracts in the North Texas area, in addition to those in the Dallas Metropolitan area contributed in the Series 2023-1 Notes offering. The assets of Frontier Issuer, AssetCo and the other securitization entities are available to satisfy only the obligations owed under the Fiber Term Notes and are not available to any other creditors of the Company or its affiliates. The Fiber Term Notes were issued pursuant to an indenture, dated as of August 8, 2023 (the "Base Indenture"), as supplemented by the Series 2023-1 Supplement thereto, dated as of August 8, 2023 (the "Series 2023-1 Supplement"), in each case entered into by and among the Issuer, Frontier Dallas TX Fiber 1 LLC ("AssetCo") and Citibank, N.A. as the indenture trustee (the "Trustee").

<u>Security</u>	<u>Issue Date</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u> ⁽¹⁾	<u>Anticipated Repayment Date</u>	<u>Final Maturity Date</u>
Series 2023-1, Class A-2 term notes	August 8, 2023	\$ 1,119,000,000	6.60%	July 20, 2028	August 20, 2053
Series 2023-1, Class B term notes	August 8, 2023	\$ 155,000,000	8.30%	July 20, 2028	August 20, 2053
Series 2023-1, Class C term notes	August 8, 2023	\$ 312,000,000	11.50%	July 20, 2028	August 20, 2053
Series 2024-1, Class A-2 term notes	July 1, 2024	\$ 530,000,000	6.19%	May 20, 2031	June 20, 2054
Series 2024-1, Class B term notes	July 1, 2024	\$ 73,000,000	7.02%	May 20, 2031	June 20, 2054
Series 2024-1, Class C term notes	July 1, 2024	\$ 147,000,000	11.16%	May 20, 2031	June 20, 2054

- (1) If Frontier Issuer has not repaid or refinanced any Class of Notes of a Series of Fiber Term Notes prior to the Anticipated Repayment Date, additional interest will accrue thereon in an amount equal to the greater of (i) 5.00% per annum and (ii) the excess amount, if any, by which the sum of the following exceeds the interest rate for such note: (A) the yield to maturity (adjusted to a "mortgage-equivalent basis" pursuant to the standards and practices of the Securities Industry and Financial Markets Association) on the ARD for such note of the United States Treasury Security having a remaining term closest to 10 years plus (B) 5.00% plus (C) the post-ARD note spread applicable to such Note.

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While the Fiber Term Notes are outstanding, scheduled payments of interest are required to be made on the Notes on a monthly basis. From and after the ARD, principal payments will also be required to be made on the Notes on a monthly basis. No principal payments will be due on the Fiber Term Notes prior to the ARD, unless certain rapid amortization or acceleration triggers are activated.

Secured Fiber Network Revenue Variable Funding Notes

On July 1, 2024, Frontier amended its Secured Fiber Network Revenue Variable Funding Notes, Series 2023-2, Class A-1, facility to reduce the available Variable Funding Notes commitment amount to \$0, with the ability to increase the commitment amount up to \$500 million in the future upon the satisfaction of certain conditions, and to extend the maturity date to June 2028.

In connection with entering into the DDTL Facility, the Company permanently reduced the Series 2023-2 Class A-1 Notes Maximum Principal Amount to \$0, correspondingly reduced the Variable Funding Notes commitment amount to \$0 and terminated the Series 2023-2 Class A-1 Note Purchase Agreement, in each case effective as of December 31, 2024.

(10) Convertible Promissory Note:

On August 27, 2025, the Company, Frontier Holdings and Verizon Communications Inc. (the “Holder”) entered into a Convertible Unsecured Promissory Note (the “Convertible Note”) pursuant to which Verizon has agreed to extend a maximum initial principal amount of credit of up to \$200 million to Frontier Holdings, with \$50 million drawn at issuance. Borrowings under the Convertible Note bear interest at the arms-length variable rate of Daily Simple SOFR plus 0.87% per annum, payable quarterly in cash or in kind at Frontier Holdings’ option, and may be repaid in cash by Frontier Holdings in full or in part at any time prior to the termination of the Merger Agreement. The Convertible Note constitutes unsecured senior indebtedness of Frontier Holdings, and ranks equal in right of payment with all of its outstanding and future senior indebtedness and senior in right of payment to all of its subordinated obligations.

Frontier Holdings may, at its option, draw the undrawn principal amount under the Convertible Note in two tranches during designated periods in the first quarter of 2026 and, in the case of the final tranche, subject to Holder’s prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Holder’s obligation to fund the Second Tranche and the Third Tranche (each as defined in the Convertible Note) is subject to certain customary conditions, including customary representations and warranties and the absence of limited events of default.

Unless previously repaid or converted, the Convertible Note and all interest accrued thereon will be due and payable in full on August 27, 2028. Upon termination of the Merger Agreement, any outstanding borrowings under the Convertible Note, and any accrued but unpaid interest thereon, will automatically, subject to limited exceptions, convert into shares of Frontier common stock at a conversion price of \$38.50 per share. Pursuant to the terms of the Convertible Note, after conversion of the Convertible Note, the Company will file a registration statement covering the resale any shares issued to Verizon upon such conversion.

As of September 30, 2025, \$50 million was drawn under the Convertible Note, bearing interest at 5.05% per annum, and is included within the line item “other current liabilities” on our consolidated balance sheet.

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(11) Restructuring and Other Charges:

Restructuring and other charges consist of severance and employee costs related to workforce reductions and costs associated with the Verizon merger and other restructuring activities.

During the nine-month period ended September 30, 2025, we incurred \$73 million in restructuring charges and other costs consisting of a minimal charge in pension/OPEB special termination benefit enhancements related to a voluntary separation program, \$34 million of severance and employee costs resulting from workforce reductions, and \$39 million primarily related to consulting and legal costs due to the Verizon merger and other restructuring activities.

During the nine-month period ended September 30, 2024, we incurred \$88 million in restructuring charges and other costs consisting of \$11 million in pension/OPEB special termination benefit enhancements related to a voluntary separation program, \$25 million of severance and employee costs resulting from workforce reductions, and \$52 million of costs related to other restructuring activities.

The following is a summary of the changes in the liabilities established for restructuring and related programs:

(\$ in millions)

Balance at January 1, 2025	\$	9
Severance expense		34
Other costs		39
Cash payments during the period		(80)
Balance at September 30, 2025	\$	<u>2</u>

(12) Investment and Other Income (loss), Net:

The components of investment and other income, net are as follows:

<i>(\$ in millions)</i>	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Interest and dividend income	\$ 4	\$ 20	\$ 20	\$ 58
Pension benefit	7	9	19	30
OPEB costs	(1)	(1)	(3)	(3)
OPEB remeasurement gain (loss)	-	(21)	(8)	6
Pension remeasurement gain	-	23	44	25
Pension building sale (loss)	(19)	-	(19)	-
All other, net	-	(1)	1	1
Total investment and other income (loss), net	<u>\$ (9)</u>	<u>\$ 29</u>	<u>\$ 54</u>	<u>\$ 117</u>

Investment and other income, net decreased by \$38 million for the three months ended September 30, 2025, compared to the three months ended September 30, 2024. This decrease was primarily attributable to a loss on building sales of \$19 million, a \$16 million reduction in interest and dividend income, and a \$2 million reduction in pension benefit during the three months ended September 30, 2025.

Investment and other income, net decreased by \$63 million for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024. This decrease was primarily attributable to a \$38 million decrease in interest and dividend income, which reflected lower average cash and short-term investment balances

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during the current quarter; a \$14 million decrease in post-retirement remeasurement loss; a \$19 million loss on building sales; and an \$11 million decrease in pension benefits; partially offset by a \$19 million increase in pension remeasurement gain during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024.

Pension and OPEB benefit (cost) consists of interest costs, expected return on plan assets, amortization of prior service (costs) and recognition of actuarial (gain) loss. Service cost components of pension and OPEB benefit costs are included in "Selling, general, and administrative expenses" on our consolidated statements of operations.

(13) Stock Plans:

Frontier Communications Parent, Inc. has one active long-term incentive plan, under which grants are made: the 2024 Management Incentive Plan (the "2024 Incentive Plan"). Awards are outstanding under both our 2024 Management Incentive Plan and our prior 2021 Management Incentive Plan. The 2024 Incentive Plan was approved by shareholders at the Annual Meeting on May 15, 2024, with 8,765,000 shares available for awards. Available shares under the 2021 Management Incentive Plan of 1,151,334 were rolled into the new 2024 Incentive Plan for a total of 9,916,334 shares reserved for issuance. The 2024 Incentive Plan permits stock-based awards to be made to employees, directors, or consultants of the Company or its affiliates, as determined by the Compensation and Human Capital Committee of the Board. Equity awards have been issued in the form of time-based restricted stock units (RSUs) and performance-based stock units (PSUs). As of September 30, 2025, there were 8,431,504 shares available to grant.

Restricted Stock Units

The following summary presents information regarding unvested restricted stock units under our plans:

	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value (per share)	Aggregate Fair Value (in millions)
Balance at January 1, 2025	2,058	\$ 24.45	\$ 71
Restricted stock units granted	859	\$ 35.88	\$ 32
Restricted stock units vested	(778)	\$ 24.91	\$ (29)
Restricted stock units forfeited	(98)	\$ 27.03	
Balance at September 30, 2025	2,041	\$ 28.97	\$ 76

For purposes of determining compensation expense, the fair value of each restricted stock grant is estimated based on the closing price of our common stock on the date of grant. The non-vested restricted stock units granted in 2023, 2024 and 2025 generally vest, and are expensed, on a ratable basis over three years from the grant date of the award. Total remaining unrecognized compensation cost associated with unvested restricted stock awards that is deferred at September 30, 2025 was \$46 million and the weighted average vesting period over which this cost is expected to be recognized is approximately 2 years.

None of the restricted stock awards may be sold, assigned, pledged, or otherwise transferred, voluntarily or involuntarily, by the employees until the restrictions lapse, subject to limited exceptions. The restrictions are time-based. Compensation expense, recognized in "Selling, general, and administrative expenses", of \$23 million and \$25 million for the nine-month periods ended September 30, 2025, and 2024, respectively, has been recorded in connection with restricted stock.

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Performance Stock Units

We currently have outstanding performance stock units ("PSU") that were granted in 2023, 2024 and 2025. Under these awards, a target number of PSUs are granted to each participant with respect to a three-year performance period ("The Measurement Period"). For the 2025 PSU awards, the Measurement Period is from January 1, 2025, through December 31, 2027.

The performance metrics under the 2025 PSU awards consist of (1) Adjusted Fiber EBITDA and (2) Fiber Revenue. Each performance metric is evenly weighted at 50% and the goals for both metrics have been fully set for the full Measurement Period.

The performance metrics under the 2024 PSU awards consist of (1) Adjusted Fiber EBITDA, (2) Fiber Revenue and (3) Relative Total Shareholder Return ("TSR"). Relative TSR is based on our total return to stockholders over the Measurement Period relative to the S&P 400 Mid Cap Index. Each performance metric is weighted 33.3% and the goals for each of the three metrics have been fully set for the full Measurement Period.

The performance metrics under the 2023 PSU awards consist of (1) Adjusted Fiber EBITDA, (2) Fiber Locations Constructed and (3) Expansion Fiber Penetration with an overall relative TSR modifier. Each performance metric is weighted 33.3% and goals for each metric have been set for the full Measurement Period.

Achievement of the metrics for outstanding PSUs will be measured separately, and the number of awards earned will be determined based on actual performance relative to the targets of each performance metric. Achievement is measured on a cumulative basis for each performance metric individually at the end of the three-year Measurement Period with a TSR modifier for the 2023 plan. The payout of the 2023, 2024 and 2025 PSUs can range from 0% to a maximum award payout of 200% of the target units.

The number of PSUs earned at the end of the Measurement Period may be more or less than the number of target PSUs granted as a result of performance. An executive must maintain a satisfactory performance rating during the Measurement Period and, except for limited circumstances, must be employed by Frontier on the determination date in order for the award to vest. The Compensation and Human Capital Committee will determine the number of shares earned for the Measurement Period, generally in the first quarter of the year following the end of the Measurement Period. PSU awards, to the extent earned, will be paid out in the form of common stock on a one-for-one basis.

Under ASC 718, Stock Based Compensation Expense, a grant date, and the fair value of a performance award are determined once the targets are finalized. For the 2023, 2024 and 2025 PSU awards, targets for all of the metrics have been fully set for each performance period and the related expense will be amortized over the appropriate performance period.

The following summary presents information regarding performance shares and changes during the period with regard to performance shares awarded under our plans:

	Number of Shares (in thousands)		Weighted Average Award Date Fair Value (per share) ⁽¹⁾
Balance at January 1, 2025	1,552	\$	24.58
Target performance shares awarded, net	625	\$	35.45
Target performance shares vested or converted	(95)	\$	25.54
Target performance shares forfeited	(130)	\$	26.02
Balance at September 30, 2025	1,952	\$	27.91

⁽¹⁾ Represents the weighted average of the closing price of our stock on the date of the awards.

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For purposes of determining compensation expense, the fair value of each performance share grant is estimated based on the closing price of a share of our common stock on the date of the grant, adjusted to reflect the fair value of the relative TSR metric for the 2024 grant and TSR modifier for previous years. For both the nine months ended September 30, 2025, and 2024, we recognized net compensation expense, reflected in "Selling, general, and administrative expenses," of \$25 million, and \$29 million, respectively, related to PSU awards.

Converted PSUs

In 2024, approximately 501,000 PSUs of our CEO's 2023-2025 PSUs were converted into performance-based restricted stock subject to identical performance and service vesting conditions. There was no impact to the historical accounting treatment for these PSUs.

Non-Employee Directors

Compensation expense related to the board of directors, recognized in "Selling, general, and administrative expenses", was less than \$1 million for both the nine months ended September 30, 2025 and 2024.

Treatment of RSUs and PSUs under Merger Agreement

See Note 2 – Merger Agreement, for a discussion of the treatment of RSU and PSU awards under the Merger Agreement.

(14) **Income Taxes:**

The following is a reconciliation of the provision for income taxes computed at the federal statutory rate to income taxes computed at the effective rates:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Consolidated tax provision at federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %
State income tax provisions, net of federal income tax benefit	(2.7)	(8.4)	(5.7)	(9.6)
Federal tax refund adjustment	-	-	-	(0.5)
Sec. 162(f) - nondeductible penalties	-	-	(0.1)	-
Tax reserve adjustment	(0.6)	(0.3)	(0.4)	(0.3)
Tax Credit	1.2	0.6	0.8	0.7
Share based payments	0.2	-	0.7	-
Sec.162(m) - nondeductible Executive Compensation	(2.9)	(2.3)	(2.1)	(2.6)
Split Life Insurance Settlement	-	-	-	(1.1)
Transaction costs	(0.8)	(3.2)	(0.5)	(1.3)
All other, net	(0.2)	-	(0.2)	(0.1)
Effective tax rate	<u>15.2%</u>	<u>7.4%</u>	<u>13.5%</u>	<u>6.2%</u>

Frontier considered positive and negative evidence in regard to evaluating certain state deferred tax assets during the second quarter of 2025, including the development of recent years of pre-tax book losses. The state tax rate includes state valuation allowances. On the basis of this evaluation, a valuation allowance of \$365 million (\$288 million net of federal benefit) was recorded as of September 30, 2025.

On July 4, 2025, the reconciliation bill, commonly referred to as the One Big Beautiful Bill Act (OBBBA), was signed into law, which includes a broad range of tax reform provisions. Beginning in 2025, the OBBBA provides an elective deduction for domestic research and development expenses, a reinstatement of elective 100% first-year bonus depreciation and modification of the Section 163j Adjusted Taxable Income calculation. Due to the

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nature of the tax law changes, the company does not believe there will be a material impact to the effective tax rate however we will continue to monitor the impact of the OBBBA on our financial statements.

(15) Net (Loss) Earnings Per Share:

The reconciliation of the net (loss) income per common share calculation is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
<i>(\$ in millions and shares in thousands, except per share amounts)</i>	2025	2024	2025	2024
<u>Net loss used for basic and diluted earnings</u>				
<u>per share:</u>				
Total basic net loss				
attributable to Frontier common shareholders	\$ (76)	\$ (82)	\$ (263)	\$ (204)
Effect of loss related to dilutive stock units	-	-	-	-
Total diluted net loss				
attributable to Frontier common shareholders	<u>\$ (76)</u>	<u>\$ (82)</u>	<u>\$ (263)</u>	<u>\$ (204)</u>
<u>Basic earnings per share:</u>				
Total weighted average shares and unvested				
restricted stock awards outstanding - basic	250,320	248,986	250,111	247,866
Less: Weighted average unvested restricted stock awards	-	-	-	-
Total weighted average shares outstanding - basic	<u>250,320</u>	<u>248,986</u>	<u>250,111</u>	<u>247,866</u>
Basic net loss per share				
attributable to Frontier common shareholders	<u>\$ (0.30)</u>	<u>\$ (0.33)</u>	<u>\$ (1.05)</u>	<u>\$ (0.82)</u>
<u>Diluted earnings per share:</u>				
Total weighted average shares outstanding - basic	250,320	248,986	250,111	247,866
Effect of dilutive performance stock awards	-	-	-	-
Effect of dilutive restricted stock awards	-	-	-	-
Total weighted average shares outstanding - diluted	<u>250,320</u>	<u>248,986</u>	<u>250,111</u>	<u>247,866</u>
Diluted net loss per share				
attributable to Frontier common shareholders	<u>\$ (0.30)</u>	<u>\$ (0.33)</u>	<u>\$ (1.05)</u>	<u>\$ (0.82)</u>

In calculating diluted net loss per common share, the effect of certain outstanding RSUs and PSUs has been excluded from the computation as the effect would be antidilutive. For both the three and nine months ended September 30, 2025, RSUs of approximately 1,011,000, and PSUs of approximately 1,008,000 and 813,000, respectively, have been excluded.

In calculating diluted net loss per common share, the effect of certain outstanding RSUs and PSUs has been excluded from the computation as the effect would be antidilutive. For the three and nine months ended September 30, 2024, RSUs of approximately 928,000 and 1,085,000, respectively, and PSUs of approximately 237,000 and 196,000, respectively, have been excluded.

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(16) Comprehensive Income:

Comprehensive income consists of net income and other gains and losses affecting shareholders' equity (deficit) and pension/postretirement benefit (OPEB) liabilities that, under GAAP, are excluded from net income.

The components of accumulated other comprehensive income, net of tax, are as follows:

<u>(\$ in millions).</u>	OPEB Costs
Balance at January 1, 2025 ⁽¹⁾	\$ 77
Other comprehensive income before reclassifications	-
Amounts reclassified from accumulated other comprehensive loss to net loss	(14)
Net current-period other comprehensive loss	(14)
Balance at September 30, 2025 ⁽¹⁾	\$ 63

<u>(\$ in millions).</u>	OPEB Costs
Balance at January 1, 2024 ⁽¹⁾	\$ 96
Other comprehensive income before reclassifications	1
Amounts reclassified from accumulated other comprehensive loss to net income	(15)
Net current-period other comprehensive income	(14)
Balance at September 30, 2024 ⁽¹⁾	\$ 82

(1) OPEB amounts are net of deferred tax balances of \$23 million and \$29 million as of January 1, 2025 and 2024, respectively, and \$18 million and \$24 million as of September 30, 2025 and 2024, respectively.

The significant items reclassified from each component of accumulated other comprehensive loss are as follows:

<u>(\$ in millions).</u>	Amount Reclassified from Accumulated Other Comprehensive Income ⁽¹⁾				Affected Line Item in the Statement Where Net Income (Loss) is Presented
Details about Accumulated Other Comprehensive Loss Components	For the three months ended September 30,		For the nine months ended September 30,		
	2025	2024	2025	2024	
Amortization of OPEB Cost Items	\$ 7	\$ 6	\$ 19	\$ 19	Income (loss) before income taxes
Prior-service credits (costs)	(2)	(1)	(5)	(4)	Income tax benefit
Tax impact	\$ 5	\$ 5	\$ 14	\$ 15	Net income

(1) These accumulated other comprehensive income components are included in the computation of net periodic pension and OPEB costs (see Note 17 - Retirement Plans for additional details).

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(17) Retirement Plans:

Frontier recognizes actuarial gains (losses) for our pension and postretirement plans in the period they occur. The components of net periodic benefit cost other than the service cost component for our plans as well as any actuarial gains or losses are included in "Investment and other income (loss)" on the consolidated statements of operations.

The following tables provide the components of total pension benefit cost:

	Pension Benefits			
	For the three months ended		For the nine months ended	
	September 30,		September 30,	
(\$ in millions)	2025	2024	2025	2024
<u>Components of total pension benefit cost</u>				
Service cost	\$ 11	\$ 11	\$ 33	\$ 34
Interest cost on projected benefit obligation	31	31	95	94
Expected return on plan assets	(38)	(40)	(114)	(124)
Pension remeasurement gain	-	(23)	(44)	(25)
Pension building sale - loss	19	-	19	-
Net periodic pension (benefit) costs	23	(21)	(11)	(21)
Pension special termination benefit enhancements	-	1	-	11
Total pension (benefit) cost	<u>\$ 23</u>	<u>\$ (20)</u>	<u>\$ (11)</u>	<u>\$ (10)</u>

The components of net periodic benefit cost other than the service cost component are included in "Investment and other income" on the consolidated statements of operations.

The value of our pension plan assets increased \$188 million from \$2,328 million at December 31, 2024 to \$2,516 million at September 30, 2025. This increase primarily resulted from changes in the market value of investments of \$193 million, net of plan expenses, and contributions of \$112 million, offset by benefit payments to participants of \$117 million.

As a result of special termination benefit enhancements related to a voluntary separation plan, Frontier remeasured its pension plan obligations, resulting in a remeasurement gain of \$0 million and \$44 million for the three and nine months ended September 30, 2025, respectively.

The pension plan contains provisions that provide certain employees with the option of receiving a lump sum payment upon retirement. Frontier's accounting policy is to record these payments as a settlement only if, in the aggregate, they exceed the sum of the annual service and interest costs for the Pension Plan's net periodic pension benefit cost.

In the first nine months of 2025, the Company recognized a minimal charge to reflect the cost of pension special termination benefit enhancements related to a voluntary separation plan, compared to a charge of \$11 million as of September 30, 2024.

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The following table provides the components of total postretirement benefit cost:

(\$ in millions)	Postretirement			
	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
<u>Components of net periodic postretirement benefit cost</u>				
Service cost	\$ 3	\$ 2	\$ 5	\$ 5
Interest cost on projected benefit obligation	8	7	22	22
Amortization of prior service credit gain recognized	(7)	(6)	(19)	(19)
OPEB remeasurement (gain) loss	-	21	8	(6)
Total periodic postretirement (benefit) cost	<u>\$ 4</u>	<u>\$ 24</u>	<u>\$ 16</u>	<u>\$ 2</u>

As a result of special termination benefit enhancements related to a voluntary separation plan, Frontier remeasured its postretirement benefit plan, resulting in a remeasurement loss of \$0 million and \$8 million for the three and nine months ended September 30, 2025.

As a result of special termination benefit enhancements related to a voluntary separation plan, Frontier remeasured its postretirement benefit plan, resulting in a remeasurement loss of \$21 million and a remeasurement gain of \$6 million for the three and nine months ended September 30, 2024, respectively.

We capitalized \$13 million of pension and OPEB expense for both nine months ended September 30, 2025 and 2024, respectively, into the cost of our capital expenditures, as the costs relate to our engineering and plant construction activities.

(18) Commitments and Contingencies:

We are party to various legal proceedings (including individual actions, class and putative class actions, and governmental investigations) arising in the normal course of our business covering a wide range of matters and types of claims including, but not limited to, general contract disputes, billing disputes, rights of access, taxes and surcharges, consumer protection, advertising, sales and the provision of services, intellectual property, including, trademark, copyright, and patent infringement, employment, regulatory, environmental, tort, claims of competitors and disputes with other carriers. Litigation is subject to uncertainty and the outcome of individual matters is not predictable. However, we believe that the ultimate resolution of all such matters, after considering insurance coverage or other indemnities to which we are entitled, will not have a material adverse effect on our financial position, results of operations, or cash flows.

As of September 30, 2025, Frontier resolved a legal dispute concerning certain intellectual property matters.

On October 22 and October 23, 2024, two complaints were filed in the Supreme Court of the State of New York, County of New York by purported Company stockholders against the Company, the Board, Verizon and Merger Sub in connection with the Merger. The complaints assert claims of negligent misrepresentation and concealment and negligence under New York common law. Among other remedies, the complaints seek an order enjoining the defendants from proceeding with the Merger unless and until the defendants disclose certain allegedly material information that was allegedly omitted from the proxy statements, rescinding the Merger to the extent already consummated or granting rescissory damages, awarding the plaintiffs costs and disbursements of the action, including reasonable attorneys' and expert fees and expenses, and granting such other and further relief as the court may deem just and proper. Additional lawsuits arising out of the proposed Merger may also be filed in the future. Furthermore, the Company has received demand letters from purported Company stockholders alleging

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

disclosure deficiencies in the preliminary proxy statement and/or definitive proxy statement and demanding that the Company and the Board of Directors promptly issue corrective disclosures to cure the proxy statement prior to the anticipated stockholder vote on the proposed Merger. The Company believes that the allegations contained in the complaints and demands have no merit. We do not at this time consider there to be any reasonably possible material loss arising from the demands. There can be no assurance regarding the likelihood that the Company's defense of any actions will be successful.

In November 2021, Congress passed the IIJA which provides \$65 billion to fund broadband connectivity programs, including broadband deployment to unserved and underserved locations. The National Telecommunications and Information Administration (NTIA) is administering the principal last mile infrastructure funding program in the amount of \$42.5 billion, the Broadband Equity, Access & Deployment Program (BEAD), and will distribute funding through direct grants to states, who will then award the funds based on competitive grant programs. The NTIA has allocated approximately \$25.5 billion to states in Frontier's footprint. We participated in the Frontier's state challenge programs and pre-application and application processes. We are continuing to actively pursue awards of these stimulus funds; however, any awards that we ultimately receive under the IIJA may require significant up-front capital expenditures or other costs.

On June 6, 2025, NTIA issued a BEAD Restructuring Policy Notice to modify and replace certain requirements outlined in the BEAD Notice of Funding Opportunity. The Policy Notice rescinded all preliminary and provisional subgrantee award selections and required states to run at least one Benefit of the Bargain application round, in which minimal BEAD program outlay is the principal selection criteria. NTIA prohibited states from awarding additional points for 100% fiber projects but permitted them to prioritize "priority broadband projects" as that term is defined in the Infrastructure Investment and Jobs Act. The NTIA's changes did not reduce the amount of funding allocated to each state for broadband infrastructure but eliminated certain potentially costly obligations associated with accepting BEAD awards, including middle-class affordability and low-cost offer pricing standards, open access, and climate change requirements, among others, and has set per location maximum subsidy thresholds, which differ from state to state, that is likely to result in more locations being funded for broadband solutions other than fiber. NTIA is expected to review completed Benefit of the Bargain results. It is uncertain if the Benefit of the Bargain process will impact Frontier's success in securing BEAD awards. We are closely tracking BEAD program progress, and additional revisions to the program or Benefit of the Bargain process could have a material adverse effect on the BEAD program, any funding we receive, and the costs of completing BEAD award projects.

On April 14, 2024, we detected that a third party had gained unauthorized access to portions of our information technology environment. Upon detection, the Company immediately activated its incident response plan, took action to contain the incident, launched an investigation with the assistance of leading cybersecurity experts, and notified law enforcement and applicable regulatory authorities. We worked with a leading e-discovery firm to undertake a thorough review of the impacted data to identify and provide notice to individuals whose information was impacted. Since the incident, the Company has also taken steps to further strengthen its information technology security. While the incident did not have a material impact on our financial condition or results of operations, the containment measures, which included shutting down certain of the Company's systems, resulted in an operational disruption.

We accrue an expense for pending litigation when we determine that an unfavorable outcome is probable, and the amount of the loss can be reasonably estimated. Legal defense costs are expensed as incurred. None of our existing accruals for pending matters, after considering insurance coverage, is material. We monitor our pending litigation for the purpose of adjusting our accruals and revising our disclosures accordingly, when required. Litigation is, however, subject to uncertainty, and the outcome of any particular matter is not predictable. We will vigorously defend our interests in pending litigation, and as of this date, we believe that the ultimate resolution of all such matters, after considering insurance coverage or other indemnities to which we are entitled, will not have a material adverse effect on our consolidated financial position, results of operations, or our cash flows.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
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In 2015, Frontier accepted the FCC's CAF Phase II offer, which provided \$313 million in annual support through 2021 in our current 25 states in return for the Company's commitment to make broadband available to households within the CAF II eligible areas. The Company was required to complete the CAF II deployment by December 31, 2021. Thereafter, the FCC has been reviewing carriers' CAF II program completion data, and if the FCC determines that the Company did not satisfy applicable FCC CAF Phase II requirements, Frontier could be required to return a portion of the funds previously received and may be subject to certain fines, requirements and obligations.

On January 30, 2020, the FCC adopted an order establishing the RDOF competitive reverse auction to provide support to serve high-cost areas. Under the FCC's RDOF Phase I auction, we were awarded approximately \$371 million over ten years to build gigabit-capable broadband over a fiber-to-the-premises network to approximately 127,000 locations in eight states (California, Connecticut, Florida, Illinois, New York, Pennsylvania, Texas, and West Virginia). We began receiving RDOF funding in the second quarter of 2022 and we will be required to complete the buildout to the awarded locations by December 31, 2028, with interim annual target milestones starting December 31, 2025. To the extent Frontier is unable to fulfill the RDOF requirements, meet the milestones or construct to all locations by the required deadlines, funding to us could be withheld or discontinued and Frontier could be required to return a portion of funds previously received and may be subject to certain fines, requirements and obligations.

We conduct certain of our operations in leased premises and lease certain equipment and other assets pursuant to operating leases. The lease arrangements have terms ranging from 1 to 99 years and several contain rent escalation clauses providing for increases in monthly rent at specific intervals. When rent escalation clauses exist, we record annual rental expense based on the total expected rent payments on a straight-line basis over the lease term. Certain leases also have renewal options. Renewal options that are reasonably assured are included in determining the lease term.

As of September 30, 2025, we had total "Accounts payable and accrued liabilities" of \$1.2 billion, of which \$971 million is related to accounts payable. As of December 31, 2024, we had total "Accounts payable and accrued liabilities" of \$1.0 billion, of which \$758 million is related to accounts payable.

Although from time to time we make short-term purchasing commitments to vendors with respect to capital expenditures, we generally do not enter into firm, written contracts for such activities. In connection with the fiber expansion build, we have prioritized diversifying our vendor base and solidifying partnership agreements with vendors for relevant labor and materials, to enable our build growth and customer expansion. Some of these key supplier agreements have multi-year terms and purchase commitments as we deem advisable in order to strengthen future supply. In addition, we have negotiated favorable payment terms with some of our vendors that allow for a longer payment period than our normal customary terms (referred to as vendor financing), which are excluded from capital expenditures and reported as financing activities on the statement of cash flows. As of September 30, 2025, we had \$0 million of vendor financing liabilities included in "Other current liabilities" on our consolidated balance sheets. For the nine months ended September 30, 2025 we made \$16 million in vendor financing payments related to capital expenditures.

We are party to contracts with several unrelated long-distance carriers. The contracts provide fees based on traffic they carry for us subject to minimum monthly fees.

(19) Segment Information:

Our operations are assessed and managed by our CEO, our chief operating decision maker, on a consolidated basis. The CEO assesses performance and allocates resources based on the consolidated results of operations. Under this organizational and reporting structure, the Company operates in a single operating segment and reports its financial results in accordance with ASU 2023-07, Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures. The Company has organized its expenses into the following categories to enhance transparency and align with the internal management review process:

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
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Revenue generating departments – Includes costs directly associated with revenue producing activities, such as sales, commissions, video content costs, marketing, and production.

Operating departments – reflects expenses related to the core operations of the Company, including network operations, facility management, logistics, and service delivery.

Support departments – comprises general and administrative costs, including human resources, IT, finance, restructuring, and other back-office functions that support overall operations. Also includes transaction expenses related to the Verizon acquisition.

Depreciation and amortization – reflect the systematic allocation of the cost of tangible and intangible assets over their useful lives. This category includes depreciation of property, plant, and equipment as well as amortization of intangible assets, providing insight into the Company's ongoing capital investments and asset utilization.

Investment and other income (loss) – includes interest income on cash and cash equivalents, realized and unrealized gains or losses on investments and other miscellaneous income or expenses.

Interest expense – represents costs associated with the Company's financing arrangements, including interest on debt.

Income taxes – reflects the Company's provision for income taxes in accordance with applicable tax regulations.

(\$ in millions)	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 1,550	\$ 1,489	\$ 4,600	\$ 4,431
Less:				
Revenue generating departments	280	266	855	801
Operating departments	539	545	1,612	1,602
Support departments	144	182	524	565
Depreciation and amortization	470	410	1,372	1,196
Investment and other income (loss)	(9)	29	54	117
Interest expense	(198)	(203)	(595)	(601)
Income tax benefit	(14)	(6)	(41)	(13)
Net loss	<u>\$ (76)</u>	<u>\$ (82)</u>	<u>\$ (263)</u>	<u>\$ (204)</u>

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements," related to future events. Forward-looking statements address our expectations or beliefs concerning future events, including, without limitation, the proposed Merger with Verizon, our future operating and financial performance, our ability to implement our growth strategy, our capital expenditures, and other matters. These statements are made based on management's views and assumptions, as of the time the statements are made, regarding future events and performance and contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "may," "will," "would," or "target." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. We do not intend, nor do we undertake any duty, to update any forward-looking statements, except as required by law.

A wide range of factors could materially affect future developments and performance, including but not limited to:

- the risk that the Merger may not be completed in a timely manner or at all;
- the possibility that the various conditions to the consummation of the Merger may not be satisfied or waived, including the failure to receive any required regulatory approvals from any applicable governmental entities (or any conditions, limitations or restrictions placed on such approvals);
- the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement relating to the Merger, including in circumstances which would require the Company to pay a termination fee;
- the effect of the pendency of the Merger on the Company's ability to attract, motivate or retain key executives and employees, its ability to maintain relationships with its customers, suppliers and other business counterparties, or its operating results and business generally;
- risks related to the Merger diverting management's attention from the Company's ongoing business operations;
- the risk that the Company's stock price may decline significantly if the Merger is not consummated;
- our significant indebtedness, our ability to incur substantially more debt in the future, and covenants in the agreements governing our current indebtedness that may reduce our operating and financial flexibility;
- declines in Adjusted EBITDA and revenue relative to historical levels that we are unable to offset;
- economic uncertainty, volatility in financial markets, including as a result of tariff policies, and rising interest rates could limit our ability to access capital or increase the cost of capital needed to fund business operations, including our fiber expansion plans;
- our ability to successfully implement strategic initiatives, including our fiber buildout and other initiatives to enhance revenue and realize productivity improvements;
- our ability to secure necessary construction resources, materials and permits for our fiber buildout initiative in a timely and cost-effective manner;
- inflationary pressures on costs and potential disruptions in our supply chain, including the impact of trade tariffs or disputes, which could adversely impact our financial condition or results of operations and hinder our fiber expansion plans;

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

- our ability to effectively manage our operations, operating expenses, capital expenditures, debt service requirements and cash paid for income taxes and liquidity;
- the impact of potential information technology or data security breaches or other cyber-attacks or other disruptions;
- the impact of laws and regulations relating to the handling of privacy, network security and data protection;
- competition from cable, wireless carriers, satellite providers, wireline carriers, fiber “overbuilders” and Over-the-Top video providers, and the risk that we will not respond on a timely or profitable basis;
- our ability to successfully adjust to changes in the communications industry, including the effects of technological changes and competition on our capital expenditures, products and service offerings;
- our ability to retain or attract new customers and to maintain relationships with existing customers, including wholesale customers;
- our reliance on a limited number of key suppliers and vendors;
- declines in revenue from our voice services, switched and nonswitched access and video and data services that we cannot stabilize or offset with increases in revenue from other products and services;
- our ability to secure, continue to use or renew intellectual property and other licenses used in our business;
- our ability to dispose of certain assets or asset groups or to make acquisitions of certain assets on terms that are attractive to us, or at all;
- the effects of changes in the availability of and requirements of receiving federal and state universal service funding, grants or other subsidies to us and our competitors and our ability to obtain future subsidies;
- our ability to comply with the applicable CAF II and RDOF requirements and the risk of discontinuance of funding, penalties or obligations to return certain CAF II and RDOF funds;
- our ability to defend against litigation or government investigations and potentially unfavorable results from current pending and future litigation or investigations;
- our ability to comply with applicable federal and state consumer protection requirements;
- the effects of governmental legislation and regulation on our business, including costs, disruptions, possible limitations on operating flexibility and changes to the competitive landscape resulting from such legislation or regulation;
- the impact of regulatory, investigative and legal proceedings and legal compliance risks;
- our ability to effectively manage service quality in the states in which we operate and meet mandated service quality metrics or regulatory requirements;
- the effects of changes in income tax rates, tax laws, regulations or rulings, or federal or state tax assessments, including the risk that such changes may benefit our competitors more than us, as well as potential future decreases in the value of our deferred tax assets;

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

- the effects of changes in accounting policies or practices;
- our ability to successfully renegotiate union contracts;
- the effects of increased medical expenses and pension and postemployment expenses;
- changes in pension plan assumptions, interest rates, discount rates, regulatory rules and/or the value of our pension plan assets;
- the impact of adverse changes in economic, political and market conditions in the areas that we serve, the U.S. and globally, including but not limited to, disruption in our supply chain, inflation in pricing for key materials or labor, the imposition of trade tariffs or other adverse changes resulting from epidemics, pandemics, and outbreaks of contagious diseases, natural disasters, economic or political instability, terrorist attacks and wars, including the ongoing war in Ukraine and the Israel-Hamas war, or other adverse widespread developments;
- potential adverse impacts of climate change and increasingly stringent environmental laws, rules and regulations, and customer expectations and other environmental liabilities;
- potential adverse impacts from natural disasters, wildfires and other severe weather events impacting our network operations and customer base in certain markets;
- certain provisions of Delaware law and our certificate of incorporation that may prevent efforts by our stockholders to change the direction or management of our company; and
- certain other factors set forth in our other filings with the SEC.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative and is not intended to be exhaustive. Any of the foregoing events, or other events, could cause our results to vary from management's forward-looking statements included in this report. You should consider these important factors, as well as the risks contained in our most recent Annual Report on Form 10-K, this Quarterly Report on Form 10-Q and other filings with the SEC, in evaluating any statement in this report or otherwise made by us or on our behalf.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

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

Frontier Communications Parent, Inc. is a leading communications and technology provider offering broadband services to approximately 3.3 million broadband customers, with approximately 12,700 employees, operating in 25 states as of September 30, 2025. We are building critical infrastructure across the country with our fiber-optic network and cloud-based solutions, enabling secure high-speed connections. Driven by our purpose of Building Gigabit America™, we are focused on supporting a digital society, closing the digital divide, and working toward a more sustainable environment.

Business Overview

In 2020, we began the expansion and transformation of our fiber network to meet the rapidly increasing demand for data from our consumer and business customers. We believe that a fiber network has competitive advantages to meet this growing demand, including faster download speeds, faster upload speeds, and lower latency levels than alternative broadband services.

In August 2021, we announced our plan to pass 10 million total locations with fiber. As of September 30, 2025, we have passed approximately 8.8 million total locations with fiber. We prioritize our activities to locations that we believe will provide the highest investment returns. As we implement our fiber expansion plan, we expect our business mix will shift significantly, with a larger percentage of revenue coming from fiber.

Our strategy focuses on four strategic priorities: fiber deployment, fiber penetration, improving the customer experience, and operational efficiency. We accomplished the following objectives in the third quarter of 2025:

- We added approximately 326,000 fiber passings. As of September 30, 2025, we had approximately 8.8 million total locations passed with fiber.
- We added 133,000 fiber broadband customer net additions.
- We achieved over \$600 million of cumulative run-rate cost savings as a result of our operational efficiency initiatives.

On September 4, 2024 we entered into the Merger Agreement with Verizon, pursuant to which, subject to certain terms and conditions therein, Verizon will acquire Frontier for \$38.50 per share in cash, representing a premium of 43.7% to Frontier's 90-Day volume-weighted average share price (VWAP) on September 3, 2024, the last full trading day prior to published market speculation regarding a potential sale of Frontier. Subject to receipt of certain required regulatory approvals and other customary conditions specified in the Merger Agreement, we currently expect the Merger to close by the first quarter of 2026. See Note 2 - "Merger Agreement" to the Consolidated Financial Statements included in Part I of this Quarterly Report for more detail.

Our fiber build plans include significant expenditures which could be adversely impacted by supply chain delays, actual or perceived inflation, trade tariffs and disputes, tight labor markets, increased fuel and electricity costs, increased cost of borrowing, and other risks. In addition to higher costs, the availability of building materials and other supply chain risks, including any effects of announced tariffs and changes in U.S. trade policy, could negatively impact our ability to achieve the fiber build plans we are executing against.

Current uncertainties about increases in tariffs of imported products from certain countries may have an adverse effect on our Company. The U.S. government has recently imposed tariffs on most U.S. trading partners and raised U.S. tariff rates. The ultimate impact of any tariffs will depend on various factors, including how long such tariffs remain in place, the ultimate levels of such tariffs and how other countries respond to the U.S. tariffs. While we are evaluating the potential impacts of these proposed tariffs, as well as our ability to mitigate their related impacts, this may increase our costs to build and make customer connections and repairs.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

We continue to closely monitor and evaluate the impact these and other factors may have on our business, including demand for our products and services, our ability to execute on our strategic priorities and our financial condition and results of operations.

Financial Overview – Operating Income

We reported operating income of \$117 million and \$86 million for the three months ended September 30, 2025 and 2024, respectively, an increase of \$31 million.

We reported operating income of \$237 million and \$267 million for the nine months ended September 30, 2025 and 2024, respectively, a decrease of \$30 million.

Operating income decreased primarily due to increased depreciation expense associated with the continued investment in our fiber network. Growth in fiber data and internet service revenue more than offset decreases in revenue from voice and video services, resulting in \$61 million and \$169 million overall revenue growth during the three and nine months ended September 30, 2025, as compared to the three and nine months ended September 30, 2024.

Presentation of Results of Operations

The sections below include tables that present customer counts, average monthly consumer revenue per customer ("ARPC"), average monthly revenue per unit ("ARPU"), and consumer customer churn. We define churn as the number of consumer customer deactivations during the month divided by the number of consumer customers at the beginning of the month and utilize the average of each monthly churn in the period. Management believes that consumer customer counts, ARPC, ARPU, and consumer customer churn are important factors in evaluating our consumer customer trends. Among the key services we provide to consumer customers are voice service, data service and video service. We continue to explore the potential to provide additional services to our customer base, with the objective of meeting our customers' communications needs.

The following section should be read in conjunction with the unaudited interim consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2024. The following charts present key customer metrics, disaggregation of revenue, and the results of operations of the consolidated company.

(a) Results of Operations

Unless otherwise indicated, the discussion of the customer metrics and components of operating income for the table that follows relates only to the financial results for the three and nine months ended September 30, 2025, as compared to the financial results for the three and nine months ended September 30, 2024.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

Customer Trends

<i>(Customer and Employee Metrics in thousands)</i>	As of or for the three months ended September 30,	
	2025	2024
Broadband Customer Metrics		
Fiber Broadband		
Consumer customers	2,597	2,157
Business and wholesale customers ⁽¹⁾	161	138
Consumer net customer additions	125	104
Consumer customer churn	1.41%	1.49%
Consumer customer ARPU	\$ 68.59	\$ 65.40
Copper Broadband		
Consumer customers	481	666
Business and wholesale customers ⁽¹⁾	69	96
Consumer net customer losses	(45)	(55)
Consumer customer churn	2.57%	2.37%
Consumer customer ARPU	\$ 65.17	\$ 59.16
Consumer Customer Metrics		
Customers	3,335	3,176
Net customer additions	52	22
ARPC	\$ 83.19	\$ 83.12
Customer Churn	1.76%	1.80%
Other Metrics		
Employees	12,679	12,950

<i>(Customer and Employee Metrics in thousands)</i>	For the nine months ended September 30,	
	2025	2024
Broadband Customer Metrics		
Fiber Broadband		
Consumer net customer additions	348	279
Consumer customer churn	1.30%	1.38%
Consumer customer ARPU	\$ 68.48	\$ 65.41
Copper Broadband		
Consumer net customer losses	(131)	(156)
Consumer customer churn	2.30%	2.11%
Consumer customer ARPU	\$ 64.27	\$ 57.86
Consumer Customer Metrics		
Net customer additions (losses)	142	47
ARPC	\$ 84.02	\$ 83.51
Customer Churn	1.62%	1.64%

(1)

Business and Wholesale customers include our small, medium business, larger enterprise (SME) customers and wholesale subscribers.

We provide service and product options in our consumer and business offerings in each of our markets.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

Fiber Broadband Customers

Our investment strategy is focused on expanding our fiber network. In conjunction with this strategy, we are also working to improve our product positioning in both existing and new fiber markets.

For the three and nine months ended September 30, 2025, we added approximately 125,000 and 348,000 consumer fiber broadband customers, compared to 104,000 and 279,000 net additions for the three and nine months ended September 30, 2024, respectively. Customers who migrated from our copper base constituted a minor portion of these consumer fiber broadband customer net additions for the three and nine months ended September 30, 2025.

For the three and nine months ended September 30, 2025, we added approximately 8,000 and 18,000 business and wholesale fiber broadband customers compared to approximately 4,000 and 9,000 net additions for the three and nine months ended September 30, 2024, respectively.

Our focus on expanding and improving our fiber network has contributed to improved customer retention. Our average monthly consumer fiber broadband churn was 1.41% and 1.30% for the three and nine months ended September 30, 2025, compared to 1.49% and 1.38% for the three and nine months ended September 30, 2024, respectively. This improvement was driven by increased focus on key customer touchpoints such as installation and first bill as well as inflation-related pricing actions and promotional pricing expiration.

- The average monthly consumer fiber broadband revenue per customer ("consumer ARPU") increased \$3.19, or 5%, to \$68.59 and \$3.07, or 5%, to \$68.48 for the three and nine months ended September 30, 2025, respectively, compared to the prior year periods.
- The increase in consumer ARPU for the three and nine months ended September 30, 2025 was due to customer shifts to higher broadband speeds, customers rolling off promotional pricing, and inflation-related price increases, all partially offset by increased retention activity and autopay take rates.

Copper Broadband Customers

For the three and nine months ended September 30, 2025, we lost approximately 45,000 and 131,000 consumer copper broadband customers compared to a loss of approximately 55,000 and 156,000 for the three and nine months ended September 30, 2024, respectively.

For the three and nine months ended September 30, 2025, we lost approximately 7,000 and 21,000 business and wholesale copper broadband customers, compared to a loss of approximately 6,000 and 18,000 in the three and nine months ended September 30, 2024, respectively.

Our average monthly consumer copper broadband churn was 2.57% and 2.30% for the three and nine months ended September 30, 2025, compared to 2.37% and 2.11% for the three and nine months ended September 30, 2024, respectively. The increase in consumer copper broadband churn was driven primarily by the impact of inflationary price increases.

Consumer Customers

Consumer customers increased 5% as of September 30, 2025, as compared to the prior year period.

Consumer customer gains were driven by net additions of fiber broadband customers, partially offset by reductions in our copper broadband and stand-alone voice customers. Customer preferences as well as our fiber investment initiatives resulted in an increase in the number of our consumer broadband customers and a migration of our customer base to fiber.

- We gained approximately 52,000 and 142,000 consumer customers for the three and nine months ended September 30, 2025, compared to a gain of approximately 22,000 and 47,000 consumer customers for the

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

three and nine months ended September 30, 2024, respectively, driven by growth in fiber broadband customers, partially offset by losses in copper broadband, voice and video customers.

- For the three and nine months ended September 30, 2025, we experienced a net gain of consumer broadband customers of approximately 80,000 and 217,000 as compared to a net gain of approximately 49,000 and 123,000 for the three and nine months ended September 30, 2024, respectively.
- The average monthly consumer revenue per customer ("consumer ARPC") increased \$0.07, or 0.1%, to \$83.19 and \$0.51, or 1%, to \$84.02 for the three and nine months ended September 30, 2025, respectively, compared to the prior year periods. The increase for the three and nine month periods was driven primarily by growth in fiber data and value-added services along with price increases, partially offset by declines in voice and video services.

Financial Results

(\$ in millions)	For the three months ended September 30,		% Change	For the nine months ended September 30,		% Change
	2025	2024		2025	2024	
Data and Internet services	\$ 1,120	\$ 1,004	12 %	\$ 3,254	\$ 2,934	11 %
Voice services	272	301	(10) %	844	934	(10) %
Video services	63	83	(24) %	205	265	(23) %
Other	78	83	(6) %	247	250	(1) %
Revenue from contracts with customers	1,533	1,471	4 %	4,550	4,383	4 %
Subsidy and other revenue	17	18	(6) %	50	48	4 %
Revenue	\$ 1,550	\$ 1,489	4 %	\$ 4,600	\$ 4,431	4 %
Operating expenses:						
Cost of service	547	538	2 %	1,600	1,576	2 %
Selling, general, and administrative expenses	395	427	(7) %	1,318	1,304	1 %
Depreciation and amortization	470	410	15 %	1,372	1,196	15 %
Restructuring costs and other charges	21	28	(25) %	73	88	(17) %
Total operating expenses	\$ 1,433	\$ 1,403	2 %	\$ 4,363	\$ 4,164	5 %
Operating income	117	86	36 %	237	267	(11) %
Consumer	826	789	5 %	2,464	2,365	4 %
Business and Wholesale	707	682	4 %	2,086	2,018	3 %
Revenue from contracts with customers	\$ 1,533	\$ 1,471	4 %	\$ 4,550	\$ 4,383	4 %
Fiber revenue	956	867	10 %	2,808	2,512	12 %
Copper revenue	577	604	(4) %	1,742	1,871	(7) %
Revenue from contracts with customers	\$ 1,533	\$ 1,471	4 %	\$ 4,550	\$ 4,383	4 %

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
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REVENUE

The table below presents our revenue by technology for the periods indicated:

(\$ in millions)	For the three months ended September 30,		\$ Increase (Decrease)	% Increase (Decrease)
	2025	2024		
Fiber	\$ 956	\$ 867	\$ 89	10 %
Copper	577	604	(27)	(4)%
Revenue from contracts with customers ⁽¹⁾	1,533	1,471	62	4 %
Subsidy revenue	17	18	(1)	(6)%
Total revenue	<u>\$ 1,550</u>	<u>\$ 1,489</u>	<u>\$ 61</u>	<u>4 %</u>

(\$ in millions)	For the nine months ended September 30,		\$ Increase (Decrease)	% Increase (Decrease)
	2025	2024		
Fiber	\$ 2,808	\$ 2,512	\$ 296	12 %
Copper	1,742	1,871	(129)	(7)%
Revenue from contracts with customers ⁽¹⁾	4,550	4,383	167	4 %
Subsidy revenue	50	48	2	4 %
Total revenue	<u>\$ 4,600</u>	<u>\$ 4,431</u>	<u>\$ 169</u>	<u>4 %</u>

⁽¹⁾ Includes lease revenue of \$12 million and \$38 million for the three and nine months ended September 30, 2025 and \$13 million and \$40 million for the three and nine months ending September 30, 2024, respectively.

Our revenue streams are primarily a result of recurring data, voice, and video services delivered over our network. Revenues are considered fiber or copper based on the “last-mile” technology used to connect the customer location. With our investment strategy to expand and improve our fiber network and the corresponding fiber focus of our sales and marketing efforts, we are experiencing growth in fiber revenue and a decline in copper revenue. We expect this trend to continue and accelerate due to strong fiber demand and the migration of customers from copper to fiber as we expand our fiber network.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

The table below presents our revenue for our consumer and business and wholesale customers for the periods indicated:

(\$ in millions)	For the three months ended September 30,		\$ Increase (Decrease)	% Increase (Decrease)
	2025	2024		
Consumer	\$ 826	\$ 789	\$ 37	5 %
Business and Wholesale	707	682	25	4 %
Revenue from contracts with customers ⁽¹⁾	1,533	1,471	62	4 %
Subsidy and other revenue	17	18	(1)	(6)%
Total revenue	\$ 1,550	\$ 1,489	\$ 61	4 %

(\$ in millions)	For the nine months ended September 30,		\$ Increase (Decrease)	% Increase (Decrease)
	2025	2024		
Consumer	\$ 2,464	\$ 2,365	\$ 99	4 %
Business and wholesale	2,086	2,018	68	3 %
Revenue from contracts with customers ⁽¹⁾	4,550	4,383	167	4 %
Subsidy and other revenue	50	48	2	4 %
Total revenue	\$ 4,600	\$ 4,431	\$ 169	4 %

⁽¹⁾ Includes lease revenue of \$12 million and \$38 million for the three and nine months ended September 30, 2025 and \$13 million and \$40 million for the three and nine months ended September 30, 2024, respectively.

We conduct business with a range of consumer, business and wholesale customers and we generate both recurring and non-recurring revenues. Recurring revenues are primarily billed at fixed recurring rates, with some services billed based on usage. Revenue recognition is not dependent upon significant judgments by management.

Consumer

For the three and nine months ended September 30, 2025, compared to the three and nine months ended September 30, 2024:

- Consumer revenues were up 5% and 4% for the three and nine months ended September 30, 2025, as compared to the three and nine months ended September 30, 2024. The revenue growth was the result of growth in fiber data and value-added service revenues along with inflationary price increases, offset by declines in voice, video, and copper broadband.
 - Consumer fiber broadband revenues increased 26% for both the three and nine months ended September 30, 2025, as compared to the three and nine months ended September 30, 2024.
 - This improvement is a result of higher consumer fiber broadband ARPU as well as increased consumer fiber broadband net customer additions due to our expanded fiber footprint and continued focus on product positioning in both new and existing markets.
- Consumer copper broadband revenues declined approximately 20% and 19% for the three and nine months ended September 30, 2025 as compared to the prior year periods. As our copper footprint transitions to fiber, we expect fewer copper sales opportunities and will proactively migrate certain existing broadband customers from copper to fiber, both of which will reduce our copper customer base and revenues.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

Business and Wholesale

Our business and wholesale revenues were up 4% and 3% for the three and nine months ended September 30, 2025, respectively, compared to the prior year periods. This increase was driven by increases in data and internet services, partially offset by decreases in voice services revenue, predominantly in business. The increase in data and internet services was due to unit price increases in network access services and the continued growth of our fiber broadband customer base with a shift towards higher broadband speeds.

The table below presents our revenue by product and service type for the periods indicated:

(\$ in millions)	For the three months ended September 30,		\$ Increase (Decrease)	% Increase (Decrease)
	2025	2024		
Data and Internet services	\$ 1,120	\$ 1,004	\$ 116	12%
Voice services	272	301	(29)	(10)%
Video services	63	83	(20)	(24)%
Other	78	83	(5)	(6)%
Revenue from contracts with customers ⁽¹⁾	1,533	1,471	62	4%
Subsidy and other revenue	17	18	(1)	(6)%
Total revenue	\$ 1,550	\$ 1,489	\$ 61	4%

(\$ in millions)	For the nine months ended September 30,		\$ Increase (Decrease)	% Increase (Decrease)
	2025	2024		
Data and Internet services	\$ 3,254	\$ 2,934	\$ 320	11%
Voice services	844	934	(90)	(10)%
Video services	205	265	(60)	(23)%
Other	247	250	(3)	(1)%
Revenue from contracts with customers ⁽¹⁾	4,550	4,383	167	4%
Subsidy and other revenue	50	48	2	4%
Total revenue	\$ 4,600	\$ 4,431	\$ 169	4%

⁽¹⁾ Includes lease revenue of \$12 million and \$38 million for the three and nine months ended September 30, 2025 and \$13 million and \$40 million for the three and nine months ended September 30, 2024, respectively.

We categorize our products, services, and other revenues into the following five categories:

Data and Internet Services

We provide data and Internet services to our consumer, business, and wholesale customers. Data and Internet services consist of fiber broadband services, copper broadband services, and network access revenues (data transmission services and dedicated high-capacity circuits including data services to wireless providers commonly called wireless backhaul). Network access services are provided primarily to our business and wholesale customers, while fiber and copper broadband are provided to all customer segments.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

Our fiber expansion strategy has positively impacted data and Internet services. Fiber network expansion provides faster, symmetrical broadband speeds and provides both customer and revenue growth opportunities for fiber broadband and network access products like ethernet. We believe this initiative will create opportunities for us to provide more fiber-based services to our customers.

<i>(\$ in millions)</i>	For the three months ended	For the nine months ended
Data and Internet services revenue, September 30, 2024	\$ 1,004	\$ 2,934
Change in fiber broadband revenue	113	322
Change in copper broadband revenue	(25)	(77)
Change in other data and internet services	28	75
Data and Internet services revenue, September 30, 2025	<u>\$ 1,120</u>	<u>\$ 3,254</u>

Data and internet services revenue increased \$116 million, or 12%, to \$1,120 million and \$320 million, or 11%, to \$3,254 million, for the three and nine months ended September 30, 2025, respectively, as compared to the prior year periods. The increase was driven by growth in fiber broadband and network access revenues, partly offset by declines in copper broadband revenue.

Voice services

We provide voice services consisting of traditional local and long-distance service and voice over Internet protocol (VoIP) service provided over our fiber and copper broadband networks. Voice services also include enhanced features such as call waiting, caller identification, and voice messaging services.

Voice services revenue declined \$29 million, or 10%, to \$272 million and \$90 million, or 10%, to \$844 million, for the three and nine months ended September 30, 2025, respectively, as compared to the prior year periods. The decline was primarily due to net losses in business and consumer customers in addition to fewer customers bundling voice services with broadband as compared to the prior year periods, all partially offset by higher voice services ARPU.

Video services

Video services include revenues generated from traditional television (TV) services provided directly to consumer customers as well as satellite TV services provided through various satellite providers. Video services also include pay-per-view revenues, video on demand, equipment rentals, and video advertising. We have made the strategic decision to limit new subscriber sales of traditional TV services, focusing on our broadband products and OTT video options. We are partnering with OTT video providers and expect this to grow as OTT options are offered with our broadband products.

Video services revenue declined \$20 million, or 24%, to \$63 million and \$60 million, or 23%, to \$205 million, for the three and nine months ended September 30, 2025, respectively, as compared to the prior year periods. The decline was primarily driven by traditional video customer losses, partially offset by price increases as compared to the prior year periods.

Other

Other customer revenue includes non-recurring equipment sales, network facility rental income, ancillary customer fees, directory listing services and switched access revenue. Switched access revenue includes revenue derived from allowing other carriers to use our network to originate and/or terminate their local and long-distance voice traffic. These switched access services are primarily billed on a minutes-of-use basis applying tariffed rates filed with the FCC or state agencies.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

Other customer services revenue decreased \$5 million, or 6%, to \$78 million and \$3 million, or 1%, to \$247 million, for the three and nine months ended September 30, 2025, as compared to the prior year periods, driven by decreases in switched network access revenue and poles.

Subsidy and other revenue

Subsidy and other revenue was \$17 million and \$50 million for the three and nine months ended September 30, 2025, respectively, as compared to \$18 million and \$48 million for the three and nine months ended September 30, 2024, respectively.

OPERATING EXPENSES

The table below presents our operating expenses for the periods indicated:

(\$ in millions)	For the three months ended September 30,		\$ Increase (Decrease)	% Increase (Decrease)
	2025	2024		
Operating expenses:				
Cost of Service	\$ 547	\$ 538	\$ 9	2 %
Selling, general, and administrative expenses	395	427	(32)	(7)%
Depreciation and amortization	470	410	60	15 %
Restructuring costs and other charges	21	28	(7)	(25)%
Total operating expenses	<u>\$ 1,433</u>	<u>\$ 1,403</u>	<u>\$ 30</u>	<u>2 %</u>

(\$ in millions)	For the nine months ended September 30,		\$ Increase (Decrease)	% Increase (Decrease)
	2025	2024		
Operating expenses:				
Cost of Service	\$ 1,600	\$ 1,576	\$ 24	2 %
Selling, general, and administrative expenses	1,318	1,304	14	1 %
Depreciation and amortization	1,372	1,196	176	15 %
Restructuring costs and other charges	73	88	(15)	(17)%
Total operating expenses	<u>\$ 4,363</u>	<u>\$ 4,164</u>	<u>\$ 199</u>	<u>5 %</u>

Cost of service

Cost of service expenses include access charges and other third-party costs directly attributable to connecting customer locations to our network, and video content costs. Such access charges and other third-party costs exclude depreciation and amortization, and employee related expenses.

Cost of service increased \$9 million and \$24 million, for the three and nine months ended September 30, 2025, respectively, as compared to the prior year periods. The increases in cost of service expense were driven by outside service rate and electricity increases resulting from higher inflation and storm-related costs. These increases were partially offset by video content costs as a result of declines in video customers and non-renewal of certain content agreements.

Selling, General, and Administrative

Selling, general, and administrative expenses ("SG&A expenses") include the salaries, wages and related benefits and costs of corporate and sales personnel, travel, insurance, non-network related rent, advertising, and other administrative expenses.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

SG&A expenses decreased by \$32 million for the three months ended September 30, 2025, as compared to the prior year periods. This decrease was primarily due to decreases in professional services, marketing and compensation, and insurance reimbursement for intellectual property legal expenses; offset by increases in commissions.

SG&A expenses increased by \$14 million for the nine months ended September 30, 2025, as compared to the prior year periods. This increase was primarily due to increases in third-party commissions and other fees, primarily due to legal disputes and litigation settlements; offset by decreases in outside services, marketing, benefits and compensation and a settled dispute with the Chief Executive Officer of Frontier's predecessor company in the prior year.

Depreciation and Amortization

For the three and nine months ended September 30, 2025 depreciation and amortization expenses increased \$60 million and \$176 million, respectively, as compared to the prior year periods. The increased depreciation and amortization expense was driven by higher depreciation expense as a result of higher property, plant and equipment in service.

Restructuring costs and other charges

Restructuring costs and other charges consist of consulting and advisory fees, workforce reductions, transformation initiatives, and other restructuring expenses.

For the three and nine months ended September 30, 2025, restructuring costs and other charges decreased \$7 million and \$15 million, respectively, as compared to the three and nine months ended September 30, 2024, primarily due to lower severance and employee costs, pension/OPEB special termination benefit enhancement costs related to a voluntary severance program, and consulting and legal costs due to the Verizon merger and other restructuring activities.

Pension and Other post-employment benefits ("OPEB") costs

We allocate certain pension/OPEB expense to cost of service and SG&A expenses.

Total pension and OPEB service costs, excluding pension/OPEB special termination benefit enhancement were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
<i>(\$ in millions)</i>				
Total pension/OPEB expenses	\$ 14	\$ 13	\$ 38	\$ 39
Less: costs capitalized into capital expenditures	(5)	(5)	(13)	(13)
Net pension/OPEB expense	<u>\$ 9</u>	<u>\$ 8</u>	<u>\$ 25</u>	<u>\$ 26</u>

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

OTHER NON-OPERATING INCOME AND EXPENSE

(\$ in millions)	For the three months ended September 30,		\$ Increase (Decrease)	% Increase (Decrease)
	2025	2024		
Investment and other income (loss), net	\$ (9)	\$ 29	\$ (38)	(131)%
Interest expense	\$ (198)	\$ (203)	\$ 5	(2)%
Income tax benefit	\$ (14)	\$ (6)	\$ (8)	133%

(\$ in millions)	For the nine months ended September 30,		\$ Increase (Decrease)	% Increase (Decrease)
	2025	2024		
Investment and other income, net	\$ 54	\$ 117	\$ (63)	(54)%
Interest expense	\$ (595)	\$ (601)	\$ 6	(1)%
Income tax benefit	\$ (41)	\$ (13)	\$ (28)	NM

NM - Not meaningful

Investment and other income (loss), net

Investment and other income, net decreased by \$38 million for the three months ended September 30, 2025, compared to the three months ended September 30, 2024. This decrease was primarily attributable to a loss on building sales of \$19 million, a \$16 million reduction in interest and dividend income, and a \$2 million reduction in pension benefit during the three months ended September 30, 2025.

Investment and other income, net decreased by \$63 million for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024. This decrease was primarily attributable to a \$38 million decrease in interest and dividend income, which reflected lower average cash and short-term investment balances during the current quarter; a \$14 million decrease in post-retirement remeasurement loss; a \$19 million loss on building sales; and an \$11 million decrease in Pension benefits; partially offset by a \$19 million increase in pension remeasurement gain during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024.

Interest expense

For the three and nine months ended September 30, 2025, interest expense increased \$5 million and \$6 million, respectively, as compared to the corresponding periods in 2024. The increase in interest expense was primarily driven by a higher debt balance.

Income tax expense

During the three and nine months ended September 30, 2025, we recorded an income tax benefit of \$14 million and \$41 million, on pre-tax loss of \$90 million and \$304 million, respectively. During the three and nine months ended September 30, 2024, we recorded an income tax benefit of \$6 million and \$13 million on pre-tax loss of \$88 million and \$217 million, respectively.

Our effective tax rates for the three and nine months ended September 30, 2025, was 15.2% and 13.5% and for the three and nine months ended September 30, 2024 was 7.4% and 6.2%, respectively.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

(b) Liquidity and Capital Resources

As of September 30, 2025, we had liquidity of approximately \$1,871 million, comprised of \$336 million of cash and cash equivalents and the available capacity on our delayed draw term loan facility of \$820 million and available capacity on our undrawn revolving credit facility of \$715 million.

On December 31, 2024, our subsidiaries Frontier Tampa Bay FL Fiber 1 LLC ("Borrower") and Frontier SPE FL Guarantor LLC ("Guarantor") entered into a credit agreement (the "Warehouse Credit Agreement") with certain lenders that established and governs certain credit facilities (the "Warehouse Facilities") including (i) a delayed draw term loan facility (the "DDTL Facility") of \$1.5 billion, less commitments reserved for letters of credit, and (ii) an incremental term loan facility under which the subsidiary borrower has the right to increase the commitments under the DDTL Facility by up to \$750 million.

In connection with the establishment of the DDTL Facility, Frontier Issuer LLC canceled its agreement relating to the potential issuance of a \$500 million Secured Fiber Network Revenue Variable Funding Notes, Series 2023-2, Class A-1 facility.

Analysis of Cash Flows

As of September 30, 2025, we had cash and cash equivalents aggregating \$336 million. For the nine months ended September 30, 2025, we used cash flow from operations, cash on hand, and cash from borrowings principally to fund our cash investing and financing activities, which were primarily capital expenditures.

As of September 30, 2025, we had a working capital deficit of \$2,198 million compared to a working capital deficit of \$1,029 million at December 31, 2024. The primary drivers for the increase to the working capital deficit at September 30, 2025 were a decrease of \$414 million in cash and cash equivalents, an increase in other current liabilities of \$572 million, an increase in accounts payable and accrued liabilities of \$216 million, and an increase of \$59 million in accrued interest, partially offset by an increase in accounts receivable of \$62 million and an increase in income taxes and other current assets of \$33 million, as compared to the period ended December 31, 2024.

Cash Flows provided from Operating Activities

Cash flows provided from operating activities increased \$173 million to \$1,500 million for the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024. The overall increase in operating cash flows was primarily the result of changes in depreciation and amortization and accounts payable and other liabilities offset by a decrease in profit.

We paid \$2 million in net cash taxes during the nine months ended September 30, 2025, compared to \$8 million in tax refunds received during the nine months ended September 30, 2024.

Cash Flows used by Investing Activities

Cash flows used by investing activities were \$2,415 million for the nine months ended September 30, 2025, compared to cash flows used by investing activities of \$898 million for the prior year period. The decrease was driven by \$430 million in higher capital expenditures in the current year period and the non-recurrence of \$1,075 million in sales of short-term investments in the prior year period as compared to the current year period.

Capital Expenditures

For the nine months ended September 30, 2025 and 2024, our capital expenditures were \$2,421 million and \$1,991 million, respectively. The increase in capital expenditures is offset by the decrease in capital related vendor financing payments.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

Cash Flows used by Financing Activities

Cash flows provided from financing activities increased \$619 million to \$431 million for the nine months ended September 30, 2025 as compared to the corresponding period in 2024. The increase in financing activities was primarily driven by a decrease in long-term debt principal payments and a decrease in vendor financing payments in 2025.

Capital Resources

Our primary anticipated uses of liquidity are to fund the costs of operations, working capital and capital expenditures and to fund interest payments on our long-term debt. Our primary sources of liquidity are cash flows from operations, cash on hand and borrowing capacity under our \$1,500 million DDTL Facility and \$925 million Revolving Facility (as reduced by \$210 million of revolver Letters of Credit and as reduced by \$200 million of DDTL Facility letters of credit). As of September 30, 2025, there was \$820 million of undrawn capacity under our DDTL Facility and \$715 million of undrawn capacity under our Revolving Facility. In addition, we may draw up to an additional \$150 million under the Convertible Note.

We have negotiated payment terms with certain of our vendors, (referred to as vendor financing), which are excluded from capital expenditures and reported as financing activities. As of September 30, 2025 and December 31, 2024 we had \$0 million and \$16 million, respectively, of vendor financing liabilities included in "Other current liabilities" on our consolidated balance sheet. Capital expenditures for the nine months ended September 30, 2025 were \$2,421 million, and when including \$16 million cash paid for vendor financing, capital investment was \$2,437 million.

We have assessed our current and expected funding requirements and our current and expected sources of liquidity, and have determined, based on our forecasted financial results and financial condition as of September 30, 2025, that our operating cash flows and existing cash balances will be adequate to finance our working capital requirements, fund capital expenditures, make required debt interest and principal payments, pay taxes and make other payments over the next twelve months. A number of factors, including but not limited to, loss of customers, pricing pressure from increased competition, lower subsidy and switched access revenues, and the impact of economic conditions may negatively affect our cash generated from operations. If the closing of the Verizon transaction were to be delayed, we may pursue additional sources of liquidity, including accessing the Incremental Term Loan under the DDTL facility.

Credit Facilities and Term Loans

Revolving Facility

On May 22, 2024, Frontier Communications Holdings, LLC, a subsidiary of Frontier ("Frontier Holdings"), entered into an amendment (the "2024 Credit Agreement Amendment") to its existing credit agreement that governs its senior secured credit facility with certain revolving credit lenders (the "Revolving Facility") which, among other things, (i) increased the aggregate amount of certain additional obligations permitted to be outstanding, including first lien debt, and securitization and receivables facilities, and non-loan party debt, from \$2,500 million to \$5,500 million; provided that at least 40% of the net available cash from the first \$1,915 million in securitization and receivables facilities received after May 22, 2024 (excluding net available cash received from drawings with respect to \$500 million of commitments of Variable Funding Notes) is applied to prepay Frontier Holdings' existing term loans and other applicable indebtedness, and 100% of the net available cash from securitization and receivables facilities in excess thereof (up to the cap of \$5,500 million) shall be applied to prepay Frontier Holdings' existing term loans and other applicable indebtedness; (ii) limited future securitizations and receivables facilities to assets located in Texas and/or Florida; and (iii) amended the financial maintenance covenant for the benefit of the Revolving Facility by, commencing with the period ending June 30, 2024, (a) including outstanding securitization and receivables facilities in the calculation of indebtedness and (b) increasing the maximum financial maintenance covenant leverage ratio thereunder to 5.25:1.00, with a step-down to 4.75:1.00 commencing with the period ending March 31, 2027, and continuing thereafter. The 2024 Credit Agreement Amendment became effective on July 1, 2024, when \$402 million of net available cash from the securitization closing on such date was applied to prepay existing term loans.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

On July 30, 2024, Frontier Holdings entered into a further amendment to its existing credit agreement that governs its Revolving Facility, pursuant to which \$50 million of revolving credit commitments of a terminating lender were replaced by \$75 million of commitments from a new lender, increasing overall capacity from \$900 million to \$925 million. The maturity date of the Revolving Facility will be the earliest of (a) April 30, 2028, (b) 91 days prior to the maturity of the term loan facility, (c) unless such notes have been repaid and/or redeemed in full, the date that is 91 days prior to the stated maturity date of our 5.875% First Lien Notes due 2027, and (d) unless such notes have been repaid and/or redeemed in full, the date that is 91 days prior to the stated maturity date of our 5.000% First Lien Notes due 2028.

On March 18, 2025, Frontier Holdings entered into a further amendment to its existing credit agreement that governs its Revolving Facility which, among other things, (x) (i) lowers the margin over adjusted Term SOFR with respect to the Revolving Facility from 3.50% to 2.50% and (ii) lowers the margin over the alternative base rate with respect to the Revolving Facility from 2.50% to 1.50%, (y) revises the prepayment requirement with respect to the Term Facility to replace the \$500 million prepayment exception for the funding of variable funding notes with a \$500 million prepayment exception for funding pursuant to a qualified securitization facility and (z) provides for an additional prepayment exception with respect to the Term Facility for up to \$135 million, subject to certain requirements and limitations.

Term Loan Facility

On January 14, 2025, Frontier Holdings entered into an amendment to its existing Term Loan Facility, which, among other things, (x) further lowered the margin over adjusted Term SOFR with respect to the Term Loan from 3.50% to 2.50% and (y) further lowered the margin over the alternative base rate with respect to the Term loan from 2.50% to 1.50%. On July 1, 2024, Frontier Holdings entered into an amendment to the Term Loan Facility which, among other things, extended the maturity date of \$1.025 billion of the Term Loan to July 1, 2031 and eliminated the credit spread adjustment previously applicable to the Term Loan.

On March 18, 2025, Frontier Holdings entered into a further amendment to its existing credit agreement as described under “Revolving Facility” above.

Fiber Network Revenue Term Notes

On July 1, 2024, Frontier Issuer LLC (“Frontier Issuer”), the Company’s limited-purpose, bankruptcy remote, subsidiary completed the issuance of \$750 million aggregate principal amount of secured fiber network revenue term notes consisting of \$530 million 6.19% Series 2024-1, Class A-2 term notes, \$73 million 7.02% Series 2024-1, Class B term notes and \$147 million 11.16% Series 2024-1, Class C term notes, each with an anticipated repayment term of seven years (collectively, the “Fiber Term Notes”). The Fiber Term Notes have a weighted average yield of approximately 7.4%. The Fiber Term Notes are secured by certain of Frontier’s fiber assets and associated customer contracts in the North Texas Area, in addition to those in the Dallas Metropolitan Area contributed in the Series 2023-1 Notes offering.

Warehouse Facilities

On December 31, 2024 (the “Warehouse Effective Date”), Frontier Tampa Bay FL Fiber 1 LLC (the “Warehouse Borrower”) and Frontier SPE FL Guarantor LLC, as guarantor (the “Warehouse Guarantor”), each a subsidiary of the Company, entered into a credit agreement (the “Warehouse Credit Agreement”) with certain lenders that establishes and governs certain credit facilities (the “Warehouse Facilities”). The Warehouse Facilities include:

- A delayed draw term loan facility (the “DDTL Facility”) of \$1.5 billion, less commitments reserved for letters of credit (the “Maximum DDTL Amount”). The DDTL Facility is available from the Warehouse Effective Date until the earlier of the full draw of the Maximum DDTL Amount or the third anniversary of the Warehouse Effective Date (such earlier date, the “DDTL Commitment Expiration Date”). To draw amounts under the DDTL Facility, the Warehouse Borrower must comply with a total leverage ratio of no more than 6.75:1.00 and a debt service coverage ratio of at least 2.00:1.00. Additionally, no defaults or other specified conditions may be continuing, and all conditions precedent for each extension of credit must be satisfied. The Warehouse Borrower must repay all outstanding amounts under the DDTL Facility due on the fifth anniversary

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

of the Warehouse Effective Date. The interest rate for the DDTL Facility is either, at the sole discretion of the Warehouse Borrower, for Base Rate Loans, (a) the highest of (i) the "U.S. Prime Lending Rate" published by the Wall Street Journal, (ii) the Federal Funds Effective Rate (as agreed to in good faith by the parties to the Warehouse Credit Agreement) plus 0.50%, and (iii) one-month Term SOFR plus 1.00% per annum, plus (b) 0.75%, with step-ups from and after the third anniversary, or, for SOFR Loans, Term SOFR plus 1.75%, with step-ups from and after the third anniversary. Optional prepayments are allowed without fees or penalties, subject to notice requirements. A portion of the DDTL Facility, up to \$200 million, is reserved as a letter of credit sublimit.

- An incremental term loan facility (the "Incremental Term Loan") under which the Warehouse Borrower has the right to increase the commitments under the DDTL Facility by up to \$750 million after the DDTL Commitment Expiration Date. No lender is required to increase its commitment. The Warehouse Borrower must comply with all representations and warranties, and the terms of any Incremental Term Loan must be identical to those of the DDTL Facilities, including maturity, priority of liens, prepayment terms, and pricing.

In the event of default, an additional 2.00% per annum will be applied to overdue amounts. Fees include commitment fees on undrawn portions, letter of credit fees, and fronting fees. The Warehouse Facilities are secured by first-priority pledges of equity interests and security interests in substantially all owned tangible and intangible assets of the Warehouse Borrower and its guarantors, which consist of the Warehouse Borrower's fiber network assets and associated customer contracts in certain neighborhoods in the Tampa, Florida area.

Debt Covenants and Borrowing Capacity

Credit Agreement

Our Amended and Restated Credit Agreement includes usual and customary negative covenants for loan agreements of this type, including covenants limiting us and our restricted subsidiaries' (other than certain covenants therein which are limited to subsidiary guarantors) ability to, among other things, incur additional indebtedness, create liens on assets, make investments, loans or advances, engage in mergers, consolidations, sales of assets and acquisitions, pay dividends and distributions and make payments in respect of certain material subordinated indebtedness, in each case subject to customary exceptions for loan agreements of this type.

Our Amended and Restated Credit Agreement also contains a "financial covenant" which provides that, commencing with the period ending June 30, 2024, our financial maintenance covenant leverage ratio shall not exceed as of the last day of each fiscal quarter 5.25:1.00, with a step-down to 4.75:1.00 commencing with the period ending March 31, 2027, and continuing thereafter.

This financial covenant is only applicable for the benefit of the Revolving Lenders (as defined in the Amended and Restated Credit Agreement) thereunder and failure to comply with the financial covenant would not cause an Event of Default with respect to any loans pursuant to our term loan facility unless and until the Required Revolving Lenders (as defined in the Amended and Restated Credit Agreement) have declared all amounts outstanding under the revolving facility to be immediately due and payable and all outstanding commitments under the revolving facility to be immediately terminated.

First Lien Notes and Second Lien Notes

The indentures governing our First Lien Notes and Second Lien Notes also include usual and customary negative covenants for debt securities of this type, including covenants limiting us and our restricted subsidiaries' (other than certain covenants therein which are limited to subsidiary guarantors) ability to, among other things, incur additional indebtedness, create liens on assets, make investments, loans or advances, engage in mergers, consolidations, sales of assets and acquisitions, pay dividends and distributions and make payments in respect of certain material subordinated indebtedness, in each case subject to customary exceptions for debt securities of this type.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

The indentures governing the outstanding subsidiary debentures include covenants that limit such subsidiary's ability to create liens and/or merge or consolidate with other companies. These covenants are subject to important exceptions and qualifications.

Fiber Term Notes

The indenture governing Frontier Issuer's Fiber Term Notes includes covenants and restrictions customary for transactions of this type. These covenants and restrictions include the maintenance of a liquidity reserve account to be used to make required payments in respect of the Fiber Term Notes, provisions relating to prepayments, required indemnification payments in certain circumstances. The Fiber Term Notes are also subject to rapid amortization in the event of a failure to maintain a stated debt service coverage ratio. A rapid amortization may be cured if the debt service coverage ratio exceeds a certain threshold for a certain period of time, upon which cure, regular amortization, if any, will resume. The Fiber Term Notes are also subject to certain customary events of default, including events relating to non-payment of required interest, principal or other amounts due on or with respect to the Fiber Term Notes, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective and certain judgments.

The Fiber Term Notes are subject to covenants and restrictions customary for transactions of this type, including (i) that the Issuer maintains specified reserve accounts to be used to make required payments in respect of the Fiber Term Notes and pay certain reserved fixed costs of the fiber networks, (ii) provisions relating to optional and mandatory prepayments of the Fiber Term Notes and the related payment of specified amounts, including specified make-whole payments in the case of prepayments of the Fiber Term Notes under certain circumstances, (iii) certain indemnification payments in the event, among other things, the assets pledged as collateral for the Fiber Term Notes are in stated ways defective or ineffective, and (iv) covenants relating to recordkeeping, access to information and similar matters. In addition, the terms of the indenture governing the Fiber Term Notes provide that a larger portion of Frontier Issuer's available funds will be used towards the repayment of the Fiber Term Notes during a cash sweep period, which period would result from, among other things, the failure to maintain a certain debt service coverage ratio or a certain minimum penetration rate in the markets that were securitized at closing. The Fiber Term Notes are also subject to customary rapid amortization events provided for in the Indenture, including events tied to failure to maintain stated debt service coverage ratios, the acceleration of the maturity of the Fiber Term Notes following the occurrence of an event of default and the failure to repay or refinance on the applicable Anticipated Repayment Date ("ARD").

The customary events of default to which the Fiber Term Notes are subject include events relating to non-payment of required interest, principal or other amounts due on or with respect to the Fiber Term Notes, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective and certain judgments. In addition, the Indenture and the related management agreement contain various covenants that limit the ability of the Company's securitized subsidiaries to engage in specified types of transactions, subject to certain exceptions, including, for example, to incur or guarantee additional indebtedness, sell certain assets, create or incur liens on certain assets to secure indebtedness or consolidate, merge, sell or otherwise dispose of all or substantially all of their assets.

As of September 30, 2025, we were in compliance with all of the covenants under our existing indentures and the Amended and Restated Credit Agreement.

Warehouse Facilities

The Warehouse Credit Agreement includes covenants and restrictions customary for transactions of this type. The DDTL Facility contains a financial covenant which provides that the subsidiary borrower must comply with a total leverage ratio of no more than 6.75:1.00 and a debt service coverage ratio of at least 2.00:1.00, in addition to other customary conditions.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

Off-Balance Sheet Arrangements

We do not maintain any off-balance sheet arrangements, transactions, obligations or other relationships with unconsolidated entities that would be expected to have a material current or future effect upon our financial statements.

Future Contractual Obligations and Commitments

There have been no material changes outside the ordinary course of business to the information provided with respect to our contractual obligations, including indebtedness and purchase and lease obligations, as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

Future Commitments

See “Regulatory Developments” immediately below for information regarding Frontier’s known and potential future commitments related to our participation in the FCC’s CAF Phase II program, NTIA BEAD program, and RDOF Phase I auction.

Regulatory Developments

Connect America Fund (“CAF”)/ Rural Digital Opportunity Fund (“RDOF”): In 2015, Frontier accepted the FCC’s CAF Phase II offer, which provided \$313 million in annual support through 2021 in return for the Company’s commitment to make broadband available to households within the CAF II areas in our existing 25 states. The Company was required to complete the CAF II deployment by December 31, 2021. Thereafter, USAC and the FCC have been reviewing carriers’ CAF II program completion data, and should USAC or the FCC determine that the Company did not satisfy certain applicable CAF Phase II requirements, Frontier could be required to return a portion of the funds previously received and may be subject to certain other fines, requirements and obligations.

On January 30, 2020, the FCC adopted an order establishing the RDOF competitive reverse auction to provide support to serve high-cost areas. Frontier was awarded approximately \$371 million over ten years to build gigabit-capable broadband over a fiber-to-the-premises network to approximately 127,000 locations in eight states (California, Connecticut, Florida, Illinois, New York, Pennsylvania, Texas, and West Virginia). We began receiving RDOF funding in the second quarter of 2022 and we will be required to complete the buildout to the awarded locations meeting certain annual milestones starting in December 31, 2025 through December 31, 2028. To the extent that Frontier is unable to fulfill the RDOF requirements, meet the milestones or construct to all locations by the required deadlines, funding to us could be withheld or discontinued and Frontier could be required to return a portion of funds previously received and may be subject to certain fines, requirements and obligations. Fines and penalties could also be assessed to the extent Frontier were ever to decide to surrender RDOF locations previously awarded.

In November 2021, Congress passed the IIJA which provides \$65 billion to fund broadband connectivity programs, including broadband deployment to unserved and underserved locations. The National Telecommunications and Information Administration (NTIA) is administering the principal last mile infrastructure funding program in the amount of \$42.5 billion, the Broadband Equity, Access & Deployment Program (BEAD), and will distribute funding through direct grants to states, who will then award the funds based on competitive grant programs. The NTIA has allocated approximately \$25.5 billion to states in Frontier’s footprint. We participated in the Frontier’s state challenge programs and pre-application and application processes. We are continuing to actively pursue awards of these stimulus funds; however, any awards that we ultimately receive under the IIJA may require significant up-front capital expenditures or other costs.

On June 6, 2025, NTIA issued a BEAD Restructuring Policy Notice to modify and replace certain requirements outlined in the BEAD Notice of Funding Opportunity. The Policy Notice rescinded all preliminary and provisional subgrantee award selections and requires states to run at least one Benefit of the Bargain application round, in which minimal BEAD program outlay is the principal selection criteria. NTIA prohibited states from awarding additional points for 100% fiber projects but permitted them to prioritize “priority broadband projects” as that term is defined in the Infrastructure Investment and Jobs Act. The NTIA’s changes did not reduce the amount of funding allocated to each

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

state for broadband infrastructure but eliminated certain potentially costly obligations associated with accepting BEAD awards, including middle-class affordability and low-cost offer pricing standards, open access, and climate change requirements, among others, and has set per location maximum subsidy thresholds, which differ from state to state, that is likely to result in more locations being funded for broadband solutions other than fiber. It is uncertain whether these changes will impact Frontier's success in securing BEAD awards. We are closely tracking developments in this area, and additional revisions to the program or Benefit of the Bargain process could have a material adverse effect on the BEAD program, any funding we receive, and the costs of completing BEAD award projects.

Privacy: Our businesses are subject to federal and state laws and regulations that impose various restrictions and obligations related to privacy and the handling of customers' personal information. Privacy-related legislation has been adopted in a number of states in which we operate. Certain state requirements give consumers increased rights including the right to know what personal information is being collected about them and obtain a copy of such information, opt-out of the sale of personal information or sharing of personal information for purposes of certain targeted advertising, and to request the correction or deletion of this information. Complying with such laws, as well as other legislative and regulatory action related to privacy, could result in increased costs of compliance, claims against the Company or investigations related to compliance, and increased uncertainty in the use and availability of certain consumer data.

Video Programming: Federal, state, and local governments extensively regulate the video services industry. Our linear video services are subject to, among other things: subscriber privacy regulations; requirements that we carry a local broadcast station or obtain consent to carry a local or distant broadcast station; rules for franchise renewals and transfers; the manner in which program packages are marketed to subscribers; and program access requirements.

We provide video programming in some of our markets including California, Connecticut, Florida, Indiana, and Texas pursuant to franchises, permits and similar authorizations issued by state and local franchising authorities. Most franchises require payment of a franchise fee as a requirement to the granting of authority.

Many franchises establish facilities and service requirements, as well as specific customer service standards and monetary penalties for non-compliance. We believe that we are meeting all material standards and requirements. Franchises are generally granted for fixed terms and must be periodically renewed.

Environmental Regulation: The local exchange carrier subsidiaries we operate are subject to federal, state, and local laws, and regulations governing the use, storage, disposal of, and exposure to hazardous materials, the release of pollutants into the environment and the remediation of contamination. As an owner and former owner of property, we are subject to environmental laws that could impose liability for the entire cost of cleanup at contaminated sites, including sites formerly owned by us or our predecessors, regardless of fault or the lawfulness of the activity that resulted in contamination. We believe that our operations are in substantial compliance with applicable environmental laws and regulations.

Critical Accounting Policies and Estimates

The preparation of our financial statements requires management to make estimates and assumptions. There are inherent uncertainties with respect to such estimates and assumptions; accordingly, it is possible that actual results could differ from those estimates and changes to estimates could occur in the near term. These critical accounting estimates have been reviewed with the Audit Committee of our Board of Directors.

There have been no material changes to our critical accounting policies and estimates from the information provided in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Recent Accounting Pronouncements

For additional information regarding FASB Accounting Standards Updates ("ASUs") that have been issued but not yet adopted and that may impact the Company, refer to Note 3 – "Recent Accounting Pronouncements" to the Consolidated Financial Statements included in Part I of this report for additional information related to recent accounting literature.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the normal course of our business operations due to ongoing investing and funding activities, including those associated with our pension plan assets. Market risk refers to the potential change in fair value of a financial instrument as a result of fluctuations in interest rates and equity prices. We do not hold or issue derivative instruments, derivative commodity instruments or other financial instruments for trading purposes. As a result, we do not undertake any specific actions to cover our exposure to market risks, and we are not party to any market risk management agreements other than in the normal course of business. Our primary market risk exposures from interest rate risk and equity price risk are as follows:

Interest Rate Exposure

Our exposure to market risk for changes in interest rates relates primarily to the interest-bearing portion of our pension investment portfolio and the related actuarial liability for pension obligations, as well as our floating rate indebtedness. As of September 30, 2025, 88% of our total debt had fixed interest rates. We had no interest rate swap agreements in effect at September 30, 2025. We believe that our currently outstanding obligation exposure to interest rate changes is minimal.

Our objectives in managing our interest rate risk are to limit the impact of interest rate changes on earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, only the \$1.0 billion term loan facility and the \$480 million drawn on our \$1.5 billion DDTL facility has a floating rate at September 30, 2025. The annual impact of a 100 basis points increase in the SOFR would result in approximately \$15 million of additional interest expense, provided that the SOFR rate exceeds the SOFR floor. An adverse change in interest rates would increase the amount that we pay on our variable rate obligations and could result in fluctuations in the fair value of our fixed rate obligations. Based upon our overall interest rate exposure, a near-term change in interest rates would not materially affect our consolidated financial position, results of operations or cash flows.

At September 30, 2025, the fair value of our debt was estimated to be approximately \$12.3 billion, based on quoted market prices, our overall weighted average borrowing rate was 6.774% and our overall weighted average maturity was approximately 4 years.

Our discount rate assumption for our pension benefit obligation is determined at least annually, or whenever required, with assistance from our actuaries. The discount rate is based on the pattern of expected future benefit payments and the prevailing rates available on long-term, high quality corporate bonds with durations approximate to that of our benefit obligation. As of December 31, 2024, the discount rate utilized in calculating our benefit plan obligation was 5.60%. As of March 31, 2025, the last remeasurement date, the discount rate utilized in calculating our benefit plan obligation was 5.50%.

The discount rate assumption for our OPEB obligation is determined in a similar manner to the pension plan. As of December 31, 2024, our discount rate utilized in calculating our benefit plan obligation was 5.70%. As of March 31, 2025, the last remeasurement date, the discount rate utilized in calculating our benefit plan obligation was 5.50%.

Equity Price Exposure

Our exposure to market risks for changes in equity security prices as of September 30, 2025 is primarily limited to our pension plan assets. We have no other security investments of any significant amount.

The value of our pension plan assets increased \$188 million from \$2,328 million at December 31, 2024 to \$2,516 million at September 30, 2025. This increase primarily resulted from changes in the market value of investments of \$193 million, net of plan expenses, and contributions of \$112 million, offset by benefit payments to participants of \$117 million.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, regarding the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon this evaluation, our principal executive officer and principal financial officer concluded, as of the end of the period covered by this report, September 30, 2025, that our disclosure controls and procedures were effective.

(b) Changes in internal control over financial reporting

There have been no changes to our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) identified in an evaluation thereof that occurred during the first nine months of 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

We are party to various legal proceedings (including individual, class and putative class actions as well as federal and state governmental investigations) arising in the normal course of our business covering a wide range of matters and types of claims including, but not limited to, general contracts, billing disputes, rights of access, taxes and surcharges, consumer protection, trademark, copyright and patent infringement, employment, regulatory, tort, claims of competitors and disputes with other carriers. Such matters are subject to uncertainty and the outcome of individual matters is not predictable. However, we believe that the ultimate resolution of these matters, after considering insurance coverage or other indemnities to which we are entitled, will not have a material adverse effect on our financial position, results of operations, or cash flows. For more information regarding pending and threatened legal actions and proceedings see Note 18 - "Commitments and Contingencies" to the Consolidated Financial Statements included in Part I of this report.

Item 1A. Risk Factors

There have been no material changes to the Risk Factors described in Part 1, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024.

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

On August 27, 2025, the Company, Frontier Holdings and Verizon Communications Inc. (the "Holder") entered into a Convertible Unsecured Promissory Note (the "Convertible Note") pursuant to which Verizon has agreed to extend a maximum initial principal amount of credit of up to \$200 million to Frontier Holdings, with \$50 million drawn at issuance. Borrowings under the Convertible Note bear interest at the arms-length variable rate of Daily Simple SOFR plus 0.87% per annum, payable quarterly in cash or in kind at Frontier Holdings' option, and may be repaid in cash by Frontier Holdings in full or in part at any time prior to the termination of the Merger Agreement. The Convertible Note constitutes unsecured senior indebtedness of Frontier Holdings, and ranks equal in right of payment with all of its outstanding and future senior indebtedness and senior in right of payment to all of its subordinated obligations. Unless previously repaid or converted, the Convertible Note and all interest accrued thereon will be due and payable in full on August 27, 2028.

Upon termination of the Merger Agreement, any outstanding borrowings under the Convertible Note, and any accrued but unpaid interest thereon, will automatically, subject to limited exceptions, convert into shares of Frontier common stock at a conversion price of \$38.50 per share. The Convertible Note was issued to Verizon in reliance on a private placement exemption from registration provided under Section 4(a)(2) of the Securities Act of 1933, as amended. Frontier expects to use the proceeds from the Convertible Note for general corporate purposes.

Item 5. Other Information

(c) During the three months ended September 30, 2025, no director or "officer" (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

PART II OTHER INFORMATION

Item 6. Exhibits

(a) Exhibits:

Exhibit Number	Description
<u>31.1</u>	<u>Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.</u>
<u>31.2</u>	<u>Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.</u>
<u>32</u>	<u>Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101	The following materials from Frontier's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, formatted in iXBRL (inline eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Operations; (iii) the Consolidated Statements of Comprehensive Loss; (iv) the Consolidated Statements of Equity (Deficit); (v) the Consolidated Statements of Cash Flows; and (vi) Notes to Consolidated Financial Statements.
104	Cover Page from Frontier's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, formatted in iXBRL and contained in Exhibit 101.

SIGNATURE

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.

FRONTIER COMMUNICATIONS PARENT, INC.

By: /s/ William McGloin
William McGloin
Chief Accounting Officer and Controller
(Principal Accounting Officer)

Date: October 28, 2025

CERTIFICATIONS

I, Nick Jeffery, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Frontier Communications Parent, 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 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
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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2025

/s/ Nick Jeffery

Nick Jeffery

President and Chief Executive Officer

CERTIFICATIONS

I, Scott Beasley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Frontier Communications Parent, 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 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
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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2025

/s/ Scott Beasley

Scott Beasley

Executive Vice President, Chief Financial Officer

CERTIFICATIONS 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 of Frontier Communications Parent, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Nick Jeffery, President and Chief Executive Officer and Scott Beasley, Executive Vice President, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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.

/s/ Nick Jeffery

Nick Jeffery
President and Chief Executive Officer
October 28, 2025

/s/ Scott Beasley

Scott Beasley
Executive Vice President, Chief Financial Officer
October 28, 2025

This certification is made solely for purpose of 18 U.S.C. Section 1350, subject to the knowledge standard contained therein, and not for any other purpose.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Frontier Communications Parent, Inc. and will be retained by Frontier Communications Parent, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.
