



**WAVETEQ
Communications Inc.**

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Business Overview Document - Creating **SOLID Wireless Solutions** - January, 2010

Management:

Russel Fields CEO
Jack Van der Star EVP & CTO

Industry:

Rugged, reliable outdoor wireless communications solutions and equipment based on the company's WiFi 802.11, protocol and off-grid technologies.

Bank:

Canadian Imperial Bank of Commerce

Law Firms:

Ross Langford (business);
Horsepower Intellectual Property Law (patents)

Current Investors:

Private Individuals and companies

Use of Funds:

Accelerate protocol developments, reduce CPE costs, apply for patents, expand sales reach and add key staff.

Established:

Incorporated in British Columbia, Canada in December, 2004 with headquarters in Kelowna, BC.

Current Employees: 7

Facilities: 2,400 sq. ft. – leased

Overview

Waveteq manufactures cost effective commercial wireless solutions that are easy to use, quick to install and that can handle tough environments. Waveteq solutions empower remote and small community markets to join the world of broadband communications even if the location has no wired power source. A key differentiator is that Waveteq solutions can be powered "Off Grid" and thus be "dropped" in to create a broadband island virtually anywhere on earth to provide remote locations with rugged, reliable broadband access to the Internet..

The company is focused on 3 target segments within the overall remote access market: Facilities like mines, factories, resorts; Wireless Internet Service Providers (WIPS's) looking to expand into areas previously unavailable; and Satellite integrators that want to set up land based Internet points of presence at the end of satellite links to increase their virtual footprint and aggregate up bandwidth through wireless expansion. These segments, within which Waveteq plans to be a major player, represent a potential annual available market > \$1.2B growing at an annual 38% rate.

Much of the early growth is centered geographically on the west coast of Canada but, as the products are installed and references gained, the company will broaden its geographic reach to include all of North America.

The Company

Waveteq is an Okanagan Valley, BC based wireless equipment company founded in 2004 to develop and market solutions that open new communication possibilities for remote villages and other areas where broadband delivery has been previously too expensive or impossible. The Waveteq team is comprised of experienced entrepreneurs and engineers with specific expertise in the areas of wireless communications and the development of supporting equipment.

Waveteq's vision and goal is to become a world leader in the manufacture and sale of broadband wireless solutions that are known in the industry as easy to use, rapidly deployable, off-grid capable.

In general, the market need the company fulfills is to enable the provision of broadband and Internet services to previously inaccessible regions and facilities where cost of traditional solutions has been a prohibitive factor. Since services like this are essential to

today's world, regions without it are at a distinct disadvantage for business, education and social networking. Governments are now realizing the importance of this and have launched funded initiatives as part of an overall focus on building infrastructure – now a part of the economic stimulus platform introduced by the US government and many Canadian provinces. This helps to level the “playing field” for the occupants of small, remote communities. For the Facilities market, the need is for cost effective, broadband links for everything from security monitoring, asset tracking out to provision of Internet on a ski mountain or resort beach.

The Business Opportunity

The business opportunity for Waveteq, its employees, investors and customers is significant. The outdoor commercial fixed wireless infrastructure market represents \$750 million for North America and \$2.2 billion internationally. This market is growing at 38% per year. The company is already established in the Wi-Fi broadband remote equipment space with stable, reliable, well documented and easy to install products such as the **ShadowMaster**, **ShadowAP** and **ShadowMini** described below. In consultation with customers, Waveteq applications engineers work to create fully integrated, turnkey solutions for government, business and personal use.

Waveteq's Broadband Wireless Technology

The flexible **ShadowPlatform** is the foundation upon which Waveteq's outdoor commercial wireless infrastructure products are created. The platform consists of multiple radio protocol modules, processing board(s) and proprietary software. Waveteq's products are ideal for customers deploying wireless networks in rural areas, small communities and developing countries. Customers can also integrate their own solutions into the **ShadowPlatform** as a simplified way to add wireless capabilities to their existing product lines and get these products rapidly to market. In doing this they are able to take advantage of the platform's functionality which includes a proven all-in-one base station repeater design, a dual polarized integrated mounting system, a ruggedized weatherproof enclosure and an extended outdoor operating temperature range. The software provides excellent system security, network management and dynamic VLAN capabilities.



Waveteq's Products

Waveteq's products consist of broadband multi-radio wireless base station repeaters, single radio access points, point-to-point links and customer premise equipment. Current models include the **ShadowMaster**, an intelligent, dual-radio product, ideal for outdoor network repeater and base station applications, the **ShadowAP**, a single radio access point that has the ability to add external antennas for shaping coverage and the **ShadowMini**, an industrial grade customer premise unit. These products work together to provide network solutions that are ideal for high bandwidth and Quality of Service (QoS) applications for our targeted customer markets.

Markets, Customers, & Competition (cont'd)

The worldwide market for broadband wireless networking equipment is expected to exceed \$9.0 billion by 2012¹. Internet is currently only accessible by 26.3%² of the world's population, and there are very significant economic and social drivers demanding Internet access for which Waveteq's outdoor infrastructure products are ideally positioned. Of this, the market for broadband wireless networking equipment to be deployed by rural ISP's, serving rural districts and municipalities is expected to reach \$2.5 billion by 2012 for North America, which is the primary market in which Waveteq currently operates.

We compete in the broadband wireless networking equipment industry, focusing on carrier, enterprise and urban market applications. We anticipate engaging larger customers in the carrier, enterprise and government markets.

Waveteq provides technical advantages in being able to provide significantly higher speed backhaul links using enhancement modes, robust interference performance, spectrally efficient channel mapping, an extremely easy to user interface, rapid deployment systems and a solid operating product.

¹ from WISOA – WiMAX Spectrum Owners Alliance.

² <http://50x15.amd.com/en-us/> AMD current estimate in their drive for 50% Internet penetration world-wide by 2015.