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**pdvWireless, Inc.** (PDVW)

Q1 2018 Earnings Call

## CORPORATE PARTICIPANTS

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**Robert Schwartz**  
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## OTHER PARTICIPANTS

**Paul Kirby**  
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**Sameed Musvee**  
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**James Breen**  
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## MANAGEMENT DISCUSSION SECTION

**Operator:** Good afternoon, ladies and gentlemen, and welcome to the pdvWireless Q1 Update Conference Call. At this time, all participants have been placed on a listen-only mode, and we will open the floor for your questions and comments after the presentation.

It is now my pleasure to turn the floor over to Natasha Vecchiarelli of pdvWireless. Ma'am, the floor is yours.

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**Natasha Vecchiarelli**  
*Investor Relations Manager, pdvWireless, Inc.*

Thank you. Good afternoon and welcome to the pdvWireless first quarter fiscal year 2018 earnings call. Joining me today are Brian McAuley, our Chairman; Morgan O'Brien, our Vice Chairman; John Pescatore, President and CEO; Tim Gray, our CFO; and Rob Schwartz, our Chief Strategy and Development Officer.

Earlier this afternoon, we issued a press release announcing our first quarter results, which can be viewed on the Investor Relations section of our website. In our remarks today, we will refer to a non-GAAP financial measure, adjusted EBITDA. This measure should not be considered in isolation from, as a substitute for or superior to our financial measures prepared in accordance with GAAP. We have provided a reconciliation to the most directly comparable GAAP financial measure, net loss, in our earnings press release.

As a reminder, any matters discussed today that are not historical facts constitute forward-looking statements. Forward-looking statements are based on management's current knowledge and expectations, and are subject to certain risk and uncertainties that may cause our actual results to differ materially. For more information, please refer to the risk factors discussed in our SEC filings. The company assumes no obligation to update any forward-looking statements or information.

With that, I'll turn the call over to John.

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## John C. Pescatore

*President, Chief Executive Officer & Director, pdvWireless, Inc.*

Thanks, Natasha. Hello, everyone, and thank you for joining us today. While our last update was less than two months ago, we've made notable progress, and I'm especially pleased to be able to say that on Friday the FCC issued a Notice of Inquiry or NOI related to our Joint Petition for Rulemaking. With the NOI, the door is opened to explore the potential to expand the efficiency and flexibility of the 900 megahertz band to enable next-generation technologies and services.

As you may know, the company's highest priority is to achieve success with our regulatory initiative aimed at modernizing the 900 megahertz spectrum band. That will enable us to provide advanced, innovative and secure solutions to meet the long-term wireless needs of enterprise and critical infrastructure entities. We regard this Notice of Inquiry as a very positive step forward in this initiative and one that we've been actively preparing for.

I'm happy to state that we've reached a meaningful and important milestone on the path to what we believe will be an enterprise focused broadband future. As the regulatory process moves forward, we will keep you apprised of any material events that transpire and we appreciate your continued support and encouragement as we continue through this process. We are reviewing the NOI in detail and, in the coming weeks, we'll be formulating our response.

There are many pertinent questions posed and requests for relevant information. This process provides the formal opportunity to share our compelling case regarding how modernizing the band is squarely in the public interest and is important to provide additional commercial broadband options for enterprises and critical infrastructure entities. Even the current status of the proceeding and in difference to the FCC's deliberative process, we will only provide our public responses, comments and reply comments as they are formally filed with the FCC.

It's also worth noting that with an NOI, when parties have discussions with FCC staff, there is no requirement of ex parte filings. So you may or may not see these types of meetings on the record as our preceding moves forward. I know you all have questions about our specific strategy and what the NOI means to the company. I assure you that we are being diligent and have a strong team working with us to assist in this process. We do not believe, however, that it is in our best interest to reveal our strategy at this time. That certainly aligns with our shareholders' interest.

Now, since our last call was so recent, I'll give you a very brief update on our other key priorities. Overall, the first quarter of fiscal 2018 was encouraging and consistent with what we discussed in June.

We've made progress increasing sales and developing additional compelling use cases for our spectrum. As to our dispatch business, relative to where we closed last year, we had a pretty good first quarter with about a 20% increase in our customer base. As of today, we stand at just over 5,300 units in service.

To give you a sense of our progress as well as an indication of the network usage in our dispatch business, I think it's helpful to consider the following data. We closed the first quarter with approximately 2.5 million PTT calls made on our dispatch networks, which was about a 20% increase over Q4. In addition, our dispatch customers are finding value with our workforce management solutions with approximately 70% having used a feature beyond traditional PTT voice.

Notably, our GPS solution is one of our most successful and accessed features. During the first quarter, our customers used our dispatcher portal 165,000 times to locate one or more of their workforce, up more than 25% over the previous quarter. While we continue to find ourselves in a competitive PTT environment versus Tier 1 carriers and local two-way providers, we're encouraged by the wins across a variety of verticals and by the growing usage on our networks.

We are still experimenting with various sales and marketing strategies to improve uptake, but remain mindful of the importance of the maintaining a strong cash position while we work through the FCC process. Therefore, we are making appropriate tradeoffs to prioritize our near-term investments to achieve our long-term objectives.

Turning to business development activities, we continue to make progress identifying compelling uses of our spectrum. We see strong interest and demand for enterprise focused private wideband and broadband solutions. To meet that demand, we have continued to evaluate technology solutions that can utilize our spectrum both now and in the future assuming regulatory success.

As discussed in the past, we have successfully tested [ph] endpoints updated (7:10), utilizing our spectrum, and continue to evaluate and test network components and solutions that will allow us to provide commercial enterprise grade wireless service to critical infrastructure and enterprise prospects.

Our focus remains on serving the needs of those customers. Further, our targeted work with the critical infrastructure community continues as we increase our commercial outreach and work towards expanding our business development funnel. Overall, we are enthusiastic about the opportunities that these initiatives are uncovering, and we remain focused and committed to growing our business, creating shareholder value and achieving our stated goals.

Now, I'd like to turn it over to Morgan O'Brien, to provide a more detailed update on our regulatory and business development initiatives.

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## Morgan Edward O'Brien

*Vice Chairman, pdvWireless, Inc.*

Thanks, John. Good afternoon, everyone. Once again, the FCC in its release dated August 4, 2017 has stayed true to the course followed over the last few decades, always being willing to reexamine its rules "to increase access to spectrum, improve spectrum efficiency and expand flexibility."

Every wireless consumer in America, and that is virtually every American over the age of 10, benefits from this enlightened policy every day. And every licensee of spectrum managed by the FCC is challenged to meet its responsibility to achieve the same objectives.

At pdv, we welcome the challenge laid out in the NOI to think broadly about "how to ensure that the 900 megahertz band is put to its best and highest use for the American public." Thinking broadly about broadband has been our passion for the last three years.

As the FCC sets forth in the NOI, paramount concern is to achieve the best balance between current incumbency on the 900 megahertz band versus new users and uses that expand the capacity and the functionality of the band.

In the many months since the filing of our joint petition in 2014, our pdv team has identified, analyzed and reached out to the principle incumbents which share with us the 900 megahertz band. We have posed this question: 30

years after the rules were first put in place, what if technology today and into the future suggest that the optimum way to deploy is very valuable nationwide-spot, the below 1 gigahertz spectrum.

The answer generally corroborates the premise on which our petition was based. Viewed from a global perspective, LTE is the dominant wireless technology now and into the foreseeable future. While the introduction of LTE seems indisputable to us as the 900 megahertz end game of any rebounding or repurposing, there are any number of different means to this end game, which the rulemaking must consider.

We see our job at pdv is to seek the greatest possible flexibility and to fashion a consensus among all relevant industry players for how to bring the benefits of LTE to the American public. A process that is collegial rather than adversarial strikes us as the clear preference here. The purpose of the NOI is to gather information from interested parties to assist the FCC in its decision-making process and to encourage interested parties to comment on a number of questions related to three potential options for the 900 megahertz band.

These options include: one, retaining the current configuration of the band, but increasing operational flexibility; two, reconfiguring a portion or all of the 900 megahertz band to support broadband and other advanced technologies and services; or three, retaining the current 900 megahertz licensing and eligibility rules.

One of the broadband reconfigure options included in the NOI is consistent with the company's joint petition proposal. And all information the company previously provided to the SEC to support the realignment and modernization of the 900 megahertz band will remain relevant. The NOI outlines that comments must be submitted on or before September 18, and reply comments are due on or before October 18.

The full text is available on the FCC's public website well as on our Investor Relations page. We are currently evaluating the multiple relevant increase contained in the NOI, have begun to assemble responsive materials, and plan to file a response to the NOI by the September 18 deadline.

It's important to note that the issuance of the NOI does not mean that the FCC has accepted or denied the broadband approach that we proposed in our joint petition or that the SEC will or will not ultimately adopt a notice of proposed rulemaking along the lines originally proposed by us. We continue to believe in the merits of our broadband approach and that it would be in the public interest for the FCC to realign the 900 megahertz band to enable broadband and other advanced technologies and services.

As Chairman Pai stated in his 100 day speech, one of his priorities is taking action to "spur broadband deployment and close the digital divide", with one of his other top priorities being "modernizing the commission's rules and eliminating unnecessary regulatory burdens".

We remain steadfast in our commitment to Chairman Pai's stated goals of promoting innovation, including bringing new broadband to market, fostering investment and increasing the FCC's speed and turning around matters on its docket. Nevertheless, obtaining a favorable result from the FCC may take a significant amount of time and resource.

We're already working with parties that are deploying new systems or needing new spectrum for their existing systems and have made some license transfers or amendments with more transactions in the pipeline. This [indiscernible] (13:51) to the industry and the commission that the work we're doing is supported and the growing need for more spectrum exists.

Since filing our petition, we see an evolution of demand take place with the growing need for broadband. While we were once pretty lonely banging the drum of broadband and trying to educate the industry on why it's necessary for the future, the industry has now made it a fixed conclusion. The "need for broadband" topic has become a standard agenda item at industry conferences and its being continuously discussed in white papers and relevant publications.

We believe that the rising tide of demand is multi-faceted and related to the commercial, regulatory, and consumer needs for broadband and critical infrastructure and enterprise context, which is driving proactive customer outreach to us. Also encouraging is the fact that many potential broadband customers are independently going through their own evaluations of how they can consolidate their existing and future communications needs, some of which are being served by multiple narrowband networks onto a single broadband network for efficiency and increased functionality.

Even while preparing comments and reply comments over the next several weeks, we plan to accelerate our process of engagement with incumbents and other interested parties with a goal of achieving a better collective understanding of the benefits of broadband. Of course, there have been more than 30 years of an industry operating under rules of premised on narrowband. Change in this context does not come quickly or easily. We are encouraged, however, with the progress we're seeing in understanding and acceptance just within the two and a half years since our joint petition was filed.

The smartphone rapidly has eclipsed the feature phone globally and a compelling case can be made that every function performed by narrowband can be done better, more cost effectively and with much greater spectrum efficiency by broadband. We're pleased that the SEC now has opened a docket to explore fully the best use of this very valuable block of spectrum.

As by far the largest incumbent in the band, pdv has a strong interest in putting its license spectrum to the highest and best use now and into the future. I think that covers our take on the SEC's recently issued NOI. The current status of our regulatory initiatives and the related actions we're taking to move this process forward.

I'll now turn it over to Tim to provide an update on our financial performance.

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## Timothy Gray

*Chief Financial Officer, pdvWireless, Inc.*

Thanks, Morgan. I will review the key highlights of the company's financial results for the first quarter of fiscal year 2018. My review is not intended to replace the full financial disclosures enclosed in the company's form 10-Q filed today or our much recent Annual Report on Form 10-K filed with the SEC, and we encourage listeners to review those filings for additional information.

Revenue for the company's first fiscal quarter ended June 30, 2017 was \$1.5 million compared with \$1 million for the quarter ended June 30, 2016. For the quarter, the company reported a net loss of \$7.9 million or negative \$0.55 per share compared with a loss of \$10.1 million or negative \$0.70 per share for the same quarter in the previous year.

Last year's first quarter included \$3.4 million of expenses to support the first net FirstNet bid or negative \$0.24 per share. As previously disclosed, in accordance with GAAP, we continued to increase the valuation allowance related to our deferred tax assets. In the three months ended June 30, 2017, the company recorded a non-cash income tax expense of \$0.7 million or \$0.05 per share to increase the valuation allowance. We expect to incur approximately \$2.6 million of non-cash deferred income tax expense for the full fiscal year 2018.

Adjusted EBITDA for the first quarter was a negative \$5.6 million, as compared with a negative \$8.2 million for the same period in the prior year. The change in adjusted EBITDA over our previous year is due to the elimination of the FirstNet bid-related expenses and higher revenues offset by higher sales and marketing costs. The company has a strong cash position with \$115.5 million in available cash as of June 30, 2017, a decrease of \$8.5 million from March 31, 2017, which includes \$1.5 million of additional 900 megahertz spectrum purchases.

It's important to note that we do anticipate additional expenses to respond to the NOI and continuing to expand our business development pipeline. We will also continue to opportunistically purchase additional 900 megahertz channels when it makes strategic and financial sense.

That concludes our prepared remarks. Before we open the call for questions, I'd like to state that we will not answer detailed questions on the NOI as our responses to the NOI will be provided to the FCC by the appropriate due dates.

Now, I would like to turn it over to the operator to facilitate questions.

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## QUESTION AND ANSWER SECTION

**Operator:** Thank you. [Operator Instructions] Your first question is coming from Paul Kirby. Please announce your affiliation and then pose your question. Your line is now live.

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Paul Kirby  
*Senior Editor, TR Daily*

Q

Hi, thanks for taking my call. I'm with TR Daily. Morgan, you mentioned that you're going to try to increase your outreach. To this point, a lot of the incumbents, a lot of the utilities don't like your plan, so how are you going – which the NOI pointed out, so how are you – at this point, how are you going to convince them?

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Morgan Edward O'Brien  
*Vice Chairman, pdvWireless, Inc.*

A

Okay, Paul, I think the right way to respond is to say that when a proceeding is all tied up in pleadings, you tend to get the extreme positions expressed and when you are off the record and having discussions with business types, both on our side and other sides, you have a whole different kind of discussion, so that is part of the process.

Another part of the process is, as we indicated in our comments, the process of time, the passage of time. There is a much greater understanding. We've had very vocal opponents on the record say to us we did not understand the nature of broadband and our possible requirement for broadband and it causes us to take another look.

Obviously, we don't identify those parties, but I'm saying that we continue to have a lot of substantive process behind the scenes just as you would expect. And we're the farthest thing from doctrinaire in our approach to this. We have a very solid understanding of technology and the technical issues. We think every technical issues that has been raised can be completely lived with.

But, on the other hand, we're listening to where everybody wants to go on this and trying to fashion as much as we can sort of a comprehensive position that we take with the FCC. It remains to be seen; we have a number of

weeks to go as we think through all the various dimensions of it. We can't extrapolate at all from what's currently on the record. As you will now, if it's in the nature of the process that parties go somewhat to the extreme.

Paul Kirby

*Senior Editor, TR Daily*

Q

So when you say comprehensive position, are you suggesting you would like to try to get a consensus position with the incumbents to bring to the FCC?

Morgan Edward O'Brien

*Vice Chairman, pdvWireless, Inc.*

A

Absolutely, I think that's the objective of any party in a proceeding like this, if you can.

Paul Kirby

*Senior Editor, TR Daily*

Q

Is it realistic to get that, do you think?

Morgan Edward O'Brien

*Vice Chairman, pdvWireless, Inc.*

A

Yes, I do.

Paul Kirby

*Senior Editor, TR Daily*

Q

Thank you.

**Operator:** Your next question is coming from Mike Crawford. Please announce your affiliation and post your question. Your line is live.

Sameed Musvee

*Analyst, B. Riley & Co. LLC*

Q

Hi, this is actually Sameed on for Mike from B. Riley. How are you, guys?

John C. Pescatore

*President, Chief Executive Officer & Director, pdvWireless, Inc.*

A

Hey. Good.

Sameed Musvee

*Analyst, B. Riley & Co. LLC*

Q

Thanks for taking the question. So, I know you guys are not going to comment specifically on the NOI strategies on this call, but I think in past calls, you guys talked about if the spectrum were to be reconfigured as a broadband service, the significant benefit would be accrued to the American public and the broader utilities in general. Could you remind us of all those benefits a critical infrastructure companies would get by this being reconfigured as a broadband service?

Robert Schwartz

*Chief Strategy & Development Officer, pdvWireless, Inc.*

A



Sure. Hi and welcome to call. It's Rob Schwartz. I think a couple of key things. The benefits to the industry – and this isn't something that we're necessarily making up. We put in the record; this is really what's being published by the industry. If you go to any of the key – and by industry, we're talking about critical infrastructure – any of the key industry events, I think as Morgan said, as time has passed, this has become really one of the number one topics being discussed and things like the UTC events and other key industry efforts.

What we're really hearing is that, historically, these have been an agglomeration of multiple dispread systems to handle communications, and that's across mostly narrowband systems, some of it on commercial networks that don't necessarily provide the reliability or security they need.

And so, as companies have taken holistic approaches to understanding each of those systems, and we're talking about narrowband push-to-talk, we're talking about narrowband SCADA systems, other similar type systems, as entities have taken a much broader perspective and realize that there is a need for both bringing those together because of evolutions of technologies and additional use cases that drive towards broadband.

There's also challenges with security of some of those current systems and a lot of these utilizes specifically are under some specific [ph] PUC (25:30) requirement about enhancing the security in LTE as an example, brings a much greater level of security just from the get-go and then has the ability to layer additional security on top of that.

Also, at the same time, in the industry, there has been a lot of – beside the discussion, there is other competing efforts to try and drive broadband to the market from the existing carriers. There is other solutions out there with higher band spectrum and there is some market leaders like Southern Linc, as an example, the wholly-owned subsidiary of Southern Company that has already launched LTE.

They are uniquely positioned in the country that they have broadband licenses below 1 gigahertz. They're actually licensed 800 megahertz and they've launched an LTE system and have started to really lead the industry and have sort of talked to the industry about that and that's also driving strong interest across the industry.

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**Sameed Musvee**

*Analyst, B. Riley & Co. LLC*

Q

Got it. That's helpful. And then in terms of...

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**Morgan Edward O'Brien**

*Vice Chairman, pdvWireless, Inc.*

A

Let me just add one thing, which is not all broadband is equal and this is certainly demonstrated in FirstNet. You can have the best broadband system in the world, but if, in an emergency, you can't get access to it, it does you no good. So, first and foremost, what we are offering as a great potential here to the industry is that critical infrastructure to get priority access to broadband that is [indiscernible] (27:00). And that is more important than anything in our view.

That was the position that the industry pretty consistently took, the critical infrastructure industry, in the past and our impression is, from the discussions we're having is that, they definitely understand the importance of it. You can argue about whether to create the opportunity at 900 megahertz or whether there is some imaginary, largely imaginary other place you could do it in the spectrum, but we really like this opportunity that the FCC has opened up and the Notice of Inquiry that everybody can really seriously put on the record what the choices are and where sort of the next generation of technology can bring all of us on this spectrum, and that's what the commission cares about. That's their mission.

Sameed Musvee

*Analyst, B. Riley & Co. LLC*

Q

Got it. That's helpful. And in terms of potential next step, as noted in the NOI, you guys are going to be responding with comments by September 18 and reply to comments by October 18. If all goes well with the process, when can we potentially expect the NPRM process to essentially begin in your estimation?

Morgan Edward O'Brien

*Vice Chairman, pdvWireless, Inc.*

A

Well, let me take a crack at that. It's Morgan again. First, I direct everybody's attention to some of the speeches that Chairman Pai has been making, and I actually take him absolutely to his words that he wants to get this process streamlined and [ph] sped up (28:46).

He's not talking, of course, specifically about us and our process, but just in general, and we'll have to wait and see. It's complicated; it requires a lot of balancing to the extent that the industry – there's a relatively finite number of players, but to the extent that those players can reach any kind of consensus, it helps a lot, speed things up.

So our interest in consensus is speeding things up as much as anything else. It's just – let's get on with it. This incredibly valuable spectrum is probably the least utilized spectrum below 1 gig that the commission has and that's a real shame. So we want to see if we can speed this up, we can't put any numbers on it, but we believe that the Chairman and his team are really committed to getting things moving quickly.

Sameed Musvee

*Analyst, B. Riley & Co. LLC*

Q

Thank you. That's helpful. I'll turn it over.

**Operator:** Your next question is coming from James Breen. Please announce your affiliation and then pose your question. Your line is now live.

James Breen

*Analyst, William Blair & Co. LLC*

Q

Thanks. William Blair. Just as this process moves on from a regulatory standpoint between now and whenever that completion maybe, can you just talk about how you're looking at your business as it is now and how you're going to market the product [indiscernible] (30:13). Thanks.

John C. Pescatore

*President, Chief Executive Officer & Director, pdvWireless, Inc.*

A

This is John Pescatore. As Rob started mentioning about the opportunities we're seeing in our critical infrastructure discussion and outreach and the company's main focus has been on or the top priority has been success with our FCC initiatives, but the other two areas, one being develop compelling use cases for our spectrum, in the outreach that we're doing with critical infrastructure and other enterprises, it's looking at what their needs are and developing sort of quasi private networks for them solving wireless problems.

And that's an initiative and it's a commercial initiative underway, and we have resources essentially building a funnel of solution sales that the end result of that would look like almost private network to a utility or an oil and gas company where they're able to get access to maybe field area – a field area network where they can access resources and do monitoring for example.

So that's the second focus in terms of business development. And then in our dispatch business, that again is focused on enterprise, more of the blue collar verticals like transportation, construction, field service in a narrowband world that we find ourselves in with our spectrum, and with that as a largely indirect approach using two-way radio dealers in our seven markets where we've launched service. So we look at the three together and that third priority is to increase revenues and develop that business as we're working through both the regulatory and our business development activities.

**James Breen**

*Analyst, William Blair & Co. LLC*

Q

And so the goal just is to have this solution set in place to move forward quickly once the regulatory issues are overcome, and then using your existing customer base to basically up-sell some of the additional products?

**John C. Pescatore**

*President, Chief Executive Officer & Director, pdvWireless, Inc.*

A

Yeah. So those activities in our outreach are focused on an ecosystem that assuming success with the regulator process will be broadband and LTE, and therefore, the access to technologies, application, solutions are robust, they're what the industry is using today, and our future solution can take advantage of all of those things as we develop those networks.

**Morgan Edward O'Brien**

*Vice Chairman, pdvWireless, Inc.*

A

Yeah. There are numerous. We're in the so-called Band 8. Traditionally, Band 8 has not been available, the 900 megahertz spectrum hasn't been available for broadband in the U.S., but it's largely available in the rest of the world. So there are ecosystems of equipment, numerous devices that are readily modified to work in this band. So it's truly a regulatory process which sits out in front of being able to bring a lot of innovative stuff into the market. Band 8 in the rest of the world, plenty of economy of scale driving feature functionality, it's something we were very close to and are watching closely.

**John C. Pescatore**

*President, Chief Executive Officer & Director, pdvWireless, Inc.*

A

And so in that business development activities, there are two components, one with the assumption that we win the regulatory initiative and we have broadband. The other is also looking at ways that we can use our spectrum in its current incarnation in a – because we have a decent amount of spectrum, it is discontinuous, but chunks of it can be aggregated and we can deploy wide band solutions as well today.

And so, those are the things coming out of that business development effort that we are looking at and there are off the shelf solutions to put those in place as well. And in the context of a transition or a migration over time, those are solutions that we could sell today and develop into broadband down the road.

**James Breen**

*Analyst, William Blair & Co. LLC*

Q

And then just lastly with respect to FirstNet, is there an opportunity here for just some sort of cooperation that never gets built or is it really sort of apples and oranges?

Morgan Edward O'Brien  
*Vice Chairman, pdvWireless, Inc.*

A

There's a slight apples and oranges, but there are many opportunities for apples and oranges together harmoniously. And we've made the case. We've made the case publically, we've made the case privately that the infrastructure that AT&T is going to be putting in place for FirstNet and the infrastructure that we'd like to see supporting critical infrastructure and other enterprise broadband uses are very, very similar, and so you can easily imagine co-existing, and that would be something that would be a business decision to make down the road by AT&T, FirstNet.

John C. Pescatore  
*President, Chief Executive Officer & Director, pdvWireless, Inc.*

A

And we've always seen and said publicly before the synergies between public safety and critical infrastructure, and in the aftermath of an event, critical infrastructure entities are almost first responders and maybe even important to go in after the event prior to the first responders that are there. So the ability to have a network that can communicate seamlessly with public safety, we see potential there. So that, of course, could evolve down the road.

James Breen  
*Analyst, William Blair & Co. LLC*

Q

Great. Thank you.

**Operator:** [Operator Instructions] There are no further questions in queue.

John C. Pescatore  
*President, Chief Executive Officer & Director, pdvWireless, Inc.*

Well, we want to thank everyone for their time today. We certainly appreciate your support. This is mountains before mountains, but we are absolutely focused on working through the questions and information in the NOI. Feel free to reach out to us and we'll look forward to talking to you all at our next quarterly call.

**Operator:** Thank you. Ladies and gentlemen, this does conclude today's conference call. You may disconnect your phone lines at this time and have a wonderful day. Thank you for your participation.

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