

March 5, 2021

Dear Shareholder:

Despite the numerous challenges faced in 2020, I am pleased to report on another year of growth and accomplishment for your Company. First and foremost, we quickly and safely adapted our operations to respond to the COVID-19 pandemic – protecting our employees while continuing to deliver quality services and support to our customers. Throughout the year, our incumbent broadband networks supported the heightened demand from customers for reliable high-speed data services. We completed a very successful first full year of operations for Glo Fiber, our fiber-to-the-home initiative launched in late 2019 to bring fiber-based services to higher-density urban/suburban markets in our region. We expanded our complement of services and technology offerings with the launch of our Beam fixed wireless service, allowing us to further extend our broadband services to lower density rural markets. Additionally, we diligently worked through the process triggered by T-Mobile’s acquisition of Sprint and the resulting impact to our wireless operations, setting the stage for the upcoming sale of this business expected in the second quarter of 2021.

The COVID-19 pandemic which began in early 2020 was a new challenge to our Company. In our initial response, we focused on keeping our employees safe with enhanced safety protocols, and creating a safe environment for customers while being able to continue supporting their needs. We quickly implemented work-from-home procedures for all non-customer-facing roles. For field-based and customer-facing roles, we instituted enhanced safety protocols, providing personal protective equipment and enhanced cleaning routines. We also implemented daily health checks and social distancing standards, following standards established by the Centers for Disease Control and the multiple states in which we operate, and developed innovative processes that allowed us to safely support customers’ needs while minimizing direct in-person interactions between customers and employees.

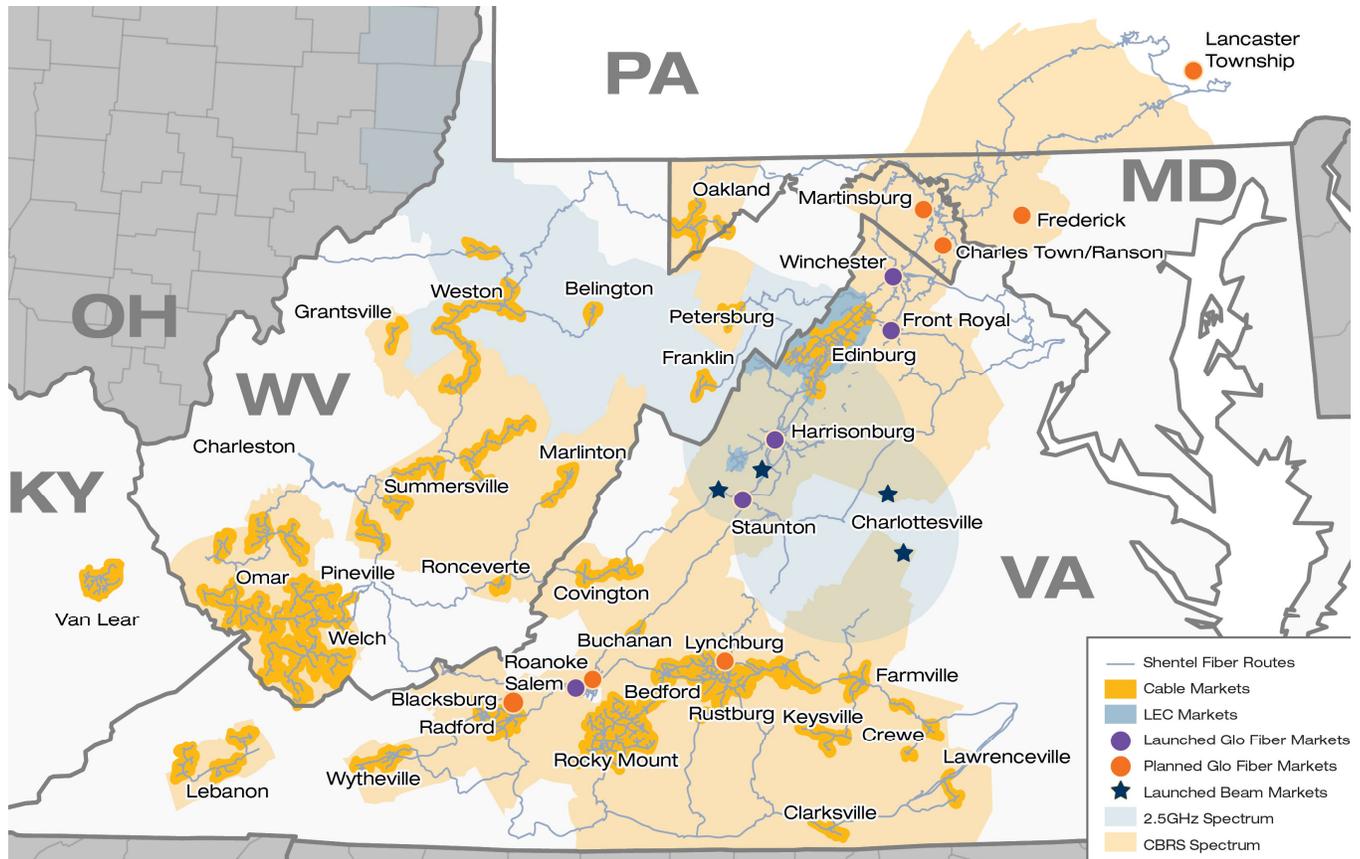


To assist our employees and their families during the pandemic, we designed enhanced paid time off procedures for those who were affected by the pandemic, whether to care for themselves or a family member who was exposed to or had contracted the disease, or to care for a child whose school or place of care was closed due to the pandemic. For employees in customer-facing roles, the Company instituted a 20% supplemental pay premium to recognize these individuals’ specific contributions during the pandemic.



We also took numerous actions to help our customers with their needs during the pandemic. Despite the rapid increase in utilization of our essential networks, our monitoring and maintenance efforts allowed the networks to accommodate the increases while continuing to operate at high performance levels. We also implemented various steps to directly benefit customers impacted by COVID-19, including temporarily increasing minimum broadband bandwidth speeds to 50 Mbps, increasing data allowances for all broadband customers, and suspending service disconnections for customers unable to pay due to COVID-19. We also introduced a lower-cost prepaid broadband plan to make it easier for new customers to obtain services to support their needs working or learning from home.

The pandemic brought into sharper focus the importance of broadband access and how critical it has become for our customers and communities. For many years, our growth strategy has been focused on delivering quality high-speed broadband services to the communities we serve, and we were well-positioned to meet the growth in demand that occurred in 2020. Although our non-PCS broadband services have not been of the same scale as our much larger PCS operation, they have been a key contributor to our overall performance and provide the foundation for our future growth. When the sale of our Wireless operation is completed, our broadband-centric business will be focused on our incumbent cable services, our new Glo Fiber fiber-to-the-home service, and our recently-launched Beam fixed wireless service. All of our networks and services are tied together and supported by our 6,800 route miles of fiber.



The number of homes passed by our incumbent cable system networks grew from approximately 206,600 at the end of 2019 to approximately 208,700 by the end of 2020. During 2020, we added over 14,600 net data Revenue Generating Units (RGUs) – increasing our data penetration from 40.6% to 47.2% of homes passed. At the end of the year, nearly 80% of our incumbent cable data customers were on plans of 25 Mbps or higher, with an average subscribed download speed of 83 Mbps. Most of our competitors in these markets cannot offer an effective alternative to our service speeds.

We had an outstanding first full year executing Glo Fiber, our new fiber-to-the-home service. Glo Fiber had approximately 5,800 total RGUs at the end of the fourth quarter with a 14.5% aggregate broadband data penetration rate across all markets – including just over 4,100 new Glo Fiber customer relationships. We continue to see extraordinarily low churn in our Glo Fiber high-speed data product. A higher percentage of new subscribers are electing our higher-priced Gigabit speed tier. Our streaming TV and voice services continue to perform very well with 26% and 15% of our customers taking these services, respectively. At the end of 2020, 67% of Glo Fiber customers subscribed to only broadband data, 25% of the subscribers took two services, and 8% took all three services.

We are making good progress on our Glo Fiber network expansion efforts, and exceeded our expectations during the year, in spite of the effects of COVID-19. A total of 27,000 new residential and small business passings were constructed and released to sales in 2020, bringing the total to just under 29,000 new homes and businesses passed at the end of the year. By accelerating construction and new market launches, we hope to have approximately 74,000 total active passings by the end of 2021. In total, Glo Fiber has approved franchised target passings of approximately 117,000, with a strong funnel of additional markets available as we start 2021.



As previously reported, in 2019 we launched a new initiative to offer fixed wireless broadband services. As a first step, we acquired licensed spectrum in the 2.5 GHz band, which enables the provision of fixed wireless broadband service with download speeds of up to 100 megabits per second, far exceeding offerings by DSL, satellite and wireless internet service provider competitors in the areas of our spectrum footprint without cable facilities. The spectrum covers portions of Virginia, West Virginia and southeastern Ohio that are under-served or lack any high-speed broadband service.

In October 2020, we launched our initial fixed wireless service under the Beam brand name in the Albemarle and Rockingham counties of Virginia. Our Beam service offers high-speed internet access ranging from 25 to 100 megabits per second to under-served rural homes without cable or fiber-based service available. Although we have a small sample size so far, the initial response to our targeted launch has been very positive. We believe the Beam service will be a big



part of solving the longstanding digital divide between urban and rural broadband internet connectivity in our markets. To increase our potential coverage area and supplement our capacity, in the third quarter we purchased incremental spectrum in the recent CBRS auction for \$16 million. This investment, along with development of the 2.5 GHz spectrum purchased in 2019, will pass approximately 425,000 homes with our initial target addressable market of 215,000 homes passed in the next five years.

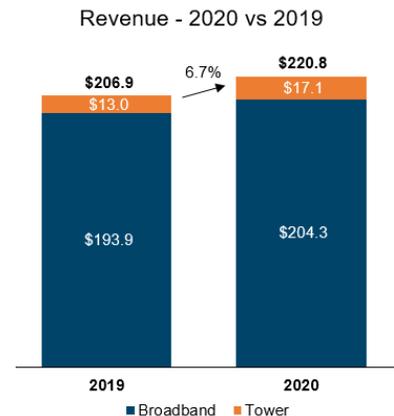
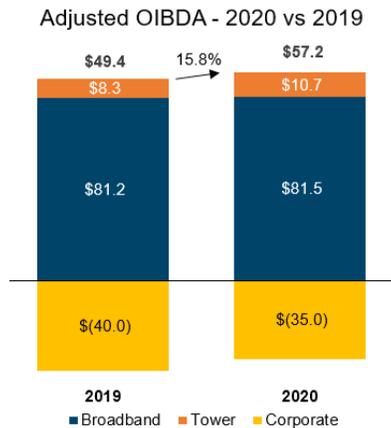
Over the last 25 years, the dedicated employees in our wireless business charted an enormously successful path in the wireless industry. We built the best performing wireless network, deployed an unmatched footprint of stores and kiosks and provided industry-leading customer service to over one million mostly rural subscribers in our region. Without Shentel, many of our wireless customers would not have otherwise had a reliable provider they could count on for critical connectivity to keep in touch with loved ones or to support their livelihood.

At this time last year, we did not know the future of our wireless business. The proposed merger of Sprint and T-Mobile was announced in early 2018, and was not completed until April 1, 2020. When that merger closed, T-Mobile delivered to the Company a Network Technology, Brand and Combination Conversion Notice pursuant to the terms of our affiliate agreement with Sprint, and T-Mobile subsequently announced plans to begin integration of the brands, rate plans, sales and networks. In late August, T-Mobile notified the Company of its intent to exercise its option under our affiliate agreement with Sprint to purchase our wireless operations.

Delivery of this notice triggered an appraisal process to determine the Entire Business Value to be paid by T-Mobile for the purchase of our network and operations. The appraisal process concluded at the beginning of February 2021, and determined the sale price to be \$1.95 billion, inclusive of an estimated closing adjustment for unrealized waived management fees. We expect to enter into a definitive asset purchase agreement with T-Mobile during the first quarter of 2021, and expect that the transaction will close during the second quarter 2021, subject to customary closing conditions and required regulatory approvals.

Upon closing of the transaction, we currently expect to use the proceeds to, among other things, pay income taxes, repay our existing credit facility, provide adequate liquidity for growth and potential strategic acquisitions, and provide liquidity for general corporate purposes. Additionally, we expect to issue a special dividend of \$18.75 per share to Shentel's shareholders, subject to the approval of our Board of Directors. The anticipated dividend will total approximately \$936 million, a significant return of value to our shareholders.

The successful outcome of the Wireless appraisal process was part of the positive financial results for 2020. Net income for the year was \$126.7 million compared to \$56.0 million in 2019, due in part to an accounting change required by the exercise of the purchase option by T-Mobile, which resulted in our Wireless financial results being presented as discontinued operations. After the wireless sale is completed, our continuing operations will include two reportable segments, Broadband and Towers. On a consolidated basis, these two segments generated \$220.8 million of revenue in 2020, an increase of 6.7% over 2019. Operating loss from continuing operations in 2020 was \$1.1 million, compared to \$0.72 million in 2019.



Adjusted Operating Income Before Depreciation and Amortization (Adjusted OIBDA) for continuing operations was \$57.2 million in 2020 compared to \$49.4 million in 2019. Adjusted OIBDA is a non-GAAP financial measure that provides an indication of our operating performance.

While we have mixed emotions about divesting our Sprint affiliate business, the transaction will allow us to fully focus our resources on our transition to a regional integrated broadband communications company. Our new Glo Fiber and Beam fixed wireless broadband initiatives are the latest highlights in a decade-long strategy that began with the acquisition of several rural incumbent cable properties and an aggressive middle-mile fiber expansion in the mid-Atlantic region. Similar to past periods when we launched new services and expanded into new markets, the initial years of these initiatives are expected to require relatively large investments to construct and operate the networks needed to deliver new and better services to our markets. We are fortunate that our past investments, not just in Wireless, but in all of our segments, have provided a solid foundation upon which we can support the new investments now required for continued growth.

As we transition to a broadband-centric company, we now have a complementary mix of state-of-the-art cable, fiber and fixed wireless technologies supporting product offerings to serve a variety of market dynamics. Our Glo Fiber service targets higher-density urban/suburban markets, and our Beam fixed wireless service targets lower-density rural areas. We plan to accelerate our investments in both Glo Fiber and Beam, and expect to reach approximately 730,000 homes passed over the next five years. The common denominator in all of our offerings is providing the leading high-speed internet service available in each market combined with superior local customer service. With projected Glo Fiber and Beam terminal penetration rates in the low to mid 30% range, and incumbent cable penetration in the mid 50% range, we expect our Broadband business to have industry leading sustainable growth for the next several years.



Our Company has a long history of adapting to the changes in our industry, and rising to the difficult task of providing services to predominately rural markets. There were many challenges during 2020, and I am proud of the efforts of our employees and management team in meeting and overcoming them, while continuing to execute on our strategic growth initiatives. Our long-term shareholders have witnessed the transformation of our company over the years, and throughout have benefited from our commitment to providing quality service to our customers and increasing the long-term value of our shareholders' investment. We appreciate the continued support and confidence of our shareholders.

For the Board of Directors,

Christopher E. French
 Chairman and President