

FINAL TRANSCRIPT

Baylin Technologies Inc.

2016 Annual Meeting of the Shareholders

Event Date/Time: May 4, 2016 — 11:00 a.m. E.T.

Length: 52 minutes

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CORPORATE PARTICIPANTS

Jeffrey Royer

Baylin Technologies Inc. — Chairman

Randy Dewey

Baylin Technologies Inc. — Vice Chairman, President and Chief Executive Officer

Jim Newell

Baylin Technologies Inc. — Chief Financial Officer

CONFERENCE CALL PARTICIPANTS

Pierre Soulard

Miller Thomson — Secretary

Donald Simmonds

Baylin Technologies Inc. — Director

Harold Wolkin

Baylin Technologies Inc. — Director

Harold Wolkin

Baylin Technologies Inc. — Director

Daniel Kim

Paradigm Capital — Analyst

Richard Tse

Cormark Securities — Analyst

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PRESENTATION

Jeffrey Royer — Chairman, Baylin Technologies Inc.

Good morning, ladies and gentlemen. Welcome to the 2016 Annual Meeting of the Shareholders of Baylin Technologies Incorporated. My name is Jeffrey Royer. I'm Chairman of the Board of Directors. And in accordance with the bylaws of the Company, I will act as Chairman as the meeting.

Before proceeding with the business in the meeting, I'd like to introduce my fellow Baylin directors; would you please stand as I say your name: Mr. Randy Dewey, who's our President and Chief Executive Officer as well; Mr. Stockwell Day unfortunately could not join us in person—he is on the phone with us; Douglas Jones; Barry Reiter; Donald Simmonds; and Mr. Harold Wolkin.

And as well, I'd like to introduced our recently appointed Chief Financial Officer, Mr. James Newell.

The meeting will now come to order, and I will ask Mr. Pierre Soulard of Miller Thomson to act as Secretary.

Pierre, are you prepared to do so?

Pierre Soulard — Secretary, Miller Thomson

Yes.

Jeffrey Royer

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Thank you. I also appoint Bryce Docherty and Florence Smith of Computershare Investor Services, the transfer agent for the common shares of Baylin, to act as scrutineers for the meeting.

The Secretary has advised me that the notice calling this meeting, together with the Management Information Circular, Form of Proxy, and the financial request form or voting information form, have been sent to each director of the Company, the auditors of the Company, and each registered shareholder of the Company of record as of April 1, 2016.

Accordingly, unless there is an objection, I will dispense with the reading of the Notice of the Meeting.

The scrutineer reports that there are 13 shareholders present in person or represented by proxy at today's meeting, representing an aggregate of 13,032,503 shares, which represents approximately 69.57 percent of the issued and outstanding of the common shares of the Company.

A quorum of shareholders is present at a meeting of the shareholders, irrespective of the number of persons actually present at the meeting if the holders of 25 percent of the common shares of the Company are present in person, or represented by proxy at the start of any meeting of shareholders.

The scrutineer confirms that there is a quorum present for the meeting. Notice having been duly given and a quorum being present, I declare this meeting to be duly constituted for the transaction of business.

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The items of business to be conducted today are: number one, to receive the Company's audited annual consolidated financial statements for the fiscal year ended December 31, 2015, together with the auditor's report thereon; number two, to elect seven directors of the Company for the ensuing year; number three, to appoint Ernst & Young LLP as the auditors of the Company for the ensuing year, and to authorize the directors of Baylin to fix their remuneration; and number five, to transact any such other business as may properly come before the meeting.

We will first proceed with the formalities of the meeting, and then have our corporate presentation and a question period.

A vote at the meeting of the shareholders of the Company will be decided by a show of hands, unless a shareholder or proxy holder entitled to vote at this meeting demands a ballot.

If more than the required percentage of votes represented here today cast by proxy were voted in favour of all the matters of business to be put forth at today's meeting by management, each of the items set forth in the Notice of the Meeting will therefore be approved at today's meeting.

The Company's audited annual consolidated financial statements for the fiscal year ended December 31, 2015, together with the auditor's report thereon and thereby is placed before the meeting. These financial statements are available for your review under the Company's profile on the System for Electronic Document Analysis and Retrieval at www.sedar-S-E-D-A-R-.com. We will now proceed with the election of directors.

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The number of directors to be elected at this meeting is seven. I declare the meeting open for the nomination of directors, and I will ask Mr. Barry Reiter to nominate the individuals proposed by management as directors of the Company.

Oh, sorry, excuse me. Mr. Simmonds is going to do the nomination.

Donald Simmonds — Director, Baylin Technologies Inc.

Thanks, Mr. Chairman. I move that those individuals that are set out in the Management Information Circular in respect of this meeting be nominated for election as directors of the Company, namely: Jeffrey C. Royer; Randy L. Dewey; Stockwell Day; Douglas A. Jones; Barry J. Reiter; Donald A. Simmonds; and Harold M. Wolkin.

Jeffrey Royer

Thank you, Mr. Simmonds. If elected, these nominees will hold office from today's date, May 4, 2016, until the close of the next Annual Meeting of Shareholders, or until their successors are duly elected or appointed.

As motions to nominate directors do not need to be seconded, can I get a motion to close the nominations?

Donald Simmonds

I would so move, Mr. Chairman.

Jeffrey Royer

Thank you, Mr. Simmonds, for that move. Can I get a seconder?

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Harold Wolkin — Director, Baylin Technologies Inc.

I second the motion.

Jeffrey Royer

Seconded by Mr. Wolkin; thank you very much. All in favour, please signify by raising your hand. Are there any against?

I declare the nominations to be closed.

In accordance with the requirements of the Toronto Stock Exchange, the election of directors will be conducted on an individual basis. The results of the election today, including detailed results based on the shares voted by proxy in respect of the election of directors, will be disclosed in a press release following the meeting.

Accordingly, unless a shareholder or proxyholder entitled to vote at this meeting requests a ballot, I shall conduct the vote of the election to nominate the directors of the Company by a show of hands.

All those in favour of the election of Jeffrey C. Royer as a director, please signify by raising your hand.

All those in favour of the election of Randy L. Dewey as a director, please signify by raising your hand.

All those in favour of the election of Stockwell Day as a director, please signify by raising your hand.

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All those in favour of the election of Douglas A. Jones as a director, please signify by raising your hand.

All those in favour of the election of Barry J. Reiter as a director, please signify by raising your hand.

All those in favour of the election of Donald E. Simmonds as a director, please signify by raising your hand.

All those in favour of the election of Harold M. Wolkin as a director, please signify by raising your hand.

I declare that each of Jeffrey C. Royer; Randall L. Dewey; Stockwell Day; Douglas A. Jones; Barry J. Reiter; Donald E. Simmonds; and Harold M. Wolkin have been duly elected as directors of the Company.

The next item of business is a resolution of appointing the auditors of the Company for the ensuing year, and authorizing the directors to fix their remuneration. I would ask for a motion for an ordinary resolution that Ernst & Young LLP be appointed as auditors of the Company to hold office for the ensuing year, or until their successor is appointed, at such remuneration as may be fixed by the directors.

Donald Simmonds

I so move, Mr. Chairman.

Jeffrey Royer

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Okay. Moved by Mr. Simmonds.

Harold Wolkin — Director, Baylin Technologies Inc.

I second the motion.

Jeffrey Royer

Okay. Seconded by Mr. Wolkin. All in favour please signify by raising your hand. Are there any against?

I declare the resolution passed.

As the business of the meeting is now concluded, I would entertain a motion to conclude the meeting.

Donald Simmonds

I so move, Mr. Chairman.

Jeffrey Royer

Moved by Mr. Simmonds. Can I get a seconder?

Harold Wolkin

I second the motion.

Jeffrey Royer

Seconded by Mr. Wolkin. All in favour, please signify by raising your hand. Are there any against?

I declare the motion passed, and this meeting is now closed.

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As the meeting set out in the Notice of Meeting is now concluded, I wish to thank you all for attending, and now declare the meeting to be closed.

We'll now proceed with the Company presentation, followed by a question period from the floor.

I'd like to turn the meeting over to Mr. Randy Dewey, who is functioning as our Vice Chairman, President, and CEO, and he will bring the presentation for us today.

Randy Dewey — Vice Chairman, President and Chief Executive Officer, Baylin Technologies Inc.

Thank you, Mr. Royer. Well, good morning, and welcome to the 2016 AGM.

Today we have some good results to report on our first quarter, and as well we'll look to review the 2015 results. Certainly we'll take questions from the audience at the end, and we'll provide some time for that.

The forward-looking statements, of course, the disclosure that we're about to make today will allude certainly to some future expectations and some of our outlook, of course. Please know that there's risks and uncertainty in the market and other factors that are outside of Baylin's control that could adversely affect those outcomes.

But the forward-looking statement and materials are provided for you, so please take a look at those disclosures.

Today I'll be presenting the Company's outlook, as well as Mr. Jim Newell, our CFO, will present some of the financial outcomes of the Company as well and provide you with some details.

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I've been with the Company for six years. Most of my time over the six years was as a Board member and the Vice Chairman, and I took on the role of President and CEO one year ago to this time.

I certainly have gained a wealth of experience in the Company over that six years and the markets that we serve, and quite frankly have been in lots of businesses over the course of my 25-year career, and not many are as exciting as this business. There's a lot in the wireless industry that takes place; there's a lot of growth and opportunity.

We serve markets that don't seem to be contracting. They're constantly expanding. There's certainly ebbs and flows in any market that we serve, but the trajectory on the wireless world is constantly going up. And the markets that we serve within those wireless industry is certainly very strong.

We came through, of course, a very difficult period of time. Some of the highlights of 2015 really was the restructuring year, the transitional year, the time for us to really get our cost structures down, get our business aligned to the revenues that we would anticipate, and do a lot of the work to restructure the Company.

That transitional period, in my opinion, was closed at the end of last year, but it was three very tough quarters as we went through restructuring the business. There was lots of onetime charges; lots of work that had to be done; lots of facilities that I closed and shut down; and work that I shifted and moved to help the Company, one, better function from a throughput and flow

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standpoint, as well making sure that the cost structure for the Company matched what we could afford with the revenue that we had anticipated.

So our focus on cost reduction was certainly key, and I don't think that ever really ends. And I don't think you ever lose sight of the fact that you always have to keep your eye on the costs in the business. And we continued to work on that through the course of last year, and we'll certainly continue it through the course of this year.

So quarter over quarter, though, you'll see we pretty much in every major metric, financial metric in the Company, we improved it quarter over quarter from Q1 into Q2 to Q3 to Q4 and then of course into the first quarter of this year.

Working capital. Obviously there was some consumption of capital last year, and the fourth quarter we got ourselves to the point where it was the lowest quarter for cash consumption during any of the quarters last year.

But more importantly about the cash consumption of the fourth quarter, it was actually 100 percent for funding growth. So we were able to get the revenue and get some of our customer relationships turned, and we had a lot of growth in the fourth quarter versus the third quarter that required capital. And so 100 percent of our consumption in the fourth quarter was to help actually fuel the growth that we had.

And the revenue in the fourth quarter was 13 million, which was an improvement over the previous quarter. The loss we had cut down in the fourth quarter from the first quarter of the year,

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of course, but we still had a lot of onetime charges. And the decision I made to move the head office from Israel to Toronto was done in that quarter, so we basically functioned with two head offices for a quarter.

And we finally were able to complete that in the first quarter here. And we also dealt with a number of write-offs and some onetime charges that had to flow through the financial statements, and as well some inventory clean up.

So there was a lot of work that was done last year. I have to say that from corner to corner in the Company we had all hands on deck. A lot of the people, of course, were suffering the loss of work base that were being restructured out, but everybody rose to the challenge to help us to get the costs down and get things under control.

So I felt as we turned the corner of the year we also turned the corner from the restructuring period, and we've moved now into continuing to work on other things that are improving the business, but not in that sort of heavy restructuring focus.

The EBITDA was positive for the first quarter of this year. If you heard the earnings call this morning, we did produce a decent result.

I'm never happy until we make money. Ultimately at the end of the day a business is around to generate cash and to improve shareholder value. And the fact that we've finally come on the right side of zero and we're now at the point where positive EBITDA, for me, is a strong indication that the work we did last year is now playing through, but we still have work to be done.

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I am not going to be happy until we produce a decent 15 percent EBITDA margin on our revenue, and, of course, to continue to grow that revenue.

So we have strong performance out of the gate in 2016. We have a good solid pipeline of business. We're very comfortable with consensus and where the revenue is going to go this year and where the EBITDA has been projected to come out at by the analysts. So we're very comfortable with where consensus sits today.

Continuous improvement. We're continuing to work on a number of things in our Infrastructure business. You've seen that I did some restructuring earlier in the quarter on the Infrastructure business, and I've kind of inserted myself temporarily into that business unit to help get some of those operational things addressed, as well as to help with the customer relationships. I'm very comfortable today. We've got a lot of that work done, and we're seeing some good strong performance in Infrastructure in this month, and particularly in the ensuing couple of quarters.

So I'm very comfortable with our Infrastructure business unit and some of the things we had to address. Not that it was easy, but it was easy to see, in my opinion, and we were able to get in there and take care of some of those restructuring efforts. And so those are well underway.

The manufacturing rationalization efforts. We had made the decision to move all of our LDS to Vietnam. That was always on the table. We needed to do that at some point in time. But Vietnam has now become a very focal—significant focal point for our Mobile customers. Not just the largest one that we have, but even the others that we've now recently won.

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Vietnam is becoming quite a manufacturing hub. There seems to be a lot of companies leaving China and moving into Southwestern Asia and the Southeast as well. So there's a lot of migration of manufacturing companies from China going into those regions.

So to talk just a little bit about the period that we closed, this, of course, for us was a difficult time, but a very important time.

If your business goes through the ebbs and flows and the markets turn on you and you have a contraction in your business, it's very important for your business to be elastic and be able to recover and take down the costs to be able to align itself to a market.

I know we had 43 million in revenue last year, but a business should be able to make money at \$43 million in sales, but it requires your operational structure to be appropriate for that level of sales. But coming from an 80 million high to a 43 million low obviously required us to be quick on our transition.

And you can see the five-year financials. We were growing quite significantly 2010 through 2013, and then the drop in 2014 was a significant setback. However, the next slide really shows what we've done in the last five quarters, and I think this is the story that I think is not necessarily— doesn't really jump out at you when you look at the annual numbers.

And you can see quarter over quarter our revenue has grown all quarters for the last five quarters. Our loss has been cut from 3.5 million in Q1 of 2015 to now a positive \$200,000. So we are making the progress in the last five quarters sequentially. So we're happy with that.

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We're not happy that it's not better, but we certainly will continue to work on that. And as I said earlier, I'm not happy until we make money.

So if you look at the operating expense of the Company as a percentage of sales, and as well as a raw number, I think the red line really shows you that we have been quite focused on the operational cost of the Company and as it relates to as a percentage of sales. So we have a good trend in the right direction.

And that, of course, it's a little muddy with the onetime charges in there, but on a trajectory basis it is going in the right direction. I wouldn't say the work is done, necessarily, because as I said earlier, I don't think you ever lose sight that you got to get your costs under control in a business because even when you go through high times and up times on revenue, you can't lose sight of the fact that the costs in the business have to justify their existence, or else they need to be taken out.

So we've got a good focus as management on making sure that we've got our costs down, and that we're going to continue to keep polishing that until it's right.

So I thought I would summarize the 10 things that really consumed a lot of our time and sort of summarize what those were just for your understanding.

The movement of the headquarters from Israel to Toronto was great, one, economically. In fact, the Canadian dollar helped us with, I guess, the US dollar of course, the 30 percent delta

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helped. So it's actually—the head office here in Toronto is actually cheaper than what it was costing us in Israel.

But I would say the capability of the team that we have here in Toronto is significantly better in its ability to, one, relate to the markets in which we serve because we're close; we're in it; we live in it; as well the investor base and the analysts and our proximity to the market as it relates to banking and other things. So having your head office in the market in which you serve has a lot of ancillary benefits for sure.

The second one is the Korean sales teams have really reestablished our premier position as a designer in the mobile space. And for me this is, one, it was a lot of hard work. It was an industry that was contracting. The smartphone markets, if you look at them over the last 12 months, there's been some contraction; there's been some shifting sands between the large giants and handset makers.

We've been able to benefit from that because as suppliers we're contracted; we found ourselves rising to the top, not finding the door. So the ability to do that is, one, comes from good salesmanship, but also good engineering and good ability. And the fact that we've been in the mobile phone since the brick phone is a testimony to our ability as a company to weather some of those storms and still continue to keep relevant in this space.

The third one is the costs in our Chinese operations have improved since the major reengineering efforts that have been undertaken. And we've improved the cost base in our factory

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in China. We still, I believe, have work to do there, and that will be certainly a focus for us continuing going forward.

Number four is the Vietnam. We've approved that manufacturing site. There have been a lot more work that's been shifting, and it's an area, a cost structure that's a lot lower: labour rates, tax rates, operating constraints. It's a lot easier in Vietnam to function than in other parts of the world, so we've found quite an advantage in being in Vietnam.

And the fact that we got there when we did was fantastic. We've got a very good operating structure there, and I'm quite pleased with that and how it will perform.

And it also gives us an ability to manage margins maybe a little bit better going forward. And the fact that we have plating there, which we've never had plating capacity before, will continue to help us going forward as well.

The fifth one is the Infrastructure product development has been accelerated. So last year we spent a lot of time; the appointment of Dave Wittwer as the CTO about a year ago now was a good move. We had to dive into our Infrastructure products.

The market in Infrastructure is continue to change. It's getting more and more complex. The antennas are going; the VIZ (phon) wire, and the PIP performance, some of the engineering specifications are getting tighter and tighter by the carriers. And the level of engineering and capability is continuously growing, which for us plays into our strength as a company.

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What we we needed some—not different products, but enhancements to our current product portfolio to help meet certain specifications that were changing in the marketplace. A lot of competitors fell out of this space because they couldn't keep up with the engineering requirements. We have been able to. So we've seen a few competitors disappear from the marketplace as a result of not being able to keep up to the engineering demands and the specification demands in this segment.

So for us it just sort of opens up the pie a little bit larger. We have a number of products in the next four months that we're about to launch into market, and we've already got orders against actually all 12 of them. So we're quite happy with that.

We still have to get through the homologation step with the carriers. They have to approve them, all the larger carriers. So once we finish them in the next 12 weeks we then got to turn around and get to the carriers, and then each carrier has its own approval process.

So there's a little lag time in sales flowing through for those, but we're quite satisfied with the order pipeline on the new developments and the products that we've got in the pipeline.

The sixth one is the financing and cost reporting disciplines and the reengineerings to improve visibility. I think as a global company, I can't remember which one of the analysts that said to me one time, and he goes, you're the largest global smallest company I've ever known. You're everywhere, but yet you're only 40 million or \$50 million, and you're in all of the corners of the Earth. And that's true.

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We service a lot of markets in a lot of places around the world, and yet we're a 40 million and \$50 million revenue company. But with that comes challenges because we deal in lots of currencies; we deal in lots of money movement in and out of countries. We've got safe issues with China. We've got money movements in and around the world.

We've now made huge strides to simplify and improve that. And we're making additional strides this year that will help us in that area.

Now as we get and sort of refine the treasury effort, I think it'll certainly play well; our finance charges will continue to decline.

Seventh, the treasury and cash management, which I just mentioned, are tightening our controls and bringing, I think, a new level of governance over the businesses. When you're dealing in markets that are overseas you're always concerned about those markets, and the things that are normal there aren't necessarily normal here.

Having good governance overseas is very important to us. I've made 13 trips to Asia and abroad last year over the locations and over this space (phon). So we're spending a lot more time making sure that the things that are happening are the things that we would expect. And as we continue to take down costs and ensure that there's good tight internal controls, that will continue to move forward.

We've made strides. I think we need to continue to do that.

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The eighth one here, the focus on fixed-cost reduction, for me, was the key and that's part of the speed of our turnaround. The fact that we did it in three quarters and got ourselves back to profitability with significant losses that we had in Q1 of last year was a testimony to the fact that we were relentless. And I'm not ashamed to take out the cost and to close down facilities and wipe out what we needed to wipe out from a cost perspective.

So we did that very quickly, but I think that was also very important for us to do to speed up the turnaround of the Company.

The next one is expense control, internal control methodology. We have definitely improved the discipline within the Company, and that discipline will continue to improve over time.

And pricing and margin process, I've got a lot of experience in operations, but equally in sales as well. And working on pricing and margins management has been another key area of focus. And our sales team has done a good job of managing that going forward, which is why we're seeing 27 percent margin for the first quarter of this year is because there's been a lot of focus and discipline in that area.

So stabilization and growth. For me, 2016 marks an important year for us to make money, drive the improvement to cash flow, and to sustain our turnaround here and to sustain the things that we did last year, but also to continue to improve.

So I believe the team has really improved certainly on our skill complement, the change in the way we think, and then creating a new operating model that, I think, is more flexible and more

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nimble. And as we go through ebbs and flows in the business, I think we are far more elastic today than we were a year ago and we were two years ago.

The goal, of course, is for us to get back to the 80 million in revenue that we had in 2013. It's going to take some time, obviously, but the march back to 80 million is going to be a different march. It's going to be a march that's got a lot more diversification in the customer base with an operating level that's far more nimble.

So the key sort of three pillars for me that are sort of key targets for this year is continuing to improve our manufacturing strength. The expansion in Vietnam and the ability to utilize the assets that we put there is going to be key and important for us to harness.

Cost reduction efforts continuing in China to make sure we get our cost controls there, and continuing to drill down in those areas that we need to. And then of course, being able to scale and being able to deliver right.

We're seeing a lot of opportunity, particularly in the Infrastructure business unit over the next 24 months. That market's continuing to expand. It still has the 66 percent CAGR in that segment. For us to be able to keep up in that market we've got to be able to scale our manufacturing and scale our operations without building a lot of fixed overhead into that.

So that for me is important for us to lay that platform now so that when we get to the opportunities there we can move with the growth in that business unit.

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The quality and the design for manufacturing process. For me, I have a lot of experience in automotive, and when you design a product and then you launch that product to market you can't miss; it's got to be perfect. You can't let an assembly line stop because you didn't quite get your product done in time.

In our business the new product introduction process has been—it's been—I guess it's been allowed to be a little longer than it needs to be. I think that process needs to tighten up substantially, and I think we need to come out of the gate strong with our manufacturing of our new product portfolio.

So there's work, I believe, to be done, and that's part of the strengthening of our manufacturing foundation.

A second pillar here is the product and innovation. The new product introduction process, as I just alluded to, and the next generation of oDAS in stadium antennas; there's a significant market that continues to grow. And if you look at the macro market in the cell towers around, the densification requirements by the carriers it's continuing to grow and expand.

They can't put up new towers in the middle of Toronto downtown. They have to find a way to increase the throughput and the coverage in dense environments like downtown Toronto.

Well, how do you do that? You've got to do that through small cell; you've got to do that through outdoor DAS antennas; light poles with antennas on the top of them to be able to bring coverage right to where the cars and the people and the people walking the paths are.

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In order to do that, densification requires more oDAT and small cell applications. That plays into our sweet spot. And so a lot of the products that we're working on right now are more densification antennas, not necessarily macro antennas or antennas for larger deployments. So in order to improve the densification in regions they have to take this direction, which for us plays right into our ability.

Migration to a more sophisticated oDAT. I alluded to the fact that some of our products are getting more and more sophisticated, and this is true. It's going from 6-port—right now it's at 4-port going to 6-port and going to 12-port antennas over the next 12 to 24 months. And it maybe sounds easier, you just add a few more ports, but it's not.

We're seeing competitors fall out because they can't even get to 6-port and they don't have the design and engineering capability to even design an antenna that sophisticated. So to go from 6 to 8 to 10 to 12 requires a level of sophistication that not every company has.

So if there's a barrier to entry in the Infrastructure segment it's the ability to actually keep up with the changing specifications.

So that's—no, I didn't cover the financial strength. So positive cash flow. Cash is king in every business.

You've got to have cash to grow. You've got to have cash to be able to obviously operate your business. So for us we are very cash flow focused, and cash generation is an absolute must.

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We've obviously depleted some of our reserves here, and we're now at the point where we're ready to cross that line and generate cash. So for me that's a very important focal point for this year is that we start to restore the reserves that we've depleted.

CapEx control and harvesting the assets. We've been very frugal on capital investment, but we haven't given up anything. We still are developing and designing good antennas and good products, but we haven't taken away from our future by not investing in CapEx. I think we've been a little more frugal in that respect, and that's obviously good on cash. But we wouldn't give up the future for the sake of today.

Margin improvement and revenue growth are key and important, and treasury of course, and transfer pricing and tax issues and being able to manage the global market that we serve as a company that is only 50 million in revenue.

So that kind of completes my section of this. I'd like to introduce Mr. Jim Newell. Jim joins us as the CFO. He's been with us now for six months.

He's got lots of good public markets experience, and we really appreciate Jim's contribution. He was very, very helpful in the transition to Canada from the head office. And himself and Cliff Gary, who's in the audience, is the VP of Finance; those guys have done a great job in their short period.

Thanks, Jim.

Jim Newell — Chief Financial Officer, Baylin Technologies Inc.

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Thanks, Randy, and good morning, everyone. It's my pleasure to be here this morning. So today I'll cover off fiscal 2015, and we just announced our first quarter last night, so I'll go into that in a bit more detail just to give you some insight into the numbers as they played out in the first quarter.

So as Randy noted, 2015 is a very pivotal year for Baylin, and the key was making the necessary changes to the business that allowed us to restore profitability and improve our overall financial performance.

So we note here that despite the revenue decline we did reduce the adjusted EBITDA loss in the year by about \$1.7 million. That said, in looking at the full year, I don't really think you get a full picture and it doesn't really convey the important improvements that we made in the latter part of the year.

So looking at it on a quarterly basis, I think it illustrates the progress we made, certainly in terms of rebuilding the revenue base.

Since the very soft Q1 of 8 million in revenue, the quarterly revenue has increased each quarter, and that works out to about a 13 percent compounded growth rate. So—and more importantly the growth was achieved in all of our product categories, notably the Mobile business unit that was really very soft in that first quarter.

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So just looking at our mix of revenue here, we've noted that our strategy is to diversify our revenue away from what was really an unhealthy level of revenue generated by Mobile, and especially to that one large customer.

So if we look at our revenue contribution from each of the three product lines, you see that Network and Infrastructure have grown, but so too have we seen a rebound in Mobile. And that diversification is important in the development of our—in creating what we would think of as a more resilient company.

As importantly as revenue's growth, that has to translate into profit, and we can see that our gross profit went from \$1 million in Q1 to 3 million, just over \$3 million, in Q4. So that's a very significant increase. But more importantly, the orange line shows that the conversion of a revenue dollar into profit improved as well over the course of the year, and we were converting at 24 percent at the end of the year.

And that really demonstrates the benefits of some of the higher production volumes, and certainly when you're producing more over a fixed-cost base, but also some of the cost-down initiatives that Randy discussed.

Our fixed overhead was a focus as well. We wanted to reduce our cost base, and I think the results of that are evident, though I do note that in Q3 and Q4 we were carrying additional costs related to the head office transition.

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With that now completed in the first quarter of 2016, those duplicate costs will be eliminated.

So all of that translated into while negative, we, I think, made considerable progress in the second half despite some of the duplicate costs that I referred to earlier. And as Randy mentioned and I'll reiterate, returning to positive and consistently positive EBITDA remains our overriding objective.

Our cash use. Really as important as restoring positive EIBTDA is, so too is generating positive cash flow. 2015 was characterized by a 43 percent reduction in our cash burn rate, and that was at 12.3 million; still very high.

So as we move into 2016, a key objective will be to move from funding losses, which was a large part of those two numbers that you see up there, to investing in working capital that's supporting our growth. We think that's a far better—well, we don't think—we know that's a far better use of cash.

So that completes the overview of 2015, and I'll now just quickly turn to our recently announced 2016, the first quarter.

So again, some of the progress it's very evident here in terms of reporting a positive adjusted EBITDA of \$300,000, and with that we've seen very, very solid revenue growth and margin expansion.

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So just extending that analysis that we looked at a bit earlier, at \$15.8 million in revenue it first of all grew by 21.6 percent over the last quarter, Q4, nearly doubled that of the first quarter of the year prior, and was our fifth year of sequential growth. And that works out to just under 19 percent of compounded growth rate.

Again, the mix. The growth was primarily attributable to the Mobile volumes, particularly from our large customer, and Mobile benefitted from an early launch of this customer's mobile platform this year. So it favourably impacted Q1 as opposed to the typical later-quarter phasing.

As a result, we currently do not expect Mobile revenues in Q2 of this year to be at quite the same level as this quarter for that reason.

As revenue improved, we saw in the most recent quarter the dollars and gross profit increase to \$4.2 million. That's up 36 percent from the previous quarter and fourfold over where it was a year ago, so making great strides in terms of building that.

And as noted in our MD&A, the improvements were the direct result of higher revenue and production volumes through that first quarter. The gross margin also improved to 26.9 percent, which was a further 2.8 percent increase from the previous quarter.

The fixed overheads continued to decline in 2016 now that the head office is completed.

And as noted, our adjusted EBITDA in the current quarter was positive 300,000. Strong Mobile revenue performance and the leverage associated with the higher production volumes and cost management are factors we cite in contributing to this significant improvement.

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The net cash in the quarter—that is we define it to be cash less bank debt and leases—the cash was at 3.6. That was a \$1.5 million decline, and primarily attributed to higher working capital levels. So as I mentioned earlier, that’s a good use of cash as we build our business.

So in closing, we are obviously pleased with the results, particularly the positive EBITDA. That said, the priority going forward is to build on this in a sustainable way and, thereby, making Baylin a far more resilient company.

So with that, I will pass it back to Randy for his closing remarks. And thank you.

Randy Dewey

Thank you, Jim. Well, no team can take all the credit in our company and management without passing some of the credit along to our Board of Directors.

These guys have been here since the IPO, they’ve stood beside us through some difficult times, and really appreciate the Board of Directors and the work and support that they’ve done to guide us and to give us good advice as management; to be there for us; and to help us through and weather through the storm. So really appreciate the Board of Directors of the Company.

In closing, the five sort of points I want to make sure everybody leaves with in their mind is in my mind our restructuring period is done. We’ve now turned that page and we’ve turned that corner.

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We've got lots of work to do; there's no question. I will be relentless to make sure that we get our costs down and do the work that we need to do, but I don't see it as an aggressive period as a restructuring period, as I believe that period is closed for now.

The financial turnaround has begun. And we had a great quarter from all things in perspective, but it's one quarter. We still have lots of work to do, and work to be done in the market to continue to regain the trust of the market and the confidence of the market as well. So we've turned that proverbial corner, but we still have lots to do; no champagne bottles today.

We appreciate the communications from our company in the last 12 months haven't been where I would expect it to be from a public markets company and a publicly traded company, but that was by design. I really didn't feel that we should over communicate with the market. We had a lot of work to do inside the Company to get it right, and our focus was to get it right and then come out and start talking about the Company when we got things fixed up.

So we will do a better job in the next 12 months to communicate with the market and to keep folks and the analysts up to date on where we're at with the Company and the things that are going forward.

Shareholder value for me is of paramount importance, and we've seen a lot of shareholder value degrade over the last two-and-a-half years. Of our public filing, we are working on that. We want to definitely restore and rebuild the value of our company in the eyes of the shareholder as well in the eyes of the market.

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Q1, as mentioned, was a good quarter. We had some opportunities with timing, so I wouldn't change your—the consensus or your revenue numbers for the year. We had a good timing opportunity; we took advantage of that, of course, but it isn't to take Q1 and extrapolate it for the balance of the year.

Last note is the websites of our company have been updated. And the Baylin site launched this morning. It's new; it's more updated; it more reflects what we believe Baylin is all about.

The Galtronics website will be out in the next week. We're just finalizing a few things on the architecture, and that one will launch as well. So we have a whole new look and brand for the Company that's about to launch in the next week for Galtronics. So keep your eyes on that.

So that concludes my remarks, and we're certainly open to take questions from the group.

Mr. Kim?

Q&A

Daniel Kim — Paradigm Capital

Thank you, Randy. Clearly you've done a phenomenal job with restructuring the Company and quite quickly, faster than I've ever seen in my experience.

My question for you is given that the turnaround is now complete, where might we see further investments? We've seen investments in the sales team; manufacturing in Vietnam. Is there

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going to be further investments in the sales team and/or are we going to see further investments, say in Wuxi, to address the growing opportunity in Infrastructure?

Randy Dewey

There's no doubt of the opportunity, if you look at the three business lines that we have, the greatest opportunity in the market is in the Infrastructure business unit for sure. We're just a slice of a very large pie in opportunity there.

But also within the opportunity there's even abilities for us to expand in that region as well. Right now we only do iDAS; we only do oDAS; and stadium. There's an entire macro world; there's all kinds of small-cell opportunities, and it kind of doesn't end. We could easily take our total available market, which currently sits at around \$1 billion for the products that we actually make now, and increase that to 6 billion or \$7 billion if we go into some of those other markets that have more sophisticated antennas.

And it's more of graduating up into those other product categories. So for me, one, we still have \$1 billion market in Infrastructure that we can harvest a greater opportunity than we're sitting with today, even if I didn't go to any of those other verticals within that segment. So I think we can do a better job with the \$1 billion opportunity that sits in front of us.

So for me I'm going to be very focused on that. That's going to take a blend of a couple of things. It is certainly sales, but it's not necessarily as much as you would expect. What we've done

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recently and publicly announced I think is good enough to get us to the \$50 million mark in that business unit. That will take time, obviously.

But there's products that are required for us to service in that segment. So I would say the investment will come more towards product development than it will towards sales and salesmen.

I think, Richard, you were first.

Richard Tse — Cormark Securities

When you went on the oDAS market, can you give us a feel for the same reasons behind (unintelligible)? You mentioned the price, the innovation; certainly (phon) give some perspective on that.

Randy Dewey

It's actually all-performing.

Richard Tse

Yeah.

Randy Dewey

You can just imagine some of these large deployments. Like when we win a stadium deployment or we just recently won a large apartment complex in downtown New York City, they don't want a large, ugly antenna hanging from the ceiling while people are walking by. You've got to be able to have the very slimmest profile, the less intrusive antenna from a visual standpoint, but

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yet the power and the ability of the antenna has to be able to perform at the specifications that the network would dictate.

So there's a blend between aesthetics and performance, and not every company is able to do that really well. We are able to do that really well. With the products that we have, when we win those it's like the entire segment just sort of gravitates to that product, and that becomes the standard; gets into the IV Wave tool (phon) and everybody starts to buy it.

So we need to expand our product portfolio to be able to capture more of the market, but the products that we're in do well from an aesthetics perspective and from a performance perspective.

Richard Tse

And how do you make that known to the market, sort of those broader sort of marketing (unintelligible)?

Randy Dewey

Yeah. Just it'd be the carriers because the carriers are always looking for what's the brightest and the best-looking antenna because they're going into deployments where building owners are saying, I don't want it to look this way; I want it to look this way; make it disappear. And so the carriers are always looking for the company that has the best-performing antenna that's got the best look and can be less intrusive in the environments in which it has to be deployed in.

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So the carriers are constantly looking at companies like ours saying, can you do this? Can you make this happen? Can you get it underneath—overtop of the ceiling? Can we put it behind the gyprock and still be able to perform in that corridor at the same level as if it was on the other side of the gyprock? So there's a lot of work that's done by the carriers to make sure that they've got the best antennas selected.

And so when we come up with a design, because we have relationships directly with all the carriers, we take our design, its look, and its performance, and then they benchmark it against our competitors. And then they then rank the best to the worst, and then communicate that to the integrator market to say, okay, here's the best antenna; we want this one first. If that one's not available go to the next guy on the list.

So us winning the performance game is very important. And we do that well.

Barry (phon)?

Unidentified Speaker

Yeah. Randy, thank you. Noticeable improvement in Q1 gross margin. Is that a sustainable level? And what is the longer-term target (unintelligible)?

Randy Dewey

Well, you've seen erosion in gross margins from the last 36 months. Getting ourselves back to our gross margin performance of 2013 is clearly what we are focused on. That's going to take some time, and there's a lot of work to be done there.

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So another reason why to invest in other markets that we get better margins in is clearly what we are concentrating on. So we're not necessarily expanding in a market just because there's an opportunity there. It's also is it a profitability opportunity? And is it worthy of our investment and time and energy?

Any other questions? Good. Okay.

Mr. Chairman?

Jeffrey Royer

Thank you, everyone, for participating in this third AGM for Baylin as a public company. Specifically, there have been a lot of you in this room who have been hanging with us through some challenging times, and we are working very hard day by day, week by week, month by month to meet expectations, and all of us have as shareholders in this company.

So thank you again for coming today, and we look forward to seeing you next year, and of course management is available during this meeting and any other time to answer any questions that you may have as shareholders.

Good day.

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