



Baylin Announces Financial Results for the First Quarter of 2026

Investor Conference Call on May 14, 2026 at 8:00 a.m. ET

TORONTO, CANADA – May 13, 2026 – Baylin Technologies Inc. (TSX: BYL) (OTCQB: BYLTF) (the “Company” or “Baylin”), a leading diversified global wireless technology company focused on research, design, development, manufacture, and sale of passive and active radio frequency products, satellite communications products, and supporting services, today announced its financial results for the three months ended March 31, 2026. All amounts are stated in Canadian dollars unless otherwise indicated.

FIRST QUARTER SUMMARY

- Revenue of \$16.1 million compared to \$18.9 million in the first quarter of 2025. The decrease was primarily due to lower sales volume from the Satcom business line, and to a lesser extent, the Wireless Infrastructure business line, in each case due to softer market conditions in the first quarter of 2026.
- Gross profit of \$6.7 million compared to \$8.0 million in the first quarter of 2025. The decrease was mainly due to the revenue decline in the first quarter of 2026 as discussed above. Gross margin* of 41.5% compared to 42.4% in the first quarter of 2025. The decrease of gross margin caused by lower revenue was offset by a more favourable product mix in the Custom Antenna Solutions business line and improved gross margin in the Satcom business line.
- Adjusted EBITDA* of \$0.1 million compared to \$0.7 million in the first quarter of 2025. The decrease was primarily due to the gross profit decrease in the first quarter of 2026 as discussed above, offset in part by a reduction in operating expenses compared to the prior year period.
- Net loss of \$2.3 million compared to \$2.0 million in the first quarter of 2025. The net loss in the first quarter of 2026 was primarily due to an operating loss of \$1.5 million plus interest and other finance expenses. On a per share basis, a net loss of \$0.02 per share in the first quarter of 2026 compared to a net loss of \$0.01 per share in the first quarter of 2025.
- Net debt* of \$12.1 million at March 31, 2026, a decrease of \$0.3 million from December 31, 2025, largely driven by cash generated from positive working capital movements in the first quarter of 2026.
- Backlog* of \$22.9 million at March 31, 2026 compared to \$20.4 million at December 31, 2025. The stronger backlog was primarily due to an increase in new order intake in Wireless Infrastructure and Satcom business lines during the first quarter of 2026. Backlog was \$21.9 million at April 30, 2026.

* This is a non-IFRS measure. See notes in "Selected Financial Information".

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,			
	2026	2025	Change	Change
	\$	\$	\$	%
Profit and Loss				
Revenue	16,064	18,866	(2,802)	(14.9%)
Gross profit	6,669	8,003	(1,334)	(16.7%)
Gross margin	41.5%	42.4%	(0.9 pp)	(2.1%)
Net loss	(2,319)	(2,042)	(277)	13.6%
Basic and diluted net loss per share	(\$0.02)	(\$0.01)	(\$0.01)	100.0%
EBITDA⁽¹⁾	(512)	(525)	13	(2.5%)
Adjusted EBITDA⁽²⁾	62	680	(618)	(90.9%)

	As at		As at		As at		As at	
	March 31, 2026	March 31, 2025	Change	Change	March 31, 2026	December 31, 2025	Change	Change
	\$	\$	\$	%	\$	\$	\$	%
Balance Sheet and Other								
Current assets	40,588	35,072	5,516	15.7%	40,588	39,413	1,175	3.0%
Total assets	46,569	47,372	(803)	(1.7%)	46,569	45,377	1,192	2.6%
Current liabilities	53,004	44,068	8,936	20.3%	53,004	50,582	2,422	4.8%
Total liabilities	59,920	57,825	2,095	3.6%	59,920	57,026	2,894	5.1%
Net debt⁽³⁾	12,064	12,096	(32)	(0.3%)	12,064	12,395	(331)	(2.7%)
Backlog⁽⁴⁾	22,914	32,502	(9,588)	(29.5%)	22,914	20,404	2,510	12.3%

Notes:

- (1) See "Non-IFRS Measures". "EBITDA" refers to net income (loss) plus income tax expense (recovery), interest and other finance expense (income), investment income, fair value adjustments, 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 from mergers and acquisitions, costs of reorganization of a business, gain or loss on the sale of a business, including related expenses, legal costs incurred 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, 2026 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

Acquisition of Kaelus AB

The Company continues to engage actively with a prospective lender and the shareholders of Kaelus AB to finalize the credit and other agreements in order to obtain the debt financing necessary to complete the acquisition of Kaelus AB. Subject to agreement on the terms of those agreements, the Company is targeting completion of the acquisition before the end of the second quarter of 2026. However, there can be no assurance the parties will be able to settle those agreements on mutually acceptable terms, failing which the acquisition may not be completed.

Credit Facilities

The Company and its principal lender have agreed to a short-term extension of the Company's existing revolving credit facility from April 30, 2026 to May 31, 2026. As a condition to the completion of the acquisition of Kaelus AB, the Company's revolving credit facility will be repaid in full.

Satcom Restructuring

In April 2026, the Company took further steps to align Satcom cost structure with its reduced production volume and order flow by placing 19 employees on temporary layoff. Of the remaining 70 employees, 60 will be part of a federal government sponsored work-share program. The work-share program involves reducing regular working hours by 10% to 60%, with employees in the program receiving employment insurance benefits to compensate for lost wages. The program generally lasts for up to six months.

Convertible Debentures – Payment in Common Shares at Maturity

The Company's 8.5% Convertible Unsecured Debentures (the "Convertible Debentures") mature on June 30, 2026 (the "Maturity Date"). Under the terms of the Convertible Debentures, the Company has the right to pay the principal amount of the Convertible Debentures due on the Maturity Date in common shares of the Company at 95% of their current market price, as determined in accordance with the terms of the Convertible Debentures (the "Common Share Repayment Right"). The Company intends to exercise the Common Share Repayment Right and elect to pay the principal amount of the Convertible Debentures on the Maturity Date by issuing freely tradeable common shares to holders of the Convertible Debentures, rather than paying the principal amount in cash, subject to compliance with the terms of the Convertible Debentures, including listing of the common shares on the TSX. The number of common shares to be issued will be equal to the principal amount of the Convertible Debentures then outstanding (currently, \$5,115,000) divided by 95% of the current market price of the common shares (which will be calculated based on the volume weighted average trading price of the common shares on the TSX for the 20 consecutive trading days ending five days before the Maturity Date).

OUTLOOK

Corporate

The Company achieved a modest positive Adjusted EBITDA in the first quarter of 2026, the ninth consecutive quarter of positive Adjusted EBITDA, despite lower revenue and gross profit than the first quarter of 2025. The macroeconomic environment remains a challenge for the Company, particularly given the current geopolitical factors, combined with continuing uncertainty over the impact of the US tariff policy, changes in the customer purchasing behaviour driven by uncertainty over tariffs, and the level of inflation and interest rates. In addition, recent disruptions to Middle Eastern oil supply have led to a sharp increase in oil and fuel prices, with broader impacts on transportation, logistics, and other production costs across multiple industries.

Despite these challenges and uncertainties, we remain committed to our core principles: clear market driven strategies, cost containment, prioritizing research and development and product development, and focusing on revenue growth and margin improvement. Based on our current assessment of the market for each business line, we expect (i) continuing strength in sales and gross margins in the Wireless Infrastructure business line; (ii) sales volume growth and continuing strong gross margins in the Custom Antenna Solutions business line; and, (iii) challenging industry condition leading to lower sales and increased cash needs in the Satcom business line.

Wireless Infrastructure Business Line

Wireless Infrastructure delivered softer financial results in the first quarter of 2026 compared to the first quarter of 2025. However, we expect to see stronger sales of its multibeam and innovative small cell antennas as well as increased stadium deployments beginning in the second quarter and continuing through the remainder of 2026. We are continuing to leverage the competitive advantages that our multibeam antennas provide in order to open up additional global opportunities and drive further sales with wireless carriers and third-party operators who operate wireless mobile networks for customers. We are continuing to expand market penetration, including the domestic market in Canada, where we believe there are significant opportunities for us to penetrate the major Canadian carriers. The Wireless Infrastructure business line is also in the process of commercializing a new derivative of its patented multibeam antenna and has several carriers asking for trial. Based on our current assessment for 2026, we still anticipate that Wireless Infrastructure's performance in revenue, gross profit and Adjusted EBITDA will be comparable to 2025, which was a very strong year.

Custom Antenna Solutions Business Line

Custom Antenna Solutions performed at reasonable levels in the first quarter of 2026. Although its revenue was largely consistent with the prior year period, this business line managed to improve its gross margins and operational efficiency, resulting in stronger Adjusted EBITDA compared to the first quarter of 2025. For now, we anticipate the Custom Antenna Solutions business line to see further recovery in demand in the second quarter, and the full-year revenue of 2026 is expected to be stronger than 2025. The number of active bids for new projects remains at a solid level.

Satcom Business Line

Satcom business line had a challenging first quarter of 2026. In large part, this was due to reduced demand for its products, particularly its specialized custom engineered products, such as the high power amplifiers for use in military, government, and broadcast applications. Although backlog increased during the quarter, it remains at historically low levels; opportunities for new projects remain strong, but converting those opportunities into new orders has fallen below expectations. Overall, we expect Satcom's 2026 financial performance to be significantly weaker than 2025. Management continues to assess its business and cost structure in light of its poor financial position.

Satcom is generally not subject to US tariffs. See "Tariffs" below.

Tariffs

The Company continues to take proactive steps to monitor and mitigate the effect of US tariffs across all its business lines.

Wireless Infrastructure's products are manufactured in our facility in China or third-party facilities in Vietnam. The actual gross margin impact of tariffs on Wireless Infrastructure has been mitigated to a level much lower than the applicable tariff due to a number of measures taken by the Company. This has allowed Wireless Infrastructure to be compliant with the current tariff regime while maintaining a strong margin position.

Custom Antenna Solutions is currently not directly affected by US tariffs on China. Although the Custom Antenna Solutions' products are manufactured in our facility in China or third-party facilities in Vietnam, they are shipped to contract manufacturers elsewhere in Asia for embedding in the final products of those manufacturers.

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 US. Satcom's products are compliant with Canada's free trade agreement with the US and Mexico and, therefore, are not subject to the tariffs otherwise applicable on Canadian goods. This status may change with the Canada–United States–Mexico Agreement heading into its first mandatory 6-year joint review scheduled to commence on July 1, 2026.

KAELUS - PROPOSED ACQUISITION

On December 1, 2025 the Company announced that it had entered into a definitive agreement to acquire 100% of the shares of Kaelus AB. The announcement contained forward looking financial information which has been updated as follows:

(in \$000's)

	Combined 2026 (Pro Forma*)		
	Dec 1, 2025	Mar 25, 2026	May 13, 2026
	Announcement	Update	Update
	\$	\$	\$
Revenue	141,197	132,562	131,801
Gross profit	60,392	61,374	60,845
Gross margin	42.8%	46.3%	46.2%
Adjusted EBITDA	15,908	15,146	14,893

* Pro Forma refers to the assumption that the acquisition of Kaelus AB was completed on January 1, 2026 on the terms publicly described at the time of the announcement of the proposed acquisition.

Revenue on a pro forma basis for 2026 is expected to show a decline, mainly reflecting the anticipated impact of weakening backlog and order intake in the Satcom business line. Gross margin is expected to improve mainly due to a reclassification of amortized development costs from cost of sales to operating expenses, coupled with further gross margin improvements. Adjusted EBITDA is anticipated to decline primarily due to the decrease in revenue in the Satcom business line.

Reconciliations of the Company's non-IFRS measures to their most comparable IFRS measures:

(in \$000's)

	Combined 2026 (Pro Forma*)		
	Dec 1, 2025 Announcement	Mar 25, 2026 Update	May 13, 2026 Update
	\$	\$	\$
Operating income	5,749	5,838	5,242
Depreciation and Amortization	6,543	6,857	7,623
EBITDA	12,292	12,695	12,866
Expenses from mergers and acquisitions	-	-	340
Share-based compensation	2,476	1,319	1,200
Legal expenses relating to non-operating activities	540	500	12
Severance and recruiting expenses	600	633	475
Adjustments to EBITDA	3,616	2,451	2,027
Adjusted EBITDA	15,908	15,146	14,893

* Pro Forma refers to the assumption that the acquisition of Kaelus AB was completed on January 1, 2026 on the terms publicly described at the time of the announcement of the proposed acquisition.

EBITDA on a pro forma basis for 2026 is expected to be stronger, primarily due to a decrease in litigation costs. Share-based compensation is anticipated to be reduced in response to the financial forecast for 2026.

The financial outlook is based on a number of material factors and assumptions that reflect the management's assessment as of the date hereof, including assumptions that:

- Kaelus's historical and forecast financial and operating information are accurate in all material respects;
- the Company will be able to integrate Kaelus without material disruption to the combined businesses;
- overall revenue growth is based on currently expected industry demand trends and customer order patterns within each business line;
- there will be no material change in macroeconomic, political or inflationary conditions generally, or in legal or regulatory markets in which the Company and Kaelus operate, that will materially impact the financial performance of the combined business;
- the respective businesses of the Company and Kaelus will not be affected materially by supply chain or other disruptions;
- there will be no material change in current foreign exchange rates, interest rates or accounting standards; and,
- Kaelus will be entitled under IFRS 38 to capitalize its development costs.

The financial outlook does not reflect potential operating synergies, cost savings or additional revenue from cross-selling opportunities and assumes capital expenditure levels and working capital investment consistent with management budgets for 2026.

The financial outlook is subject to significant risks and uncertainties that could cause actual results to differ materially, including the risk that our and Kaelus's businesses may not perform as expected following the acquisition, that synergies and cross-selling opportunities may not materialize, and the risks described under "Forward-Looking Information and Statements" in this release and in the Company's continuous disclosure documents available under its profile on SEDAR+ at www.sedarplus.ca. Readers are cautioned not to place undue reliance on the financial outlook. The financial outlook speaks only as at the date of this release. Unless required by applicable law, the Company does not intend, and does not assume any obligation, to update the financial outlook.

INVESTOR CONFERENCE CALL

Baylin will hold a conference call on Thursday, May 14, 2026 at 8:00 a.m. (ET) to discuss its financial results for the three months ended March 31, 2026. 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 14, 2026
Time: 8:00 a.m. (ET)
Dial-in Number: (+1) 888-699-1199 or (+1) 416-945-7677
Conference ID#: 11330
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/4ukbeC2>
Webcast: This call is also on webcast and can be accessed at: <https://app.webinar.net/6dgo5A03bnz>

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 the 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 experience and perception of historical trends, current conditions, anticipated future developments, including projected growth in the sales of passive and active radio frequency and satellite communications products, and supporting services, and other factors that 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 is a leading diversified global wireless technology company focused on research, design, development, manufacture, and sale of passive and active radio frequency products, satellite communications products, and supporting services.

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