

Court of Appeal Issues Decision in Escrow Fund Appeal Case

TORONTO, Dec. 5, 2024 /CNW/ - Baylin Technologies Inc. (the "Company") announces that the Court of Appeal for Ontario has dismissed the Company's appeal of a decision of the Superior Court of Justice – Ontario (the "Superior Court"), which ordered the Company to return to the escrow agent appointed in connection with the acquisition (the "Acquisition") in January 2018 of the radio frequency and satellite communications business of SpaceBridge Inc. ("SpaceBridge") the amount of approximately \$1.8 million, together with interest.

In October 2018, as a result of an indemnity claim by the Company in connection with the Acquisition, the Company received a payment from the then escrow agent of approximately \$1.8 million pursuant to the terms of an "Escrow Agreement" that also governed the procedure for making indemnity claims against the escrowed funds.

In December 2018, SpaceBridge commenced an application in the Superior Court to have the amount repaid to the escrow agent, principally on the equitable ground of relief from forfeiture. Over 3½ years later, in June 2022, SpaceBridge amended its application (the "Amendment") to assert that the Company had failed to comply with the notice provisions of the Escrow Agreement such that its claim against the escrow fund was invalid. In its decision, rendered in July 2023, the Superior Court found that the Company's claim against the escrow fund was not validly delivered in accordance with the notice provisions of the Escrow Agreement. It also rejected the Company's argument that the Amendment was made outside the prescribed limitation period of two years. As a result, the Superior Court ordered the Company to repay \$1.8 million, together with pre-judgment interest (at the rate of 1.8% in accordance with the *Courts of Justice Act*), to the escrow agent.

The Company then appealed the decision to the Court of Appeal, which had the effect of staying the Superior Court's order. In its decision, the Court of Appeal dismissed the Company's appeal, upholding the Superior Court's decision ordering the Company to return \$1.8 million, together with interest, to the escrow agent.

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 and satellite communications products and the provision of supporting services. We strive to meet our customers' needs and anticipate the direction of the market.

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. Forward-looking statements 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", "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 are intended to identify forward-looking statements, although not all forward-looking statements contain these words.

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 the Company's products and 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 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.

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