

C L E A R   S I G N A L S .   S O U N D   I N V E S T M E N T S .

# INVESTOR PRESENTATION

May 2018



# Forward-Looking Statements



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This disclosure contains “forward-looking information” within the meaning of applicable Canadian securities legislation, including the “safe harbour” provisions of the Securities Act (Ontario) of the provincial securities laws in Canada. Such forward-looking information includes, but is not limited to, information with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. It also includes information cited from third party sources. This forward-looking information is identified by the use of terms and phrases such as “may”, “would”, “should”, “could”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “believe”, or “continue”, the negative of these terms and similar terminology, including references to assumptions, although not all forward-looking information contains these terms and phrases.

Forward-looking information is based upon a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond our control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. Although the forward-looking information contained in this document is based upon what we believe are reasonable assumptions, investors are cautioned against placing undue reliance on this information since actual results may vary materially from the forward-looking information. Certain assumptions made in preparing the forward-looking information and our objectives include: our ability to generate sufficient revenue while controlling our costs and expenses; our ability to manage our growth effectively; the absence of material adverse changes in our industry or the global economy; trends in our industry and markets; our ability to manage risks related to expansion; our ability to maintain good business relationships; our ability to develop products and technologies that keep pace with the continuing changes in technology, evolving industry standards, new product introductions by competitors and changing client preferences and requirements; our ability to protect our intellectual property rights; the absence of intellectual property infringement or invalidity claims against us; our ability to manage and integrate acquisitions; our ability to retain key personnel; our ability to raise sufficient debt or equity financing to support our business growth; and the discretion of the Company with respect to the use of the proceeds of the offering.

Consequently, all forward-looking information contained in this document is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained in this document is provided as of the date of this presentation, and we do not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

There are a number of non-IFRS measures used in this document, including EBITDA (earnings before interest, taxes, depreciation and amortization). For the purposes of this document, EBITDA is calculated as revenue less cost of sales and operating expenses. The Company believes that these non-IFRS measures are appropriate measures of the operating performance of the Company or potential acquisitions. The Company’s calculation of these measures may differ from the methodology used by other issuers and, accordingly, may not be comparable to such other issuers. The Company believes that these measures are appropriate measures of the Company’s operating performance because they facilitate an understanding of operating performance without giving effect to certain non-cash and overhead expenses. None of these measures are equivalent to net income or cash flow from operating activities determined in accordance with IFRS.

The industry data, technical information or other information prepared by third parties presented in this presentation, except where otherwise noted, has been compiled from industry sources and participants which, although not independently verified by the Company, are considered by the Company to be reliable sources of information. References in this presentation to reports or articles should not be construed as depicting the complete findings of the entire referenced report or article and such report or article is expressly not incorporated by reference into this presentation. The Company makes no representation or warranty as to the accuracy or completeness of any data or information prepared by third parties included in this presentation and the Company assumes no liability whatsoever relating to or resulting from such data or information or the use thereof, errors therein or omissions therefrom.

All figures are presented in Canadian dollars unless otherwise indicated.

# Baylin is a World-Leader in Data Transmission



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**~23%** compound annual growth in revenue since 2014



**\$126M** 2017 revenue<sup>(1)</sup>



**~1,200** employees



**100+** patents



**4** R&D centers

***Baylin offers a turnkey solution that enables data to be transmitted across wireless networks***

(1) Pro-forma for the acquisition of the RF & Microwave divisions of Advantech Wireless

# Recent Hires Have Enhanced our Management Team



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**Randy Dewey**  
*Director, President & CEO*  
**Year Joined:** 2015



**Michael Wolfe**  
*CFO*  
**Year Joined:** 2017



**Helder Constantino**  
*Chief Strategy Officer*  
**Year Joined:** 2015



**Dr. Minya Gavrilovic**  
*EVP, Innovation & Product Strategy*  
**Year Joined:** 2017



**Jay Giblon**  
*VP, Information Technology*  
**Year Joined:** 2015

## APAC



**Mike Moon**  
*President, Asia Pacific*  
**Year Joined:** 2014

**Experience:**



## Americas / EMEA



**Jerry Kirshman**  
*COO & President, Americas / EMEA*  
**Year Joined:** 2017  
**Experience:**



## Advantech



**John Restivo**  
*President, Advantech*  
**Year Joined:** 2018

**Experience:**



# Experienced Board of Directors



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**Jeffrey C. Royer**  
*Chairman*

**Director Since:**  
Sep. 2013

Mr. Royer is a private investor with interests in telecommunications, broadcasting, medical device manufacturing, hospitality and real estate and a General Partner of the Arizona Diamondback MLB team.



**Harold Wolkin**  
*Vice-Chairman*

**Director Since:**  
Nov. 2013

Mr. Wolkin is an accomplished investment banker and financial analyst who has been responsible for the origination and successful marketing of numerous IPOs & equity financings.



**Randy Dewey**  
*Director, President & CEO*

**Director Since:**  
Sep. 2013

Mr. Dewey is an experienced CEO with operations and management experience in technology, banking, automotive and industrial industries.



**Stockwell Day**  
*Director*

**Director Since:**  
Nov. 2013

Mr. Day is a strategic advisor and consultant with 25 years' experience in provincial and federal governments and considerable board experience.



**David Gelerman**  
*Director*

**Director Since:**  
Jan. 2018

Mr. Gelerman is an engineer and businessman with over 40 years of experience. In 1988, Mr. Gelerman founded Advantech Wireless, serving as President and CEO for 30 years. Prior to founding the company, Mr. Gelerman held various positions at Nortel Networks.



**Barry J. Reiter**  
*Director*

**Director Since:**  
Nov. 2013

Mr. Reiter is currently a senior partner at Bennett Jones LLP and is an experienced director having served on a multitude of boards with a specific expertise in corporate governance.



**David Saska**  
*Director*

**Director Since:**  
May. 2018

Mr. Saska is a senior executive and technology leader with demonstrated expertise planning, designing, building, and operating exponentially growing networks and managing a fast-paced technology evolution.



**Don Simmonds**  
*Director*

**Director Since:**  
Nov. 2013

Mr. Simmonds is known as a serial entrepreneur for starting 20 new ventures in the last 30 years, was one of the founding partners of the Lenbrook Group in 1977 that is best known for creating Clearnet, one of Canada's wireless networks sold to Telus in 2001.

# Innovation and R&D Expertise Are Baylin's Key Competitive Advantage



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## How Baylin Wins Clients



### Nimble

- ◆ Some of our competitors are too large to compete on smaller products. Baylin is nimble enough to act as an extension of a customer's R&D department.



### Concept to Production

- ◆ We understand customer needs and provide high quality custom solutions from concept to production.



### Specialized R&D Centres

- ◆ With 4 R&D Centers we can creatively solve challenging projects.

## High Barriers to Entry



### Supplier Contracts

- ◆ Carriers, service providers and OEMs have challenging qualification requirements.



### Technology Expertise

- ◆ Baylin has industry-leading talent able to design and develop products that meet customer specifications.



### Best-In-Class Operations

- ◆ Highly-specialized, technologically advanced manufacturing and test capabilities.

# Recent Acquisition of Advantech Significantly Expands Baylin's Capabilities



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## Advantech Profile

- ◆ Designer and manufacturer of customizable RF and microwave products for highly specialized wireless communications markets
- ◆ For over 25 years Advantech has developed significant innovations, including pioneering the use of Gallium Nitride ("GaN") technology to create smaller, lighter, and more powerful products
- ◆ 160+ clients in over 150 countries and offices in North America, South America and Europe

### RF Division

- ◆ All power levels (5 W to 6000 W)
- ◆ All bands (C-Band to Ka-Band)
- ◆ Expert in RF innovation, leading the industry shift to GaN technology



### Microwave Division

- ◆ Frequency bands from 6 GHz to 38 GHz
- ◆ Used mainly in satellite ground stations and wireless base stations



## Acquisition Highlights



Improves Gross Margin and EBITDA Margin



Enhances Baylin's Fastest Growing Segment, Infrastructure



Provides Access to New Untapped Verticals and Expands Geographical Footprint



Meaningful Revenue and Cost Synergies



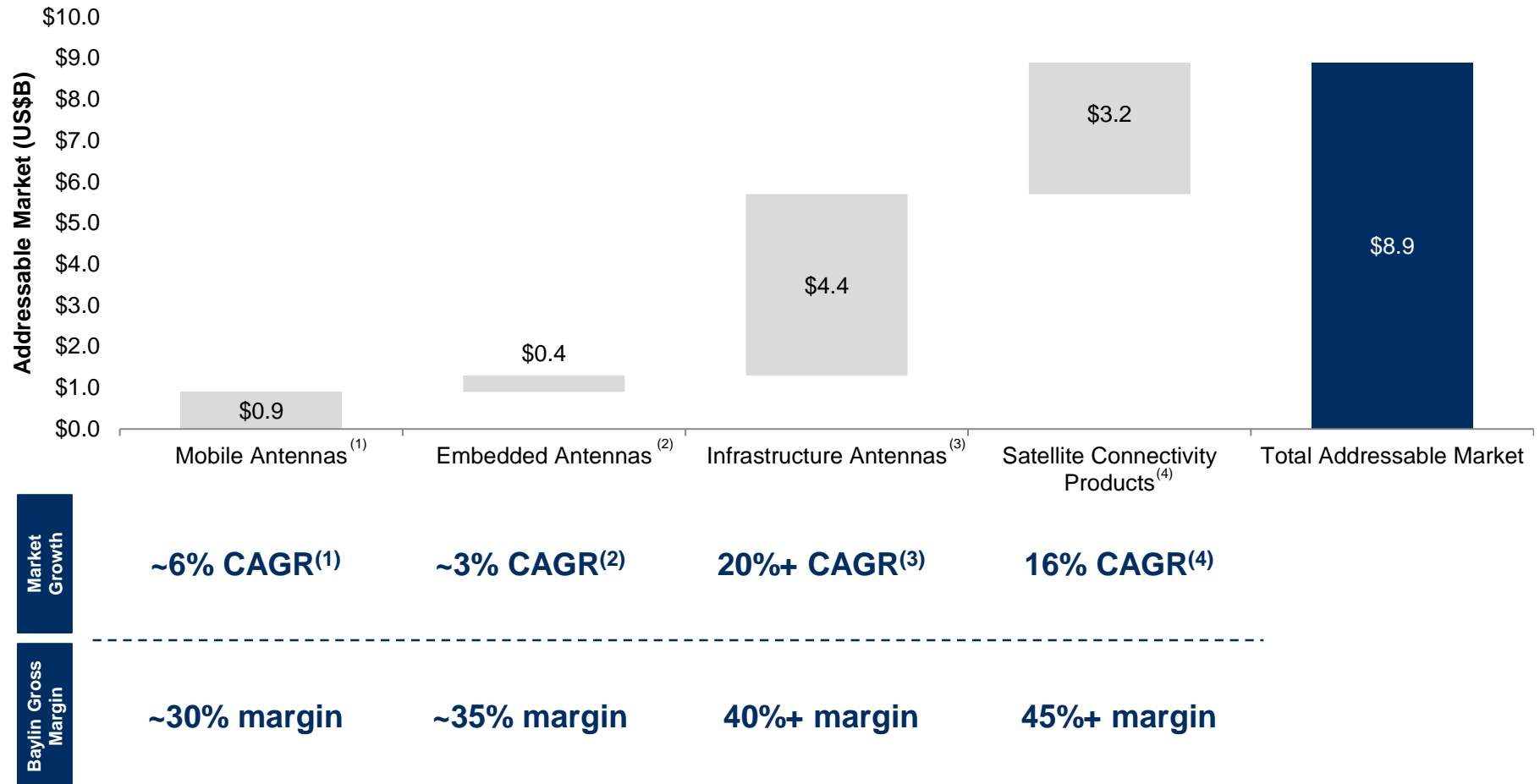
Provides Entry into Satellite Connectivity Market



# Baylin's Key Addressable Markets are Large & Growing



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**Infrastructure and satellite, Baylin's most profitable markets, are also the largest and the fastest growing**

(1) Statista, excludes BSA market; CAGR from 2017-2023 as per Research & Markets report

(2) Global Market Insights - CAGR from 2016-2022; Company estimates



(3) EJM Research, ABI Research, Technavio; Company estimates

(4) Grand View Research & RFC Market Research Future; Company estimates



# Continued Investment in 4G-LTE and Rollout of 5G Network Will Drive Sustained Growth for Years to Come

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	1G	2G	3G	4G - LTE	5G
Launch Date	1980	1990	2000	2010	2020
Network Peak Date	2000	2010	2020	2030	2040
Primary Services	Analogue phone calls	Digital phone calls	Mobile broadband	All IP services	Lower latency rates, increased flexibility
Maximum Downlink Speed	n.a.	1 Mb/s	42.2 Mb/s	1,000 Mb/s	10,000 Mb/s
Sample Devices					
Distinguishing feature	Mobility	Voice calls	Mobile internet experience	Widespread adoption of broadband internet	Connected devices

**Wireless carriers are expected to spend \$61 billion annually on network infrastructure through 2020, the vast majority being 4G-LTE investments.<sup>(1)</sup> In addition, carriers are expected to spend \$21 billion on the 5G network by the end of 2025<sup>(2)</sup>**

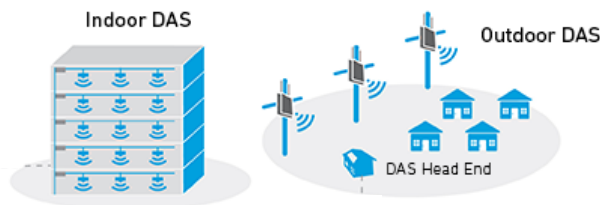
# Infrastructure Antennas Division is Perfectly Positioned to Capitalize on These Investments

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## Distributed Antenna Systems ("DAS")

- ◆ Wireless providers under increasing pressure to improve coverage and bandwidth
- ◆ Baylin's products are integral to some of the most advanced DAS in the world

**TAM - US\$1.9B<sup>(1)</sup>**



## Small Cell

- ◆ Growth opportunities driven by LTE network densification
- ◆ Baylin has installed thousands of small cell systems

**TAM - US\$1.1B<sup>(2)</sup>**



## Base Station Antennas

- ◆ Current antennae not compatible with 5G
- ◆ Baylin is leveraging its status as an approved supplier to capture market share in this fast growing market

**TAM - US\$1.4B<sup>(1)</sup>**



**Growth Drivers Today**

**Future Growth Driver**

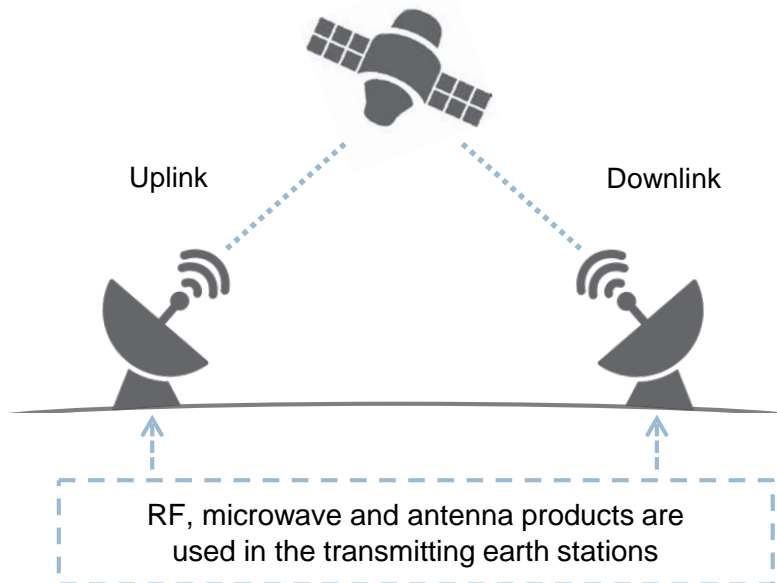
# As is the Satellite Connectivity Products Division

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## Overview

- ◆ Satellite communication is used to send signals long distances where the Earth's curvature creates an obstruction.
- ◆ Required in remote areas where there is an absence of wired or traditional networks.

**TAM - US\$3.2B<sup>(1)</sup>**



## Representative End-Markets



**Broadcast**



**Government & Military**



**Enterprise & Corporate**



**Oil & Gas**



**Maritime & Cruise Ships**



**Direct-to-Home Satellite**



**Homeland Security**



**Wireless Communications**

(1) Grand View Research & RFC Market Research Future; Company estimates

# Embedded & Mobile Antennas Divisions are Well Positioned to Contribute to Growth



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## Embedded Antennas



**12+** years of experience



**3+** new hardware OEMs added in 2017, including large Fortune 500 OEM



**~90%** of Linksys routers have contained a Baylin embedded antenna solution since 2007

## Mobile Antennas



**~40** years of experience



**12+** year relationship with a large mobile handset OEM, Baylin is a tier-one antenna supplier



**50%** of the top North American wireless operators have signed Master Purchase Agreements (MPAs) with Baylin

## Growth Drivers

- ◆ Telecom and broadcast companies are now outfitting their set-top boxes with cellular capabilities, transitioning them into small cell-like devices
- ◆ Baylin is one of few companies with the expertise to capitalize on this opportunity

## Growth Drivers

- ◆ Increased video and data streaming
- ◆ Greater demand for high speed
- ◆ Onset of wireless wearable devices
- ◆ Increased communication between devices in the home and business

# Broad Geographic Footprint

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# Blue Chip Customer Base

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## Infrastructure Antennas



## Embedded Antennas



## Satellite Connectivity Products



## Mobile Antennas



# Growth Strategy

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## Organic



Focus on innovation in each of Baylin's four key segments



Expansion into more sophisticated product lines



Focus on driving down manufacturing costs



Leverage prime supplier status with large customers



Optimize working capital and costs, further driving margins

## Inorganic

- ◆ Actively seeking acquisitions which provide:



Technological capabilities



New geographical markets



New OEM customers



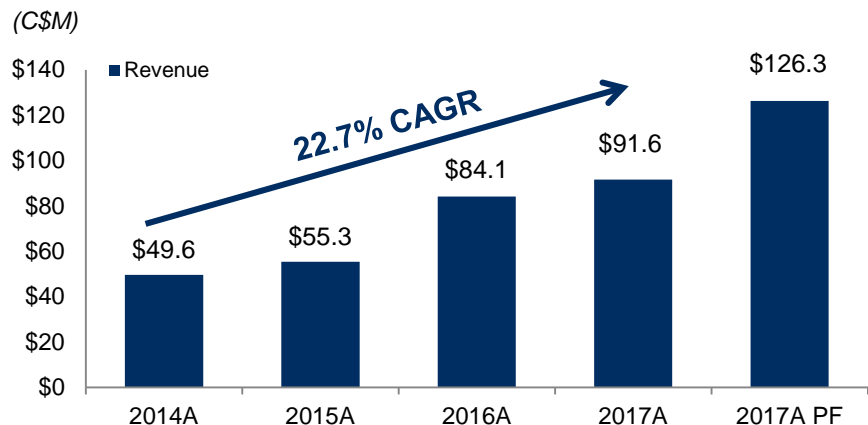
New verticals



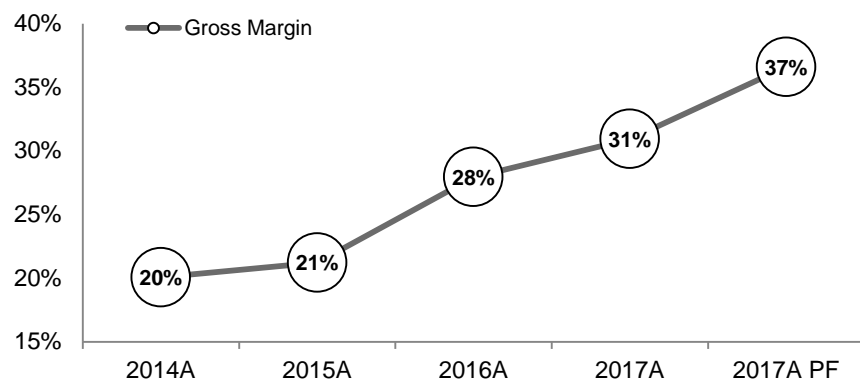
# Financials

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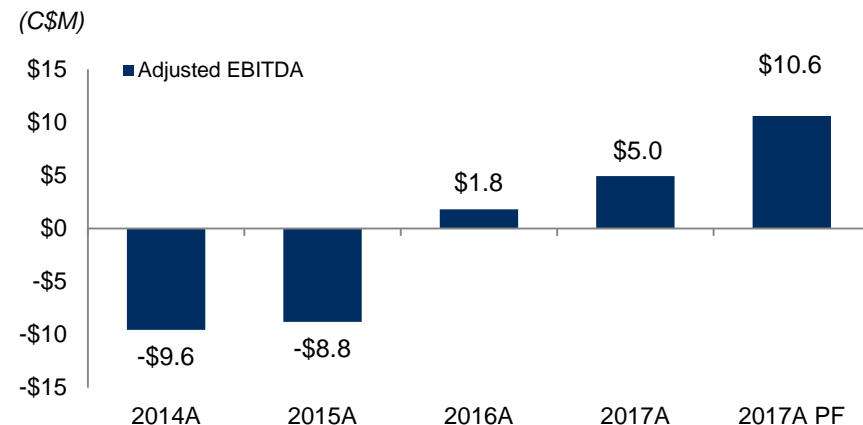
## Revenue



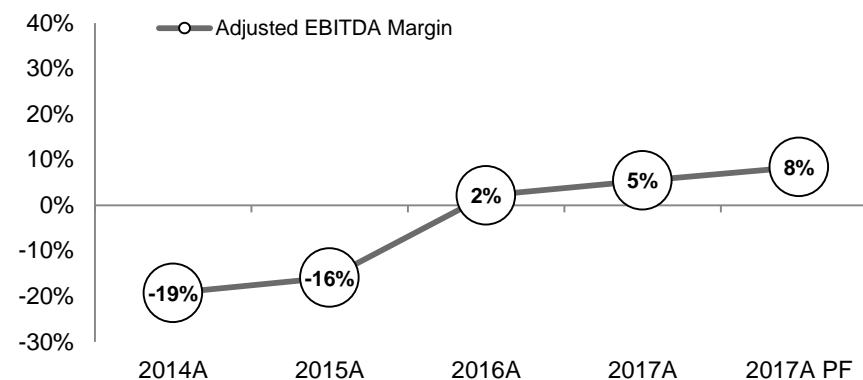
## Gross Margin



## Adj. EBITDA



## Adj. EBITDA Margin



Note: For the fiscal years ended December 31

Note: Pro-forma Adjusted EBITDA figures represent the combination of Baylin's FY 2017A numbers and Advantech's LTM figures as of September 30, 2017, adjusted for transaction costs. Revenue and cost synergies are not included.

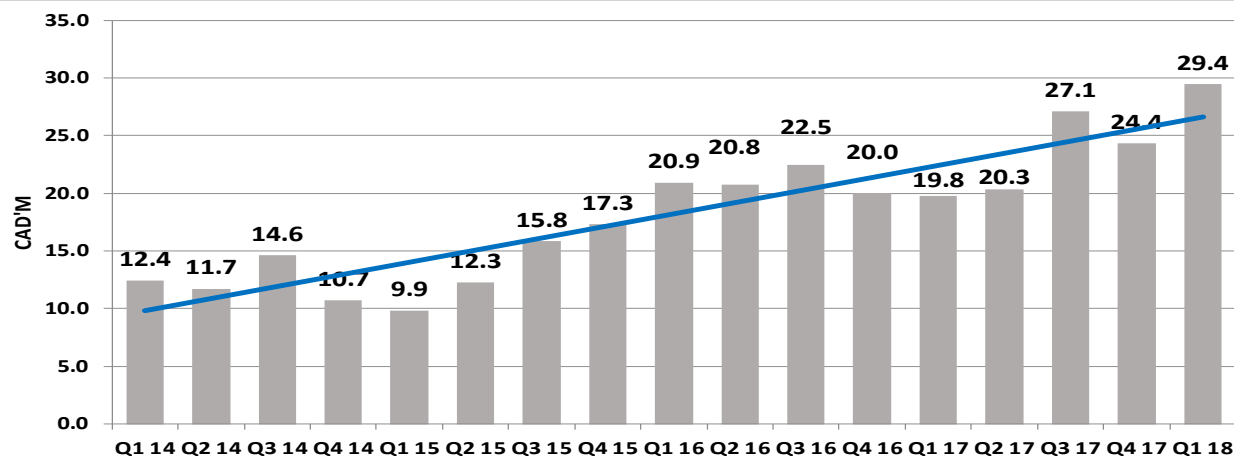
# IMPROVING RESULTS-Q1 2018

ALL FIGURES IN CAD

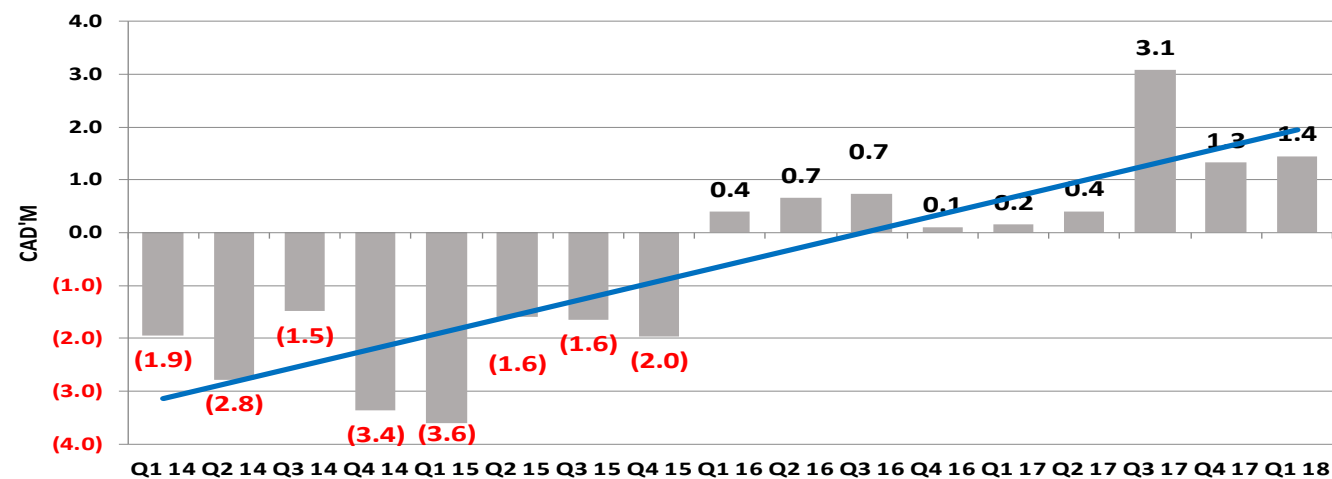


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## REVENUE



## ADJUSTED EBITDA



# Q1-2018 SUMMARY INCOME STATEMENT



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(CAD in 000's)	2018	2017	F/(U)
Revenue	\$29,438	\$19,801	48.7%
Gross profit	10,562	5,942	77.8%
<i>as % of Revenue</i>	<i>35.9%</i>	<i>30.0%</i>	<i>5.9%</i>
Operating costs	13,602	7,168	-47.3%
Operating loss	(3,040)	(1,226)	148.0%
Net loss	(\$4,470)	(\$1,644)	171.9%
Loss per share	(\$0.14)	(\$0.08)	n/m
Adjusted EBITDA	\$1,446	\$151	n/m

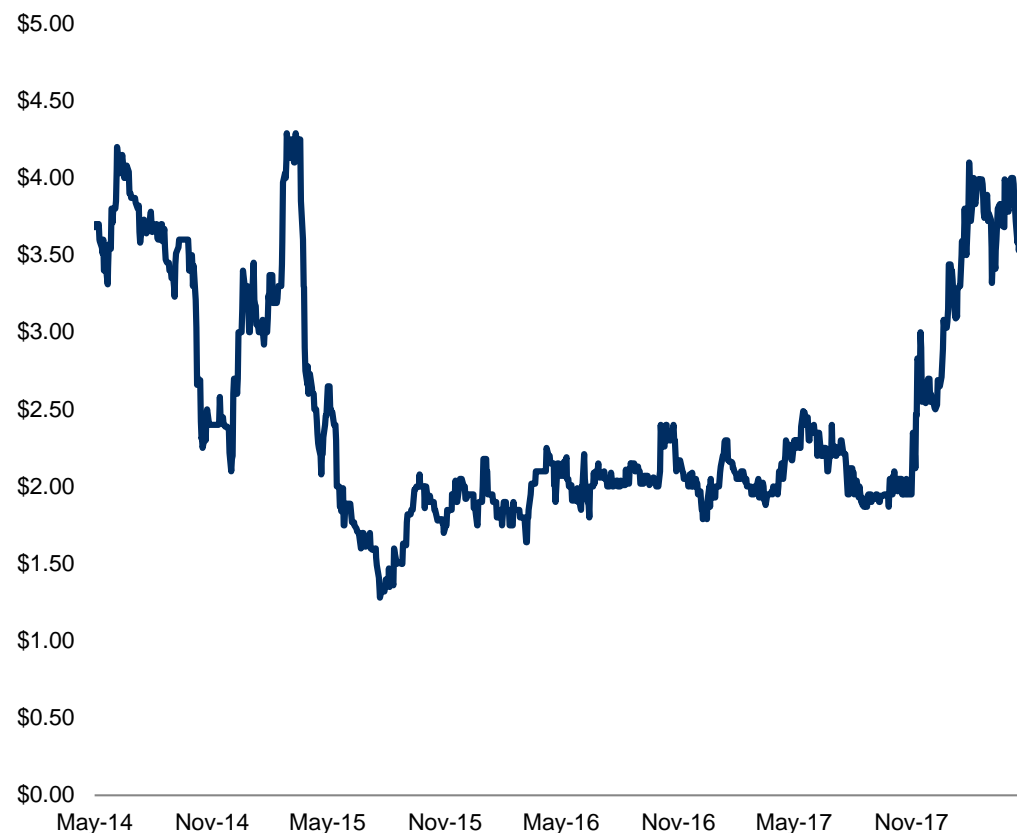
Q1 2018 continued positive Adjusted EBITDA trend to 9 consecutive quarters

# Trading Data & Capitalization



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## Share Price Performance (Last Four Years)



## Capitalization Table

### Summary

Share Price (05.01.2018)	\$3.44
<b>Issued Shares</b>	
Basic Share Outstanding	31.2M
Fully Diluted Shares Outstanding	34.1M
<b>Basic Market Capitalization</b>	<b>\$107.4M</b>
Insider Ownership	~50%
Total Debt	\$31.4M
Cash	\$9.4M
<b>Net Debt</b>	<b>\$22.0M</b>

# Comparable Company Analysis



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## Antenna Comparable Companies

(Reported currency in millions, except per share data)			Enterprise Value /				Operating Metrics			
Company	05/01/18	Market Cap	Revenue		EBITDA		Revenue Growth		EBITDA Margin %	
	Price		2017A	2018E	2017A	2018E	2017A	2018E	2017A	2018E
Antenna										
TE Connectivity	\$91.80	\$32,420	2.7x	2.4x	12.3x	11.1x	9%	9%	22%	22%
Amphenol	\$83.94	\$26,402	4.1x	3.7x	17.3x	15.7x	12%	10%	24%	24%
CommScope	\$27.59	\$5,374	2.0x	1.9x	10.3x	9.7x	(7%)	4%	20%	20%
Laird	\$1.96	\$957	1.2x	1.2x	11.0x	9.5x	17%	(1%)	11%	13%
Partron Co.	\$8,410.00	\$440,738	0.7x	0.6x	8.7x	5.6x	(0%)	15%	8%	11%
Mean			2.1x	2.0x	11.9x	10.3x	6%	7%	17%	18%
Median			2.0x	1.9x	11.0x	9.7x	9%	9%	20%	20%
Baylin (Pro-Forma)	\$3.44	\$107.4	1.0x	0.9x	12.2x	8.9x	50%	8%	8%	11%

## RF and Component Supplier Comparable Companies

(Reported currency in millions, except per share data)			Enterprise Value /				Operating Metrics			
Company	05/01/18	Market Cap	Revenue		EBITDA		Revenue Growth		EBITDA Margin %	
	Price		2017A	2018E	2017A	2018E	2017A	2018E	2017A	2018E
RF and Component Supplier										
Broadcom	\$230.38	\$96,371	5.8x	5.3x	13.4x	8.8x	21%	10%	44%	61%
Analog Devices	\$88.86	\$33,148	7.0x	6.6x	16.7x	14.4x	55%	6%	42%	46%
Skyworks	\$90.90	\$16,680	4.0x	3.7x	9.5x	8.5x	16%	6%	42%	44%
Qorvo	\$71.80	\$9,300	3.2x	3.0x	11.2x	9.3x	(2%)	4%	28%	33%
Semtech	\$40.35	\$2,703	4.5x	4.0x	20.2x	12.9x	8%	11%	22%	31%
Mean			4.9x	4.6x	14.2x	10.8x	20%	7%	36%	43%
Median			4.5x	4.0x	13.4x	9.3x	16%	6%	42%	44%
Baylin (Pro-Forma)	\$3.44	\$107.4	1.0x	0.9x	12.2x	8.9x	50%	8%	8%	11%

Source: Capital IQ; Forward estimates have been calendarized for comparability purposes

Note: Baylin 2017A figures are adjusted for the acquisition of Advantech and represent the combination of Baylin's FY 2017A numbers and Advantech's LTM figures as of September 30, 2017, adjusted for transaction costs. Revenue and cost synergies are not included.