



**VISLINK**

**Q3 2022 Earnings Presentation**  
**Nov. 15, 2022**

**At the heart of the action.**

**[www.vislink.com](http://www.vislink.com)**

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# Our Mission

Making the capture and distribution of live video more  
**immediate, immersive and intelligent.**

## IMMEDIATE

Enable real-time transmission of live footage captured from any video source, anywhere, any time



## IMMERSIVE

Delivering in-the-moment, highest-quality video for maximum audience engagement



## INTELLIGENT

AI-powered systems that allow for production, analysis, distribution and monetization of video content



# Our Markets

## Sports, News & Entertainment (56% of Q3 revenue)



### LIVE PRODUCTION LEADER

- 50-year history of video technology innovations putting audiences "at the heart of the action"
- Global leader in the wireless capture, delivery, and management of secure, high-quality video from live sports, entertainment, broadcast news

## MilGov (21% of Q3 revenue)



### ESTABLISHED SUPPLIER

- Provides mission-critical video technology to local, national, and international law enforcement organizations
- Delivers situational awareness capabilities in challenging environments and fluid situations

## Satellite (14% of Q3 revenue)



### SECURE SATCOMS PROVIDER

- Supplier of robust and reliable satcom solutions to broadcast and military clients
- Thirty years' experience and several thousand terminals currently in use worldwide

# Q3 2022 Financial Results Overview

- Revenues in Q3 2022 were **\$7.1M** compared to **\$6.8M** in Q2 2022 and \$11.1M in Q3 2021
- Strong growth in sports & entertainment due to post-covid resurgence in live events
- New product releases driving technology refresh
- First responder market rebound was slower than forecast, but strong order flow in last two weeks of the quarter
- Robust Aerolink opportunity funnel
- Q3 2022 net loss attributable to common shareholders was \$2.7M or \$(0.06) per share, compared to \$676K or \$(0.01) per share for Q3 2021
- EBITDA for Q3 2022 was negative \$1.9M compared to \$1M for Q3 September 30, 2021
- Gross margins were 49% of revenue in Q3 2022
- Ended the quarter with **\$24M** in cash

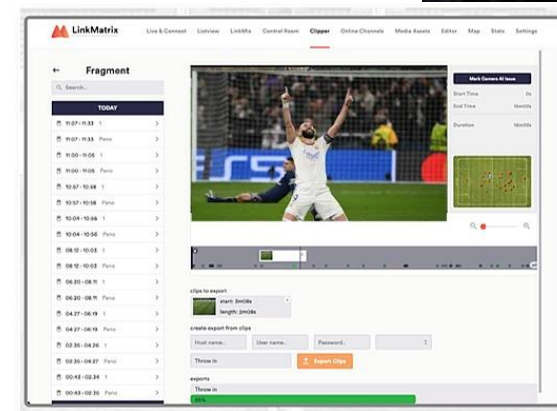
# Operations Update

- Combined MVP and Vislink go-to-market efforts
- Successfully integrated Mobile Viewpoint and Vislink product portfolios and engineering teams
- Revamped service organization and pricing model to improve customer experience and increase revenue
- Implemented cost reduction measures:
  - Goal to lower break-even point by 10-15%
  - Expected to yield results by Q1 2023
  - Measures include headcount reduction, footprint consolidation and streamlining processes
  - Added resources to sales and engineering teams
- Converting to new ERP system in 2023 to drive increased efficiencies across operations
- Successful pilot run of Aerolink has positioned us well to execute on increased opportunity funnel



# Q3 2022 New Product Announcements

- Successfully launched new products and solutions that will increase market opportunities
- **5G 4Live Live Event Production Solution**
  - Bridges broadcasters' remote production infrastructure between the cloud and the edge
  - Adds private 5G capability to an already robust public, 4G/5G, and COFDM proprietary networks
- **Cliq OFDM Mobile Transmitter**
  - Small form-factor transmitter that supports live event broadcasts and a broad array of MilGov applications
- **AI Clipping Tool**
  - AI solution that identifies key highlights from live content which drives greater fan engagement



# Sector Outlook: Live Event Production

- Revenue increased by 42% over prior year
- New opportunities are being driven by these trends:
  - Need to produce sports more cost effectively at all competition tiers, from grassroots to professional
  - Technology and equipment refreshes
  - Growing demand for REMI (remote sports production) systems across the industry
- **Our value proposition:**
  - End-to-end solutions that incorporate AI-powered multicamera systems, 5G streaming and REMI technologies deliver unprecedented options to capture, produce, distribute and monetize content
- **Key product opportunities:**
  - Terralink encoder delivers multicamera remote production capabilities; Cliq small form factor transmitter captures unique PoV camera angles at events

## MARQUEE EVENTS



## BREAKING NEWS



## AUTOMATED SPORTS



## AERIAL COVERAGE





# Sector Outlook: MilGov

- Q3 revenue was lower by 57% over prior year, due primarily to reduction in military orders (Afghanistan) but somewhat mitigated by first responder business
- New opportunities are being driven by the following trends:
  - Federal, state and local agencies are clearly in “buying mode”
  - Increasing demand for surveillance and observation capabilities
- **Our value proposition:**
  - We deliver the tactical insights needed to ensure mission success for public safety, law enforcement and first responder agencies
- **Key product opportunity:**
  - Introduction of **Aerolink** to our **Airborne Video Downlink System (AVDS)** makes it the world's first combination COFDM/5G/Mesh downlink solution for delivering real-time actionable intelligence in challenging, fluid, and hostile environments

## EMERGENCY RESPONSE



## CROWD/RIOT CONTROL



## DISASTER SUPPORT



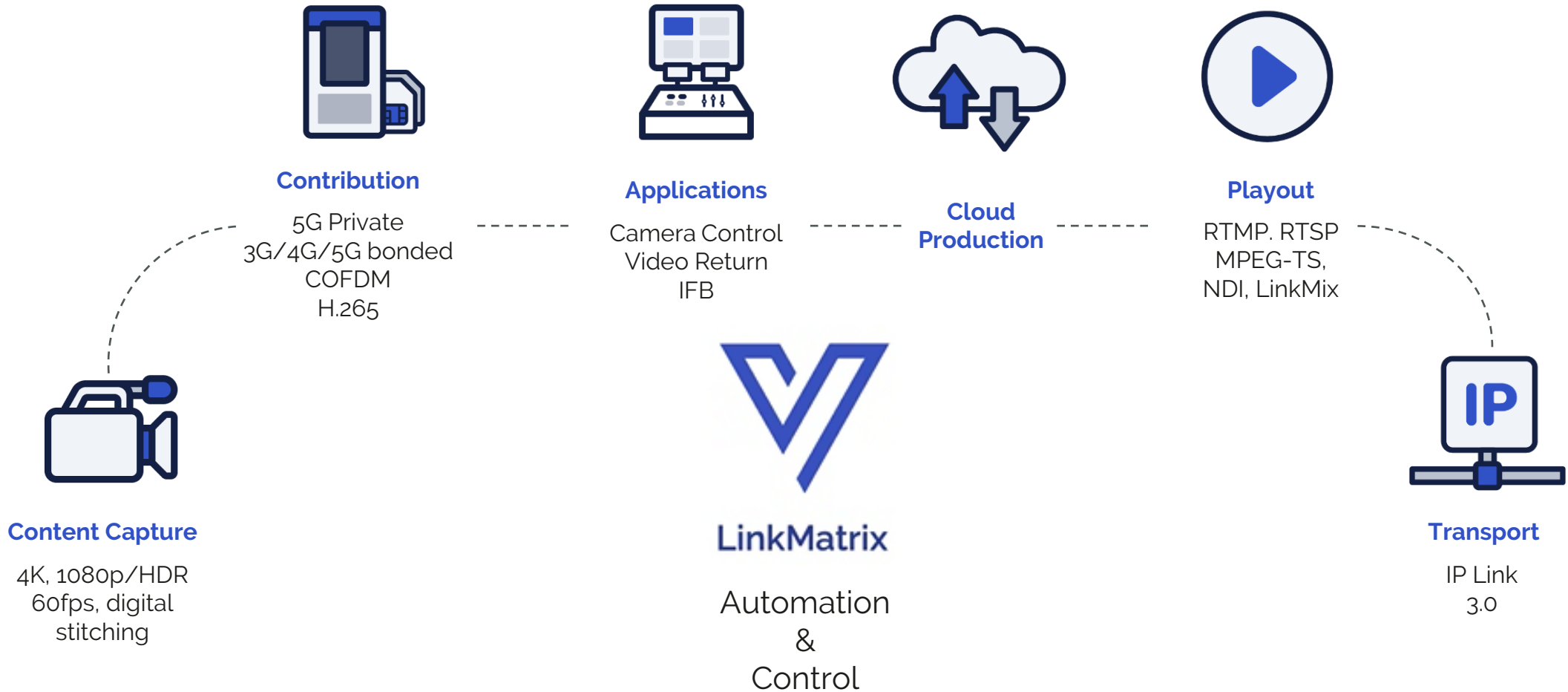
## BORDER SECURITY



# Strategic M&A and Investment Opportunities

- We remain committed to pursuing both organic and inorganic growth opportunities
- We continue to explore opportunities that will be complementary to our business and accretive to our financial results
- Complementary sector and market opportunities we have identified include:
  - AI-based and other automated video recognition
  - Airborne video capture and transmission solutions
  - C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance)
  - Sports analytics
- We are seeing market multiples decrease and expect it could continue in the coming quarters
- Presents opportunity to add capability at attractive valuations

# Technology Strategy Driving Software and Services Growth





# Positioned for Profitable Growth

- Over the last two years, we executed on a turnaround strategy to position the company for consistent earnings growth
- Reduced revenue breakeven from \$50+M to mid \$30M
- Reinvigorated the go-to-market capability to support our global blue chip customer base in sports, news and entertainment and federal, state and local markets
- Invested in R+D — Launched five new products in less than three years: **Quantum Receiver, IP Link 3.0, DVE 6100 Encoder, IPLink Portable RF Transmission System, AeroLink**
- Streamlined headcount and operating footprint and increased productivity
- Rationalized product portfolio to focus on higher margin, higher revenue products
- Secured access to capital needed to fund strategic growth initiatives
- Closed on acquisition of Mobile Viewpoint, successfully integrated with Vislink in all aspects. Brought bonded cellular and artificial intelligence technology to our solution set
- Launched several jointly-developed VISL/MVP products: **5G 4Live, Vislink Connect, BaseLink 5G, Cliq Transmitter, AI Clipping Tool**
- Established **LinkMatrix** as the operating system for all Vislink devices

# Issuance of Series A Preferred Dividend

- Effective November 9, 2022, the Board of Directors declared a dividend of one one-thousandth of a share of Series A Preferred Stock for each share of the Company's common stock. The dividend will be issuable to stockholders of record on November 21, 2022
- The Series A Preferred Stock will vote together with the outstanding shares of the Company's common stock as a single class exclusively concerning the reverse stock split proposal
- A special meeting of the stockholders to vote on the reverse stock split is expected to be held on January 11, 2023
- Each outstanding share of Series A Preferred Stock will have 1 million votes. Therefore, each common share will receive 1,000 votes in respect of the one one-thousandth of a Preferred share received as dividend in respect of that common share
- All shares of preferred Series A Preferred Stock that are not present in person or by proxy at the opening of the polls as the Special Meeting will automatically be redeemed by the company and not entitled to vote in the matter of the reverse stock split

# Rationale for a Reverse Stock Split

- Vislink received notice of delisting on May 20, 2022 from the NASDAQ. The notice was due to the Company's share price falling below \$1 for 30 consecutive trading days
- The Company was given 180 days to cure the deficiency
- The Company believes that the prospects of raising the share price above \$1 very challenging in the near term absent a reverse split
- The Board of Directors and management believe a reverse stock split is the best way to cure the share price deficiency and keep publicly traded shares in the hands of our stockholders
- Delisting normally causes a decrease in the share price
- A reverse stock split does not result in dilution of the current shareholders
- Clearing the possibility of delisting could reduce downward pressure on the stock price
- Many institutions will not invest in companies with a share price under \$2



# Optimistic About the Future of our Business

- We have blue chip customers in growing markets
- Our operating platform is optimized for profitable growth
- We are introducing new products at a record rate
- Customers love our new products: Live production revenue up 42%, AVDS sales funnel highest on record
- Digital transformation of sports, news and entertainment and government markets is just beginning
- Our product portfolio leverages leading edge technologies — AI, Cloud and 5G
- Inorganic growth opportunities at attractive valuations
- Long-established heritage of creating and deploying complex communication architectures
- Experienced team with a passion for the markets and customers we serve

# Q & A

# Thank you for attending

Need additional information? Contact us at:



+ 1 908 852 3700



[investors@vislink.com](mailto:investors@vislink.com)

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