

MATERIAL CHANGE REPORT

National Instrument 51-102 – Continuous Disclosure Obligations

Item 1 - Name and Address of Company

Baylin Technologies Inc.
Suite 503, 4711 Yonge Street
Toronto, Ontario
M2N 6K8

Item 2 - Date of Material Change

November 10, 2023

Item 3 - News Release

On November 10, 2023, Baylin Technologies Inc. (the "**Company**") issued a news release announcing a rights offering. The news release, a copy of which is attached as Schedule A, was disseminated through Cision, a division of CNW.

Item 4 - Summary of Material Change

On November 10, 2023, the Company announced that it would be filing a Rights Offering Circular (the "**Circular**") and a Rights Offering Notice (the "**Notice**") with respect to its previously announced offering (the "**Rights Offering**") of rights ("**Rights**") to purchase common shares ("**Common Shares**") of the Company. Holders of Common Shares of record at the close of business on November 21, 2023 (the "**Record Date**") will receive one Right for each Common Share held. The Company currently has 88,547,717 Common Shares outstanding. Each Right will entitle the holder to subscribe for and purchase one Common Share on payment of a subscription price of \$0.19 for each Common Share (the "**Subscription Price**").

Item 5 - Full Description of Material Change

5.1 Full Description of Material Change

On November 10, 2023, the Company announced that it would be filing a Circular and a Notice with respect to its previously announced Rights Offering of Rights to purchase Common Shares of the Company. Holders of Common Shares of record at the close of business on the Record Date will receive one Right for each Common Share held. The Company currently has 88,547,717 Common Shares outstanding. Each Right will entitle the holder to subscribe for and purchase one Common Share on payment of the Subscription Price for each Common Share (the "**Basic Subscription Privilege**"). Holders who exercise their Basic Subscription Privilege in full will be entitled, on a proportionate basis, to subscribe for additional Common Shares that have not been purchased under the Basic Subscription Privilege (the "**Additional Subscription Privilege**").

2385796 Ontario Inc., the Company's largest shareholder, and a related party, which together hold 54,626,763 Common Shares, representing approximately 61.7% of the Common Shares outstanding at the date of this report, have agreed to exercise their Basic Subscription Privilege in full and will consider making (but have not agreed to make) a further investment through their Additional Subscription Privilege. Mr. Jeffrey C. Royer, Chairman of the Board of Directors of the Company, exercises control and direction over these Common Shares.

Certain directors and officers, holding approximately 1% of the Common Shares outstanding at the date of this report, have indicated their intention to participate in the Offering by exercising some or all of their Basic Subscription Privilege.

The Company intends to use the proceeds of the Rights Offering (after payment of expenses of the Rights Offering), to the extent available, (i) to repay the remaining amount of its term loan facility (approximately \$13.5 million) and (ii) to provide additional capital for use in its business.

The Rights will trade on the Toronto Stock Exchange (the "TSX") under the symbol "BYL.RT" commencing on November 20, 2023 and will trade until 12:00 noon (Eastern time) on December 19, 2023 (the "**Expiry Date**"). The Rights will expire at 5:00 p.m. (Eastern time) on the Expiry Date (the "**Expiry Time**"), after which time unexercised Rights will be void and of no value. The Company expects to close the Rights Offering on or about December 21, 2023.

The Rights are being offered only to shareholders resident in Canada. Accordingly, and subject to the detailed provisions of the Circular, Rights will not be delivered to, and they are not exercisable by, any person outside Canada unless they are able to establish, to the Company's satisfaction, that their participation in the Rights Offering is exempt from applicable securities and other laws. Holders resident outside Canada should review the Circular to determine their eligibility to participate and the process required to receive and exercise their Rights.

The Notice and an accompanying statement from Computershare Investor Services Inc. (the "**Rights Agent**") under its direct registration system, which evidences the number of Rights to which Canadian registered shareholders are entitled, and a subscription form for the Rights (the "**Subscription Form**") will be mailed to eligible shareholders on or about November 24, 2023. To subscribe for Common Shares, registered shareholders must deliver the completed Subscription Form, together with applicable funds, to the Rights Agents so that it is received before the Expiry Time.

Shareholders who hold their Common Shares through an intermediary, such as a securities broker or dealer, bank or trust company, will receive materials and instructions from their intermediary.

The Rights and the Common Shares issuable on exercise of the Rights have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States (as defined in Regulation S under the U.S. Securities Act). This report does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States and these securities may not be offered or sold in the United States or to or for the benefit or account of U.S.

persons (as defined in Regulation S under the U.S. Securities Act) except in transactions exempt from registration under the U.S. Securities Act.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 - Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 - Omitted Information

Not applicable.

Item 8 - Executive Officer

Philip Mohtadi, Corporate Secretary - 647 291 7525.

Item 9 - Date of Report

November 14, 2023.

Schedule A

Baylin Announces Rights Offering

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES OF AMERICA

Toronto, Canada, November 10, 2023. Baylin Technologies Inc. (TSX: BYL) (“**Baylin**” or the “**Company**”) announces that it will be filing a Rights Offering Circular and Rights Offering Notice with respect to its previously announced offering (the “**Rights Offering**”) of rights (“**Rights**”) to purchase common shares (“**Common Shares**”) of the Company.

Holders of Common Shares of record at the close of business on November 21, 2023 (the “**Record Date**”) will receive one Right for each Common Share held. The Company currently has 88,547,717 Common Shares outstanding. Each Right will entitle the holder to subscribe for and purchase one Common Share on payment of a subscription price of \$0.19 (the “**Subscription Price**”) for each Common Share (the “**Basic Subscription Privilege**”). The Subscription Price represents a 17.4% discount to the closing price of the Common Shares on the TSX on November 9, 2023. Holders who exercise their Basic Subscription Privilege in full will be entitled, on a proportionate basis, to subscribe for additional Common Shares that have not been purchased under the Basic Subscription Privilege (the “**Additional Subscription Privilege**”).

Insider Participation

2385796 Ontario Inc., the Company's largest shareholder, and a related party, which together hold 54,626,763 Common Shares, representing approximately 61.7% of the Common Shares outstanding at the date of this release, have agreed to exercise their Basic Subscription Privilege in full and will consider making (but have not agreed to make) a further investment through their Additional Subscription Privilege. Mr. Jeffrey C. Royer, Chairman of the Board of Directors of the Company, exercises control and direction over these Common Shares.

Certain directors and officers, holding approximately 1% of the Common Shares outstanding at the date of this release, have indicated their intention to participate in the Offering by exercising some or all of their Basic Subscription Privilege.

Use of Proceeds

The Company intends to use the proceeds of the Rights Offering (after payment of expenses of the Rights Offering), to the extent available, (i) to repay the remaining amount of its term loan facility (approximately \$13.5 million) and (ii) to provide additional capital for use in its business.

Trading of the Rights

The Rights will trade on the TSX under the symbol “BYL.RT” commencing on November 20, 2023 and will trade until 12:00 noon (Eastern time) on December 19, 2023 (the “**Expiry Date**”). The Rights will expire at 5:00 p.m. (Eastern time) on the Expiry Date (the “**Expiry Time**”), after

which time unexercised Rights will be void and of no value. The Company expects to close the Rights Offering on or about December 21, 2023.

Rights Offering

The Rights are being offered only to shareholders resident in Canada. Accordingly, and subject to the detailed provisions of the Rights Offering Circular, Rights will not be delivered to, and they are not exercisable by, any person outside Canada unless they are able to establish, to the Company's satisfaction, that their participation in the Rights Offering is exempt from applicable securities and other laws. Holders resident outside Canada should review the Rights Offering Circular to determine their eligibility to participate and the process required to receive and exercise their Rights.

The Rights Offering Notice and an accompanying statement from Computershare Investor Services Inc. (the "**Rights Agent**") under its direct registration system which evidences the number of Rights to which Canadian registered shareholders are entitled, and a subscription form for the Rights (the "**Subscription Form**") will be mailed to eligible shareholders on or about November 24, 2023. To subscribe for Common Shares, registered shareholders must deliver the completed Subscription Form, together with applicable funds, to the Rights Agents so that it is received before the Expiry Time.

Shareholders who hold their Common Shares through an intermediary, such as a securities broker or dealer, bank or trust company, will receive materials and instructions from their intermediary.

Restrictions on Offers and Sales of the Rights and Common Shares Issuable on Exercise of the Rights

The Rights and the Common Shares issuable on exercise of the Rights have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States (as defined in Regulation S under the U.S. Securities Act). This news release does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States and these securities may not be offered or sold in the United States or to or for the benefit of U.S. persons (as defined in Regulation S under the U.S. Securities Act) except in transactions exempt from registration under the U.S. Securities Act.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in any other jurisdiction and these securities may not be offered or sold in any other jurisdiction in which such offer, solicitation or sale would be unlawful except in compliance with the securities or other applicable laws of such jurisdiction.

General

A copy of the Rights Offering Notice and Rights Offering Circular will be available under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.baylintech.com.

About Baylin

Baylin is a leading diversified global technology company. The Company focuses on the research, design, development, manufacture, and sale of passive and active radio-frequency products, satellite communications products, and supporting services.

Forward-Looking Statements

This press release includes forward-looking information and forward-looking statements (together, "forward-looking statements") within the meaning of applicable securities laws. They are not statements of historical fact. Rather, they 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", "plan", "potential", "project", "outlook", "seek", "target", "trend" or "will", or the negative or other variations of these words or other comparable words or phrases, and are 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 regarding the completion of the Rights Offering, the anticipated use of proceeds, and the participation by insiders. 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 and sales in 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 that the Rights Offering may not be completed for any reason, and the risk of regulatory action, including the failure to receive final approval from the TSX, and risk factors discussed in the Company's most recent Annual Information Form, which is available on 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 these forward-looking statements.

For further information contact:

Investor Relations:

Kelly Myles, Marketing and Communications Manager

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