Baylin Announces Financial Results for the First Quarter of 2025

- ***Gross profit increased $0.3 million or 3.6% over Q1 2024 due to improvements in product mix on lower revenues.***
- ***Gross margin of 42.4%, an increase of 10.1% over Q1 2024.***
- ***Adjusted EBITDA[(2)] of $0.7 million, an increase of 47.8% over Q1 2024.***

Investor Conference Call on May 8, 2025 at 10:00 a.m. ET

TORONTO, CANADA – **May 7, 2025** – Baylin Technologies Inc. (TSX: BYL) (OTCQB: BYLTF) (the "Company" or "Baylin"), a diversified global wireless technology company focused on the research, design, development, manufacture, and sale of passive and active radio frequency and satellite communications products, and the provision of supporting services, today announced its financial results for the three months ended March 31, 2025. All amounts are stated in Canadian dollars unless otherwise indicated.

FIRST QUARTER SUMMARY

- Revenue of $18.9 million in the first quarter of 2025, a decrease of $1.2 million compared to the first quarter of 2024. The decrease was mainly due to softer demand in the Embedded Antenna and Satcom business lines in the first quarter of 2025, offset in part by strong sales volume increase in the Wireless Infrastructure business line compared to the prior year period.

- Despite the decrease in revenue, gross profit of $8.0 million in the first quarter of 2025, an increase of $0.3 million or 3.6% compared to the first quarter of 2024. The increase was primarily attributable to the Wireless Infrastructure business line which generated stronger revenue and favourable product mix compared to the prior year period.

- Gross margin of 42.4% in the first quarter of 2025 compared to 38.5% in the first quarter of 2024. The higher gross margin in the first quarter of 2025 was due to improved product mix mainly generated by stronger sales of multibeam, small cell and innovative antennas in the Wireless Infrastructure business line.

- Adjusted EBITDA of $0.7 million in the first quarter of 2025, an increase of $0.2 million compared to the first quarter of 2024. The increase in Adjusted EBITDA in the first quarter of 2025 was mainly due to the increase in gross profit as discussed above.

- Net loss of $2.0 million in the first quarter of 2025 was largely consistent with the net loss in the first quarter of 2024. The net loss in the first quarter of 2025 was primarily due to an operating loss of $1.1 million plus interest and other finance expenses. On a per share basis, a net loss of $0.01 per share in the first quarter of 2025 compared to a net loss of $0.01 per share in the first quarter of 2024.

- Net debt[(3)] of $12.1 million at March 31, 2025, a decrease of $2.2 million from December 31, 2024, mainly resulted from the cash generated by operating activities in the first quarter of 2025.

- Backlog[(4)] of $32.5 million at March 31, 2025 compared to $30.2 million at December 31, 2024. The higher level of backlog was primarily due to an increase in new order intake across all business lines during the first quarter of 2025. Backlog was $29.4 million at April 30, 2025.

SELECTED FINANCIAL INFORMATION

The table below discloses selected financial information for the periods indicated.

(in $000's except per share amounts)

	Three Months Ended March 31,			
	2025	**2024**	**Change**	**Change**
	$	**$**	**$**	**%**
Profit and Loss				
Revenue	**18,866**	20,053	(1,187)	(5.9%)
Gross profit	**8,003**	7,722	281	3.6%
Gross margin	**42.4%**	38.5%	3.9 pp	10.1%
Net loss from continuing operations	**(2,042)**	(1,972)	(70)	3.5%
Net loss from discontinued operations	**-**	(786)	786	(100.0%)
Net loss	**(2,042)**	(2,758)	716	(26.0%)
Basic and diluted net loss per share from continuing operations	**($0.01)**	($0.01)	$0.00	0.0%
Basic and diluted net loss per share from discontinued operations	**-**	($0.01)	$0.01	(100.0%)
Basic and diluted net loss per share	**($0.01)**	($0.02)	$0.01	(50.0%)
EBITDA from continuing operations	**(525)**	(671)	146	(21.8%)
EBITDA from discontinued operations	**-**	281	(281)	(100.0%)
EBITDA(1)	**(525)**	(390)	(135)	34.6%
Adjusted EBITDA from continuing operations	**680**	460	220	47.8%
Adjusted EBITDA from discontinued operations	**-**	(43)	43	(100.0%)
Adjusted EBITDA(2)	**680**	417	263	63.1%

	As at March 31, 2025	**As at March 31, 2024**	**Change**	**Change**	**As at March 31, 2025**	**As at December 31, 2024**	**Change**	**Change**
	$	**$**	**$**	**%**	**$**	**$**	**$**	**%**
Balance Sheet and Other								
Current assets - Continuing operations	**35,072**	38,335	(3,263)	(8.5%)	**35,072**	37,292	(2,220)	(6.0%)
Current assets - Assets held for sale	**-**	9,576	(9,576)	(100.0%)	**-**	-	-	N/A
Total current assets	**35,072**	47,911	(12,839)	(26.8%)	**35,072**	37,292	(2,220)	(6.0%)
Total assets	**47,372**	63,978	(16,606)	(26.0%)	**47,372**	49,166	(1,794)	(3.6%)
Current liabilities - Continuing operations	**44,068**	43,291	777	1.8%	**44,068**	44,375	(307)	(0.7%)
Current liabilities - Liabilities related to assets held for sale	**-**	10,628	(10,628)	(100.0%)	**-**	-	-	N/A
Total current liabilities	**44,068**	53,919	(9,851)	(18.3%)	**44,068**	44,375	(307)	(0.7%)
Total liabilities	**57,825**	65,943	(8,118)	(12.3%)	**57,825**	57,689	136	0.2%
Net debt(3) from continuing operations	**12,096**	15,689	(3,593)	(22.9%)	**12,096**	14,271	(2,175)	(15.2%)
Backlog(4) from continuing operations	**32,502**	30,336	2,166	7.1%	**32,502**	30,195	2,307	7.6%

(1) See “Non-IFRS Measures”. “EBITDA” refers to net income (loss) plus interest and other finance (income) expense, tax expense (recovery), depreciation, and amortization.
(2) See “Non-IFRS Measures”. “Adjusted EBITDA” refers to EBITDA adjusted for the impact of certain items, including asset impairment charges, expenses related to mergers and acquisitions, gain or loss on the sale of a business, including related expenses, costs of reorganization of a business, legal costs arising from significant non-operating activities, severance and executive recruitment costs, and share-based compensation.
(3) See “Non-IFRS Measures”. “Net debt” refers to total bank indebtedness less cash and cash equivalents.
(4) See “Non-IFRS Measures”. “Backlog” refers to the value of unfulfilled purchase orders placed by customers.

A copy of the Company’s unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025 and corresponding management’s discussion and analysis (the “MD&A”) are available under the Company’s profile on SEDAR+ at www.sedarplus.ca.

RECENT DEVELOPMENTS

Products

The Company's products continue to be used in a wide variety of applications. Wireless Infrastructure's innovative multibeam antennas continue to deliver value for its customers, particularly major carriers and third-party infrastructure operators. They are uniquely adept at handling high-capacity environments, such as indoor and outdoor stadiums. Satcom received a $0.9 million follow-on order for its high-power amplifiers from the US National Oceanic and Atmospheric Administration (NOAA). They will use the amplifiers to carry telemetry, tracking and control links for their fleet of geostationary weather observation satellites.

Credit Facilities

The Company and its principal lender have agreed to another short-term extension of the Company's revolving credit facility from April 30, 2025 to May 30, 2025. The Company had expected to negotiate a longer extension but uncertainty caused by US import tariffs delayed the negotiation process. The Company expects that the current one-month extension will enable it to complete the negotiation of a new credit agreement to extend the revolving credit facility until April 30, 2026.

Litigation Settlement

The Company has settled certain litigation involving two former principals of Alga Microwave Inc. and entities related to them. For further details, see Note 8 to the Company's Interim Financial Statements.

Share Consolidation

In March 2025, the Board of Directors approved a consolidation (the "Consolidation") of the Company's outstanding common shares on the basis of 40 pre-Consolidation common shares for one post-Consolidation common share. The Consolidation is subject to shareholder approval at the Company's Annual and Special Meeting on May 8, 2025. The Consolidation also requires approval of the Toronto Stock Exchange.

OUTLOOK

The Company has now achieved five consecutive quarters of positive Adjusted EBITDA and has consistently improved gross margins since the first quarter of 2024 other than the fourth quarter of 2024, which was mainly due to soft performance by Satcom. The Wireless Infrastructure business line continued its strong financial performance, again exceeding the plan, by delivering strong results in the first quarter of 2025, with substantial increases in revenue, gross profit and Adjusted EBITDA compared to the prior year period. The Embedded Antenna and Satcom business lines fell below expectations in the first quarter of 2025, which was largely impacted by reduced customer demand as a result of market fluctuations and global economic uncertainty. The macro-economic environment in 2025 remains a concern, principally due to high level of uncertainty concerning the impacts of US tariffs and retaliatory tariffs from the countries subject to US tariffs, changes in customer purchasing behaviour driven by uncertainty over tariffs, as well as the overall level of inflation and interest rates. In addition to their effect on inflation, tariffs could also affect exchange rates and disrupt supply chains on which the Company relies in producing its products. Based on our current assessment, we expect revenue from the Wireless Infrastructure business line will further grow in 2025 but with higher tariff costs resulting in a combined financial performance comparable to 2024, which was a very strong year. The Embedded Antenna and Satcom business lines are currently expected to deliver lower revenue than 2024 due to uncertainty over the effect of tariffs and customer delays. We continue to prioritize product mix, emphasizing products that generate higher margins and gross profit, with a view to growing Adjusted EBITDA and positive cash flows while reducing the overall debt.

Embedded Antenna Business Line

We expect Embedded Antenna will perform at reasonable levels over the remainder of 2025 albeit potentially lower than or in line with 2024 revenue. While the backlog of purchase orders remains at its highest level in the business' history, order flow through due to uncertainty on tariffs is having an impact on its revenue attainment in the first half of 2025. See "Tariffs" below. The number of active bids for new projects remains at a strong level.

Wireless Infrastructure Business Line

Wireless Infrastructure had a very strong first quarter of 2025 compared to each of the preceding four quarters in 2024. We expect strong sales of its higher margin multibeam and innovative small cell antennas as well as stadium deployments will continue in the remainder of 2025. We are continuing to leverage the competitive advantages that these products afford in order to open up new global opportunities and drive sales with wireless carriers and third-party operators who operate wireless mobile networks for their customers. We are continuing to expand into new markets, particularly with multibeam antenna sales in Europe and Mexico. Although there remains a risk of spending cutbacks by carriers and third-party operators, we expect to see further spending on multibeam and small cell antennas continue in 2025, which will drive higher sales volumes for the business. However, gross margin of the Wireless Infrastructure business line is likely to be adversely affected by the US tariff currently imposed on imports from China. See “Tariffs” below.

Satcom Business Line

Satcom expects to generate lower revenue in 2025 compared to 2024 mainly due to a reduction in demand for its products, particularly its specialized custom engineered products, such as high powered amplifiers for use in military, government, and broadcast applications.

We continue to see softness in the commercial lower power market, but broadcast applications remain solid. Our Genesis and Summit lines of solid-state power amplifiers are generating sales from clients due to the improvements in performance, monitoring and failover they provide over our older technology and products of our competitors. Importantly, these new amplifiers are consistent in architecture, meaning they will allow the business to simplify supply chain requirements over time and thereby improve efficiencies in manufacturing.

We expect to see continued opportunities for military and other government-related uses as many western countries continue to maintain high levels of defence and scientific spending. Conversely, the new US government administration and the Department of Government Efficiency activities may cause some delay in orders due to uncertainty with our customers. Our plan is to retire legacy products and replace them with the new Genesis architecture.

Satcom has taken steps to better align its cost structure to reflect its lower revenue and production volume. In April 2025, it temporarily laid off approximately 30 workers at its facility in Quebec, which will result in savings of approximately $0.2 million per month. Employees will be recalled if and when business conditions improve. Additionally, since the majority of Satcom's products are made in Quebec, we expect the Canada-United States-Mexico Agreement (“CUSMA”, also called “USMCA” in the United States) tariff exemption applies to the vast majority, if not all, of the satellite communications products produced there. See “Tariffs” below.

Tariffs

The Company’s business is being significantly affected by uncertainty over the timing, level, duration and extent of US tariffs. Currently, Canadian goods other than those that are compliant with the CUSMA are subject to a 25% tariff, with a lower tariff rate for non-CUSMA compliant energy and potash. On April 2, 2025, the US President announced a sweeping set of new reciprocal tariffs on almost all foreign imports to the US, including some of the US’s major trading partners such as China and Vietnam. As of now, the US has imposed a 145% tariff on imports from China, with some exemptions, and different reciprocal tariff rates on a number of other countries. With the exception of China, a 90-day pause on their tariffs was put into effect by the US.

The Company is proactively taking steps to mitigate the effect of the tariffs across all of its business lines.

The Embedded Antenna business line is not expected to be directly affected by the increase in the China tariff. This has been our experience with the previous US tariffs levied on imports from China starting in 2018. Although Embedded Antenna’s products are manufactured in our facility in China, they are shipped from there to the contract manufacturers elsewhere in Asia for embedding in the final products of those contract manufacturers. There remains a risk that the new tariffs on other Asian countries, if resumed after the 90-day pause, could impact future order volumes for Embedded Antenna’s products as well as result in requests for some price concessions. Additionally, if end customer demand declines due to the inflationary impact of tariffs, the Embedded Antenna business may be indirectly impacted in revenue attainment.

Wireless Infrastructure's products are also manufactured in our facility in China and are then purchased by Galtronics USA for delivery to customers in various jurisdictions, including the United States. Products shipped into the US enter under a US Harmonized Tariff Schedule (HTS) code that subjects them to the 25% tariff on imports of steel and aluminum based on the value of those metals. According to the US Customs and Border Protection's public information on application of the 25% steel and aluminum tariff, the pre-reciprocal tariff on goods from China of 27.5% continues to apply (but not the increased reciprocal tariff on goods from China). When the steel and aluminum tariff is applied to the value of steel and aluminum of Wireless Infrastructure's products, the effective tariff rate is approximately 30.5% and not the maximum 145% on imports from China generally. This result has also been evidenced by containers recently cleared through customs by the US Customs and Border Protection. There is a risk that the US Customs and Border Protection will change the basis on which it applies the tariffs to our products. In that case, the higher tariff is expected to result in Wireless Infrastructure incurring a higher cost of sales and thus reduce the gross margin for this business line. We are working with our US customers and taking other appropriate measures to mitigate the effect of the China tariff.

In the case of Satcom, most of its products are produced in Canada, of which a significant proportion - between 40% and 50% annually - is delivered to customers in the United States. Although we believe Satcom's products are compliant with the CUSMA and therefore are not subject to the 25% Canada tariff, we are assessing other measures to mitigate the effect of the Canada tariff, particularly if this exemption is removed in the future. This may include a change in the structure and operation of Satcom's business so that its products will remain competitive in the US market. Despite Satcom's products being compliant with the CUSMA, the uncertainty surrounding the effect of the Canada tariff and other tariffs generally could result in delays or cancellations of existing orders and reduced new orders for Satcom's products, impacting Satcom's backlog and its revenue attainment.

There can be no assurance (i) as to the timing, level, duration or extent of the existing or new tariffs or the temporary or permanent nature of them or (ii) that our efforts to mitigate the effect of the tariffs will be sufficient or adequate to counteract (in whole or in part) the potential negative financial or other impacts the tariffs may have on our business, and those impacts may be material.

INVESTOR CONFERENCE CALL

Baylin will hold a conference call on Thursday, May 8, 2025 at 10:00 a.m. (ET) to discuss its financial results for the three months ended March 31, 2025. The conference call will be hosted by Leighton Carroll, Chief Executive Officer, and Cliff Gary, Chief Financial Officer. All interested parties are invited to participate using the dial-in details provided below.

Date:	May 8, 2025
Time:	10:00 a.m. (ET)
Dial-in Number:	(+1) 800-836-8184 or (+1) 289-819-1350
Conference ID#:	91567
Rapid Connect:	To instantly join the conference call by phone, please use the following URL to easily register and be connected into the conference call automatically: https://emportal.ink/4daug4h
Webcast:	This call is also on webcast and can be accessed at: https://app.webinar.net/LXAlorRo2n7

FORWARD-LOOKING INFORMATION AND STATEMENTS

This press release includes forward-looking information and forward-looking statements (together, "forward-looking statements") within the meaning of applicable securities laws. Forward-looking statements are not statements of historical fact. Rather, forward-looking statements are disclosure regarding conditions, developments, events or financial performance that we expect or anticipate may or will occur in the future including, among other things, information or statements concerning our objectives and strategies to achieve those objectives, statements with respect to management's beliefs, estimates, intentions and plans, and statements concerning anticipated future circumstances, events, expectations, operations, performance or results. Forward-looking statements can be identified generally by the use of forward-looking terminology, such as "anticipate", "believe", "could", "should", "would", "estimate", "expect", "forecast", "indicate", "intend", "likely", "may", "outlook", "plan", "potential", "project", "seek", "target", "trend" or "will" or the negative or other variations of these words or other comparable words or phrases and is intended to identify forward-looking statements, although not all forward-looking statements contain these words.

The forward-looking statements in this press release include statements concerning the outlook for our business generally and each of our business lines in particular, including our expectation for future financial performance, the effect of the macroeconomic environment, higher interest rates, timing of and potential impacts from US tariffs and retaliatory tariffs from countries subject to US tariffs, and other disruptions to our business and financial performance. Forward-looking statements are based on certain assumptions and estimates made by us in light of the experience and perception of historical trends, current conditions, expected future developments, including projected growth in the sales of passive and active radio frequency and satellite communications products, and supporting services, and other factors we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such assumptions and estimates will prove to be correct.

Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including the risk factors discussed in the Company's most recent Annual Information Form, which is available under the Company’s profile on SEDAR+ at www.sedarplus.ca. All the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors in this press release. There can be no assurance that the actual results or developments will be realized or, even if substantially realized, 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 any forward-looking statements.

NON-IFRS MEASURES

This press release includes a number of measures that are not recognized under International Financial Reporting Standards (“IFRS”), do not have any standardized meaning under IFRS and as such may not be comparable to similar measures presented by other companies. Management believes that these measures provide useful information to analysts, investors and other interested parties regarding the Company’s financial condition and results of operation as they provide additional key metrics of the Company’s performance. While management believes that non-IFRS measures provide useful supplemental information, they are not intended to represent, and should not be considered as alternatives to, net income (loss), cash flows generated by operating, investing or financing activities, or other financial statement data presented in accordance with IFRS. For further information, see “Non-IFRS Measures” on page 3 of the MD&A.

ABOUT BAYLIN

Baylin Technologies Inc. is a diversified global wireless technology company focused on the research, design, development, manufacture, and sale of passive and active radio frequency and satellite communications products, and the provision of supporting services.

For further information, please visit www.baylintech.com.