



BAYLIN TECHNOLOGIES ANNOUNCES COMPLETION OF PRIVATE PLACEMENT OF \$10.3 MILLION OF SUBSCRIPTION RECEIPTS

Toronto, Ontario – December 18, 2025 – Baylin Technologies Inc. (the “**Company**”) (TSX: BYL; OTCQB: BYLTF) is pleased to announce that it has completed its previously announced brokered private placement of 41,250,000 subscription receipts at a price of \$0.25 per subscription receipt for gross proceeds of \$10,312,500, led by Paradigm Capital Inc. (the “**Agent**”). The proceeds of the private placement will be used by the Company to finance a portion of the purchase price for the previously announced acquisition of Kaelus AB (the “**Acquisition**”). Each subscription receipt will entitle the holder to receive one common share of the Company upon closing of the Acquisition and satisfaction of certain other conditions (collectively, the “**Escrow Release Conditions**”). Completion of the Acquisition remains subject to the satisfaction of a number of conditions, described in greater detail below.

The Company’s controlling shareholder, 2385796 Ontario Inc. (the “**controlling shareholder**”), acquired 15,000,000 of the subscription receipts on the same terms as arm’s length purchasers at a price of \$0.25 per subscription receipt for an aggregate subscription price of \$3,750,000. The common shares underlying the subscription receipts acquired by the controlling shareholder represent approximately 9.8% of the currently issued and outstanding common shares of the Company. The subscription was made for investment purposes. Mr. Jeffrey C. Royer, Chairman of the Board of Directors of the Company, exercises control and direction over securities held by the controlling shareholder. The subscription constitutes a “related-party transaction”, as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), but is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the subject matter of the related party transaction (that is, the subscription receipts acquired by the controlling shareholder and the underlying common shares issuable to it on conversion of those subscription receipts), nor the consideration paid, exceed 25% of the Company’s market capitalization. Prior to the subscription, Mr. Jeffrey C. Royer exercised control and direction over approximately 71.6% of the issued and outstanding common shares of the Company. Upon satisfaction of the Escrow Release Conditions, including closing of the Acquisition, but prior to the exercise of 2,006,250 common share purchase warrants issuable to the Agent on and subject to completion of the Acquisition, and assuming no other issuances of common shares of the Company, Mr. Jeffrey C. Royer is expected to exercise control and direction over approximately 50.4% of the issued and outstanding common shares of the Company. A material change report regarding the related party transaction will be filed on www.sedarplus.ca less than 21 days prior to closing because the final terms of the controlling shareholder’s participation were only settled in the final days prior to closing, making earlier filing impracticable and the shorter period reasonable in the circumstances.

The subscription by the controlling shareholder has been approved by the Board of Directors of the Company, with Mr. Jeffrey C. Royer having recused himself.

Completion of the Acquisition, including the issuance of the Company's common shares underlying the subscription receipts issued today, is subject to customary conditions for an acquisition of this type, including approval of the Toronto Stock Exchange ("TSX"), the foreign investment authority in Finland and the shareholders of the Company. As previously disclosed, the Company intends to satisfy the requirement for shareholder approval under TSX rules by delivery of a written consent from the controlling shareholder confirming such approval in reliance on section 604(d) of the TSX Company Manual.

The Acquisition is also subject to the condition that the Company is able to raise an amount in cash sufficient to pay the cash portion of the purchase price, to repay in full all outstanding indebtedness to its principal lender and to pay all third-party expenses associated with the Acquisition and the financing, or approximately \$42 million in total. The Company has raised a portion of the requisite financing today as a result of the completion of the subscription receipt offering and is in the process of securing the required additional financing.

Subject to satisfaction of the conditions, the Acquisition is expected to be completed in the first quarter of 2026.

A copy of the early warning report required by National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* incorporating this and other information will be available under the Company's issuer profile on SEDAR+ at www.sedarplus.ca and by contacting Kelly Myles, Marketing and Communications Director at the Company, at kelly.myles@baylintech.com.

ABOUT BAYLIN

Baylin is a leading diversified global wireless technology company focused on the research, design, development, manufacturing and sales of passive and active radio frequency and satellite communications products, and the provision of supporting services. For more information, visit www.baylintech.com.

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FORWARD-LOOKING STATEMENTS

This release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable Canadian 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, which is intended to identify forward-looking statements, although not all forward-looking statements contain these words.

Forward-looking statements in this release include statements regarding the Acquisition and the related financing. Forward-looking statements are based on assumptions that the Company believes are reasonable, including assumptions regarding the ability to complete the Acquisition and related financing on the terms and timelines anticipated and by satisfying the required conditions to completion.

Forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and could cause actual results to differ materially from those expressed or implied in such statements. These risks include risks related to the failure to complete the Acquisition and related financing, satisfy closing conditions and other risks detailed in the Company's continuous disclosure filings available on SEDAR+ at www.sedarplus.ca.

Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of this release. Unless required by applicable law, the Company does not intend, and does not assume any obligation, to update any forward-looking statements.