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# Anterix, Inc. (ATEX)

Business Update Call

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### Simon Flannery

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Good morning, ladies and gentlemen, and welcome to today's Anterix Investor 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 your host, Natasha Vecchiarelli. Ma'am, the floor is yours.

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### Natasha Vecchiarelli

*Vice President-Investor Relations & Corporate Communications, Anterix, Inc.*

Hello everyone. I'm Natasha Vecchiarelli, Vice President, Investor Relations and Corporate Communications at Anterix. Joining me on the call today are Rob Schwartz, our President and CEO; Ryan Gerbrandt, our COO; Tim Gray, our CFO; and Chris Guttman-McCabe, our Chief Regulatory and Communications Officer.

Before we begin, please note that during today's presentation, we may make forward-looking statements, either in our prepared remarks or in the associated question-and-answer session. These statements are based on current expectations or beliefs, and are subject to certain risks and uncertainties that may cause actual results to differ materially.

Risk factors that may impact our performance are identified in our most recent SEC filings. Our SEC filings can be found on our website or on the SEC's website. Investors are cautioned not to place undue reliance on forward-

looking statements. We disclaim any obligation to update or revise these forward-looking statements after the date of this presentation.

Following the prepared remarks, we will have an operator-led question-and-answer session. In addition, at the conclusion of today's call, a replay and transcript of our discussion will be posted to our Investor Relations website.

With that, I'll turn the call over to Anterix's President and CEO, Rob Schwartz.

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## Robert Schwartz

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

Thanks, Natasha and hello, everyone, and thank you for your flexibility to join this call on short notice and for a very good reason. We're excited to talk to you today about our just announced 20-year \$80 Million Spectrum Agreement with Xcel Energy. We believe this breakthrough transaction, when combined with the recent Utility Broadband Alliance or UBBA Summit in California with record participation of utilities and the vendor ecosystem, represents a key inflection point in our mission of positioning Anterix as the de facto provider of private wireless broadband to utilities.

I'm going to first pass it over to Ryan to provide more details on the Xcel deal, and then I'll wrap it up with some concluding remarks before we turn to Q&A.

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## Ryan Gerbrandt

*Chief Operating Officer, Anterix, Inc.*

Thanks, Rob, and hello, everyone. I'm excited to share with you today just how meaningful our recent contract with Xcel is, not only for our shareholders but for the entire industry.

Let me start with just who is Xcel Energy. They're a Fortune 500 investor-owned utility headquartered in Minneapolis with operating companies spanning the eight states of Minnesota, Colorado, Michigan, New Mexico, North Dakota, South Dakota, Texas and Wisconsin. Within the industry, they are considered a true thought leader, recognized as the first US energy provider to set aggressive clean energy goals across all the ways their customers use energy. Xcel plans to deploy a wireless broadband network to support their grid modernization initiatives for the benefit of its 3.7 million electricity customers and 2.1 million natural gas customers.

They now join industry leaders, Southern Company, Ameren, San Diego Gas & Electric and Evergy in pursuing wireless broadband adoption. Xcel, however, represents something new and transformational. We believe that both their scale in terms of the number of operating companies, customers served, the numbers of states where they have a footprint as well as their industry leadership will have a strong influence on the rest of the sector, particularly their larger peers. A new industry reference point has been set for utilities of scale that is reflective of the robust evaluation and diligence process that this large utility went through.

Now, for some details on the agreement. Please note that we've also provided a fact sheet with key agreement details that's available on the Investor Relations page of our website. Xcel's agreement allows for the exclusive use of our 900 megahertz spectrum for up to 40 years, consisting of an initial term of 20 years, with an option to extend the agreement for two 10-year terms for additional payments. Recall, as we have highlighted in the past, that our projected median contract value is \$60 million, anticipating half our future contracts to be above \$60 million and have to be below. At \$80 million for the initial 20-year term, this Xcel agreement is the first to cross that median. And I believe validates our ability to bring 900 megahertz private broadband to utilities of all sizes

and complexity with some significantly larger deals to come and consistent with all of our contracts to date, the \$80 million value represents fair market value for broadband spectrum in the unique Xcel service territory.

We anticipate receiving approximately 80% of the proceeds by the second quarter of 2024 with the contract fully paid by mid-2028 based upon the spectrum delivery schedule. Additionally, we're excited that Xcel has committed to collaborate with Anterix to accelerate the industry momentum for private networks, including joint collaborations with respect to the development, utilization, marketing and commercialization of 900 megahertz spectrum as well as in supporting technology trials of our newly launched Anterix Active Ecosystem platform.

Further, we're pleased to have Xcel Energy's senior executives as part of our Utility Strategic Advisory Board. While they will join existing executive members from Dominion Energy, Exelon, Ameren, Evergy, Southern Company and UBBA. We look forward to this expanded group helping to shape the nationwide network of networks landscape. Through these initiatives and more, it's evident that Xcel is dedicated to aiding broad industry adoption and acceleration of private broadband in support of our nation's utility grid modernization efforts.

During our call in August, we provided more granularity regarding four important pending deals intended to give a perspective of the different types of customer journeys and complexity we are seeing across the 60-plus utilities in our pipeline, including with very large holding and operating company entities who have been making great progress in aligning wireless broadband to their unique business and stakeholder needs. Finalizing the Xcel Agreement brought one of those four complex deals to conclusion.

In a segment known for its risk aversion, having a reference transaction for our other large utility executives is invaluable and I anticipate seeing the discussion start to invert from the risk of making a decision regarding the investment in and deployment of private broadband to the risk of indecision and not taking action to secure the risk reducing grid modernization benefits of having a private wireless broadband network. And while the complexity of the remaining deal still exists, we've been continuing to make solid progress across the pipeline.

As Rob will discuss, the incredible UBBA Summit that just concluded, including the laser focus of private wireless broadband as well as the significant C-level participation, again, demonstrating the non-competitive collective behavior of this industry. These utilities engaging in this collaboration at UBBA are the very utilities we are supporting through our pipeline. What remains unpredictable, as we have seen, is knowing the exact timing of these contracts due to the multiple layers of organizational and operating company approvals to get the signature. But from my vantage point in having direct interaction with these utilities we have in the expanding later stages of our sales process, I continue to believe it's not a matter of if, but rather when we close these contracts.

Let me wrap up by saying that from the perspective of the pipeline and overall market, the announcement today of Xcel Energy and what we're already realizing from the momentum flowing from the event with UBBA are all very positive signs, only enhancing our confidence in meeting our targets and achieving our mission of being the de facto provider of private wireless broadband to utilities.

I'll now turn it back over to you, Rob.

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## Robert Schwartz

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

Thanks, Ryan. Clearly, there's a lot here to be excited about. I want to put our Xcel announcement in context with what we saw at the recent UBBA Summit and how these two great achievements put us in line for the future. As many of you know, Anterix created, funded and actively managed UBBA, starting with the initial launch in 2019. Utility leaders Ameren, NYPA and Southern Company were UBBA pioneers and others soon followed. It's now

become a trusted environment, energized by utility, peer-to-peer collaboration. From the beginning, UBBA has held an annual summit where leading utilities and the industry ecosystem come together with the specific and valuable focus of sharing experiences, use cases and plans to build private wireless broadband networks.

This year, it was a seminal event hosted by Southern California Edison with over 500 utility thought leaders registered, including representatives from more than 20 utilities. Those numbers dwarf attendance from the event just a few years ago. But it's not just the size and scale of the event that was unique. One palpable change at this year's event and the reason that we think it was transformational was the growing participation of C-level leadership, bringing discussion topics to a much more strategic level. Industry leaders publicly discussed the urgency to adopt private broadband and also expressed the complexity that comes with deploying a network.

On open panels and a robust private discussions, executives share their learnings and their plans regarding private LTE evolving into 5G, including how it could address key issues. Topics included enhanced resiliency against increasing weather events, achieving decarbonization targets with the power of connectivity and control of distributed energy resources and building stronger cybersecurity in an ever increasing threat landscape. The senior level acknowledgement that wireless broadband is a strategic asset underpinning most, if not all, of their primary utility objectives, strongly aligns with and enhances our effort to move the entire sector forward. And to bring it full circle and as a strong demonstration of Xcel's full commitment to driving nationwide collaboration with utility private broadband, at the event it was announced that Xcel will be the host of the UBBA Summit in Minneapolis next year.

There's another thing I wanted to address that highlights our position within the private LTE landscape for utilities. Just last month, two industry leading organizations, EPRI and the National Renewable Energy Lab, each partnered with Anterix in response to a Department of Energy funding opportunity regarding cybersecurity. Both of the applications focused on demonstrating the cybersecurity benefits that can flow from the deployment of private secure wireless broadband networks using 900 megahertz spectrum. We're excited to be in a position we're being asked to partner with these industry leaders. And with the recent conclusion of another big wireless industry event, Mobile World Congress, there's a continued increasing focus in the marketplace on utilizing private broadband networks for enterprise solutions. And as I said on our last call, we at Anterix aren't just talking about it. Anterix, with contracts now in 12 states, is leading the private wireless revolution with what we estimate to be more contracted private wireless broadband networks in the US than likely everyone else combined.

Let me wrap up by saying that we believe all of this collective industry activity from UBBA and its recent summit to join applications with leading industry organizations as well as today's announcement regarding our new contract with Xcel support the continued industry adoption of 900 megahertz private broadband networks. It all enhances our confidence in meeting our targets and delivering on our mission to become the de facto provider of private wireless broadband solutions to utility and critical infrastructure sectors.

That concludes our prepared remarks. I'll now turn it back over to the operator for questions.

## QUESTION AND ANSWER SECTION

**Operator:** Thank you. Ladies and gentlemen, the floor is now open for questions. [Operator Instructions] And the first question this morning is coming from Philip Cusick from JPMorgan. Philip, your line is live. Please go ahead.

**Philip A. Cusick**

*Analyst, JPMorgan Securities LLC*

Q

Hi, guys. Thanks. Couple of simple ones. First, can you give us a household or population number underneath these – underneath the new contract? I apologize if I missed it. And then, second of all, just give us an update on where we are in the pipeline at the different stages, any movement among other potential customers over the last few months? Thanks very much.

**Robert Schwartz**

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

A

Thanks. Good morning, Phil. Tim, why don't you take the first question and then we'll go to Ryan for the second.

**Timothy Gray**

*Chief Financial Officer, Anterix, Inc.*

A

Sure. Phil, for strategic purposes, we're no longer providing megahertz per pop or population data or the comps. It really confuses the conversation with customers who're really more focused on customers that the utilities have, the meters or the geographic area. It really comes down to a real estate value per county conversation. That being said, this deal is consistent with our other deals and that the pricing is comfortably between the equivalent 600 megahertz and AWS-3 legacy auction outcomes. I also want to note that our pricing model does take into account current market conditions, including information from the most recent low band transactions, our previous transactions and the current impacts of inflation, but it's not to our benefit for ongoing negotiations to go into too much more detail on pops.

**Robert Schwartz**

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

A

Okay, so, Ryan, your second question – part of the question was on pipeline, if you want to take that?

**Ryan Gerbrandt**

*Chief Operating Officer, Anterix, Inc.*

A

Yeah. Happy to. Good morning, Phil. I mean, overall, we've been continuing to see good momentum just in general across the pipeline. Let me come back to a couple examples we just referenced though. Obviously, we're notably anticipating what the shot in the arm effect is going to be just from the communication today, but probably more apparent already given we're about two weeks separated from the event, is just the relationship through the conversation that grew out of the UBBA event in Southern California. It's been a positive momentum builder just in terms of continuing to drive mass scale and evolution of the conversation stack. One point of reference I wanted to put out just so the folks can understand the relationship between how much the growth is in the participation in UBBA and how it relates to our pipeline. As I said in the prepared remarks those are the same folks obviously that we're talking to across all three phases that we're continuing to grow. But notably, just in the attendance of UBBA when the utilities participate in it, we calculate about 50% of our potential spectrum value contract proceeds are representative in that audience. And it's been a significant opportunity to speak to all of them collectively and see

them starting to share their lessons learned and experiences that really help the next in line as we continue to make movement through all the various three phases.

**Philip A. Cusick**

*Analyst, JPMorgan Securities LLC*



Thanks guys.

**Operator:** Thank you. The next question is coming from [ph] Winston Len from Equator Venture. Winston (00:16:27), your line is live. Please go ahead.



Thank you. Thank you. And good morning, everyone. So this is great news. I was personally at the UBBA Summit and [indiscernible] (00:16:39) private LTE and frankly it's impressive to hear the utilities discuss the network of network opportunities. So that kind of brings me to my question, which is that with these multi-decade deals, it seems to me that Anterix is well positioned to act as an advisor to the utilities as to embark on that journey to upgrade the network. So how should investors think about the long term commercial opportunity here? Thank you.

**Robert Schwartz**

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



Thanks, [ph] Winston (00:17:06), and also thanks for attending that UBBA event and share your thoughts. As we talk about it and bring it specifically because it's worth it in the Xcel deal as Ryan went through beyond representing the long term and up to 40 years and 20-year deal with two 10 year renewals, there's also a component of really what I think is collaboration with Anterix on our Active Ecosystem Program and platform. And as you know, we're early in that development. We've talked about some of the key elements with some of the pieces or the components in there which we think are going to be very valuable. But what's worth noting two things, one is I think the majority of those as we push them out today, really are focused on driving adoption by utilities. We're trying to make the adoption, the usage and the management of these broadband platforms easier with the integration of key products we think are valuable. And, for example, our CatalyX product that we've talked about in the past and Ryan talked about, really helps utilities more easily manage their SIM management, which is putting on new devices and being able to drive them forward as they continue to grow their networks.

Other ecosystem elements we have within our Anterix Active Ecosystem Program, the cybersecurity elements as an example, we've got over a half dozen companies, several of whom were at the UBBA event driving greater sophistication than you can get from commercial networks of having layers of cybersecurity bespoke to those individual utilities networks. These are all services that we are with partners – with our ecosystem partners, creating new products to be able to drive adoption, but absolutely we see value creation over the long term. Remember, we're going into 2030 year relationships with these utilities and so we're in this for the long game. We do see value creation for shareholders. I think it's too early to put any kind of predictions on the kind of value. For now, we're really primarily focused on adoption, getting to the – to our usage of our nationwide spectrum. But clearly more to follow, especially as we have partners like in Anterix – I'm sorry, partners like Ameren and Evergy and Xcel and SDG&E that now are helping us drive these particular products to market pilot test and obviously commercialize as a goal.

Q

Great. And maybe just one follow-up. How impactful is the Bipartisan Infrastructure Law for the adoption of private LTE for the utilities here, because I noticed you have some marketing collateral on the website around that? And what is the potential role and benefit to Anterix towards helping the utilities get some of this funding? Thank you.

**Robert Schwartz**

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

A

Absolutely. Maybe I'll start there and then will pass it over to Chris Guttman-McCabe. We've always talked about them as being a catalyst for adoption. It's not an essential as you can see the customers who have signed on so far didn't require an incremental funding to be able to drive forward. That being said, we are seeing considerable interest and we're helping both shaping some of the legislative process. We're involved in a lot of the language and making sure that the use of these proceeds can be used for private broadband networks, but also we see opportunities both helping utility customers and even some programs for ourselves to go directly in to the Department of Energy and try and seek funding for some of those things. It's a strong tailwind for us overall because it really enhances the conversation. Chris, you want to add to that?

**Chris Guttman-McCabe**

*Chief Regulatory & Communications Officer, Anterix, Inc.*

A

Yeah, Rob. Thank you. Spot on. I mean, [ph] Winston (00:20:52), we worked hard over the last couple years to really set the table for the utilities if they choose to participate and worked with folks on Capitol Hill and at the Department of Energy to get language into the Bipartisan Legislation in a range of areas that would support private LTE. We have had many question – conversations with utilities about their desire to potentially take advantage of those funds. And as Rob referenced, we are also investigating potentially partnering with some organizations to pursue funding. Again, all of it just like the work we do with our Active Ecosystem, all of it is designed to spur, facilitate, accelerate private LTE deployment at 900 megahertz. But stay tuned, it looks like the programs are going to open up in this fall, potentially in the next month or so. And with money being deployed thereafter. So, we're excited for the tailwinds that this could provide.

Q

Thanks. Looking forward to seeing more of these contracts to come. That's it for me.

**Robert Schwartz**

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

A

Thanks, [ph] Winston (00:22:01).

**Operator:** Thank you. The next question is coming from Simon Flannery from Morgan Stanley. Simon, your line is live. Please go ahead.

**Simon Flannery**

*Analyst, Morgan Stanley & Co. LLC*

Q

Great. Thank you. Good morning and my congratulations. Nice to see. Just coming back to Phil's question, was this customer one where you'd said you'd reach commercial contract terms with one of the customers?

**Robert Schwartz**

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

A

Good morning, Simon. Thank you. This was one of the four customers we talked about. Our desire to always maintain the confidentiality of the pending deals, really can't talk about specifically which one. But Ryan maybe you want to talk a little bit about kind of the update in the context of our last call, I think as Simon's referring to.

**Ryan Gerbrandt**

*Chief Operating Officer, Anterix, Inc.*

A

Yeah. Happy to. Thanks. Yeah, absolutely. Good morning, Simon.

**Simon Flannery**

*Analyst, Morgan Stanley & Co. LLC*

Q

Hi, Ryan.

**Ryan Gerbrandt**

*Chief Operating Officer, Anterix, Inc.*

A

Yeah, no, as we noted in the last call, we were bringing attention to four deals to be able to show some of the complexities in the area of movement that we've been seeing across them. As Rob said, certainly Xcel was one has been going through it. The other two really – or the three really highlighted different scenarios around the role that our conversations played as utilities either as a larger series of operating companies that are much larger holding companies and fundamentally how we had to approach these.

Second was really looking at private broadband as part of the transformational grid modernization programs, which we see typically. And then the last scenario was really focusing on the opposite where we had an individual operating company under the footprint of a much larger holding company. All those are still great examples of the types of different deal flows that we've seen. Xcel by nature, obviously, highlights the capability to move forward with, again, a large multi-operating company environment that had a complex set of use cases ultimately that they were trying to see.

I'll reference it back to UBBA though just for one perspective, Simon. Kind of one of the things we've talked about for a while is how important it was to see the C-suite engage themselves in this conversation. We've been seeing it and feeling it firsthand in engaging with them. It was on full display at UBBA and seeing the CIOs, the COOs, these kind of folks engage directly on main stage, not just speaking of what they have been realizing in terms of the important role of broadband, but using that as a forum to educate the others in both our pipeline and just across the industry. That's fundamental to many of these types of deals. And the elevation of PLTE and communications in general to fit these strategic, urgent needs of the utilities are strong motivators for them to start seeing the urgency and being able to move some of these opportunities forward. So that's consistent across all of these. I anticipate we're going to see more of that now with the announcement of Xcel and getting their engagement in both the Advisory Board and the other activities out across the market. They're now on our side in terms of wanting to see continued growth of the space and development of the ecosystem that actually helps their needs as well as kind of others next in line.

**Simon Flannery**

*Analyst, Morgan Stanley & Co. LLC*

Q

Great. Great. And then my follow-up was on the cash flows here. I think you said 80% by Q2 of 2024. I'm presuming that's a calendar year and not a fiscal year if you can just clarify that. How confident do you feel about the clearing process, any kind of challenges on the specific spectrum? And then use of cash. I know you've sort of

canceled the earnings call at this point. I don't know if you can give us the cash balance, buybacks, where that stands today and in light of this deal?

**Timothy Gray**

*Chief Financial Officer, Anterix, Inc.*

A

Yeah, thanks, Simon. So, for the sake of the – sake of your models, we expect to have approximately \$30 million in by mid-2023 and that's calendar 2023 and another approximately \$35 million in around second quarter of calendar 2024. So, that's the 80%....

**Simon Flannery**

*Analyst, Morgan Stanley & Co. LLC*

Q

\$35 million?

**Timothy Gray**

*Chief Financial Officer, Anterix, Inc.*

A

Yeah, \$35 million with the rest coming in between 2024 and 2028 to get to the full \$80 million. Clearing is going really well. We've been ahead of the game here on Xcel and have done a great job, particularly in the main areas around Denver and Minneapolis. So, we expect to be spot on with the delivery schedule that we've set in the contract with them.

From a cash perspective, I'm not going to answer any specific financial questions until the Q is released at the end of the day today. But I would say we're in great cash position to end the quarter. We feel good about where we are. Our buyback has been consistent with where it's been over the past several quarters. You'll see that detailed in the queue that gets announced later today. And looking forward from a buyback perspective, we consider where we are with our balance, what we've got coming in and the tying of payments just as we have each of the previous quarters and we'll continue to move forward proactively with fulfilling the \$50 million program that the board has set – put in place for the buyback.

**Simon Flannery**

*Analyst, Morgan Stanley & Co. LLC*

Q

Great. Thank you very much.

**Operator:** Thank you. And the next question is coming from Walter Piecyk from LightShed. Walter, your line is live. Please go ahead.

**Walter Piecyk**

*Analyst, LightShed Ventures*

Q

Thanks. Just a question on the what you're – what this company has in terms of their customers. Should we just assume that these 3.7 million electricity customers that this 2.1 million is a complete overlap on the 3.7 million and just the remaining 1.6 million are people that have, I guess, oil or something?

**Robert Schwartz**

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

A

Yeah. Good morning, Walt. There is absolutely overlap between their electricity and their natural gas customers. Kind of lot of these integrated utilities have over time either acquired or built out both those, not precise overlap. We can send you the detailed information. They provide service territories for both of those. So they're not

additive. They're overlapping for sure. But I think just one kind of important expansion I think what we're talking about Xcel, they are just – the number of customers, the number of states, the scale and the influence they have within the sector is really tremendous and it's hard. I know we've got a lot of telecom investors on the phone who don't know the utility space as well [indiscernible] (00:28:20). The leadership that they've had in this sector for quite a while, the first ones, as Ryan mentioned, to really put out aggressive decarbonization targets before anyone was even talking about that. They've been very innovative on the technology side, the integration of both gas and electric from a service standpoint. And so we're also just really excited about the influence that they have on their peers in the sectors.

And as we talk about the Utility Broadband Alliance event, they were there active with a big team of people. They've – as I mentioned, they've committed to hosting that event in Minneapolis next year. So their leadership role in – uniquely in the sector that we – that we're in here, the influence on – peers' influence on each other is so much greater than our team could ever do directly. And so that's a very important part of what we're trying to establish. And this is a really big monumental deal in that regard.

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**Walter Peczyk**

*Analyst, LightShed Ventures*

Q

Are they all residential customers or is there any business in there?

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**Robert Schwartz**

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

A

No, it's all electric customers in their service territory. So they serve enterprise and residential.

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**Walter Peczyk**

*Analyst, LightShed Ventures*

Q

Got it. And then – so obviously that helps us with the simple math to get to a channel for pops number. Can you just talk qualitatively about the demographics in terms of population density or however you want to describe it compared to Evergy and maybe even Ameren?

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**Robert Schwartz**

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

A

We can – I'm sure we can share with you as a follow-up a lot of the detail. Given the eight states they're in, they've got some urban areas and they've got some very rural areas as well in – you can imagine what it's like in North Dakota and South Dakota, New Mexico. But they also have a number of key cities in there as well. So it's blended. I know we've done a lot of this work in the past in the wireless world. Let us follow-up and provide some additional detail. They do disclose a lot about their own service territory on their own website and so we can help give you some incremental guidance as you're building your models to make sure you've got the information you need.

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**Walter Peczyk**

*Analyst, LightShed Ventures*

Q

Got it. Thank you.

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**Operator:** Thank you. And the next question this morning is coming from George Sutton from Craig-Hallum. George, your line is live. Please go ahead.

**George Frederick Sutton**

*Analyst, Craig-Hallum Capital Group LLC*

Q

Thank you. Great news, guys. So relative to the C-level involvement you mentioned at UBBA and also the urgency to deploy given that this deal was [indiscernible] (00:30:59) making, can you just talk about how that C-level involvement might accelerate some of these opportunities given that they're becoming broader in scope?

**Robert Schwartz**

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

A

Sure. And George, I'll start off, anyone else can feel free to hop in. Just give you one sort of snapshot example of one particular panel during the multi-day UBBA event, we had several CIOs across utilities, some that are customers and some that are prospective customers, openly talking in front of this population of what is probably half of our spectrum value in the room between the 20-plus utilities that are there talking about not just the technical aspects, which I think if you went back several years to UBBA, that was really the key issue of how does spectrum work, what is private LTE, now it's about CIOs talking about solving important use cases, key outcomes of how do we drive the cybersecurity aspects of our network by integrating these networks, how do we secure and we connect to all these distributed energy sources with renewable energy, solar, wind, batteries getting distributed throughout and SDG&E is there talking about how they're connecting up their battery storage as an example.

The list of valuable use cases expands but having C-suite folks in front of their peers talking about the value that they're going to attribute and all this rolls back into the utilities as they go through this complicated process and we've talked about how complicated it is to get – you start with a – the CIO, CTO side of the house and their telecom group and then they have to sell it across the organization, right? In Xcel's case, where they've eight different states and multiple OpCos that's the lengthy process that happens. But once we get the mindshare and the buy-in of the senior leadership, that's processed, right? We get past the question of should they do this and then it's just about how do they do this? And that's the kind of peer sharing that we saw both from the podium as I talked about, but one of my favorite things at UBBA was talking to one utility and then me introducing them to another utility and then just watching them connect and share their learnings and experiences. So you have mature utilities there in private LTE like Southern Company, talking to newer – new entrants that are there including number of our previous opposition that were there in force. They're to learn about how to do this. And so it's not a question of if they're trying to figure out, it's how they do it and when they get implemented. So that's really the powerful impact now of having the senior level sponsorship at UBBA and otherwise in other public forums.

**George Frederick Sutton**

*Analyst, Craig-Hallum Capital Group LLC*

Q

Oh, that's fabulous. So one other thing on the importance of the experimental license. So this was an experimental license that we were encouraged to actually recently see renewed. How important are the experimental licenses going forward? At what point are all these reference customers important enough to move beyond the need for an experimental license?

**Robert Schwartz**

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

A

George, it's a great question. Essentially, it's a question we hear across all kinds of vendors within the utility space. So this is not a private LTE issue about experimenting or piloting. Utilities are just known for having two hands-on trial lots of stuff when they – before they put it out there. And that's everything from a Microsoft seat license out to private LTE just to give you an idea of it and the CTOs always complain about it, but it's part of their process.

We do think with the sharing it's going to streamline that process, right? The level of knowledge and experience that so many utilities have, the first ones in some of the pilots we saw very basic things like can a cell phone do a handoff between two sites, right, which we're doing every day as they are as well. Now it's evolved to integration with much more complex and valuable use cases that they're testing. And so everyone's got their own individual bespoke use cases, but also specific applications. And so I think we'll continue to see pilots for some utilities. Remember, not every utility that we brought onboard has done experimental licenses or pilots. And some are going to learn through the forms at UBBA, others will learn through the work we're doing – we've done with NREL and other entities and so we see that there is different points of entry. I expect we'll still see some experimental licenses, but I don't think it's going to be the only way in which utilities are going to get to yes on deploying 900 megahertz private LTE.

**George Frederick Sutton**

*Analyst, Craig-Hallum Capital Group LLC*

Q

Super. Thank you.

**Operator:** Thank you. And your next question is coming from James Ratcliffe from Evercore ISI. James, your line is live. Please go ahead.

**James Ratcliffe**

*Analyst, Evercore ISI*

Q

Thanks. In the release you mentioned that you'll be trialing border spectrum management services with Xcel and neighboring utilities. Who are these neighboring utilities and where do they sort of fit in the both major and smaller potential opportunities? Thanks.

**Robert Schwartz**

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

A

So, yeah James thanks for the question and good morning. There are a number of services and products that we've been developing, one of which is the kind of border management aspect of it and just to make that clear, you take your cell phone to Europe and you go from country to country where there's multiple carriers and the seamless handoff that you get, that's an attribute, a feature built into the LTE, 4G, 5G technology. But as we're deploying these individual islands of LTE networks, someone has to coordinate between those. And so we're looking to really help play the role of the interconnectivity between those networks and it's more than just border management, so you can cross – it's also a key part of the utility relationships in the collaboration they do is something called mutual aid, like the ability to roll a truck, you probably saw this, unfortunately, in the recent Florida storms where hundreds of trucks came from utilities outside of that region to come help utilities within the region. Unfortunately, most of the communications in those trucks, the two-way radios, the other forms of data communications are incompatible. They don't have the interoperability. What we heard is a lot of those trucks have to go to a parking lot staging area and get their manifests of their work on paper and then go out, do their work and come back and get their next element.

So the interconnectivity, the interoperability of communications between those utilities is really important. And that's another element that comes. The way we're looking at doing that now is through our cloud core product, the ability to interconnect the cores that they put in place and be able to share services across those networks. That same cloud core can be used for lots of services well beyond those. And so that's the way we're working today on that, but it's an evolving effort with our ecosystem partners.

### Chris Guttman-McCabe

*Chief Regulatory & Communications Officer, Anterix, Inc.*

A

And Rob, it's Chris. What I would add is when you think of whether it's the cloud core or the SIM management or the creation of the ecosystem, which now has more than 85 companies in it, our goal is to help the utilities solve the issues that are in front of them. Some of them are existential in nature, but others are about the evolution of the grid. And I think that's what makes us sort of a different type of wireless company. We are laser focused on solving and finding solutions – creating and finding solutions for the utility sector and whether it's the border management issues or the SIM management, the cloud hosted core or sort of any other issues that might arise, we are setting up a future reality for the utilities that those questions can and will be addressed by Anterix, by our Active Ecosystem members and by their peers.

### James Ratcliffe

*Analyst, Evercore ISI*

Q

Got it. Thank you.

**Operator:** Thank you. And there are no further questions in queue at this time. And I would now like to pass the floor back to Rob Schwartz for closing comments.

### Robert Schwartz

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

Thank you operator. And thank you everybody for joining us on short notice this morning. As you can hopefully hear, we're extremely excited about this milestone achievement for us. As you know, we're a different kind of wireless company with a model that we believe has incredible resiliency. Even in a difficult economic environment, we see tremendous opportunity from all of the increasing market momentum, from the Utility Broadband Alliance and all of the other market elements that are increasing from a level of support and capabilities. And with that, feel free to follow up with us through Natasha with any further questions and have a great day. Thank you.

**Operator:** Thank you, ladies and gentlemen. This does conclude this morning'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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