



BREACH INLET

CAPITAL MANAGEMENT

BK Technologies (NYSE: BKT)

**Unappreciated Transformation Hitting
Another Positive Inflection Point**

September 16, 2026



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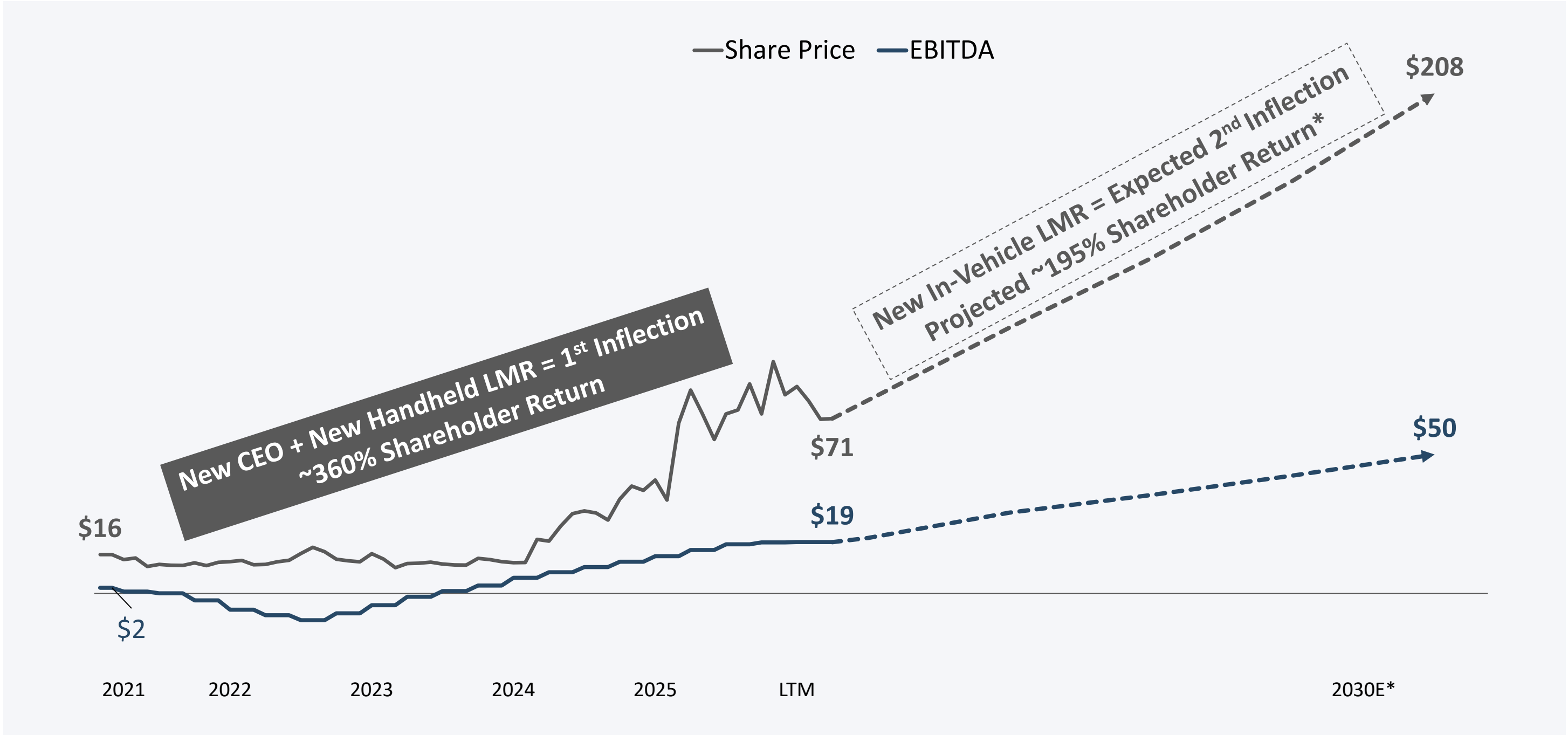
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BKTI Investment Thesis (1)

1. New CEO transformed BKTI into a highly-profitable land mobile radio (“LMR”) business
2. New handheld LMR (BKR 9000) materially expanded TAM & drove the first leg of growth
3. Upcoming companion in-vehicle LMR (BKR 9500) should drive the next leg of growth
4. Supports Vision 2030 (“V30”) targets of doubling Revenue & tripling EBITDA
5. Appears undervalued & haircut to V30 targets still implies substantial upside

BKTI Investment Thesis (2)



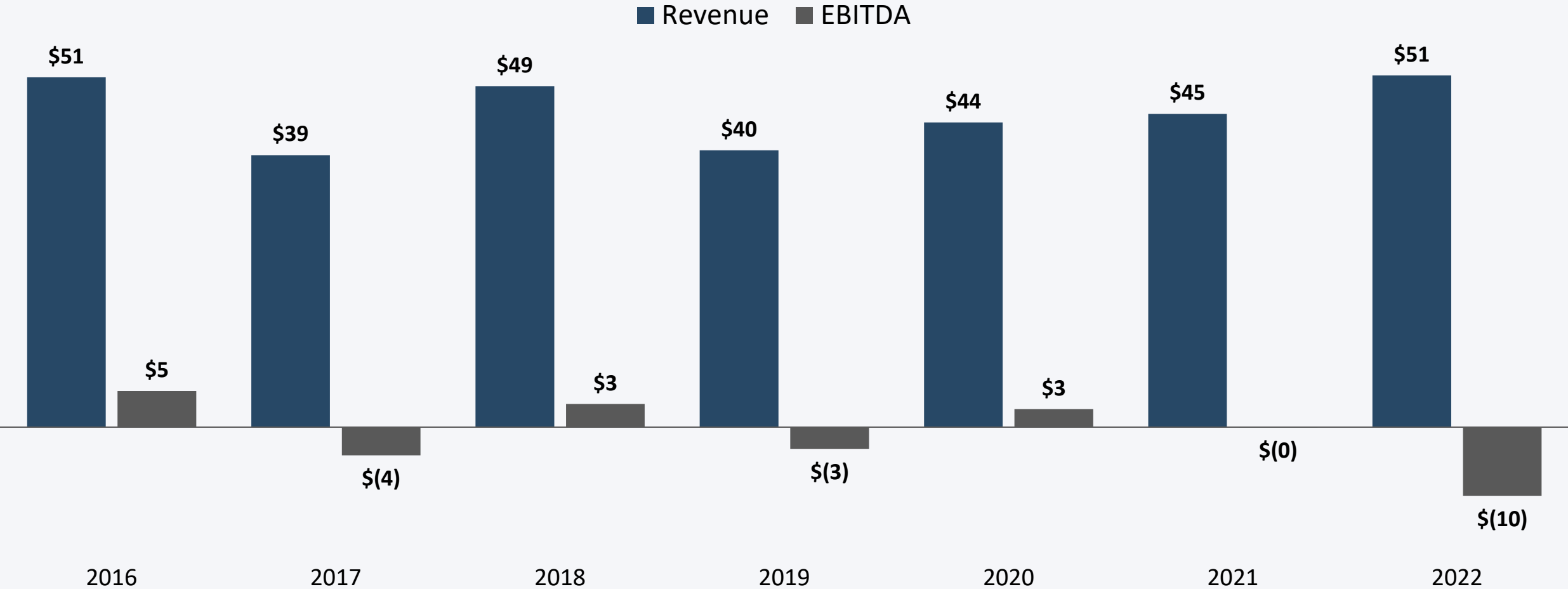
1. Dominant Share & Sticky Revenue in Legacy Wildland Fire Market

- Before 2023, BKTi primarily sold LMRs to U.S. wildland fire (“WF”) agencies
- Held 90%+ share of the WF market for many years due to cloning technology
- Cloning quickly programs LMRs to match others onsite but BK radios only clone to BK
- LMRs must work device-to-device because often off network so cloning is crucial
- LMRs are mission critical devices replaced every 5-10 years leading to sticky Revenue
- But the WF market is small at only ~\$50mm with limited growth hence...



1. But Struggled to Sustainably Grow or Produce Profits

- Revenue did not grow from 2016 to 2022 due to stagnant WF market
- 2022 also hurt by supply chain shortages & inflation
- 2016-2022 cumulative EBITDA of negative \$6mm & FCF of negative \$11mm

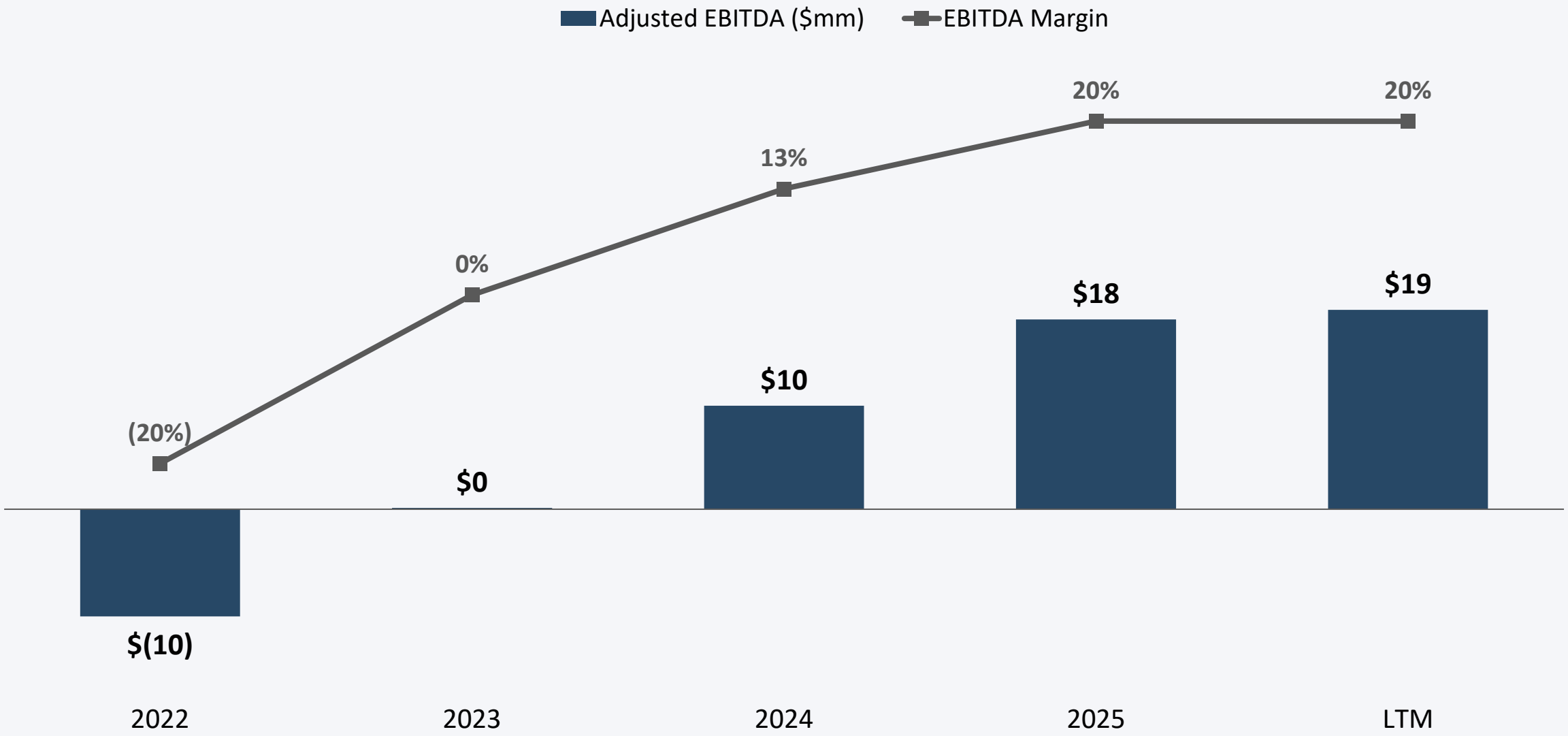


1. Attracted New CEO to Transform BKTi

- Board wanted to transform BKTi so named John Suzuki as CEO in July 2021
 - Spent 13 years at Ericsson (when it sold LMRs) & 15 years at EFJ (BKTi competitor)
 - Doubled Revenue & expanded EBIT margin from -40% to 0% as CEO of EFJ from 2015-19
- After being named CEO, John delayed the launch of the BKR 9000 by two years to improve it
- Then cut BKTi's long-time recurring dividend to invest in more product development
- Transitioned internal production to more capital efficient contract manufacturer in 2024
- Continued to recruit engineers from the leading LMR company (Motorola or "MSI")

1. Transformation Led to Significant Profit Growth

2022-LTM Revenue CAGR of 18% + EBITDA margin rising to 20% = substantial profit growth



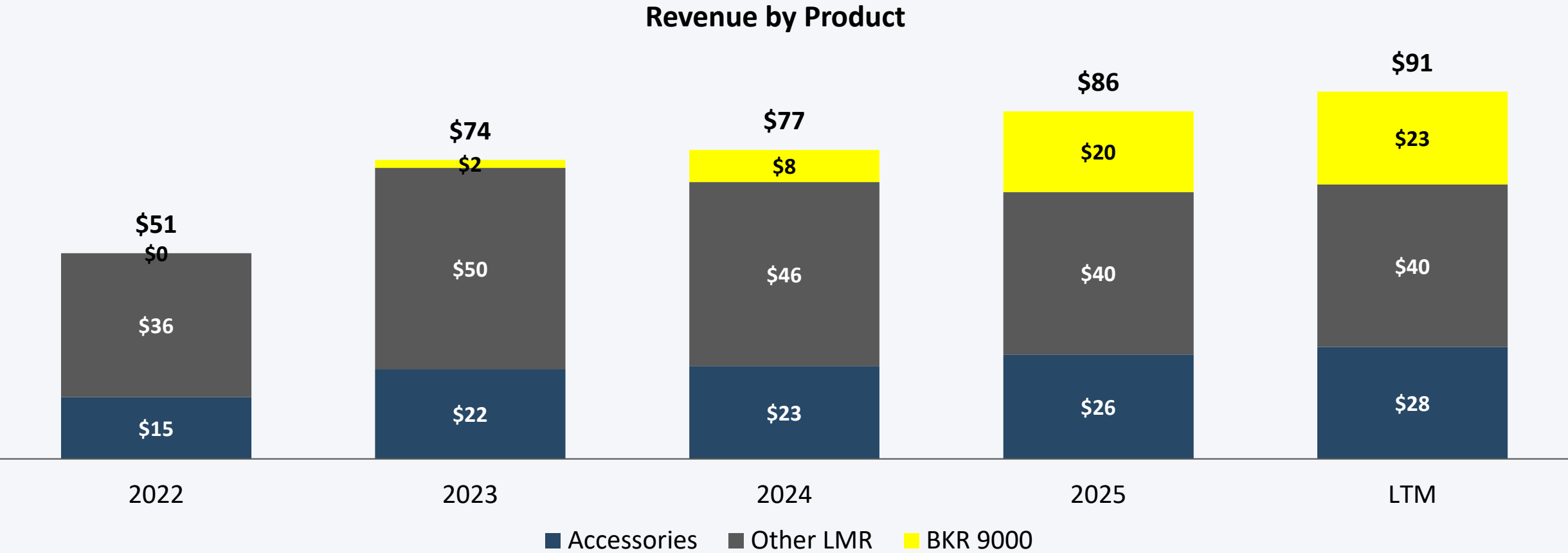
2. Handheld BKR 9000: Expanded Its TAM by \$2b+

- Started selling the handheld BKR 9000 (“9K”) LMR in 2023 after a two-year delay
- 9K was BKTl’s first multi-band LMR so operates on multiple frequency bands
- Allowed BKTl to target new public safety markets & expanded its TAM to ~\$2.4b
- 9K has the same design as the industry-standard MSI LMR but at ~half the price
- MSI has 70%+ share but focused on Tier 1 “NFL” cities
- BKTl targets budget-conscious Tier 3 cities with 29k+ agencies (~40% of U.S. agencies)
- BKTl also leverages its WF credibility because ~85% of fire agencies have WF exposure
- 9K generates ~2x ASP & ~3x Gross Profit compared to BKTl’s legacy LMRs



2. Handheld BKR 9000: Drove the First Leg of Growth & Room to Keep Gaining Share

- We estimate 9K LTM Revenue is > \$20mm (based on disclosures below) & drove most of 2023+ growth
 - 2Q25 10-Q: engineers received 39k RSUs for the 9K reaching \$20mm of Revenue
 - 4Q25 earnings call: 9K 2025 shipments were ~2.5x 2024 shipments
- BKTi believes 9K Revenue will grow because early in lifecycle plus should benefit from BKR 9500 launch...
 - Lost potential 9K customers because did not have companion LMR but will soon with BKR 9500



3. Companion In-Vehicle BKR 9500: Next Leg of Growth

- Customers want handheld & in-vehicle LMRs from the same brand...
- Due to familiarity and convenience...like iPhone users wanting iPads
- BKTi’s only in-vehicle LMR was its 15-year-old single-band KNG model
- Therefore, potential 9K customers did not have a viable in-vehicle LMR option
- BKR 9500 (“9.5K”) will be BKTi’s multi-band in-vehicle companion to the handheld 9K
- Customers already ordering 9.5Ks, target FCC approval in 1Q27, & plan to begin shipping in 1H27
- Estimate 9.5K Revenue should be ~75% of 9K Revenue because...
 - Handheld LMRs are ~65% of customer orders while in-vehicle are ~35%
 - We estimate 9K costs an average ~\$2.5k each while 9.5K costs ~\$3.5k each



Typical Order Mix	Mix	Units	Price	Implied Revenue
BKR 9000 (handheld)	65%	6.5	\$2,500	\$16.3
BKR 9500 (in-vehicle)	35%	3.5	\$3,500	\$12.3
Total	100%	10.0		\$28.5
9.5K as % of 9K Revenue				75%

3. Companion In-Vehicle BKR 9500: Expect Rapid Adoption for Two Reasons

- 1. Low-friction drop-in replacement for existing installed base of ~50k KNG in-vehicle LMRs
 - Typically pull public safety vehicle out of service for one day to replace in-vehicle LMR
 - But 9.5K reuses KNG components so can be swapped in minutes
- 2. Companion sales to existing 9K customers who purchased ~\$60mm of 9K

Existing KNG Mobile Customers

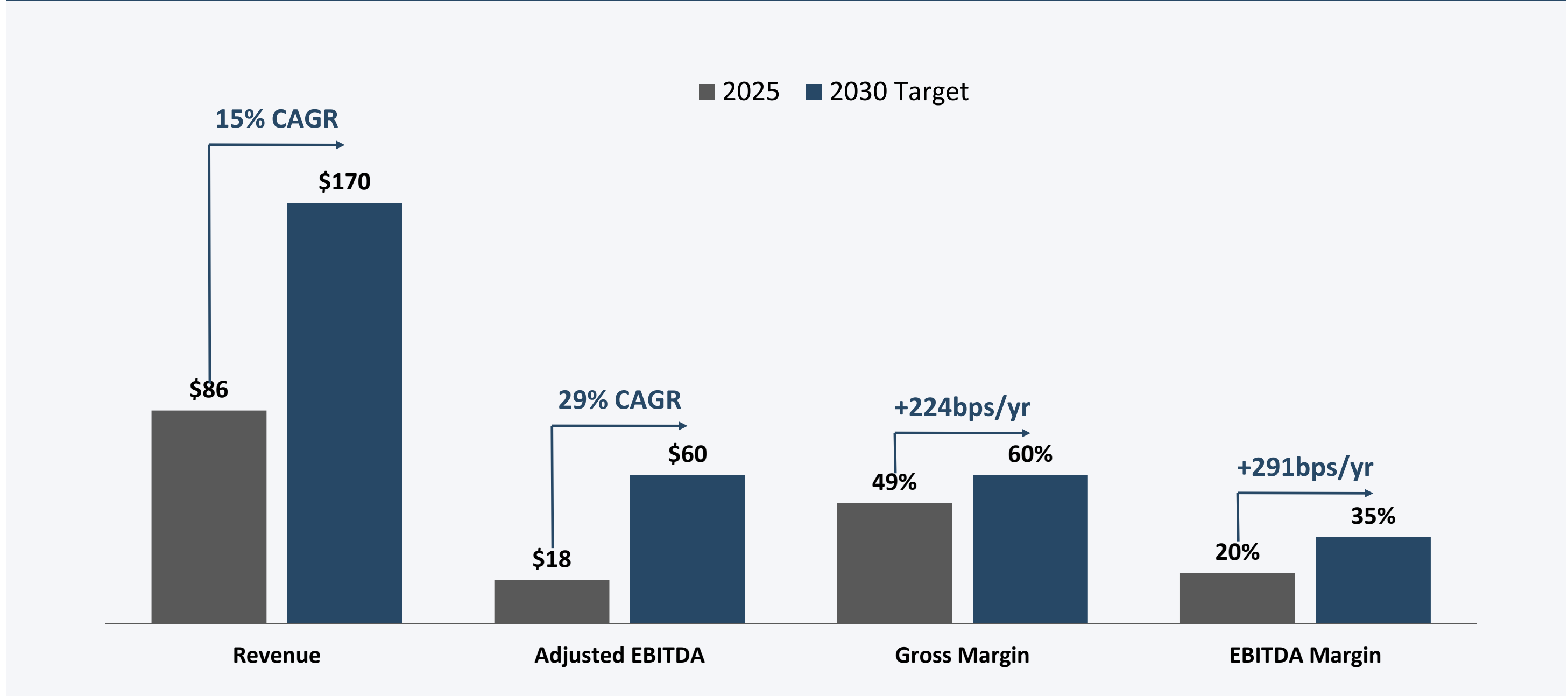
KNG Installed Base	50,000
Price per BKR 9500	<u>\$ 3,500</u>
Implied Revenue Opportunity	\$ 175

Existing BKR 9000 Handheld Customers

Estimated 2023-26 Cumulative BKR 9000 Sales	\$ 60
Estimated BKR 9500 Sales as % of BKR 9000 Sales	<u>75%</u>
Implied Revenue Opportunity	\$ 45
Total Immediate Revenue Opportunity	\$ 220

4. Supports Vision 2030 (“V30”) Targets of Doubling Revenue & Tripling EBITDA

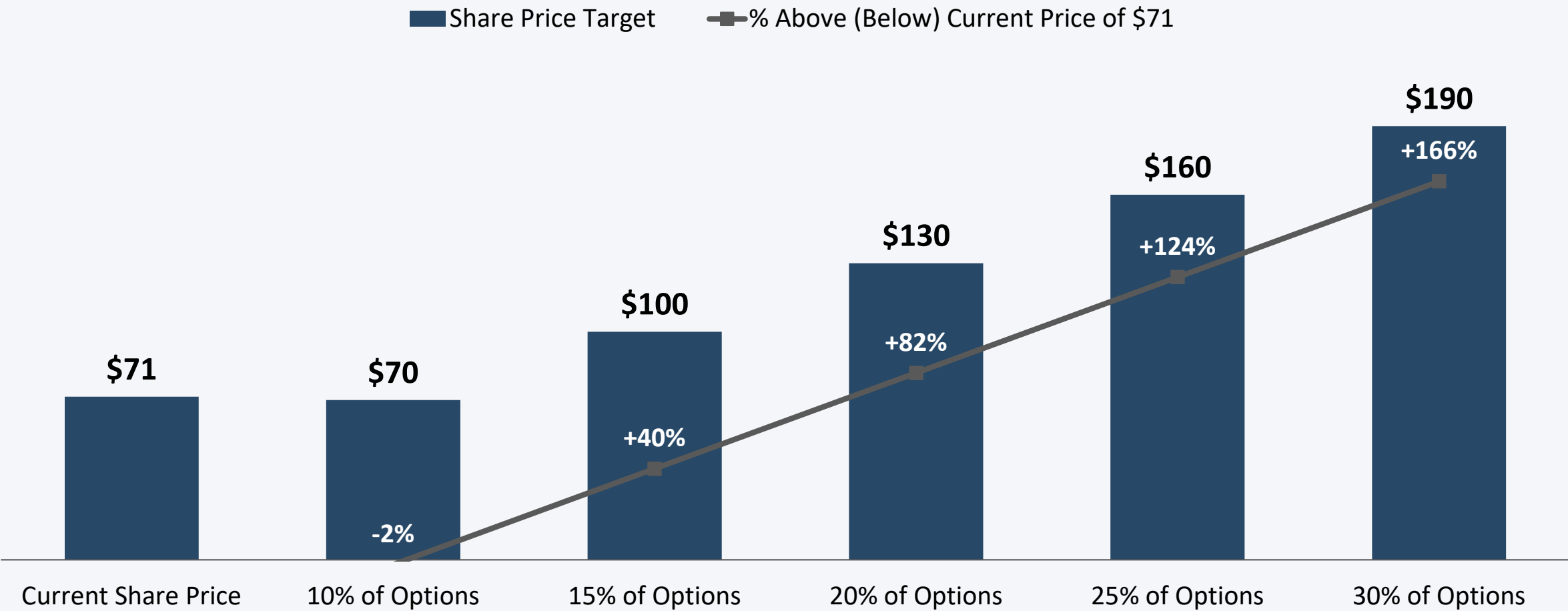
2030 targets revealed in its 4Q25 earnings release & outlined in detail at its April 2026 Investor Day



4. CEO Motivated to Achieve V30 Targets

Most of His Compensation Tied to Options Vesting in 2030 at Much Higher Share Prices

- CEO earns a \$424k salary & potential annual cash bonus of \$212k
- Only long-term incentive compensation is options that vest in 2030 with the following share price targets with a cumulative value of ~\$11mm



5. BKTl Appears Undervalued Given Past & Planned Growth

- Trades for only ~17x LTM UFCF & ~5.5x implied V30 UFCF target*
- Low valuation given 3.5 yr Revenue CAGR of 18%, 20% EBITDA margin, & target of tripling EBITDA
- Trades for only ~13x LTM EBITDA & ~4x V30 EBITDA target compared to 5-year average of ~14.5x

	<u>LTM</u>	<u>V30</u>
Current Market Cap	\$275	\$275
Net Cash	<u>\$(30)</u>	<u>\$(30)</u>
Current Enterprise Value	\$245	\$245
BICM UFCF*	<u>\$15</u>	<u>\$44</u>
EV/UFCF	16.8x	5.5x
EBITDA	<u>\$19</u>	<u>\$60</u>
Implied EV/EBITDA	13.2x	4.1x

5. Our More Conservative Forecast: Key Assumptions

Revenue Build

- 9.5K Revenue: =75% of 9K Revenue from two years prior (see slide 11 for explanation of 75%)
- 9K Revenue: \$5mm growth/year vs. > \$10mm growth in 2025 despite companion 9.5K allowing BKTl to now participate in RFPs that require a handheld plus in-vehicle option (which BKTl did not have in the past)
- Other LMR Revenue: = 2025; Accessories: 30% of Total Revenue per BKTl (implies ~45% attach rate)

Margins & Other Assumptions

- Gross Margin: 2026 =1H26 then +100bps/yr due to greater mix of higher margin 9/9.5K; 2030 = 400bps < V30 target
- R&D/Revenue: 2026 higher due to completing 9.5K dvpt; 2030 = 2025
- S&M/Revenue: 2026 =LTM; same salesperson now selling two products (9K + 9.5K) so assume 2030 50bps < 2026
- G&A \$s: mostly fixed costs but assume 10% growth/yr
- CapEx/Revenue: = LTM
- Cash: builds & not used for buybacks despite a buyback program
- xUFCF: 20x = ~13x EBITDA so < 5-year average of ~14.5x despite expecting rapid growth

5. Our More Conservative Forecast: Still Substantial Upside

Forecast 25%+ IRR even if Haircut V30 Implied UFCF by 25%

	BICM						V2030	Implied
	2025	2026	2027	2028	2029	2030	Targets	Haircut
BKR 9500 Revenue	\$ -	\$ -	\$ 15	\$ 19	\$ 23	\$ 26		
BKR 9000 Revenue	\$ 20	\$ 25	\$ 30	\$ 35	\$ 40	\$ 45		
Other LMR Revenue	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40		
Accessories/Other Rev	\$ 26	\$ 28	\$ 37	\$ 41	\$ 45	\$ 48		
Total Revenue	\$ 86	\$ 93	\$ 122	\$ 135	\$ 147	\$ 160	\$ 170	-6%
y/y		8%	31%	10%	9%	9%		
Gross Profit	\$ 42	\$ 49	\$ 65	\$ 73	\$ 81	\$ 89		
margin	49%	52%	53%	54%	55%	56%		
EBITDA	\$ 18	\$ 20	\$ 29	\$ 36	\$ 43	\$ 50	\$ 60	-16%
margin	20%	21%	24%	26%	29%	31%		
BICM UFCF*	\$ 14	\$ 13	\$ 19	\$ 23	\$ 28	\$ 33	\$ 44	-25%
% EBITDA	82%	63%	64%	65%	66%	66%		
xUFCF			20.0x	20.0x	20.0x	20.0x		
EV			\$ 375	\$ 463	\$ 560	\$ 667		
Net Cash	\$ 23	\$ 35	\$ 54	\$ 77	\$ 105	\$ 139		
Implied Equity Value			\$ 429	\$ 540	\$ 666	\$ 806		
Diluted Shares			3.9	3.9	3.9	3.9		
Implied Fair Value/Share			\$ 111	\$ 139	\$ 172	\$ 208		
Implied IRR			41%	34%	31%	28%		

*BICM UFCF = EBITDA less unlevered cash taxes @26% less CapEx. Estimated V30 UFCF based on \$55mm FCF target

Please see slide 2 for disclaimer related to forward-looking statements, including estimates and projections

Sources: BKTi filings, BICM research; Dollar figures in millions other than share price; share count in millions

Risks & Mitigating Factors

- 9.5K launch is delayed like the 9K
 - *Mitigant: The difficult part — multiband technology — was already solved on the 9K*
 - *Mitigant: Devt. appears complete since debuted in April 2026 & reiterated 1H27 deliveries in August*
- MSI cuts price to recapture share lost from BKTl
 - *Mitigant: BKTl has < 3.5% share & believes MSI unlikely to notice/take action until > 10% share*
 - *Mitigant: If MSI cuts price for Tier 3 customers, then likely be forced to cut price for Tier 1 customers*
- Misses V30 targets since missed Vision 2025 (“V25”) targets
 - *Mitigant: V25 set right after CEO Suzuki joined & before delaying 9K launch by two years*
 - *Mitigant: Materially beat 2024 & 2025 guidance*
 - *Mitigant: Trades < historical valuation today despite upcoming 9.5K product launch*
 - *Mitigant: Forecast a 25%+ IRR even if miss V30 implied UFCF by 25%*
- Smartphones or satellite replace LMRs
 - *Mitigant: Only LMRs provide push-to-talk & device-to-device communication miles apart off network*
 - *Mitigant: LMRs have greater reliability/redundancy, more rugged, & better battery life*
 - *Mitigant: First responders likely to resist any change & want their LMRs*
 - *Mitigant: BKTl began offering software solutions to bridge LMR & cellular*
 - *Mitigant: CEO estimated only cost ~\$3mm & take 18 months to add cellular chip to its LMRs*

Reasons BKTi's Share Price Could Re-Rate Much Higher

