

# GCI Liberty Proposed Spin-Off Transaction Overview

- On November 12<sup>th</sup>, Liberty Broadband entered into a definitive agreement to be acquired by Charter
  - Transaction is expected to close contemporaneously with Charter's subsequently announced combination with Cox Communications
- In connection with its merger agreement with Charter, Liberty Broadband has agreed to spin off its GCI business, which will be owned by a new entity called GCI Liberty, Inc., by way of a distribution to Liberty Broadband common stockholders
  - Spin-off expected to occur late Q2-25 to early Q3-25
  - Each Liberty Broadband shareholder is expected to receive 0.2 shares of GCI Liberty's Series A, B, and C GCI Group common stock for each share of the corresponding series of Liberty Broadband's common stock held as of the record date
  - Remaining conditions to complete spin-off include, among others, effective registration statement and approval from the Regulatory Commission of Alaska
- GCI Liberty is expected to trade on the NASDAQ under symbols GLIBA and GLIBK and on the OTC markets under symbol GLIBB
  - GCI Liberty will consist primarily of its wholly owned subsidiary GCI, LLC

# GCI Liberty Proposed Spin-Off Trading FAQ

- **What is the last possible date a shareholder can purchase LBRDA/B/K shares and still be eligible for the distribution?**
  - If you hold your shares through a bank, broker or other nominee, and you sell your shares of Liberty Broadband common stock after the record date and on or before the distribution date, you will also be selling your right to receive shares of GCI Group common stock in connection with the distribution
  - Immediately following the spin-off, LBRDA, LBRDB, LBRDK and LBRDP will continue to trade on NASDAQ and the OTC Markets as applicable until the Charter combination
- **What is happening to the Liberty Broadband preferred stock?**
  - Holders of LBRDP will not receive any shares of GCI Liberty common stock or non-voting preferred stock in the distribution. LBRDP shares will remain outstanding following the distribution until the Charter combination, at which point such shares will be converted into new Charter preferred stock having substantially identical terms
- **Will there be “when-issued” trading in LBRD or GLIB?**
  - If NASDAQ establishes a “when-issued” market, we expect that trading on a “when-issued” basis will begin on or shortly before the record date and will continue up to and through the distribution date
- **When is Liberty Broadband expected to trade ex-dividend?**
  - We expect NASDAQ to establish the ex-dividend date as the trading day following the distribution date, as is customary for stock dividends
- **How will my tax basis be determined across these securities?**
  - Tax basis information will be available on GCI Liberty’s and Liberty Broadband’s websites following the distribution

# Tax Considerations of Proposed GCI Liberty Spin-Off

## Corporate Level Tax Considerations

- The GCI Liberty distribution will be taxable to Liberty Broadband, with Charter bearing the corporate level tax liability upon completion of its combination with Liberty Broadband
  - To the extent such corporate level tax liability exceeds \$420 million, GCI Liberty will pay to Liberty Broadband the value of the portion of tax benefits realized by GCI Liberty as a result of the step-up in tax basis obtained from the spin-off corresponding to such excess amount
- The step-up in tax basis of GCI Liberty and its subsidiaries will depend upon the fair market value of GCI Liberty at the time of the spin-off. The calculation will be based in part on the trading price of GCI Liberty common stock over the first 20 trading days following the spin-off, making it difficult to predict in advance
- Generally, there should not be limitations on the ability to use tax benefits at GCI Liberty
- GCI Liberty is not expected to be a cash taxpayer in 2025

## Shareholder Level Tax Considerations

- The receipt of GCI Liberty common stock is expected to be taxable to Liberty Broadband common shareholders. Shareholders should consult their own tax advisors because taxation will depend upon such holder's personal circumstances and other factors including the completion of the combination of Liberty Broadband by Charter and whether such holder disposes of their Liberty Broadband common stock prior to the completion of the combination

