

Harrison Rural Electrification Association Teams with DZS and Digital Connections to Bring Fiber Broadband to Northern West Virginia

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\$25 million project enabled by USDA Rural Development Broadband ReConnect grant brings hyper-broadband performance and economic opportunity to over 8,000 subscribers

PLANO, Texas, June 02, 2021 (GLOBE NEWSWIRE) -- **DZS** (NASDAQ: DZSI), a global leader of packet-based mobile transport, broadband connectivity, and software defined networking solutions, today announced that West Virginia-based **Harrison Rural Electrification Association (HREA)** has teamed with DZS partner and regional telecommunications leader **Digital Connections, Inc.** to bring fiber broadband and voice services to its members and the wider community under a \$19 million U.S. Department of Agriculture (USDA) Rural Development Broadband ReConnect Program grant. HREA has committed \$6 million of its own funds, bringing the overall funding of the project to service over 8000 residential and business subscribers to \$25 million. Funds have already been released and construction will commence soon.

“Bringing fiber broadband services to this region will be a game-changer, bringing residents an essential service that will better enable them to work, learn and communicate from home, all while driving economic development opportunities for the community,” said Terry Stout, CEO and General Manager of HREA. “It is thrilling to collaborate with public and private partners like DZS who are dedicated to providing the resources, technology and know-how to bridge the digital divide that still persists in the U.S. today, but was really brought into focus by the Covid pandemic. A high-quality broadband connection has emerged as a vital utility to all Americans today, and just like when we first brought electricity to our rural region in the 1930s, we are stepping up to deliver what has become an equally essential service.”

Expected over the next three years, HREA and Digital Connections will pull fiber optic cable to residents and

businesses across the utility's service area, leveraging Gigabyte Passive Optical Network (GPON) technology and world-class solutions from the **DZS Velocity**, **DZS Helix**, and **DZS Cloud** portfolios. The planned debut offering to subscribers will be a symmetrical bit rate broadband service with voice, passing thousands of home, businesses, and anchor institutions across over 400-plus miles of lines in Harrison and surrounding counties. Compared with dial-up or basic DSL services available today, these services will be more than an order of magnitude faster and delivered over a fiber network with equipment capable of delivering multi-gigabit services if necessary. The HREA network will leverage a key member of the DZS Velocity portfolio – the ultra-high-capacity, fiber-optimized **MXK-F series OLTs** – as the backbone of its wire centers. Within the DZS Helix portfolio, HREA will utilize a variety of cutting-edge **Z-2400A** and **Z-2600** series GPON ONTS with integrated smart gateway functionality. HREA also plans to offer managed Wi-Fi services based on **DZS-CONNECTION** software, part of the DZS Cloud software suite.

“Rural economic development depends on robust broadband services, because businesses won't move into these areas if it is not available,” said Bob Joseph and Tim Wotring, Digital Connections co-owners. “We are proud to join forces with HREA and our technology partner DZS to share our broadband internet, VoIP and fiber optic network expertise on this exciting and regionally transformational project.”

The Covid pandemic has clearly highlighted how critical access to broadband services has become in supporting remote work and school scenarios, which demand both upload and download speeds that traditional DSL and many other legacy services struggle to deliver. Electric cooperatives are in many communities the ideal vehicles to bring hyper-broadband to unserved and underserved areas because these companies already have a head start on the necessary infrastructure and expertise to deliver fiber-based broadband, such as access to poles for stringing new fiber cables, customer service and billing experience, rights-of-way for rapid deployment, and even in some cases fiber already deployed. Perhaps even more importantly, they are in many cases closely tied to the economic viability of their communities and have an appetite for projects with longer-term payback horizons, making them well suited for fiber access buildouts.

“As a technology partner to rural broadband development programs around both the U.S. and around the world, DZS is honored to help put world-class FTTP network infrastructure in place in previously unserved and underserved West Virginia communities,” said Jay Hilbert, Vice President of AEMEA Sales at DZS. “As one of the few U.S.-based fiber access systems vendors, and with products designed and manufactured in America, DZS is committed to helping bridge the digital divide across all 50 states by partnering with service providers as they build, evolve and manage their networks and connect rural consumers. HREA's success exemplifies the opportunity that electric cooperatives and other regional service providers have to build local support for advanced broadband services, obtain and leverage state and national funding, and to transform their communities through the power of broadband.”

For more information regarding DZS and its fiber access solutions, visit <https://dzsi.com/fttx/>.

About Harrison Rural Electrification Association

Harrison Rural Electrification Association, Inc. (**HREA**) has been serving the citizens of West Virginia's Harrison, Doddridge, Marion, Taylor, Barbour, Upshur and Lewis Counties since 1937. Since the beginning, HREA has brought electric service to rural citizens the for-profit electric utilities deemed not worth serving. Today, HREA continues to serve these areas with safe, reliable and affordable energy – and now broadband Internet access as well. As we grow, we strive to continue to provide the highest quality service available. We have also stayed true to our original Cooperative Principles, like democratic member control, autonomy and independence, and—above all—concern for community. Governed by people who live in the communities we serve, we help power economic development and prosperity for the people.

About Digital Connections, Inc.

Based in Morgantown, WV, **Digital Connections, Inc.** is a leading regional telecommunications service provider offering high-speed Internet, telephone service, VoIP and other products to residential and business customers. Currently we are focused on delivering our PRODIGI Fiber to the Home (FTTH) product to underserved Preston County communities. All our products are competitively priced and supported by unmatched customer service that truly sets us apart from the competition.

About DZS

DZS Inc. (NSDQ: DZSI) is a global leader of intelligent, packet-based mobile transport, broadband connectivity, and software defined networking solutions. With more than 20 million products in-service and customers and alliance partners spanning more than 100 countries, DZS is helping many of the world's most advanced and innovative service providers and enterprises leverage the power of 5G, 10gig fixed broadband, and software-defined networks to deliver cutting-edge services and lead in their markets.

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This press release contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Private Securities Litigation Reform Act of 1995. These statements reflect the beliefs and assumptions of the Company's management as of the date hereof. Words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "goal," "intend," "may," "plan," "project," "seek," "should," "target," "will," "would," variations of such words, and similar expressions are intended to identify forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and

are subject to risks, uncertainties and assumptions that are difficult to predict. The Company's actual results could differ materially and adversely from those expressed in or contemplated by the forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, those risk factors contained in the Company's SEC filings available at www.sec.gov, including without limitation, the Company's annual report on Form 10-K, quarterly reports on Form 10-Q and subsequent filings. In addition, additional or unforeseen affects from the COVID-19 pandemic and the global economic climate may give rise to or amplify many of these risks. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date on which they are made. DZS undertakes no obligation to update or revise any forward-looking statements for any reason.

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