



## Baylin Announces Financial Results for the First Quarter of 2018

### Revenue Increase of 48.7% Driven by Wireless Infrastructure Products and Acquisition of Advantech Wireless

Investor Conference Call on May 8, 2018 at 8:00 a.m. ET

- **Revenue for the first quarter ended March 31, 2018 was \$29.4 million, an increase of 48.7% over the prior year period.**
- **Gross profit grew to \$10.6 million in the first quarter of 2018, compared to \$5.9 million in the first quarter of 2017.**
- **Adjusted EBITDA was \$1.45 million in the first quarter of 2018, compared to \$0.2 million in the first quarter of 2017.**

TORONTO, CANADA – May 7, 2018 – Baylin Technologies Inc. (TSX: BYL) (the "Company" or "Baylin"), a leading, diversified, global wireless technology management company focused on research, design, development, manufacturing and sales of passive and active radio frequency products and services, today announced its financial results for the three months ended March 31, 2018. All amounts are stated in Canadian dollars unless otherwise indicated.

#### QUARTERLY HIGHLIGHTS

Key highlights for the three months ended March 31, 2018 include the following:

- The Company acquired the radio frequency, terrestrial microwave and antenna equipment divisions ("Advantech Wireless") of Advantech Wireless Inc. and certain of its affiliates.
- Revenue grew to \$29.4 million in the first quarter of 2018, an increase of \$9.6 million or 48.7% over the first quarter of 2017.
- Gross profit was \$10.6 million in the first quarter of 2018, an increase of \$4.6 million over the first quarter of 2017. Gross margin was 36% in the first quarter of 2018, improved by six percentage points compared to the prior year period.
- Adjusted EBITDA was \$1.45 million in the first quarter of 2018 compared to \$0.2 million in the first quarter of 2017. Certain non-recurring and one-time expenses of \$3.5 million were incurred in the first quarter of 2018, which were primarily related to the acquisition of Advantech Wireless.
- Cash on hand at March 31, 2018 was \$9.4 million, a reduction of \$25.8 million from December 31, 2017. This decrease was primarily due to cash utilized for payment of a portion of the purchase price for Advantech Wireless and an increase in non-cash working capital.
- The Company significantly strengthened the management team of its subsidiary, Advantech Wireless Technologies Inc., with the addition of John Restivo as President and Tony Radford as Vice President of Global Sales. Both Mr. Restivo and Mr. Radford have amassed thirty year careers in the satellite communications industry and will be instrumental in the Company's aggressive expansion plan for the Advantech Wireless line of business.
- The Company's Embedded Antenna Group also strengthened its management team with the appointment of Simon Yang as Vice President of the engineering team in Tempe, Arizona and John Dakas as Vice President of Sales of the Embedded Antenna Group. Dr. Yang is a thirty year veteran

of the wireless community and has made many contributions to the industry as a whole including system level active throughput optimization in product development which is now an industry standard process. Mr. Dakas brings a deep understanding of the embedded antenna industry to the Company and will provide important direction to the group as opportunities in the wireless marketplace continue to expand.

- The Company's subsidiary, Galtronics Corporation Ltd., signed a manufacturing services agreement with Jabil Inc., a United States based global manufacturing services company with operations around the world. This new partnership was driven by the combination of current product backorders, demand for new base station antenna manufacturing of larger products and shorter delivery lead times required by the Company's customers in North America.

"Our first quarter of 2018 was very active and we are pleased with our accomplishments and financial results," stated Randy Dewey, Baylin's President and Chief Executive Officer. "We completed the acquisition of Advantech Wireless, bolstered the senior management teams of Galtronics and Advantech Wireless and signed a contract manufacturing agreement to accommodate the Company's growth plans."

"We are encouraged by the Company's organic revenue growth in the quarter and the contribution to revenue and profitability from Advantech Wireless", said Michael Wolfe, Baylin's Chief Financial Officer.

## SELECTED FINANCIAL INFORMATION

Selected financial information of the Company is summarized below for the periods indicated:

	<b>(in \$000's except per share amounts)</b>		
	<b>Three Months Ended March 31,</b>		<b>Twelve months ended</b>
	<b>2018</b>	<b>2017</b>	<b>December 31, 2017</b>
	<b>\$</b>	<b>\$</b>	
Revenue	29,438	19,801	91,642
Gross Profit	10,562	5,942	28,345
Loss before income taxes	(4,470)	(1,629)	(3,773)
Income tax expense	137	15	436
Net loss	(4,607)	(1,644)	(4,209)
Basic and diluted loss per share	(0.14)	(0.08)	(0.17)
EBITDA	(2,043)	(224)	2,306
Adjusted EBITDA	1,446	151	4,955
Current assets	54,752	39,968	64,666
Total assets	115,241	61,820	84,882
Current liabilities	26,429	20,326	26,873
Non-current liabilities	32,580	1,635	2,183
Total liabilities	59,009	21,961	29,056

A copy of the Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2018 and corresponding management's discussion and analysis (the "MD&A") are available under the Company's SEDAR profile on [www.sedar.com](http://www.sedar.com).

## OUTLOOK

Management is pleased that momentum created in the second half of 2017 has carried into 2018. The Company produced and delivered its first base station antenna to market in the fourth quarter of 2017. In the first quarter of 2018, the Company launched four small cell base station antennas. The Company anticipates that its Wireless Infrastructure product offering will continue to expand in 2018 and expects to add several new significant customers as a result.

Revenue from all product lines increased in 2017 and management expects this trend to continue in 2018.

Management is pleased with positive changes that have been implemented at Advantech Wireless as the Company positions the business for growth in the second half of 2018 and into 2019.

In 2018, management plans to continue exploring opportunities to increase the scale of the Company's business through potential strategic, accretive acquisitions.

## INVESTOR CONFERENCE CALL

Baylin will hold a conference call on May 8, 2018 at 8:00 a.m. (ET) to discuss its financial results for the three months ended March 31, 2018. The call will be hosted by Randy Dewey, President and Chief Executive Officer, and Michael Wolfe, Chief Financial Officer. All interested parties are invited to participate using the dial-in details provided below.

**Date:** May 8, 2018  
**Time:** 8:00 a.m. (ET)  
**Dial-in Number:** 888-231-8191 or 647-427-7450  
**Conference ID#:** 8584748  
**Webcast:** <http://event.on24.com/r.htm?e=1578624&s=1&k=3423F9A6129289BB3FE7C49622611DC9>

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release constitute "forward-looking statements" that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of the Company, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimates," "predicts," "potential," "targeted," "plans," "possible" and similar expressions, or statements that events, conditions or results "will," "may," "could" or "should" occur or be achieved. The forward-looking statements in this press release include, but are not limited to, statements regarding the Company's expected product pipeline, plans to expand the Company's business into new markets, the Company's ability to achieve organizational efficiencies, and other statements regarding the Company's plans, objectives and expectations. These statements reflect the Company's current views regarding future events and operating performance and are based on information currently available to the Company as of the date of this press release. These forward-looking statements involve a number of risks, uncertainties and assumptions and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Those assumptions and risks include, but are not limited to, the Company's ability to successfully allocate capital as needed and to develop new products, as well as the fact that the Company's results of operations and business outlook are subject to significant risk, volatility and uncertainty. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to the risk factors discussed in the Company's Annual Information Form dated March 1, 2018, which is available on the Company's profile at [www.sedar.com](http://www.sedar.com). All of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. Unless required by applicable securities law, the Company does not intend and does not assume any obligation to update these forward-looking statements.

## **NON-GAAP MEASURES**

This press release includes a number of measures that are not prescribed by Canadian generally accepted accounting principles ("GAAP") and as such may not be comparable to similar measures presented by other companies. We believe these measures are commonly employed to measure performance in our industry and are used by analysts, investors, lenders and interested parties to evaluate financial performance and our ability to incur and service debt to support our business activities. While management of the Company believes that non-GAAP measures are helpful supplemental information, they should not be considered in isolation as an alternative to net income, cash flows generated by operating, investing or financing activities, or other financial statement data presented in accordance with GAAP. See "Non-GAAP Measures" on page 2 of the MD&A for further information.

## **ABOUT BAYLIN**

Baylin Technologies Inc. (TSX: BYL) is a diversified leading global wireless technology management company. Baylin focuses on research, design, development, manufacturing and sales of passive and active radio-frequency products and services. Baylin aspires to meet its customers' needs and anticipate the direction of the market. For further information, please visit [www.baylitech.com](http://www.baylitech.com).

For further information please contact Investor relations: [investor.relations@baylitech.com](mailto:investor.relations@baylitech.com)