



Arrowsic Broadband Network - Buyer

The following document provides Arrowsic residents with a description of the Network buyer and the reasoning for selecting this purchaser.

1. Purchaser of the Arrowsic Network

The Select Board, in conjunction with the Arrowsic Broadband Authority's work, has selected Axiom Technologies LLC as the preferred buyer. Who is Axiom Technologies?

- a. Axiom began working with coastal communities and small-island populations around 2016. With the help of the Island Institute, Axiom began assisting the 'Three Bridged Islands'— Arrowsic, Georgetown and Southport, in 2017.
- b. Axiom was the only provider at the time that offered to work with Arrowsic to install and operate its own network.
- c. In October 2021, Axiom Technologies signed a contract with the Arrowsic Broadband Authority to provide internet service to Arrowsic.
- d. Axiom Technologies acted as the general contractor for the installation of the Arrowsic broadband Network.
- e. Axiom Technologies is the current internet provider for the Arrowsic Broadband Network.

2. Value of Arrowsic Network

Before entering into sale negotiations, the owners of the Network must have a clear understanding of its value. ABA, then the Select board, employed various methods to determine the Network's value. Ultimately, the Network is worth only what a buyer is willing to pay.

- a. External (querying other potential buyers) and internal, financially based (cash flow and NPV) estimates produced valuations ranging from \$200,000 to \$325,000.
- b. Axiom's \$300,000 cash offer at closing on final terms to be agreed is a fair price for the Network.

Other Considerations:

- c. It was noted that the current switching, routing, and multiplexing equipment in the central office must be compatible with the purchaser's network.
- d. The buyer should have a local presence with operating networks in coastal Maine.

3. Rationale for Selecting Axiom Technologies

Selecting a buyer was more than choosing the highest bidder. Arrowsic preferred a partner over a purely transactional relationship. While no buyer can guarantee there will be no price increases, having one who will work with the Town is a plus. The reasons ABA preferred, and the Select Board agreed, that Axiom was the preferred buyer are listed below.

- a. Axiom's initial \$365,000 offer was at the high end of all Arrowsic Network valuations. Axiom noted that it has nearly 10 years of experience working with Arrowsic and other small communities. Axiom's CEO, Mark Quellette, has personally worked with ABA and the Select Board throughout Axiom's 9-year history.
- b. Fair negotiations. When first approached to make an offer in late 2024, Mark verbally proposed a figure equal to the Town-funded portion of the Network, which he estimated at \$350,000 to \$375,000.

In the spring of 2025, Mark formally offered \$365,000, in the middle of the range presented in 2024, even though CCI/Fidium had become a competitor in the market and he could have easily discounted his original offer. The offer was \$225,000 up front, with the balance paid over a 4-year period.

After further searching for additional buyers, the Town confirmed in the late Fall of 2025 that Axiom's offer remained valid. After reviewing the offer with the Town's attorney, the Town requested a one-time, cash on closing payment rather than a 4-year term. Axiom accepted the premise and proposed a \$300,000 cash payment at closing.

Discounting a price when the buyer offers to pay the full purchase price on closing is common and reasonable.

- c. Mark has indicated that he won't commit to never raising prices for a specific period, but will work to keep prices affordable. There are no immediate plans to raise prices for basic services, especially given competition from CCI/Fidium.
- d. Axiom has made a significant investment in improving the quality of its internet service by establishing a new server location in Portland, through which all of our internet connectivity flows.
- e. Axiom is known for its customer service, whereas the current competitor, even in its rebranded form, has a poor service reputation.

In summary, the Town is receiving a fair price for the Network from a known buyer with excellent customer service and a proven track record in small Maine communities