

**Form 51-102F3**  
**Material Change Report**

**Item 1. Name and Address of Company**

Baylin Technologies Inc. (the “Company”)  
503-4711 Yonge Street  
North York, ON M2N 6K8

**Item 2. Date of Material Change**

December 18, 2025

**Item 3. News Release**

The Company issued a news release with respect to the material change on December 18, 2025 through the facilities of CISION and subsequently filed a copy of the news release on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Company’s issuer profile.

**Item 4. Summary of Material Change**

On December 18, 2025, the Company completed its previously announced brokered private placement of 41,250,000 subscription receipts of the Company (the “**Subscription Receipts**”) at a price of \$0.25 per subscription receipt for gross proceeds of \$10,312,500 (the “**Offering**”). The Offering included a subscription by the Company’s controlling shareholder, 2385796 Ontario Inc. (the “**Controlling Shareholder**”), for 15,000,000 Subscription Receipts on the same terms as arm’s length purchasers.

**Item 5.1. Full Description of Material Change**

***Terms of Offering***

On December 18, 2025, the Company 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 Offering will be used by the Company to finance a portion of the purchase price for the previously announced acquisition of Kaelus AB (the “**Proposed Acquisition**”).

Each Subscription Receipt will entitle the holder thereof to receive one common share of the Company upon closing of the Proposed Acquisition and satisfaction of certain other conditions (collectively, the “**Escrow Release Conditions**”).

Completion of the Proposed Acquisition remains subject to the satisfaction of a number of conditions, described in greater detail below.

***Subscription by Controlling Shareholder***

As part of the Offering, the Controlling Shareholder acquired, pursuant to a subscription agreement entered into by the Company and the Controlling Shareholder, 15,000,000

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 "**Controlling Shareholder Subscription**"). 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 Controlling Shareholder 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 Controlling Shareholder 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 of the Company 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 Proposed Acquisition, but prior to the exercise of the Compensation Warrants (as defined below) 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.

This material change report regarding the Controlling Shareholder is being filed less than 21 days prior to closing of the Offering because the final terms of the Controlling Shareholder's participation were only settled in the final days prior to closing of the Offering, 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.

#### ***Agent Compensation Warrants***

As previously disclosed, subject to completion of the Proposed Acquisition, the Company has also agreed to issue to the Agent share purchase warrants (the "**Compensation Warrants**") that are exercisable for 2,006,250 common shares at a price of \$0.25 per share. The Compensation Warrants will be exercisable for a period of two years following closing of the Proposed Acquisition.

#### ***Conditions to the Proposed Acquisition***

Completion of the Proposed Acquisition, including the issuance of the Company's common shares underlying the Subscription Receipts, 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 Proposed 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 Proposed 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 Offering and is in the process of securing the required additional financing.

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

**Item 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  
General Counsel and Corporate Secretary  
1 647 291 7525

**Item 9. Date of Report**

December 19, 2025

**FORWARD-LOOKING STATEMENTS**

*This material change report 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 material change report include statements regarding the Proposed 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 Proposed 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 Proposed 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](http://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 material change report. Unless required by applicable law, the Company does not intend, and does not assume any obligation, to update any forward-looking statements.*