

Bluerock Residential Growth REIT
Second Quarter 2016 Earnings Call
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CORPORATE PARTICIPANTS

Ramin Kamfar - *Chairman & CEO*

James Babb – *Chief Investment Officer*

Christopher Vohs – *Chief Accounting Officer*

Ryan MacDonald - *Managing Director, Investments*

Operator

Good morning ladies and gentleman and welcome to Bluerock Residential Growth REIT's Second Quarter 2016 Earnings Conference Call. All participants will be in listen-only mode. After today's presentation, there will be an opportunity to ask questions. Please note this event is being recorded.

I now would like to introduce your host for today's call, Mr. Christopher Vohs, Chief Accounting Officer of Bluerock Residential. Mr. Vohs, please go ahead.

PRESENTATION**Christopher Vohs**

Thank you and welcome to Bluerock Residential Growth REIT's second quarter 2016 earnings conference call.

This morning, prior to market open, we issued our press release and supplement. The press release can be found on our website at bluerockresidential.com under the Investor Relations tab. In addition, we anticipate filing our 10-Q this week.

Following the conclusion of our remarks, we will be pleased to answer any questions you may have. Before we begin, please note that this call may contain forward-looking statements as they are defined under the Private Securities Litigation Reform Act of 1995. There are a variety of risks and uncertainties associated with forward-looking statements, and actual results may differ from those set forth in such statements. For a discussion of these risks and uncertainties, you should review the forward-looking statements disclosure in the earnings press release we issued this morning, as well as our SEC filings. With respect to non-GAAP measures we use in this call, including pro forma measures, please refer to our earnings supplement for a reconciliation to GAAP, the reasons management uses these non-GAAP measures and the assumptions used with respect to any pro forma measures and their inherent limitations.

And with that, I will turn the call over to Ramin Kamfar, Chairman and CEO of Bluerock Residential Growth REIT, for his remarks.

Ramin Kamfar

Thank you, Chris, and thank you, everyone, for joining us for BRG's second quarter earnings call.

With me today are several key members of our executive team. I have Jordan Ruddy, our President; Jim Babb, our Chief Investment Officer; and Ryan MacDonald, our Managing Director of Investments.

I'm going to open up my remarks with some key financial highlights from the quarter and close with some capital markets commentary. Following my remarks, I'm going to ask Ryan MacDonald to give you additional operational and transactional detail and then we'll take some Q&A.

Let me start with financial highlights.

On the revenue front, we achieved significant growth as a result of our investment activity. Our top-line revenue number for the second quarter was \$18.4 million, which is a 75% increase from \$10.5 million in the prior-year quarter.

Net loss attributable to common stockholders for the quarter ending June 30th was \$5 million versus net loss of 0.6 million for the prior-year quarter, and it was caused primarily by non-cash items of \$9.4 million in the second quarter versus \$3.6 million in the prior-year quarter.

For the quarter, our adjusted funds from operations, or AFFO, grew 42% to \$4.4 million from \$3.1 million in the prior-year quarter. On a per-share basis, AFFO came in at \$0.21 a share, which exceeds our guidance of \$0.12 to \$0.14 a share.

On a pro forma basis, our AFFO per share was \$0.38 a share, which exceeds the high end of our guidance range of \$0.27 to \$0.29 a share by about \$0.09. Pro forma AFFO simply assumes that our \$80 million of cash on hand

at the time we issued the guidance was fully invested as of April 1st, i.e., beginning of the quarter.

In terms of NOI margin, we showed improvement of about 150 basis points to 59.8% from 58.3% in the prior-year quarter. Property NOI in terms of dollars grew to \$11 million for the quarter, which is an 80% increase from \$6.1 million in the prior-year quarter.

Same-store NOI was strong. It grew by 8.7% for the quarter versus prior year. Ryan is going to give you additional detail on this later.

For the fifth consecutive quarter, BRG's board determined to pay the full amount of the management fee and LTIPs in lieu of cash, which favorably impacted actual and pro forma AFFO by \$0.07 a share. Part of our goal here is to continue to signal the confidence of management in executing our business plan and the underlying value of our shares.

Our asset base, turning to the balance sheet, continues to grow significantly on a quarterly basis. Consolidated real estate assets at cost are up 25% to \$699 million at the end of the quarter from year end 2015.

On the acquisition front, we closed on one investment subsequent to the quarter consisting of an operating property with 336 units for a total cost of \$74.5 million, and we have a pipeline of about \$700 million that we are in various stages of executing on. Ryan will give you some additional detail there also.

Shifting to the capital markets front, in March, we executed an At-The-Market program for our Series A preferred stock, which was very well-received and raised approximately just under \$4 million within a week. That actually happened in April, so it was part of the second quarter. Based on the strong reception on the ATM, what we did was we shut it down and we commenced an underwritten add-on offering for the Series A in April which raised gross proceeds of \$57.5 million with significant orders from REIT dedicated investors, and with one additional investor closing in May for an additional \$10 million.

We are continuing our launch efforts on our 6% Series B non-traded preferred offering. We had sales of just under \$2 million in the quarter and continue to receive positive feedback from the market. We expect that the pace of this offering is going to ramp up significantly in 2017.

We also did an underwritten offering later on in July of a Series C preferred stock for which we raised gross proceeds of \$57.5 million and were able to execute that at a 62.5 basis point savings to the Series A. So the rate on that was 7-5/8, 7.625%, so we brought our cost of capital on the preferred in significantly from the Series A and again, had significant interest from REIT dedicated investors.

Our goal for the offerings is to continue to raise accretive capital inside our common dividend in order to execute on our robust pipeline of accretive transactions that we're continuing to see.

Finally, we're looking forward to the remaining quarters in 2016, building off the momentum of a strong first six months. Our pro forma AFFO guidance for the third quarter continues to be \$0.28 to \$0.30 per share.

With that, I'm going to hand the call to Ryan MacDonald, Managing Director, Investments, to give additional commentary on operational metrics and an overview on our transactions in the quarter. Ryan?

Ryan MacDonald

Thank you, Ramin, and good morning, everyone.

I'd like to start off by noting that our operating portfolio continues to perform exceptionally well, generally meeting or exceeding our budgets across the board.

Portfolio-wide across BRG's assets, average occupancy for the second quarter of 2016 was 95%.

Same-store NOI increased 8.7% compared to the second quarter of last year. The improvement was primarily driven by a 6.1% increase in property revenues of which the majority came from a 4.7% increase in average

effective rent per occupied unit over the same period last year and we're well-positioned to continue the revenue growth into the third quarter. On the expense side, same-store expenses increased by 2.2% versus the prior-year quarter primarily due to increased expenses at our Chicago asset. Additionally, I'd like to point out that year-to-date we've purchased 15 units at Lansbrook, of which 8 were in the second quarter. The average cap rate for the purchases was 10.6% and the additional units contributed 70 basis points to our same-store NOI growth for the quarter.

In terms of financings, we recently executed a refinance at Lansbrook, our Class A fractured condo in Palm Harbor, Florida. The new ten-year loan from Fannie Mae in the amount of approximately \$57 million allowed us to repay the existing senior loan of approximately \$44 million and significantly reduced the interest rate to approximately 2.93% versus a previous rate of approximately 4.41%.

On the development front, our 296-unit development project in Orlando, Florida called EOS is 95% pre-leased and is approaching stabilization. Rents are in line with projections, which means we would be looking at a return on cost for the project north of 7% versus market cap rates of 5% to 5.25%.

Shifting to the investment side of the business, the second quarter of 2016 was an active quarter for the acquisitions team with a focus on generating significant pipeline opportunities for the third and fourth quarter closings. While we are not able to provide in-depth details on all of the opportunities, we believe the substantial majority of cash currently on our balance sheet will be invested by year end.

On the transaction front, immediately following the quarter, we closed on a purchase of a Class A 2008-built mixed-use asset with 336 apartment units and approximately 39,000 square feet of ground-floor retail in the West Midtown submarket of Atlanta, Georgia called the Tenside Apartments. The asset was purchased for \$74.5 million and is projected to yield a stabilized pro forma cap rate of approximately 6.5%, which compares favorably to estimated market cap rates of 4.75% to 5.25% for comparable assets. BRG's business plan includes exterior, amenity, common area and minor interior upgrades to the apartments, as well as infusing capital to the retail component in order to bring it in line with the vast majority of retail in the submarket that is substantially leased. West Midtown's recent emergence as a vibrant 24-hour destination filled with fashionable retail and trendy restaurants, plus Tenside's proximity to Georgia Tech, should provide significant long-term catalysts in addition to the value creation we anticipate at the property level. Additionally, we expect BRG to realize rent growth in the coming years, as we believe the rent disparity between West Midtown and Midtown will substantially close. BRG invested 90% of the venture's equity requirement, equating to approximately \$22 million, with our joint venture partner funding the balance for a 10% stake in the venture. The joint venture capitalized the investment with a seven-year fixed-rate loan from Fannie Mae in the amount of \$52 million and a rate of 3.68%.

In terms of pending transactions, we have three additional investments totaling 846 units with total projected costs of approximately \$162 million.

The first pending investment is expected to close in the second half of 2016 and is a to-be-built, 90-unit, Class A luxury townhome apartment community in the well-established submarket of Boca Raton, Florida. The off-market land purchase provides us enough density to build a unique townhome product in a market where new construction is dominated by expensive-to-build midrise product. This competitive advantage allows us to target a specific void in the submarket for older renters by choice looking for direct access to their apartments. BRG's underwriting projects a return on cost of 6.5% to 7% at stabilization for value creation of 200 to 250 basis points versus comparable Class A apartment communities in the greater Boca Raton submarket. BRG is projected to fund approximately \$9 million through a convertible mezzanine structure at vertical construction commencement estimated to be in the second half of the year.

Shifting to the disposition front, we have targeted four initial dispositions for 2016 and project them to yield approximately \$25 million to \$50 million in equity to BRG in the third and fourth quarter of the year, which we intend to reinvest. Currently one of the assets is being marketed for sale with another expected to launch to market shortly.

I'm also pleased to report our buyer for Springhouse in Newport News, Virginia has funded a nonrefundable deposit, and the sale is expected to close this month, with the sale projected to yield proceeds to BRG of

approximately \$9 million. The disposition of Springhouse, a Class B older asset in a non-core market, will allow us to reinvest the proceeds accretively into an asset that fits our core value-creation strategy and is located within our target markets going forward.

Moving to the capital markets front, I'd like to point out that our access to senior financing on the acquisition side remains robust from a variety of lenders, including the agencies, banks and life companies. Today, fixed rate spreads generally range from 190 to 250 basis points for all-in rates of 3.25% to 3.75% with term ranging from 5 to 10 years. As mentioned in prior quarters, in terms of senior construction financing, we are seeing a broad-based tightening in leverage levels across most of the markets we operate. We believe this could be a net positive for the multifamily industry over the coming years as both permitting and new deliveries are tempered.

Finally, our pipeline remains very robust. We are currently evaluating north of \$700 million worth of investments totaling in excess of 5,500 units. The majority of these pipeline transactions are off-market and in many cases we've been working on them for extended periods of time. We continue to believe there are attractive opportunities in our current footprint of growth markets from the Carolinas down through Florida and Texas with a particular emphasis recently on Florida, Georgia and Texas markets.

And with that, I will now return the call to Ramin to conclude.

Ramin Kamfar

Thank you, Ryan. We continue to see significant upside to our strategy, which is building a high-quality Class A portfolio in high-growth primary markets throughout the United States targeting the high disposable income renter by choice with a big focus on value creation. We have assembled one of the youngest portfolios in the market, and we're getting one of the highest average rents and are generating significant value in the portfolio. I want to thank all of you for your support and look forward to continuing to share news of our progress as we execute our business plan.

With that, operator, I'm happy to answer any questions.

QUESTIONS AND ANSWERS

Operator

We will now begin the question-and-answer session. To ask a question, you may press star then one on your telephone keypad. If you are using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question, please press star then two. At this time, we will pause momentarily to assemble our roster. And our first question comes from Patrick Kealey with FBR. Please go ahead.

Patrick Kealey

Good morning everyone. Thanks for taking my questions here. So, just wanted to get a feel of your thoughts, you touched on the capital markets, but obviously with Series B a little bit here and ramping up into 2017, as well as the improved cost of capital you got on the preferred execution between April and July, so I guess just trying to think about how you think the right mix between those two will be as we move forward.

And obviously, 2017 has been the thought for a ramp up in Series B, but given where you are today, do you feel you may have a little bit room to run here as we look into the back half of '16 to maybe grow that from what you've done to date?

Ramin Kamfar

How are you, Patrick? I'm sorry. Was the question related to growing the Series B in the back half of 2016? I just want to make sure I'm answering the right question.

Patrick Kealey

Yes, a little bit of both. I think just thinking near term, if there is a little bit of optionality, obviously, not a major swing up until 2017 when it comes to the Series B, but I guess thinking longer term as well when you think of the balance between your different preferreds how we should think about that.

Ramin Kamfar

Got it. We're obviously looking for the most accretive capital source for our transactions. We said a while ago that we're not going to issue common at prices that, given what had happened to our common equity price and we're going to try to grow our capital base intelligently and accretively. We did the Series A. I think we're one of two REITs that were able to execute a preferred inside their common. We got a very good reception on that. Then we saw an opportunity to do the—when we looked at the options that were out there in the market, we decided to file for the Series B.

The Series B, being a non-traded retail issuance, it takes time to get off the ground. It's not as easy as doing an underwritten offering with investment banks. So we're in the second quarter of getting that off the ground. We're continuing to get a very positive response on that. We just finished one of the key due diligence reports that we needed in terms of expanding our offering group. That's going to be the key next step in terms of ramping up the sales and we're in the process of—we're out there in the process of signing selling agreements to expand the selling group. So I think you'll see the Series B ramp up slightly maybe this quarter. You will see more of it in Q4 and then you're going to see a significant ramp-up in 2017.

At the same time, we're going to look at the opportunities that are available to us and take a look at both in terms of investments and in terms of raising capital, and that's how the Series C came about because we had opportunities that were accretive and we wanted to take advantage of them. We also had an opportunity to do an offering inside our Series A by a significant amount. So we went out aggressively and did the Series C at 7-5/8, so saved significant amounts versus the Series A.

I can tell you that we could have done a lot more of the Series C, but we decided not to, to be prudent in terms of raising capital and investing it because it met with very, very strong demand. So I think you're going to continue to see us be prudent and approach the most accretive source of capital. I think it's going to be the Series B as it ramps up.

Patrick Kealey

Great. Thank you. That's helpful. And then I think you talked about in your prepared remarks, obviously you see some strong opportunities within your current footprint. So maybe just to speak to rental trends and acquisition opportunities across your different markets when we're thinking about 2Q results, where did you see the pockets of strength, and as you start to think about continued opportunities in the \$700 million pipeline, should we continue to expect it in the Florida, Georgia, Texas range or are there opportunities in maybe markets that you have a little bit less scale than you do in the portfolio today?

Ramin Kamfar

I'm going to hand that over to Jim Babb, our Chief Investment Officer. Jim?

Jim Babb

Good morning. I think the primary focus will continue to probably be Florida, Georgia, Texas. We are exploring. I think we've said in the past that if we can identify attractive opportunities in markets or submarkets, for that matter, that make sense, then we will pursue those. That's also part of the beauty of our model, that we can strategically target single assets or single opportunities. But I think generally speaking the footprint will remain the same. Ryan, I don't know if you want to add to that.

Ryan MacDonald

Yes, I think if you look at our existing portfolio, Florida obviously has had tremendous operational success for us. I think you'll see us certainly move aggressively into Atlanta, as well as Austin. We've had good success on our asset in Austin and the south side of town, so I think you'll see us continue to look at stuff in those three locations.

Patrick Kealey

Okay, great. Thank you, guys, for the time.

Ramin Kamfar

Thank you.

Operator

And our next question is from Rob Stevenson with Janney. Please go ahead.

Rob Stevenson

Good morning, guys. Ryan, did I understand you correctly when you said Springhouse is expected to close this month? One of the other assets marketed now and then, of the four, there's still two left to be marketed?

Ryan MacDonald

That is correct, Rob.

Rob Stevenson

Okay. So the ones yet to be marketed are more likely a late fourth quarter or may drift into '17 in terms of closing at this point?

Ryan MacDonald

That's right, late fourth quarter, yes.

Rob Stevenson

Okay. Can you guys, given the recent preferred raise, but then also the Tenside expenditure and then you've got another Atlanta asset for close to \$70 million on your pending investments and then the two development deals, on a steady-state basis when you anticipate what you're going to get out of Springhouse plus the spending, plus what the cash and the debt capacity is on the balance sheet, help me frame this in terms of how does the overall leverage level work once you've deployed that capital and made those dispositions and acquisitions. And then also, what does that leave you in terms of dry powder going forward?

Ryan MacDonald

Hi, Rob. It's Ryan. I'm going to take this in a couple different segments. One is on the dry powder, I think we've outlined in the guidance various sources and uses of the capital. I think we've got about \$155 million of capital in the guidance, and I think we've spent allocated dollars to all but \$38 million. I think that generally speaking we feel pretty good about allocating the remaining \$38 million that we've got as just general acquisitions and development assumptions fairly quickly.

And then on the leverage side, I think where we've been pretty consistent is that we're going to be about two-thirds leverage going in on any particular investment and as the value creation ramps up within that investment, we think naturally the leverage will come down closer to 50%. But typically we're about two-thirds going in on any acquisition or development.

Ramin Kamfar

I think, Rob, if you take our current total debt number, leverage number, not backing out, not the net debt which backs out the cash, we're in the low 50%s. I think 52.5% if you look at or 52.4% when you look at the supplement that we published today. So I think we're probably going to be in that same neighborhood.

Rob Stevenson

Okay. So a quarter from now when the second Atlanta asset closes and you've spent basically the \$140 million for those two assets plus disposition proceeds, etc., from Springhouse, it should remain relatively static here?

Ramin Kamfar

In the same neighborhood.

Rob Stevenson

Okay, perfect. And then on that second Atlanta acquisition, looks to be a 1990s vintage and the rents—I don't know neighborhood-wise where it is relative to the one you just closed on, but the rents are about 40% lower. Help me understand, how recently has that asset been touched? Is this a substantial renovation opportunity? Where can the \$1,037 a month rent go to given comparable assets in whatever submarket that is in Atlanta?

Ryan MacDonald

Well, it's a seller that we've actually had substantial success on recent acquisitions driving rents almost immediately. We think that there's significant upside not only because of just operational deficiencies, as well as we think there's some deferred maintenance that needs to be immediately rectified. We think there is, again, I don't want to put a number on it, but I would say substantial room in that rent number post-acquisition, not only immediately, but long term.

Rob Stevenson

How substantial are the renovations going to wind up being to get you there?

Ryan MacDonald

We're talking, it'll be \$5,000 to \$6,000 a unit, and we think there's substantial rent growth, not only organically, but also as we renovate the property.

Rob Stevenson

Okay. And then, Ramin, when you speed forward on the Class B, what's your realistic expectation in terms of how much on a month or annual basis you're expecting to really drive out of that product going forward once it gets to a steady state?

Ramin Kamfar

Well, I think one of our peers is in that market and raising capital, and I'd hate to put a number on it, but I don't see how we don't match what they are raising out there in the market.

Rob Stevenson

Okay, thanks, guys.

Ramin Kamfar

But it's going to take us a few quarters to get there because they've had a few years head start. Thank you.

Operator

And our next question is from Jim Lykins with DA Davidson. Please go ahead.

Jim Lykins

Good morning, guys. First a question about your investments. So you've got the LOI on the Boca property, agreement with the one in Jacksonville, but for the balance of the properties listed in the pro forma guidance, can you just talk about the probability of investing in all of those projects and then also is there anything you can say about timing?

Ryan MacDonald

Good morning, Jim. It's Ryan. I think we feel pretty good about the deals in the pro forma closing. Some of these are development deals where we are very close to getting under vertical construction and then the acquisitions, we're in various stages of due diligence. So as I think as we've talked about in the past, it's probably third/fourth quarter type of closing for these projects, which gives you the appropriate run rate beginning 2017.

Jim Lykins

Okay. And also maybe if you could just talk in general about what you're seeing with supply across the portfolio and if there are any markets out there that may be starting to show any signs of weakness.

Jim Babb

Hey, Jim. It's Jim Babb. Listen, I think that, as we've said, there are pockets of submarket-specific supply regionally and nationally. By and large, we've performed very, very well, and we do think and I think Ryan may have mentioned it in his comments that we feel like we've reached a peak in terms of the permitting and the supply.

We feel somewhat optimistic that there's an opportunity for very strong or at least sustained growth into '17 and '18 as the supply side starts to wind down. Lenders are becoming much more careful and specific as to where they'll lend and who they'll lend to, and we happen to be fortunate enough to be in the position where they're

lending on our assets, specific and on the sponsorship.

Ramin Kamfar

This is Ramin. Jim, just to add to that, I think the tightening of credit is one of the most bullish things in terms of supply here because if you look at the economy, we're continuing to put up an average of 200,000 plus jobs a month and this all leads to household formation, but the long-term demographic trends are still intact, where you've got the millennials that are going to generate 40 million households. They've generated 10 million, and there's another 30 million coming.

And the timing of that will depend obviously on job growth, etc., which we're seeing in our markets. That's the demand point of view. The supply point of view is to a large extent driven by availability of financing, and it's shrunk. So people are putting in less shovels into the ground and assuming the economy and the job growth continues to chug along slowly, steadily, I think we're going to wake up 18 months from now in a great environment in terms of supply/demand and in terms of rent growth.

Jim Lykins

Okay. That's very helpful. Thanks, guys.

Ramin Kamfar

Thank you.

Ryan MacDonald

Thanks, Jim.

Operator

And our next question comes from John Benda with National Securities Corporation. Please go ahead.

John Benda

Good morning, guys. How are you today?

Ramin Kamfar

Good. How are you, John?

John Benda

Good. Just quickly on the dispositions that you have identified, I know you mentioned about \$25 million to \$50 million, can you just tell us a little more about the selection process for those assets? Is it vintage-driven? Is it occupancy and rent and where it was and where it is today driven? What guides that decision as you guys look to cull the portfolio and recycle the capital to newer projects?

Ramin Kamfar

It's really two things, John. One is we looked at the portfolio and we said, okay, where do we want to be in terms of age of the portfolio and our core markets? If you look down our list, you'll see some assets that'll jump out at you as being older or not being in our core Southeast over to Texas type of footprint. So those are the assets that we're taking to market. We are laser-focused in terms of the assets, the vintage, the strategy and our markets. So that's our consideration in terms of selling the assets that we're selling today.

I think as a broader answer, what we do is we look at every asset in our portfolio and when we buy it, we have a business plan in terms of value creation going in. So we're continuously, as we're executing that business plan, we're continuously looking at that value creation and saying, okay, have we achieved all or most of what we have looked to achieve and is there a better place in terms of value creation and accretion for the investor that would tell us, okay, we should exit this asset and redeploy the capital given the fact that we have a value creation focus?

So those are the two primary considerations, but most of the assets going to market today, Springhouse at Newport News, is an excellent example. It was an older asset. We bought it in a prior incarnation. It is a market that's not a core market for us in terms of Newport News, and we can sell it and redeploy that capital accretively, and we're deciding to do that.

John Benda

And then also I know that you mentioned that you guys refinanced a loan today, so what's the remaining opportunity in the portfolio to continue to knock the rates down? I know that there's a couple that are mid-4% on the balance sheet. So what's the opportunity there? Do you have prepayment penalties on some of those loans and you can't do it, or are you just going through them one by one and working with lenders to get some of those rates down, if possible?

Ryan MacDonald

Hi, John, it's Ryan. I don't think there's many opportunities beyond what we did with Lansbrook to really I'll call it buy down the interest rate, for a variety of reasons, whether it's term, prepayment, etc. So, I think that was opportunistic and is not going to be something that we're going to be doing a good amount going forward.

Ramin Kamfar

But you will see us see assets, some of the assets that have the higher rates are assets that we're looking to dispose of, and as part of that, you're going to continue to see our rate numbers come down.

John Benda

Okay. And then on the convertible preferred investments, I know that looks like we're coming to term on some of the projects. Is there any opportunity to convert some of those earlier than anticipated? Are some running ahead of pro forma or how is that working out overall?

Ryan MacDonald

Sorry, John, can you—?

Ramin Kamfar

The preferred investment in terms of converting them. I think they're all on track. I think you'll see us convert a couple of them in the next—

Ryan MacDonald

Twelve months.

Ramin Kamfar

In the next couple of quarters.

John Benda

Okay. And then just on the development of those properties, is everything on schedule? Is anything ahead of schedule or is there anything we need to know about that?

Ryan MacDonald

I think generally speaking they appear to be on schedule and on budget.

John Benda

All right, great. Thank you very much.

Ramin Kamfar

Thank you, John.

Operator

Again, if you would like to ask a question, please press star then one. Again, that's star then one if you'd like to ask a question.

CONCLUSION**Operator**

At this time, I'm showing no further questions. I would like to turn the conference back over to Ramin Kamfar for any closing remarks.

Ramin Kamfar

Thank you, operator, and I want to thank everyone for giving us the time today and for your support. And, again, I look forward to sharing continued news of our progress as we execute our business plan. Goodbye.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.