



INVESTOR PRESENTATION

August 2024

NYSE American: BKT1



BK Technologies is a **trusted brand** in the critical communications industry, **developing innovative products and services** for the military, first responders and public safety heroes.



**Exponentially Expanding
Market Verticals with
BKR Product Line**



**SaaS Unit Expanding
TAM and Creating Long-
Term Vision**

**Why
BK**



**Multiple Growth Drivers
Creating Demand for Products
and Services**



**Driving Significant
Profitability Expansion**

Technology Leader in the Critical Communications Industry

Land Mobile Radios (LMRs)



Single-band and multiband radios and accessories

New SaaS business unit represents longer-term vision



Next generation solutions combining LMR and LTE/5G to create seamless connectivity among first responders



Designed In-House

In-house R&D team developing **cutting-edge and innovative solutions**. New SaaS division **trailblazing the integration of SaaS-based services** into the portable communications market.

Manufactured Globally

Manufacturing shifting to long-time partner East West Manufacturing. **Asset-light model** is expected to improve working capital, reduce inventory and lower production costs.



Hero Tough

BK serves **Federal, State and Local Government Agencies** nationwide, in all 50 states, as well as internationally.

Our Customers Are the Engine of Our Growth

Relationships Exceed 20 Years with Key Customers



Strategic Contracts with Government Agencies



BKR 5000 Single Band Radio: Breakout Product Driving Revenue Growth Since 2020

- **Debut product** in the BKR series designed and developed with extensive input from customers
- **Expanding market share** beyond Wildland Fire vertical
- **Strong demand** among new and existing customers
- **Interoperability** with legacy BK radios and equipment
 - A key benefit for wildland fire agencies



BKR 9000 Multiband Radio: Poised to Disrupt the Industry

Expected to be a higher portion of sales in 2024 & beyond



High brand awareness at an **affordable price**



All band capabilities **expands market opportunity in multiple verticals**



Superior in-field communications technology across all terrains



Strong early demand from state and federal agencies



Operates on all P25 radio systems, in any frequency band including the VHF band for wildland fire operations



Higher-priced, **higher margin product**



Boulder County chooses BKR 9000 to standardize 26 fire agencies on a single radio platform

Customer: Boulder County, Colorado

Order: 315 BKR 9000 Multiband Radios for 26 fire agencies throughout the county

Classification: Tier 2 county with over 300,000 residents and 740 square miles

Problem

Upgrade Program Decision: The Boulder fire agencies employ a variety of manufacturer-branded radios for everyday use.

They also have a number of BK radios to support their VHF-based wildland fire mission.

Solution

Boulder County chose to standardize on a single platform using the BKR 9000 because its **multiband capabilities can handle all of their fire missions and saves them money.**

SaaS Business Unit

The growing need for greater intelligence and situational awareness in the public safety sector is driving LTE/5G cellular adoption

Yesterday in Vehicles; Tomorrow on Smartphones

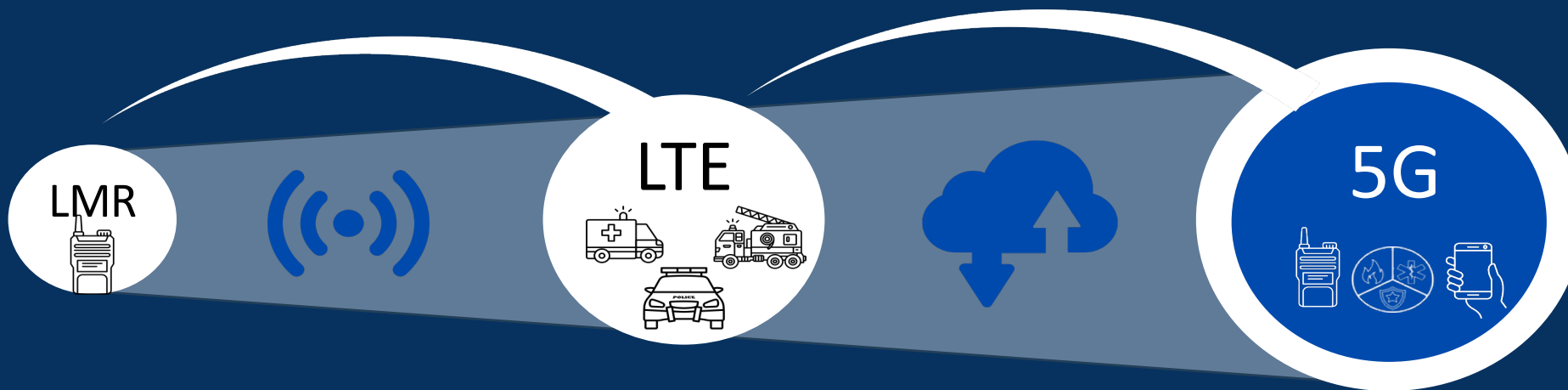
LMR will continue to play a key role in mission critical voice communications

New broadband capabilities will augment existing narrowband networks with data-rich applications

Level playing field with large opportunity to deliver mission critical voice, data and video

Previous Successes

Larger Opportunity Today



SINGLE BAND RADIOS

Voice & Messaging Over Narrowband Networks

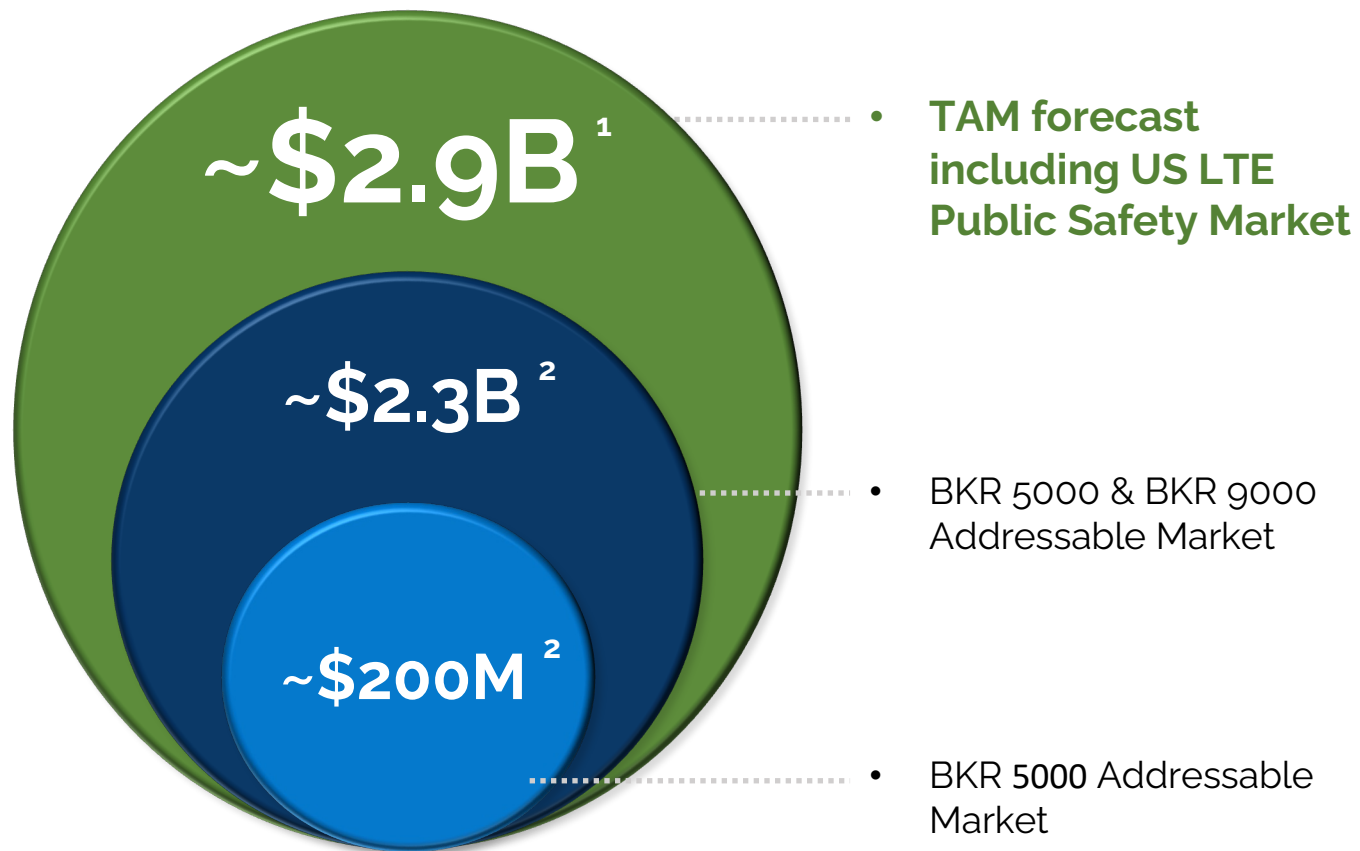
CONNECTING VEHICLES

LMR Radios, GPS, Laptop, In-Car Video, Video Sensors

HYBRID NETWORK CONNECTING HEROES ANYWHERE, ANYTIME

Interoperability:
LMR Radio, Body Cam, Smartphone

SaaS Solutions Expand TAM Opportunity



US LTE Public Safety Market Growth Forecast

~\$571M

2023

11.6% CAGR

2024-2029

~\$988M

2029

¹ TechSciResearch 2023

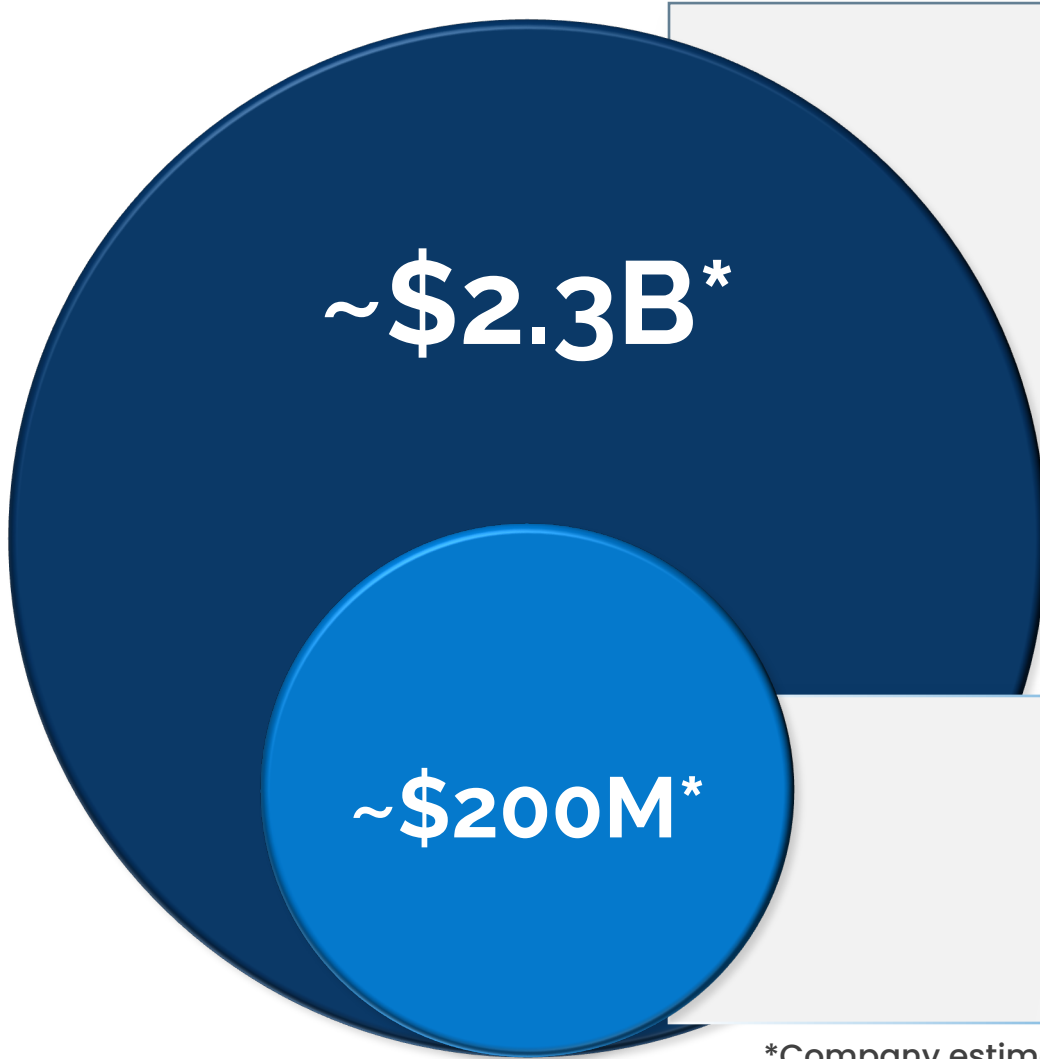
² Company estimates

InteropONE Launched: High-Margin Revenue Opportunity

- **Only Push-to-Talk over Cellular (PTToC)** service enabling subscribers to create adhoc, on-demand group communications among any smartphone user in 5 minutes or less
- **Patent-pending tethering feature** will enable PTToC broadband capabilities for users of BKR 5000 & BKR 9000 Radios
- **Subscription-based, high-margin revenue opportunity** as platform scales



Financial Review



● ADDRESSABLE MARKET WITH BKR 5000 & BKR 9000

Current addressable market primarily using single band radio; demand is increasing for premium multiband product

Multiband capability of BKR 9000 significantly expands market opportunity in multiple verticals in 1,000 tier 2 & 3 counties:

- ✓ Police
- ✓ EMS
- ✓ Structural fire
- ✓ Military
- ✓ Public service
- ✓ Utility



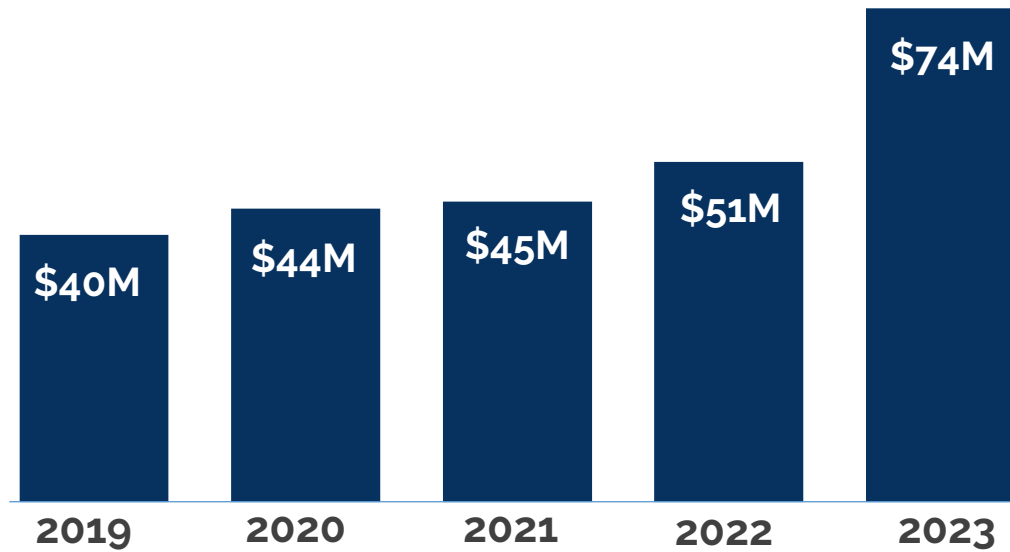
ADDRESSABLE MARKET WITH BKR 5000

Current BK market share of ~20%*

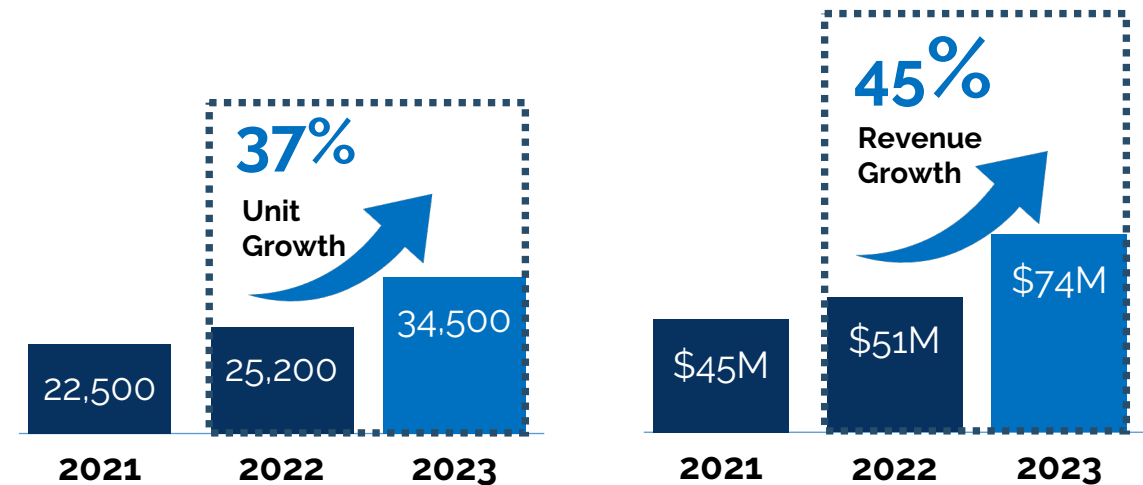
Majority of current revenue from Wildland Fire vertical

*Company estimates

Revenue Growth



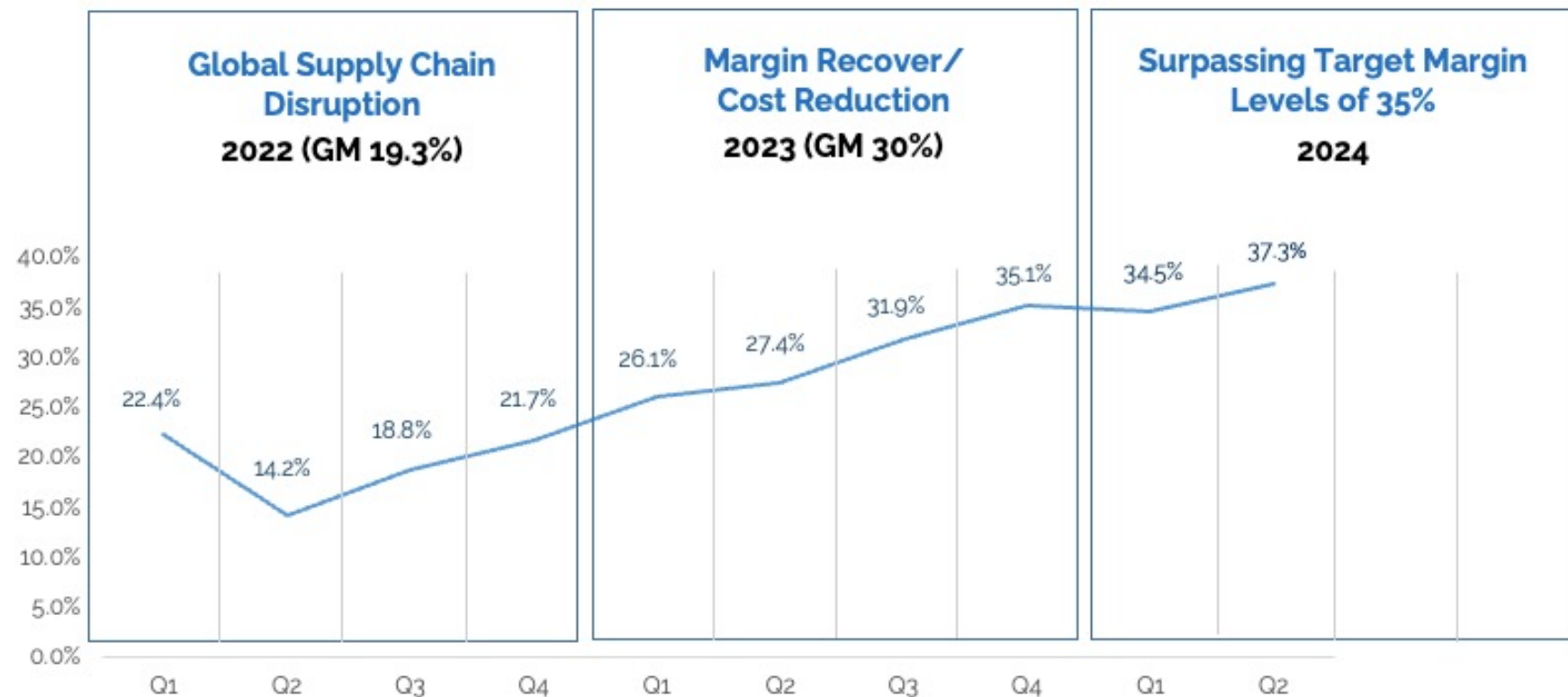
Revenue Growth Outpaced Unit Growth in 2023



Shipping accelerated in 2023 due to supply chain constraints in 2022

Improving Gross Margins

Driving
Consistent
Margin
Improvement;
Returning to
Historical
Levels



Profit Expansion with Improving Balance Sheet

Income Statement	Three Months Ended		Six Months Ended	
	6/30/24	6/30/23	6/30/24	6/30/23
(in thousands)				
Sales	\$20,254	\$18,996	\$38,485	\$37,717
Gross Margin	37.3%	27.4%	35.9%	26.8%
SG&A	\$5,522	\$5,988	\$10,827	\$11,869
Operating Income (loss)	\$2,025	\$(784)	\$3,008	\$(1,771)
Net Income (loss)	\$1,664	\$(1,340)	\$2,345	\$(2,610)
EPS	\$0.47	\$(0.39)	\$0.66	\$(0.77)
Adjusted EBITDA ¹	\$2,488	\$(786)	\$3,839	\$(1,483)
Adjusted EPS – diluted ²	\$0.55	\$(0.25)	\$0.84	\$(0.53)

Balance Sheet

(in thousands)	As of 6/30/24	As of 12/31/23
Cash & Cash Equivalents	\$2,981	\$3,456
Working Capital	\$20,298	\$16,784
Long-Term Debt	None	None

¹ Adjusted EBITDA is a non-GAAP financial measure management uses in evaluating the company's core operating performance and is defined as EBITDA excluding the impact from interest expense, income tax provision (benefit), depreciation and amortization, severance, and inventory write-off – new product introduction. A reconciliation of non-GAAP metrics is available in the appendix of this presentation.

² Placeholder for Adjusted EPS

Focused on Profitable Growth

2019-2023
Revenue Growth

2024
Profitability

2025
Growth & Profitability



Summary: Creating Value for All of Our Stakeholders

**Trusted Brand
Deeply Embedded
in the Industry**

**BKR Product Line
Exponentially
Expanding Addressable
Market Opportunities**

**SaaS Capabilities
Expand our TAM &
Complement LMR
Products**

**Transition to
Asset-Light Model**

**Expanding Solutions
Support Long-Term
Organic Revenue Growth**

**Improving Margins and
Growing Net Profitability**

Appendix



This presentation 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.

Reconciliation of Non-GAAP Metrics

Non-GAAP Adjusted EBITDA (in thousands)	Three Months Ended		Six Months Ended	
	6/30/24	6/30/23	6/30/24	6/30/23
Net Income/(Loss)	\$1,664	\$(1,340)	\$2,345	\$(2,610)
Adjustments to reconcile net income/(loss) to EBITDA				
Interest expense, net	106	155	280	298
Income tax provision (benefit)	220	-	241	-
Depreciation and amortization	413	399	821	777
EBITDA	2,403	(786)	3,687	(1,535)
Severance	85	-	152	52
Inventory write-off – New product introduction	-	-	-	-
Adjusted EBITDA	\$2,488	\$(786)	\$3,839	\$(1,483)
Adjustments to reconcile net income (loss) to Adjusted EPS (non-GAAP)				
Net Income/(Loss)	\$1,664	\$(1,340)	\$2,345	\$(2,610)
Net realized and unrealized (gain) loss on investments	-	376	91	489
Stock-based compensation expense	227	124	401	251
Severance	85	-	152	52
Inventory write-off – New product introduction	-	-	-	-
Adjusted Earnings (Loss) (Non-GAAP)	\$1,976	(840)	\$2,989	\$(1,818)
Adjusted earnings (loss) per share – basic	\$0.56	\$(0.25)	\$0.85	\$(0.53)
Adjusted earnings (loss) per share – diluted	\$0.55	\$(0.25)	\$0.84	\$(0.53)
Weighted average common shares outstanding, basic	3,529,910	3,402,280	3,534,209	3,400,624
Weighted average common shares outstanding, diluted	3,564,170	3,402,280	3,559,305	3,400,624

BK

TECHNOLOGIES

