



# BK TECHNOLOGIES

## INVESTOR PRESENTATION

NYSE American: BKTl

March 2022



# DISCLOSURES

## Forward-Looking Statements

This press release contains certain forward-looking statements that are made pursuant to the “Safe Harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements concern the Company’s operations, economic performance, and financial condition, including, but not limited to, statements regarding the Company’s long-term strategic plan, and are based largely on the Company’s beliefs and expectations. These statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements of the Company, or industry results, to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors and risks, some of which have been, and may further be, exacerbated by the COVID-19 pandemic and the ongoing war in Ukraine, include, among others, the following: changes or advances in technology; the success of our land mobile radio product line; disruption in the global supply chain creating delays, unavailability and adverse conditions; successful introduction of new products and technologies, including our ability to successfully develop and sell our anticipated new multiband product and other related products in the planned new BKR Series product line; competition in the land mobile radio industry; general economic and business conditions, including federal, state and local government budget deficits and spending limitations, any impact from a prolonged shutdown of the U.S. Government, the ongoing effects of the COVID-19 pandemic and the ongoing war in Ukraine, including the impact of related sanctions being imposed by the U.S. Government and the governments of other countries, impact of potential reprisals as a consequence of the war in Ukraine and any related sanctions; the availability, terms and deployment of capital; reliance on contract manufacturers and suppliers; risks associated with fixed-price contracts; heavy reliance on sales to agencies of the U.S. Government and our ability to comply with the requirements of contracts, laws and regulations related to such sales; allocations by government agencies among multiple approved suppliers under existing agreements; our ability to comply with U.S. tax laws and utilize deferred tax assets; our ability to attract and retain executive officers, skilled workers and key personnel; our ability to manage our growth; our ability to identify potential candidates for, and to consummate, acquisition, disposition or investment transactions, and risks incumbent to being a noncontrolling interest stockholder in a corporation; impact of the COVID-19 pandemic or the ongoing war in Ukraine on the companies in which the Company holds investments; impact of our capital allocation strategy; risks related to maintaining our brand and reputation; impact of government regulation; impact of rising health care costs; our business with manufacturers located in other countries, including changes in the U.S. Government and foreign governments’ trade and tariff policies, as well as any further impact resulting from the COVID-19 pandemic or the ongoing war in Ukraine; our inventory and debt levels; protection of our intellectual property rights; fluctuation in our operating results and stock price; acts of war or terrorism, natural disasters and other catastrophic events, such as the COVID-19 pandemic and the ongoing war in Ukraine; any infringement claims; data security breaches, cyber-attacks and other factors impacting our technology systems; availability of adequate insurance coverage; maintenance of our NYSE American listing; risks related to being a holding company; and the effect on our stock price and ability to raise equity capital of future sales of shares of our common stock. Certain of these factors and risks, as well as other risks and uncertainties, are stated in more detail in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and in the Company’s subsequent filings with the SEC. These forward-looking statements are made as of the date of this press release, and the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statement.

## Safe Harbor

BK Technologies Corporation (the “Company”) has filed a registration statement on Form S-3, as amended by Amendment No. 1 thereto (File No. 333-251307), including a preliminary prospectus (the “Preliminary Prospectus”), with the Securities and Exchange Commission (the “SEC”) for the offering of shares of its common stock to which this communication relates. Before you invest, you should read the Preliminary Prospectus in that registration statement, all related prospectus supplements, and the other documents the Company has filed with the SEC for more complete information about the Company and this offering. You may get these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](https://www.sec.gov). Copies of the Preliminary Prospectus and prospectus supplements may also be obtained from ThinkEquity, a division of Fordham Financial Management, Inc., Prospectus Department, 17 State Street, 22<sup>nd</sup> Floor, New York, New York 10004, telephone (877) 436-3673, or email: [prospectus@think-equity.com](mailto:prospectus@think-equity.com).

This communication shall not constitute an offer to sell nor the solicitation of an offer to buy, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. The offering may only be made by means of a prospectus supplement and related Preliminary Prospectus. The information which appears on our website at <https://www.bktechnologies.com/> and our social media sites, including, but not limited to, Facebook, Instagram, Twitter, LinkedIn and YouTube, is not part of this filing.



BK Technologies is focused on **gaining share** in the **growing market** for public safety communication technology by offering **value** and **innovation**



# BK TECHNOLOGIES HIGHLIGHTS

Poised for  
**GROWTH**  
and  
**EXPANDED**  
**MARKET**  
**OPPORTUNITIES**

## MISSION CRITICAL TECHNOLOGY TRUSTED BY STATE, LOCAL AND FEDERAL AGENCIES:

- High performance, durable and compatible LMR radios
- Designed in-house; manufactured in the USA
- Technology Innovation Center in South Florida

## GROWTH FOCUSED:

- New BKR Series Radios expand market verticals
- BKR 5000 single-band radio launched in 2020; outperforming expectations
  - Anticipated to comprise >50% of 2022 revenue
- YE 2021 backlog more than double YE 2020 level
- BKR 9000 multi-band radio under development; further expands addressable markets

## STRATEGY TO ENTER EXPLODING LTE/LMR MARKET:

- Become a leading provider of both hardware and software communications solutions based on LTE and LMR technology
- Recently announced a dedicated business unit focused on delivering software-as-a-service (SaaS) solutions to the public safety market



# YEARS OF HEAVY LIFTING HAVE TRANSFORMED COMPANY FOR GROWTH

2016



2022 & Beyond



**NEW** Executive Team & Board of Directors  
**NEW** R&D & Engineering Investments/Focus  
**NEW** Manufacturing Strategy  
**NEW** M&A Strategy

**NEW PRODUCT LAUNCHES** BKR Line  
**EXPANDING** Market Verticals  
**CAPITALIZE** on Public Safety LTE adoption  
**ADD** Software Applications & SaaS



# EXECUTIVE MANAGEMENT

## JOHN SUZUKI

### CHIEF EXECUTIVE OFFICER

- Appointed CEO in July 2021 following his role as President & CEO of land mobile radio company EF Johnson Technologies, a JVCKENWOOD company
- 35+ years of experience in the telecommunications industry with proven track record of driving sales growth; Previous experience includes Ericsson and Motorola

## TIMOTHY VITOU

### PRESIDENT

- Appointed President in January 2017
- Over 30 years of experience marketing and selling to Enterprises, Wireless Operators, Retailers, Federal Government, State and Local Government agencies in North and South America, EMEA, and Asia

## JAMES TEEL

### GENERAL MANAGER

- Appointed General Manager in 2022 to lead new SaaS business unit
- 30+ years of industry experience including Director of Product Line Management and Director of Business Development for the Public Safety & Professional Communications division at L3Harris playing a major role in the rollout of their SaaS business

## WILLIAM KELLY

### CHIEF FINANCIAL OFFICER

- Executive Vice President and Chief Financial Officer since July 1997
- Formerly Financial Director of Harris Corporation

## BRANKO AVANIC

### CHIEF TECHNOLOGY OFFICER

- Appointed CTO in August 2019 bringing over 30 years of leading-edge product development expertise in the LMR industry
- Owns 29 U.S. patents

## HENRY “RANDY” WILLIS

### CHIEF OPERATIONS OFFICER

- Appointed Vice President of Operations in 2017, advancing to Chief Operations Office in March 2018
- Certified Six Sigma Black Belt and Lean Expert
- Previously President at Target Velocity Consulting leading public and private firms in productivity improvements





# KEY CUSTOMERS



## STRATEGIC CONTRACTS FOR EASE OF PROCUREMENT WITH GOVERNMENT AGENCIES





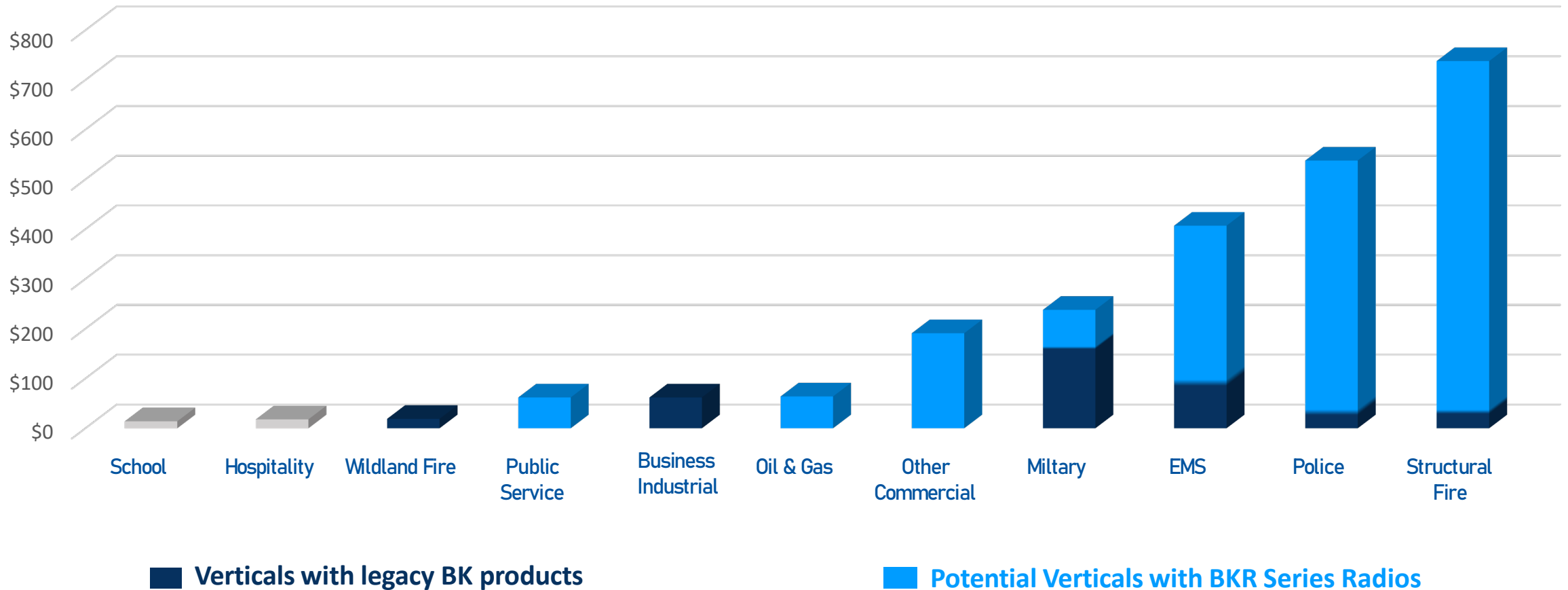
# MARKET OPPORTUNITY





# LMR - A \$2.3B Addressable Market

Developing BKR Series Radios exponentially expands potential market verticals





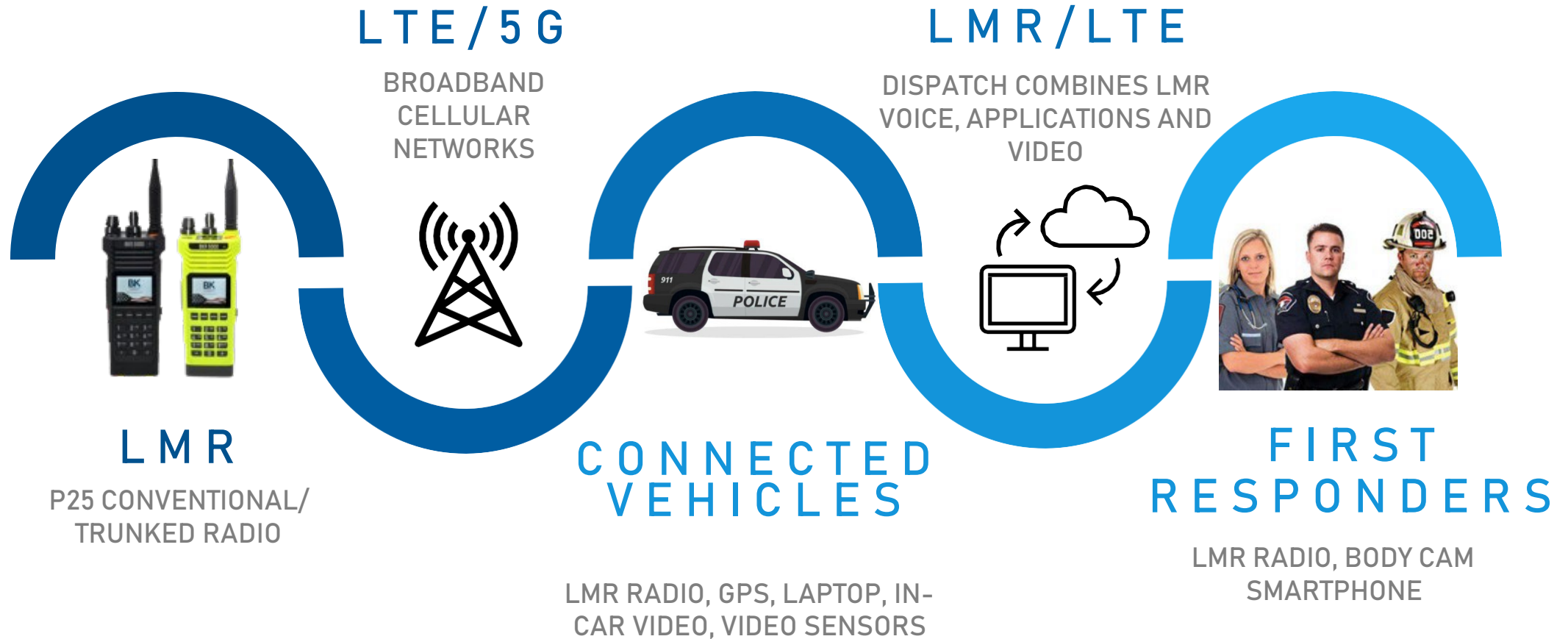
# LTE - PUBLIC SAFETY MARKET EMBRACE

- Broadband wireless networks and smart mobile devices are creating broader applications for push-to-talk (PTT) over cellular (PoC) solutions
- Market projected to grow at a CAGR of 21.1%





# LMR/LTE SOLUTIONS





# VISION: A LEADING LMR/LTE SOLUTIONS COMPANY

## BK TODAY

VOICE



PRIVATE NETWORK



HARDWARE



RADIOS



## BK TOMORROW

DATA  
VOICE

PUBLIC NETWORK  
PRIVATE NETWORK

SOFTWARE APPLICATIONS  
SAAS

HARDWARE

LTE TECHNOLOGY  
LMR TECHNOLOGY





# INNOVATIVE TECHNOLOGY



# TECHNOLOGY INNOVATION CENTER

- Chief Technology Officer, **Dr. Branko Avanic, Ph.D.**, and much of his team, previously with market leader
- All radio research & development moved in-house
- New acquisition targets bring software engineering skills
- IP & Patent Opportunities





# SOFTWARE-AS-A-SERVICE (SaaS):

- Recently announced a dedicated unit that will develop and deliver a comprehensive suite of state-of-the-art subscription-based software solutions for first responders utilizing the LTE network
- Recently applied for three patents related to Push-To-Talk-Over-Cellular (POC) and other cellular based smartphone applications
- Leverage our strong R&D and engineering expertise to develop software solutions that expand our offerings for both existing and new customers





## BKR SERIES RADIOS:

- High-tier performance, features, durability, and ergonomics; priced competitively to take market share versus market leader
- BKR 5000 single-band radio launched in August 2020; orders exceeding expectations; strong backlog providing momentum into 2022
- BKR 9000 multi-band radio under development





# PERFORMANCE, DURABLE & COMPATIBLE

## “US ARMY TOUGH”

- Designed with extensive Voice of Customer input
- Mil Spec 810 C,D,E,F,G
- International Standard - IEC 60529
- Ingress Protection Rating – IP67 and IP68, against fluid/moisture intrusion
- Smart battery technology with long duty cycle

## FULL P25 SYSTEM COMPATIBILITY

- P25 compliant and interoperable with the communications network infrastructure of six of our competitors
- Critical for reliable crisis communication





# AMERICAN MADE, DISRUPTIVE PRICE

## DESIGNED, ENGINEERED AND MANUFACTURED IN USA



- This matters to our customers
- Nimble innovation, production & distribution

## TOTAL COST-OF-OWNERSHIP

- Substantial savings on initial acquisition
- Firmware upgrades for life of product
- Customer service for life of product
- Technical support for life of product





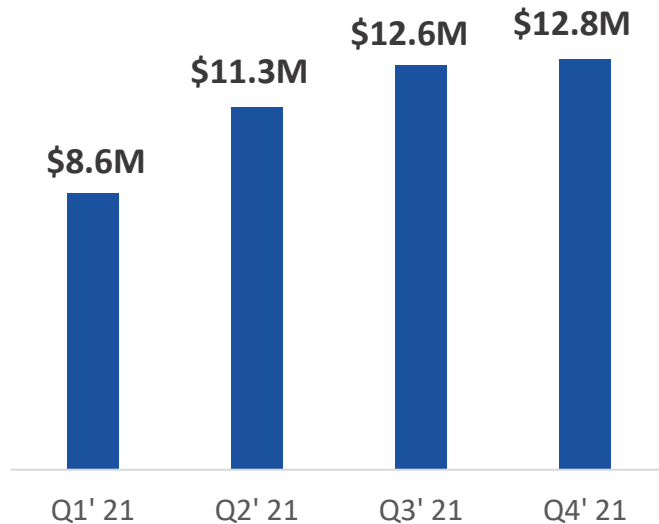


# FINANCIAL OVERVIEW



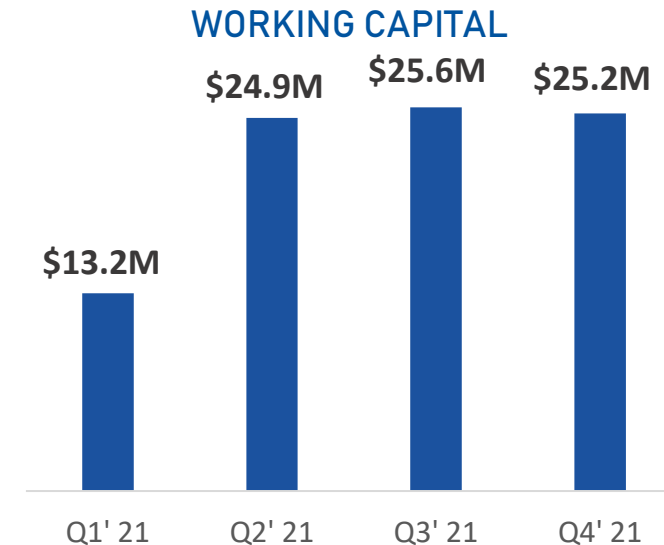
# 2021 SNAPSHOT

## GROWING REVENUE



- High backlog and record bookings for the year provide valuable momentum
- Gross margin of 36%:
  - Impacted by industry-wide supply chain constraints

## IMPROVED BALANCE SHEET



- \$10.6M in cash and cash equivalents at 12.31.21
- 23 consecutive quarterly dividend payments (TTM \$0.09 per share)





# LEVERAGING OUR UNIQUE ASSETS TO SCALE AND OPTIMIZE OUR BUSINESS

## Leading Technology

New Technology and Innovation Center; state-of-the-art technology able to compete with market leaders

## Poised to Ramp with Increased Public Safety Spending

Due to rapid urbanization, changing climate and enhanced national security

## Market Vertical Expansion

Launch of BKR line unlocks significant market verticals to capture greater share of \$2.3B addressable market

## Expansion into Software & Services

Leverage R&D capabilities and engineering expertise to develop SaaS solutions for the exploding LTE/LMR Market



# APPENDIX



# SUMMARY OF FINANCIAL RESULTS | OPERATING RESULTS

Presented in Thousands (000)	FY 2019	FY 2020	FY 2021	Q4 2021
Revenue	40,100	44,139	45,364	12,839
<b>Growth</b>	<b>(18.8%)</b>	<b>10.1%</b>	<b>2.8%</b>	<b>21.7%</b>
C.O.S.	24,449	26,109	29,103	8,189
Margin - \$	15,651	18,030	16,261	4,650
Margin - %	<b>39.0%</b>	<b>40.8%</b>	<b>35.8%</b>	<b>36.2%</b>
S&M	4,601	3,404	2,946	745
Comm	606	814	1,083	243
Eng/R&D	9,806	7,869	8,136	1,974
G&A	5,023	4,949	5,292	1,461
Tot SG&A	20,036	17,036	17,457	4,423
% of Sales	50.0%	38.6%	38.5%	34.5%
<b>Operating Inc / (Loss)</b>	<b>(4,385)</b>	<b>994</b>	<b>(1,196)</b>	<b>227</b>
Int Inc / (Exp)	150	(8)	(53)	(16)
Gain (Loss) on 1347 PIH	716	(620)	(220)	(530)
Other Inc / (Exp)	(104)	(169)	(45)	19
<b>Pretax Contin. Inc./ (Loss)</b>	<b>(3,623)</b>	<b>197</b>	<b>(1,514)</b>	<b>300</b>
Inc. Tax (Expense) Benefit	987	(3)	(187)	(3)
<b>Net Income/(Loss)</b>	<b>(2,636)</b>	<b>194</b>	<b>(1,701)</b>	<b>(303)</b>
<b>EPS</b>	<b>\$ (0.21)</b>	<b>\$ 0.02</b>	<b>\$ (0.11)</b>	<b>\$ (0.02)</b>
Shares Fully Diluted	12,705	12,561	14,941	16,820

(Amounts in Thousands Other Than EPS; Amounts in Dollars Other Than Shares Fully Diluted)



# BALANCE SHEET

December 31,  
2021

## ASSETS

### Current assets:

Cash and cash equivalents	\$	10,580
Trade accounts receivable, net		8,229
Inventories, net		16,978
Prepaid expenses and other current assets		<u>1,634</u>

**Total current assets** 37,421

Property, plant and equipment, net	4,556
Right-of-use (ROU) asset	2,399
Investment in securities	1,795
Deferred tax assets, net	4,116
Other assets	<u>98</u>

**Total assets** \$ 50,385

December 31,  
2021

## LIABILITIES AND STOCKHOLDERS' EQUITY

### Current liabilities:

Accounts payable	\$	5,883
Accrued compensation and related taxes		1,099
Accrued warranty expense		533
Accrued other expenses and other current liabilities		935
Dividends payable		508
Short-term lease liability		447
Credit facility		1,470
Note payable, current portion		267
Deferred revenue		<u>1,045</u>

Total current liabilities 12,187

Note payable	605
Long term lease liability	2,269
Deferred revenue	<u>2,706</u>

**Total liabilities** 17,767

### Commitments and contingencies

### Stockholders' equity:

Preferred stock; \$1.00 par value; 1,000,000 authorized shares; none issued or outstanding	-
Common stock; \$0.60 par value; 50,000,000 authorized shares; 18,298,999 and 13,962,366 issued and 16,814,336 and 12,511,966 outstanding shares at 12-31-2021 and 12-31-2020	10,979
Additional paid-in capital	35,862
Accumulated deficit	(8,821)
Treasury Stock, at cost, 1,450,400 at December 31, 2021 and December 31, 2020, respectively	<u>(5,402)</u>

**Total stockholders' equity** 32,618

**Total liabilities and stockholders' equity** \$ 50,385