



xG Technology[®] *Bringing Live Video to Life*

Presentation October 2018
NASDAQ: (XGTI)

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At a Glance

NASDAQ: Ticker: Symbol - **XGTI**

163 employees (9/28/18)

Headquarters : Hackettstown, NJ

Broad IP portfolio: over 80 US and international patent matters covering key wireless areas.

Website: www.xgtechnology.com

Investor Highlights

- Price A/O 9/28/18: \$0.43
- 52 Week Range - \$0.37 - \$1.98
- Market Cap - \$7.2 Million
- Shares Outstanding – 16.7 Million
- Warrants Outstanding – 11 Million
- Fiscal year end – 12/31/18



xG Technology®

IMT

vislink

About xG Technology

xG Technology, Inc.'s businesses are recognized as global leaders in live video communications, and are trusted suppliers to tier-1 customers in broadcast, sports & entertainment, and law enforcement/public safety/defense markets.



Broadcasting



Sports & Entertainment



Law Enforcement/
Public Safety/Defense

Recent Acquisition History

- For most of its history, xG focused exclusively on developing and productizing its patented RF communications technologies, which allowed the deployment of secure mobile broadband networks in harsh and unpredictable environments.
- The company began investigating established acquisition candidates that could provide a broadened business base, complementary technology and existing revenue streams.
- Acquired IMT January 29, 2016; acquired Vislink February 2, 2017.
- IMT is handling all US-based IMT and Vislink operations, while Vislink is responsible for all RoW (rest-of-world) operations.
- xG operates IMT and Vislink as brands under the xG corporate umbrella. It has merged their product offerings and operations, while maintaining the strong brand identification that each entity has built.

✓ This acquisition strategy has allowed xG to diversify its portfolio, and repositioned it as a global leader in providing live wireless video solutions

IMT and Vislink Overview

- 50+ years combined experience offering best-in-class solutions for collecting, delivering and managing secure, high-quality video
- Actively sells into the following markets:
 - Broadcast: Integrates customized solutions for broadcast for use in news helicopters, ground-based news vehicles, camera operations, central receive sites, remote onsite and studio newscasts and live television events
 - Sports/entertainment/education: Key segments include sports production, sports venue entertainment systems and movie director video assist
 - Law enforcement/public safety/defense: Provides secure video communications and mission-critical solutions to US Army and other domestic and international military organizations, Federal "3-letter" agencies and state and local law enforcement agencies



HCAM 4K



IMT DragonFly



MicroLite 2

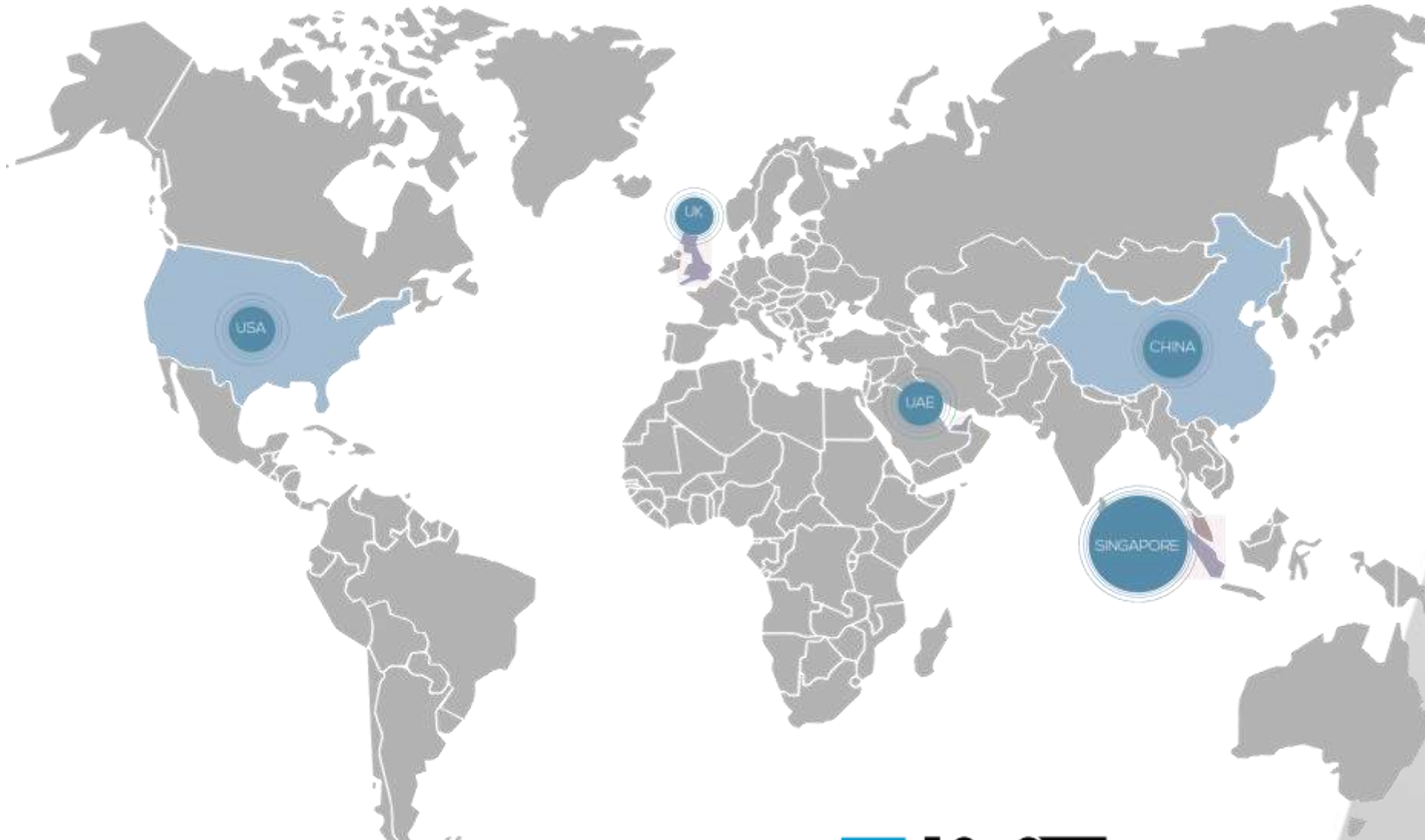


AirPro



MobileCommander

Global Presence and Revenue Base



● = IMT Vislink Offices

+100,000 SYSTEMS DEPLOYED

+110 COUNTRIES SOLD INTO

+160 GLOBAL PARTNERS

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Investment Highlights – 2018

✓ xG Technology has strategically refocused efforts on instituting policies and practices necessary to cut costs, drive revenue, and achieve profitability.

- Appointed xG Technology co-founder Roger Branton as CEO July 2018.
- Appointed IMT Vislink President John Payne as COO July 2018.
- Achieved \$7 million in annual savings from cost reduction initiatives implemented in Q2 2018.
- Identified an additional \$1.3 million in cost savings to be realized over the next year.
- Announced gross margins increased to 52.4% in Q2 2018, compared to 31.8% in Q2 2017.
- Received \$1.4 million order to supply airborne video downlink solutions to the U.S Air Force.
- Received \$2.3 million order to supply live video transmission equipment to professional sports association.
- Completed a non-dilutive private placement of \$4 million in senior secured debentures.
- **Entered into a partnership with Panasonic that will see IMT Vislink's external wireless solution integrated into the Panasonic studio camera range.**
- Lined up additional M&A acquisition targets.

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Tier-1 IMT and Vislink Customers

BROADCASTING



SPORTS AND ENTERTAINMENT



DEFENSE/PUBLIC SAFETY



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Industry Overview

➤ Broadcasting Market

- We provide: microwave video systems to blue-chip tier-1 major network TV stations, OTA broadcasters, cable and satellite news providers.
- **Key drivers:** The electronic newsgathering (ENG) market is shifting towards IP-based connectivity over point-to-point links for infrastructure; digital video content ([25.7% CAGR 2016-2020 to \\$121.5 billion](#)) and mobile video consumption ([50% CAGR by 2022](#)) growing sharply; ATSC 3.0 broadcast standard being rolled out.

➤ Sports and Entertainment Market

- We provide: wireless camera systems to professional & amateur sports teams, movie production companies, live video production service providers, system integrators, educational institutions.
- **Key drivers:** Continued growth in 4K UHD content ([20.5% CAGR 2017-2022 to \\$133 billion](#)); consumer desire for anywhere-anytime live sports content; growing interest in immersive technologies, virtual reality (VR), augmented related (AR), 360-degree video technologies, e-sports production.

➤ Law Enforcement Market

- We provide: surveillance and public safety solutions, including miniaturized transmitters for drone and concealment applications, as well as our Airborne Video Downlink Systems for use by state and local agencies. wireless camera systems to professional & amateur sports teams, movie production companies, live video production service providers, system integrators, educational institutions.
- **Key drivers:** Steady growth forecasted in video surveillance ([13% CAGR 2018-2023 to \\$68.3 billion](#)) and airborne surveillance ([4.7% CAGR 2017-2023 to \\$5.8 billion](#)) markets; global defense spending is [at its highest level](#) since the end of the Cold War.

Samples of IMT Vislink Live Event Coverage (Click to view videos)

Volvo Ocean Race: Official RF Equipment Supplier



MotoGP Racing Series: Official Equipment Supplier



Hockey All-Star Game: RefCam Video Comms Provider



Powered by IMT

MotoAmerica Racing Series: Onboard Equipment Supplier



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New Product: HCAM

- World's first-deployed 4K UHD (Ultra High Definition) wireless camera transmitter.
- 9/18: announced industry-first single-frame latency (16ms) version, allowing seamless cuts between cameras without lapse.
- For high-end sports, broadcasting, live event coverage, PoV cameras.
- Supports HDR (high dynamic range) for sharper, truly immersive viewing.
- Allows data-intensive 4K content to be reliably broadcast from the field.
- Allows broadcasters to achieve more complete coverage, delivering more robust links, better picture quality and more camera views than any other solution.

✓ **Positions xG to take advantage of the broadcast industry's transition to 4K UHD programming and production equipment**



New Product: newsnet[®]

- Secure, high-performance, all-IP ENG (electronic newsgathering) solution.
- Creates seamless workflows between the studio and the field.
- Leverages broadcasters' highest value asset—their 2GHz licensed frequency band—while maximizing its efficiency and spectrum usage.
- Transforms traditional ENG methods and associated studio workflows into a highly reliable, very high-speed, bidirectional multi-user IP network.
- Reduces reliance on cellular networks which are subject to congestion and contention.

✓ **Capitalizes on broadcasters' desire to extend the IP-based processes used in their studios out to their field operations**



New Products: MicroLite 2 and IMTDragonFly

- Compact wireless transmitters designed for low-profile applications
- MicroLite 2:
 - the only mid-market solution offering professional-grade features (robust performance, low latency and reliability) combined with easy setup, use and expandability.
 - for small format HD cameras, video assist, ENG trucks, drones.
- IMTDragonFly:
 - smallest transmitter on the market.
 - delivers up to 50mW of power and reliable, long-range HD video transmission in a package weighing less than 1.2 ounces.
 - For bodycams, concealments and embedded applications.

✓ Addresses the need for efficient, compact form factor transmitters that deliver robust and reliable video footage



Favorable Regulatory Trends: Spectrum Repack & ATSC 3.0 Transition

- As part of the broadcast spectrum incentive auction, the FCC is authorized to “repack” the television band by mandating television stations move to new channels.
- Nearly 1,000 stations will be affected, first moves to begin November 2018 and must conclude by July 2020.
- FCC has also authorized voluntary rollout of **ATSC 3.0** (next-generation IP-based TV standard), allowing broadcasters to provide numerous enhanced services.
- Both events create an est. \$50 million+ market opportunity for IMT Vislink equipment upgrades (transmitters, antennas, RF components).



✓ Opportunity for IMT Vislink to capture substantial upgrade business from broadcasters

Key Trend Driving Growth in our Markets

- **Today's audiences want to experience events on-demand**, as they happen, and with high-quality video that immerses them in the action.
- Our market-leading solutions enable live video coverage used to entertain, inform and protect, for broadcast, sports & entertainment, and public safety applications.



Alliances/Partnerships/Joint Ventures

- Signed a MOU with Cogent (Provider of bonded cellular products).
 - Will leverage our IMT/Vislink brand to sell into adjoining APAC regions. (6 months to revenue).
- Revitalizing Advent SATCOM product offering:
 - 5G Ka partnership (12-18months to revenue).
 - 5G Ku partnership (9-15months to revenue).
- Joint ventures
 - LTE equipment manufacturers.
 - E-sports Gaming.



Competition

COMPANY

- DTC
- Broadcast Microwave Services (BMS)
- Silvus
- TVU/Dejero/LiveU/Wave Central
- Persistent Systems
- Bonded cellular products
- Other smaller providers

MARKETS

broadcast/public safety
broadcast/public safety
broadcast/public safety
broadcast
public safety
broadcast
broadcast

Growth Strategy

- Favorable Regulatory Trends
- Favorable Industry Trends
- Strategic Alliances
- Acquisitions

Investment Summary

- Acquisition strategy has repositioned the company into an industry leader in live wireless video solutions.
- Have developed a proven template for identifying, acquiring and integrating new businesses.
- Company-**wide focus on “rightsizing” the business by cost cutting and reexamining each** product line.
- **Company’s goal is to achieve EBITDA and cash flow profitability.**
- Recent product innovations and strategic partnerships further reinforce the company's reputation as an industry leader and creates opportunities to garner larger contracts.
- Positively positioned for growth including favorable regulatory trends, alliances, joint ventures and acquisitions.

For More Information

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