

AGENCY AGREEMENT

December 18, 2025

Baylin Technologies Inc.
503-4711 Yonge Street, Suite 503
North York, ON M2N 6K8

Attention: Leighton Carroll
President and Chief Executive Officer

Dear Leighton:

The undersigned, Paradigm Capital Inc., as exclusive Agent and sole bookrunner (the “**Agent**”), understands that Baylin Technologies Inc. (the “**Corporation**”) has agreed to issue and sell 41,250,000 subscription receipts of the Corporation (collectively, the “**Subscription Receipts**”) at a price of \$0.25 per Subscription Receipt (the “**Subscription Price**”), for aggregate gross proceeds of \$10,312,500, subject to the terms and conditions set out below (the “**Offering**”).

The Subscription Receipts will be duly and validly created pursuant to the Subscription Receipt Agreement (as defined herein). Pursuant to and in accordance with the Subscription Receipt Agreement, each Subscription Receipt shall be automatically converted, without payment of any additional consideration or any further action by the holder thereof, into one Underlying Share (as defined herein) upon the satisfaction or waiver by the Agent (to the extent such waiver is permitted) of the Escrow Release Conditions (as defined herein) at or prior to the Escrow Release Deadline (as defined herein).

The Subscription Receipts are being issued in connection with acquisition by the Corporation, directly or indirectly, of all of the issued and outstanding shares of Kaelus (as defined herein) pursuant to the terms of the Definitive Agreement (as defined herein) (the “**Acquisition**”). The net proceeds from the Offering shall be used in combination with debt and cash of the Corporation to fund the cash consideration portion of the purchase price payable pursuant to the terms of the Definitive Agreement.

On the Closing Date (as defined herein), the gross proceeds from the Offering, less (i) 50% of the Commission (as defined herein), and (ii) the Agent’s Expenses (as defined herein) incurred up to the Closing Date (such net amount, the “**Subscription Proceeds**”), will be delivered to and held in escrow on behalf of the Purchasers (as defined herein) by the Subscription Receipt Agent (as defined herein), pending the satisfaction or waiver by the Agent (to the extent such waiver is permitted) of the Escrow Release Conditions at or prior to the Escrow Release Deadline, in accordance with the provisions of the Subscription Receipt Agreement.

Upon the satisfaction or waiver by the Agent (to the extent such waiver is permitted) of the Escrow Release Conditions at or before the Escrow Release Deadline, the Escrowed Funds (as defined herein) shall be released by the Subscription Receipt Agent as follows: (i) to the Agent (or as directed by the Agent), the balance of the Commission and an amount equal to all Agent’s Expenses incurred after the Closing Date (collectively, the “**Agent’s Payment**”); and (ii) to the Corporation, upon release of the Agent’s Payment, the remaining Escrowed Funds, at which time each Subscription Receipt shall automatically convert into one Underlying Share without payment of any additional consideration or any further action by the holder thereof.

If a Termination Event (as defined herein) occurs, the Corporation shall forthwith advise the Subscription Receipt Agent and the Agent and shall issue a press release setting forth the occurrence of the Termination Event. Upon such notice, the Subscription Receipt holders' subscription for, and right to receive, pursuant to the Subscription Receipt Agreement, a Common Share evidenced by each Subscription Receipt, shall be automatically terminated and cancelled and the Subscription Receipt Agent will return to each holder of Subscription Receipts, no later than on the third Business Day following the Termination Event, an amount equal to the aggregate Subscription Price for the Subscription Receipts held by such holder plus such holder's *pro rata* share of any Earned Interest, less applicable withholding taxes, if any, pursuant to the Subscription Receipt Agreement. To the extent that the Escrowed Funds are insufficient to pay such amounts to the holders of the Subscription Receipts, the Corporation will be liable for and will be required to contribute such amounts as are necessary to satisfy any shortfall.

The description of the Subscription Receipts herein is a summary only and is subject to the specific attributes and detailed provisions of the Subscription Receipts set forth in the Subscription Receipt Agreement. In the case of any inconsistency between the description of the Subscription Receipts in this Agreement and their terms and conditions as set forth in the Subscription Receipt Agreement, the provisions of the Subscription Receipt Agreement will govern.

Upon and subject to the terms and conditions set forth herein, the Agent hereby agrees to act, and upon acceptance hereof, the Corporation appoints the Agent, as the Corporation's exclusive agent to offer for purchase and sale on a "best efforts" agency basis, without underwriter liability, the Subscription Receipts and to arrange for Purchasers in the Selling Jurisdictions (as defined herein) on a private placement basis pursuant to exemptions from the prospectus requirements of Securities Laws (as defined herein). The Corporation agrees that the Agent is under no obligation to purchase any of the Subscription Receipts but may purchase Subscription Receipts if desired.

In consideration of the services to be rendered by the Agent in connection with the Offering, the Corporation shall pay to the Agent the Commission and issue and deliver to the Agent the Broker Warrants (as defined herein) in such amounts and with such terms as set out in Section 11 hereof. The obligation of the Corporation to pay the Commission and to issue the Broker Warrants shall arise at the Closing Time; provided, however, that: (i) 50% of the Commission is payable at the Closing Time and 50% of the Commission is payable upon satisfaction of the Escrow Release Conditions; and (ii) the Broker Warrants shall be issued and the Broker Warrant Certificate shall be delivered to the Agent on the Escrow Release Date.

The Corporation agrees that the Agent will be permitted to appoint, at its sole expense, other registered dealers or other dealers duly qualified in their respective jurisdictions, as its agents to assist in the Offering in the Selling Jurisdictions and that the Agent may determine the remuneration payable by the Agent to such other dealers appointed by them, provided that such remuneration shall not in any way increase the aggregate Commission payable to the Agent by the Corporation under this Agreement.

DEFINITIONS

In this Agreement, in addition to the terms defined above, the following terms shall have the following meanings:

“**Acquisition**” has the meaning ascribed thereto on the face page of this Agreement;

“**Acquisition Closing Date**” means the date upon which the closing of the Acquisition occurs pursuant to the Definitive Agreement;

“**Acquisition Closing Time**” means the time on the Acquisition Closing Date at which the closing of the Acquisition occurs pursuant to the Definitive Agreement;

“**Advisory Agreement**” means the Advisory Agreement between the Corporation and the Agent dated as of August 15, 2025;

“**affiliate**”, “**associate**”, “**distribution**”, “**material change**”, “**material fact**”, and “**misrepresentation**” have the respective meanings ascribed thereto in the *Securities Act* (Ontario);

“**Agent**” has the meaning ascribed thereto on the face page of this Agreement;

“**Agent’s Expenses**” has the meaning ascribed thereto in Section 7 hereof;

“**Agent’s Payment**” has the meaning ascribed thereto on the face page of this Agreement;

“**Agreement**” means this agreement, as it may be amended from time to time;

“**Applicable Laws**” means all applicable laws, rules, regulations, policies, statutes, ordinance, codes, orders, consents, decrees, judgments, decisions, rulings, awards or guidelines of any Governmental Entity, and the terms and conditions of any Authorizations, including any judicial or administrative interpretation thereof;

“**Authorizations**” means any regulatory approval, licence, permit, approval, consent, certificate, registration, filing or other authorization issued by any Governmental Entity, including under Applicable Laws;

“**Broker Warrant**” has the meaning ascribed thereto in Section 11 hereof;

“**Broker Warrant Certificate**” means the certificate representing the Broker Warrants and containing the terms thereof;

“**Broker Warrant Share**” has the meaning ascribed thereto in Section 11 hereof;

“**Business**” means the business of research, design, development, manufacturing and sales of passive and active radio-frequency products;

“**Business Day**” means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Toronto, Ontario are not open for business;

“**CDS**” means CDS Clearing and Depository Services Inc.

“Closing” means the completion of the issuance and sale of the Subscription Receipts pursuant to the Offering as contemplated by this Agreement, the Subscription Agreements and the Subscription Receipt Agreement;

“Closing Date” means the date on which the Closing shall occur, being on or about December 18, 2025, or such other date as the Corporation and the Agent may determine;

“Closing Time” means 8:30 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Corporation and the Agent may determine;

“Commission” has the meaning ascribed thereto in Section 11 hereof;

“Common Shares” means the common shares in the capital of the Corporation;

“Compensation Securities” means collectively, the Broker Warrants and the Broker Warrant Shares issuable upon exercise of the Broker Warrants;

“Corporation” has the meaning ascribed thereto on the face page of this Agreement;

“Corporation’s Information Record” means all information contained in any press release, material change report (excluding any confidential material change report), financial statements, management’s discussion and analysis of financial condition or other document of the Corporation which has been publicly filed by or on behalf of the Corporation pursuant to Securities Laws;

“Credit Agreement” means the amended and restated credit agreement dated as of May 29, 2025, among the Corporation, Royal Bank of Canada, as administrative agent, RBC Capital Markets, as lead arranger and sole bookrunner, and the financial institutions from time to time party thereto as lenders;

“Debt Instrument” means any agreement, note, loan, bond, debenture, indenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Corporation or a Material Subsidiary is a party or otherwise bound and which is material to the Corporation on a consolidated basis and includes the Credit Agreement;

“Definitive Agreement” means the share purchase agreement, dated November 28, 2025, between the Corporation and the selling shareholders named in Appendix (1) thereto.

“Earned Interest” means the interest and other income actually received or credited on the investment of the Escrowed Funds between the date hereof and the earlier to occur of the Acquisition Closing Date and the Termination Date;

“Employee Plans” has the meaning ascribed thereto in subsection 4(ff) hereof;

“Engagement Letter” means the engagement letter dated December 1, 2025, between the Corporation and the Agent;

“Environmental Laws” has the meaning ascribed thereto in subsection 4(bb) hereof;

“Escrow Release Conditions” means the following collectively:

- (a) the receipt of all required corporate, shareholder, regulatory and third-party approvals, if any, required in connection with the Offering and the Acquisition;
- (b) the completion, satisfaction or waiver of all conditions precedent, undertakings, and other matters to be satisfied, completed and otherwise met on or prior to completion of the Acquisition (other than conditions which by their nature cannot be satisfied prior to the Acquisition Closing Time) have been satisfied or waived (without amendment or waiver in a manner that would be adverse to the Corporation) in accordance with the Definitive Agreement, to the satisfaction of the Agent acting reasonably (other than release of the Escrowed Funds);
- (c) the distribution of the Common Shares underlying the Subscription Receipts following the satisfaction of the Escrow Release Conditions being exempt from prospectus requirements of applicable Canadian Securities Laws, as confirmed by a legal opinion from counsel to the Corporation;
- (d) the Common Shares underlying the Subscription Receipts and the Broker Warrants being conditionally approved for listing on the Stock Exchange, and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the Escrowed Funds; and
- (e) the Corporation shall not be in breach or default of any of its covenants or obligations under this Agreement or the Subscription Receipt Agreement, except for those breaches or defaults that have been waived by the Agent and, subject to the foregoing, all conditions set out in this Agreement and the Subscription Receipt Agreement shall have been fulfilled;

“Escrow Release Date” means the date on which the Escrow Release Conditions have been satisfied and the Underlying Shares have been issued to the holders of the Subscription Receipts and the Escrowed Funds have been released to the Corporation and the Agent, as applicable, all in accordance with the terms of the Subscription Receipt Agreement and this Agreement;

“Escrow Release Deadline” means 5:00 pm EST on March 28, 2026, or such later date as may be agreed to by the Agent and the Corporation;

“Escrowed Funds” means, collectively, the Subscription Proceeds, Earned Interest thereon and any investments acquired or made from time to time with such funds, as such funds may be reduced upon payment of amounts payable hereunder from the Subscription Proceeds or Earned Interest;

“Financial Statements” means, collectively, (i) the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2024 and 2023, together with the notes thereto and the auditors’ report thereon, and (ii) the unaudited interim condensed consolidated financial statements of the Corporation as at and for the three and nine months ended September 30, 2025;

“Governmental Entity” means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) subdivision, agent, commission, board, or authority of any of the foregoing, or (c) quasi-

governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

“**Governmental Licenses**” has the meaning ascribed thereto in subsection 4(aa) hereof;

“**including**” means including without limitation;

“**Investor Presentation**” means the investor presentation of the Corporation entitled “Baylin Technologies + Kaelus Investor Presentation” dated November 2025 and provided to Purchasers together with their Subscription Agreements;

“**Kaelus**” means Kaelus AB, Reg No. 556055-5939;

“**Leased Premises**” means the premises which are material to the Corporation or a Material Subsidiary (on a consolidated basis) and which the Corporation or a Material Subsidiary occupies as a tenant;

“**Liens**” means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatsoever which affects ownership or possession of, or title to, any interest in, or right to use or occupy such property or assets;

“**Material Adverse Effect**” means any event, change, fact or state of being which could reasonably be expected to have a significant adverse effect on the business, affairs, operations, capital, assets, properties, or liabilities (absolute, accrued, contingent or otherwise) or condition (financial or otherwise) of the Corporation on a consolidated basis;

“**Material Agreement**” means any contract, commitment, agreement (written or oral), instrument, lease or other document, including but not limited to any option, license, sub-license, supply, purchase, sale, distribution, branding, marketing, strategic partnership agreement, or any other similar type agreement to which the Corporation or a Material Subsidiary is a party or otherwise bound and which is material to the Corporation or a Material Subsidiary (on a consolidated basis);

“**Material Subsidiaries**” means Galtronics USA, Inc. (Delaware), Galtronics Electronics (Wuxi) Co., Ltd. (China), Advantech Wireless Technologies Inc. (Canada), and Advantech Wireless Technologies (USA) Inc. (Delaware);

“**Money Laundering Laws**” has the meaning ascribed thereto in subsection 4(bbb) hereof;

“**NI 45-102**” means National Instrument 45-102 – *Resale of Securities* of the Canadian Securities Administrators;

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators;

“**notice**” has the meaning ascribed thereto in Section 12 hereof;

“**OFAC**” has the meaning ascribed thereto in subsection 4(eee) hereof;

“Offering” has the meaning ascribed thereto on the face page of this Agreement;

“OSC” means the Ontario Securities Commission;

“Person” includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

“Personnel” has the meaning ascribed thereto in subsection 9(a) hereof;

“Preferred Shares” means the preferred shares in the capital of the Corporation;

“President’s List” means a “president’s list” of certain Purchasers identified by the Corporation who may purchase up to 20,000,000 Subscription Receipts at the Subscription Price representing gross proceeds of up to \$5,000,000 under the Offering;

“Purchasers” means the Persons who, as purchasers or beneficial purchasers, acquire the Subscription Receipts by duly completing, executing and delivering the Subscription Agreements and any other required documentation;

“Reporting Jurisdictions” means all of the provinces and territories of Canada;

“Securities Laws” means, as applicable, the securities laws, regulations, rules, rulings and orders in each of the Selling Jurisdictions, the applicable policy statements, notices, blanket rulings, orders and all other regulatory instruments of the Securities Regulators and the rules and policies of the Stock Exchange;

“Securities Regulators” means, collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions;

“Selling Jurisdictions” means the provinces and territories of Canada and such other jurisdictions outside of Canada and the United States as mutually agreed between the Corporation and the Agent;

“Series A Preferred Shares” means the 10% cumulative redeemable retractable series A preferred shares in the capital of the Corporation;

“Series B Preferred Shares” means the 10% cumulative redeemable retractable series B preferred shares in the capital of the Corporation;

“Stock Exchange” means the Toronto Stock Exchange;

“Subscription Agreements” means, collectively, the subscription agreements for the Subscription Receipts, in the form agreed upon by the Agent and the Corporation pursuant to which Purchasers agree to subscribe for and purchase the Subscription Receipts pursuant to the Offering as herein contemplated and shall include, for certainty, all schedules thereto and all notices or amendments delivered to the applicable Purchasers; and **“Subscription Agreement”** means any one of them, as the context requires;

“Subscription Price” has the meaning ascribed thereto on the face page of this Agreement;

“**Subscription Proceeds**” has the meaning ascribed to such term on the face page of this Agreement;

“**Subscription Receipt Agent**” means Computershare Trust Company of Canada in its capacity as subscription receipt agent and registrar in respect of the Subscription Receipts;

“**Subscription Receipt Agreement**” means the subscription receipt agreement dated the date hereof among the Subscription Receipt Agent, the Corporation and the Agent in relation to the Subscription Receipts, as amended or supplemented from time to time;

“**Subscription Receipts**” has the meaning ascribed to such term on the face page of this Agreement;

“**subsidiary**” or “**subsidiaries**” has the meaning ascribed thereto in the *Securities Act* (Ontario);

“**Taxes**” has the meaning ascribed thereto in Section 4(p) hereof;

“**Termination Date**” means the day on which a Termination Event occurs;

“**Termination Event**” means the earliest to occur of any of:

- (a) the Escrow Release Conditions not being satisfied on or before the Escrow Release Deadline;
- (b) the Definitive Agreement being terminated; or
- (c) the Corporation advising the Agent or announcing to the public that it does not intend to proceed with the Acquisition or satisfy any of the Escrow Release Conditions;

“**to the knowledge of the Corporation**” means the actual knowledge of the current officers of the Corporation, after reasonable enquiry;

“**Transaction Documents**” means collectively, this Agreement, the Subscription Agreements, the Subscription Receipt Agreement and the Broker Warrant Certificate;

“**Transaction Financing**” has the meaning ascribed to such term in the Advisory Agreement;

“**Transfer Agent**” means Computershare Investor Services Inc., in its capacity as transfer agent and registrar in respect of the Common Shares at its principal office in Toronto, Ontario;

“**TSX Listing Approval**” means conditional approval by the Stock Exchange of the listing of the Underlying Shares and the Broker Warrant Shares;

“**Underlying Shares**” means the Common Shares issuable upon conversion of the Subscription Receipts pursuant to the terms and conditions of the Subscription Receipt Agreement; and

“**United States**” and “**U.S.**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

TERMS AND CONDITIONS

1. (a) *Sale on Exempt Basis.* The Agent shall offer for sale and sell the Subscription Receipts pursuant to the Offering in the Selling Jurisdictions on a “best efforts” basis in accordance with the terms of this Agreement and in compliance with Securities Laws, on a private placement basis and in such a manner so as not to require registration thereof or filing of a prospectus, registration statement, offering memorandum or similar disclosure document or impose on the Corporation additional continuous reporting obligations under Securities Laws (other than the confidential filing of the Investor Presentation with the OSC).
- (b) *Filings.* The Corporation agrees to comply with Securities Laws on a timely basis in connection with the Offering and undertakes to file, or cause to be filed, within the periods stipulated under Securities Laws, all forms, undertakings and other documents required to be filed by the Corporation in connection with the issue and sale of the Subscription Receipts so that the distribution of the Subscription Receipts may lawfully occur without the necessity of filing a prospectus, a registration statement, an offering memorandum or similar disclosure document in the Selling Jurisdictions (other than the confidential filing of the Investor Presentation with the OSC), and the Agent undertakes to use commercially reasonable efforts to cause Purchasers to complete any forms required by Securities Laws. All fees payable in connection with such filings shall be at the expense of the Corporation.
- (c) *No Offering Memorandum.* Neither the Corporation nor the Agent shall (i) provide to prospective Purchasers of the Subscription Receipts any document or other material that would constitute an offering memorandum or future oriented financial information within the meaning of Securities Laws (other than the Investor Presentation); or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Subscription Receipts, including but not limited to, by causing the sale of the Subscription Receipts to be advertised in any newspaper, magazine, printed public media or similar medium of general and regular paid circulation or broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting in connection with the offer and sale of the Subscription Receipts whose attendees have been invited by general solicitation or general advertising.
- (d) *Legends.* The Subscription Receipts and the Broker Warrants (and the Broker Warrant Shares, if issued prior to the date that is four months and one day after the Closing Date) shall have attached to them, whether through the electronic deposit system of CDS, an ownership statement issued under a direct registration system or other electronic book-entry system, or on physical certificates that may be issued, as applicable, a legend in substantially the following form:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL 19, 2026.”

2. (a) *Corporation's Covenants.* The Corporation hereby covenants to the Agent and to the Purchasers, and acknowledges that each of them is relying on such covenants in connection with the issuance and sale of the Subscription Receipts, as follows:
- (i) *Maintain Reporting Issuer Status.* The Corporation will use its commercially reasonable efforts to maintain its status as a “reporting issuer” (or the equivalent thereof) not in default of the requirements of the Securities Laws in each of the Reporting Jurisdictions until the date that is 12 months following the Closing Date, provided that this covenant shall not prevent the Corporation from completing any transaction which would result in the Corporation ceasing to be a “reporting issuer” so long as the holders of Subscription Receipts receive securities of an entity which is listed on a stock exchange in Canada or cash, or the holders of Subscription Receipts have approved the transaction in accordance with the requirements of applicable corporate and Securities Laws and the rules and policies of the Stock Exchange.
 - (ii) *Maintain Stock Exchange Listing.* The Corporation will use its commercially reasonable efforts to maintain the listing of the Common Shares for trading on the Stock Exchange (or another stock exchange in Canada) and comply with the rules and policies of the Stock Exchange (or such other stock exchange in Canada where the Common Shares may be listed), until the date that is 12 months following the Closing Date, provided that, for greater certainty, this covenant shall not prevent the Corporation from completing any transaction which would result in the Common Shares ceasing to be listed so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada or cash, or the holders of Common Shares have approved the transaction in accordance with the requirements of applicable corporate and Securities Laws and the rules and policies of the Stock Exchange.
 - (iii) *Validly Issued Subscription Receipts.* The Corporation will ensure that the Subscription Receipts shall be duly and validly created, authorized and issued and have the attributes corresponding to the description thereof set forth in this Agreement, the Subscription Agreements and the Subscription Receipt Agreement, as the case may be.
 - (iv) *Validly Allotted and Issued Underlying Shares.* The Corporation will ensure that, at all times prior to the Escrow Release Deadline, sufficient Common Shares are authorized and allotted for issuance upon conversion of the Subscription Receipts into Underlying Shares in accordance with the terms of the Subscription Receipt Agreement and shall ensure that the Underlying Shares, upon issuance, shall be duly and validly issued as fully paid and non-assessable Common Shares.
 - (v) *Validly Issued Broker Warrants.* The Corporation will ensure that, at all times prior to the Escrow Release Deadline, the Broker Warrants are duly and validly authorized for issuance and, on the Escrow Release Date, the Broker Warrants are created and issued, and upon issuance, shall have the

attributes corresponding to the description thereof set forth in this Agreement.

- (vi) Validly Issued Broker Warrant Shares. The Corporation will ensure that at all times prior to the date that is 24 months from the Closing Date, sufficient Common Shares are authorized and allotted for issuance upon exercise of the Broker Warrants in accordance with the terms of the Broker Warrant Certificate and shall ensure that the Broker Warrant Shares, upon issuance, shall be duly and validly issued as fully paid and non-assessable Common Shares.
- (vii) Subscription Receipt Agent. The Corporation will ensure that on or prior to the Closing Date, the Subscription Receipt Agent has been duly appointed to act as subscription receipt agent in respect of the Subscription Receipts.
- (viii) Regulatory Filings and Correspondence. The Corporation will execute and file with the Securities Regulators and the Stock Exchange all forms, notices and certificates required to be filed by the Corporation pursuant to Securities Laws within the applicable time frame pursuant to Securities Laws, including, for certainty, Form 45-106F1 of NI 45-106 and any other forms, notices and certificates set forth in the opinions delivered to the Agent. The Corporation shall deliver to the Agent copies of all material correspondence and other written communications between the Corporation and the Stock Exchange, and between the Corporation and the Securities Regulators, relating to the Offering and the Acquisition and will generally keep the Agent apprised of the progress and status of, including all favourable and adverse developments relating to the Offering and the Acquisition.
- (ix) Definitive Agreement. The Corporation will provide the Agent with prompt written notice of any amendment to, or waiver of, any provision of the Definitive Agreement.
- (x) Standstill. The Corporation will not, directly or indirectly, issue, sell, offer, grant an option or right in respect of (or agree to or announce any intention to do any of the foregoing) any additional Common Shares or any securities convertible or exchangeable into Common Shares, other than (A) as contemplated by this Agreement (including in connection with the Offering, the conversion of the Subscription Receipts and the exercise of the Broker Warrants), (B) pursuant to the grant or exercise of options, restricted share units, deferred share units or other share based compensation issued or that may be issued in the future pursuant to share based compensation arrangements of the Corporation, (C) pursuant to the exercise of options and other convertible securities of the Corporation outstanding as at the date hereof, or (D) in connection with the bona fide acquisition by the Corporation of the shares or assets of other corporations or entities from arm's length third parties (which, for clarity, includes the Acquisition), in each case, at any time during the period from the date hereof until 120 days following the satisfaction of the Escrow Release Conditions (but which prohibition will, for greater certainty, terminate upon the termination of this

Agreement), without the prior consent of the Agent, such consent not to be unreasonably withheld.

- (xi) Lock-Up Agreements. The Corporation will cause each of its directors and officers, to enter into lock-up agreements in a form satisfactory to the Corporation and the Agent, in both cases acting reasonably, pursuant to which each will agree, subject to customary carve-outs and exceptions, not to, and not announce any intention to, directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, in any manner whatsoever, any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation, for a period beginning on the Closing Date and ending on the earlier of (A) the occurrence of a Termination Event or (B) 120 days following the satisfaction of the Escrow Release Conditions, without the prior consent of the Agent, such consent not to be unreasonably withheld.
- (xii) Use of Proceeds. The Corporation shall use the net proceeds of the Offering, in combination with debt and cash of the Corporation to fund the cash consideration portion of the purchase price payable pursuant to the terms of the Definitive Agreement, to repay in full the Corporation's revolving credit facility and to pay the expenses of the Acquisition and concurrent debt financing.
- (xiii) Escrow Release Conditions. The Corporation will use its commercially reasonable efforts to (A) obtain all requisite corporate and shareholder approvals required by the Corporation, as applicable, in connection with the Acquisition in accordance with applicable corporate laws and Securities Laws, (B) complete the Acquisition prior to the Escrow Release Deadline in accordance with the terms of the Definitive Agreement, and (C) otherwise do all such other acts and things necessary to satisfy the Escrow Release Conditions prior to the Escrow Release Deadline.
- (xiv) Stock Exchange Approvals. The Corporation shall file or cause to be filed with the Stock Exchange all necessary documents, and will take or cause to be taken all necessary steps to obtain, as soon as reasonably possible, all necessary approvals of the Stock Exchange for the completion of the Acquisition and the completion of the Offering, including the TSX Listing Approval, subject only to the filing of required documents, and shall use its commercially reasonable efforts to comply with all requirements of the Stock Exchange in connection with the completion of the foregoing.

- (b) *Agent's Covenants.* The Agent hereby covenants and agrees that it will (and will use commercially reasonable efforts to cause its selling group members to):
- (i) conduct all activities in connection with the Offering in compliance with Securities Laws and all other laws applicable to the Agent (or any affiliates of the Agent) or the selling group members;
 - (ii) obtain from each Purchaser a completed and executed Subscription Agreement (including all certifications, forms and other documentation contemplated thereby or as may be required by applicable securities regulatory authorities) in a form acceptable to the Corporation and the Agent;
 - (iii) not solicit, offer, sell, trade, distribute or otherwise do any act in furtherance of a trade of the Subscription Receipts in such manner as to require registration of the Subscription Receipts or the filing of a prospectus, registration statement, offering memorandum or any similar document under the laws of any jurisdiction or subject the Corporation to any continuous disclosure or other similar reporting requirements under the laws of any jurisdiction to which it is not currently subject (other than the confidential filing of the Investor Presentation with the OSC); and
 - (iv) not engage in or authorize, directly or indirectly, any form of general advertising in connection with or in respect of the Subscription Receipts in any newspaper, magazine, printed media of general and regular paid circulation or any similar medium, or broadcast over radio or television or otherwise or conduct any seminar or meeting concerning the offer or sale of the Subscription Receipts whose attendees have been invited by any general solicitation or general advertising.
3. (a) *Material Changes During Distribution.* From the date hereof to the earlier of the Termination Date and the Acquisition Closing Date, the Corporation shall promptly notify the Agent (and, if requested by the Agent, confirm such notification in writing) of: (i) any material change or change in a material fact contained in or referred to any disclosure materials provided to in any disclosure materials provided to subscribers for Subscription Receipts in connection with the Offering (in either case, whether actual, anticipated, contemplated or threatened, financial or otherwise) or any event or development involving a prospective material change or prospective change in a material fact or any other change in the business, affairs, operations, assets (including information or data relating to the estimated value or book value of assets), properties, prospects, liabilities (contingent or otherwise), capital, ownership, control or management of the Corporation or any subsidiaries which would constitute a material change to, or a change in a material fact concerning, the Corporation and its subsidiaries (on a consolidated basis) or any other change which is of such a nature; or (ii) any notice by any judicial or regulatory authority requesting any information, meeting or hearing relating to the Corporation, Kaelus, the Offering or the Acquisition.

From the date hereof to the earlier of the Termination Date and the Acquisition Closing Date, the Corporation shall promptly, and in any event, within any applicable time limitations, comply with all applicable filings and other requirements under Securities Laws and any other applicable Securities Laws as a result of such change. During such period, the Corporation shall in good faith discuss with the Agent any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt as to whether notice need be given to the Agent pursuant to this Section 3.

- (b) *Press Releases.* Subject to Applicable Law, the Corporation agrees that it shall obtain prior approval of the Agent, such approval not to be unreasonably withheld, as to the content and form of any press release relating to the Offering or to be issued prior to the Closing. In addition, any press release announcing or otherwise concerning the Offering include, among other things, an appropriate notation as follows: “Not for distribution to U.S. newswire services or dissemination in the United States.”

- 4. **Representations and Warranties of the Corporation.** The Corporation hereby represents and warrants to the Agent and to the Purchasers, and acknowledges that each of them is relying upon each of such representations and warranties in entering into the transactions contemplated hereby, that:

General Matters

- (a) *Good Standing of the Corporation.* The Corporation has been duly incorporated and is validly existing under the laws of Ontario, has all requisite corporate power and authority and is duly qualified and possesses all material certificates, permits and licenses issued by the appropriate provincial, municipal, federal regulatory agencies or bodies necessary (and has not received or is not aware of any modification or revocation to such certificates, permits or licenses, except such modifications or amendments as are necessary for the conduct of its business) to carry on its business as now conducted and to own its properties and assets, except for those certificates, permits and licenses which the failure to obtain would not, individually or in the aggregate, have a Material Adverse Effect, and the Corporation has all requisite corporate power and authority to enter into and carry out its obligations under the Transaction Documents and the Definitive Agreement and to consummate the Transaction Documents and the Definitive Agreement.
- (b) *Good Standing and Ownership of Subsidiaries and Investee Companies.* The Corporation’s only subsidiaries or investee companies are those set forth in Schedule “A” hereto. Each of such entities is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation. The Corporation’s direct or indirect percentage ownership of the outstanding shares of such entities is accurately disclosed in Schedule “A” hereto, and all such shares are legally and beneficially owned by the Corporation, and all of such shares have been duly authorized and validly issued and are outstanding as fully paid and non-assessable shares (or the equivalent legal concept in another jurisdiction) and no Person has any right, agreement, option or privilege (whether at law, pre-emptive

or contractual) capable of becoming an agreement, for the purchase from the Corporation of any interest in any of such shares or for the issue or allotment of any unissued shares in the capital of the subsidiaries or investee companies or any other security convertible into or exchangeable for any such shares. The only entities that are material to the Corporation are the Material Subsidiaries, and none of the other subsidiaries are material or hold any material assets or liabilities.

- (c) *Carrying on Business.* The Corporation and each of the Material Subsidiaries is, in all material respects, conducting its business in compliance with all Applicable Laws of each jurisdiction in which its business is carried on and is licensed, registered or qualified in all jurisdictions in which it owns, leases or operates its properties or assets or carries on business to enable its business to be carried on as now conducted or proposed to be conducted and its properties and assets to be owned, leased and operated and all such Authorizations are valid, subsisting and in good standing and it has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Applicable Laws or Authorizations except where the failure to be so licensed, registered or qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect.
- (d) *Compliance with Canadian Securities Laws and Reporting Issuer Status.* The Corporation is a “reporting issuer” in each of the Reporting Jurisdictions, and is not in default of the requirements under Securities Laws of such jurisdictions, in particular, without limiting the foregoing, the Corporation is in compliance with all of its timely and continuous disclosure obligations under Securities Laws of the Reporting Jurisdictions, including its obligation to make timely disclosure of all material changes relating to it and since December 31, 2024 (other than in respect of material change reports filed on a confidential basis and thereafter made public or material change reports filed on a confidential basis and in respect of which the material change never came to fruition) no such disclosure has been made on a confidential basis and there is no material change relating to the Corporation which has occurred and with respect to which the requisite material change report has not been filed.
- (e) *Corporation’s Information Record.* The information contained in the Corporation’s Information Record is, as of the date of such information or filing, true and correct in all material respects, and nothing contained in the Corporation’s Information Record contains a misrepresentation that has not been publicly corrected or superseded by a subsequent filing.
- (f) *Materials Provided by the Corporation.* All documents and information which has been provided to the Agent and its counsel by or on behalf of the Corporation, with the exception of any financial projections, budgets or forecasts, is, as of the date hereof, in the case of information concerning the Company or its documents, true and correct in all material respects, and in the case of any other information and documents, to the knowledge of the Corporation, true and correct in all material respects, and nothing contained in any of the documents and information which has been provided to the Agent and its counsel by or on behalf of the Corporation, with the exception of any financial projections, budgets or forecasts, in the case of

information concerning the Corporation or its documents, contains a misrepresentation, and in the case of any other information or documents, to the knowledge of the Corporation, contains a misrepresentation.

- (g) *Material Contracts.* All of the Material Agreements not made in the ordinary course of business have been disclosed in the Corporation's Information Record and, if required under Securities Laws of Canada, have been filed with the applicable Securities Regulators, are valid and subsisting agreements and are in full force and effect. None of the Corporation, its subsidiaries and, to the knowledge of the Corporation, any other party to any Material Agreements, has received notification from any party that it is currently in breach of or default under any Material Agreements.
- (h) *Authorization and Description of Subscription Receipts and Compensation Securities.* The Subscription Receipts and the Compensation Securities have been duly authorized for issuance and sale pursuant to this Agreement and the Subscription Receipt Agreement, as applicable, and, when issued and delivered by the Corporation pursuant to this Agreement, the Subscription Receipt Agreement and the Broker Warrant Certificate, as applicable, against payment of the consideration set forth herein, will be validly issued as fully paid and non-assessable securities. The Subscription Receipts and the Compensation Securities conform to the rights set forth in the Subscription Receipt Agreement and the Broker Warrant Certificate, as applicable. The issuance of the Subscription Receipts and the Compensation Securities is not subject to the pre-emptive rights of any shareholder of the Corporation and all corporate action required to be taken for the authorization, issuance, sale and delivery of the Subscription Receipts and the Compensation Securities have been validly taken at the date hereof.
- (i) *Agency Agreement.* This Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Laws.
- (j) *Absence of Defaults and Conflicts.* Each of the execution and delivery of this Agreement, the performance by the Corporation of its obligations hereunder, the issue and sale of the Subscription Receipts hereunder and the consummation of the transactions contemplated hereby, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both): (a) any statute, rule or regulation applicable to the Corporation, including any Securities Laws, except for where such conflict, breach, violation or default would not have a Material Adverse Effect or result in an adverse material change to the Corporation; (b) the articles or by-laws or resolutions of the Corporation which are in effect at the date hereof; (c) except the Credit Agreement, any Material Agreement to which the Corporation is a party

or by which it is bound; or (d) any judgment, decree or order binding the Corporation or the property or assets of the Corporation.

- (k) *Share Capital.* The authorized share capital of the Corporation consists of (i) an unlimited number of Common Shares; (ii) an unlimited number of Preferred Shares, issuable in series; (iii) 68,000 Series A Preferred Shares; and (iv) 90,000 Series B Preferred Shares. As of the date hereof, there are 152,648,031 Common Shares, 68,000 Series A Preferred Shares, and 90,000 Series B Preferred Shares issued and outstanding as fully paid and non-assessable shares in the capital of the Corporation.
- (l) *Absence of Rights.* Except as disclosed in the Corporation's Information Record or pursuant to the Corporation's equity compensation plans in place at the date of this Agreement, no Person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the issue or allotment of any unissued shares of the Corporation or any other security convertible into or exchangeable for any such shares or to require the Corporation to purchase, redeem or otherwise acquire any of the issued and outstanding shares of the Corporation.
- (m) *Exchange Listing.* The currently issued and outstanding Common Shares are listed and posted for trading on the Stock Exchange and no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation or prohibiting the trading of the Corporation's issued securities has been issued and no proceedings for such purpose have been instituted or are pending or, to the knowledge of the Corporation, contemplated or threatened.
- (n) *Financial Statements.* The audited consolidated financial statements of the Corporation as at and for the financial years ended December 31, 2024 and 2023 have been prepared in accordance with International Financial Reporting Standards consistently applied throughout the periods referred to therein and present fairly, in all material respects, the consolidated financial position (including the assets and liabilities, whether absolute, contingent or otherwise) of the Corporation and the Material Subsidiaries as at such dates and the consolidated results of operations of the Corporation and the Material Subsidiaries for the periods then ended and, other than as disclosed in the Corporation's Information Record, there has been no material change in accounting policies or practices of the Corporation since December 31, 2024.
- (o) *No Material Adverse Effect.* Since December 31, 2024: (a) there has been no change in the condition (financial or otherwise), or in the properties, affairs, prospects, operations, assets or liabilities of the Corporation and the subsidiaries, on a consolidated basis, whether or not arising in the ordinary course of business which would give rise to a Material Adverse Effect, and (b) there have been no transactions entered into by the Corporation or the subsidiaries, other than those in the ordinary course of business, which are material with respect to the Corporation and the subsidiaries, on a consolidated basis, in each case, except as disclosed in the Transaction Documents or the Corporation's Information Record.

- (p) *Taxes.* All taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, customs duties and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable or required to be collected or withheld and remitted or payable, by the Corporation and the subsidiaries have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material Adverse Effect or result in an adverse material change to the Corporation and the subsidiaries, on a consolidated basis. All tax returns, declarations, remittances and filings required to be filed by the Corporation and the subsidiaries have been filed with all appropriate governmental authorities, except for where such failure would not have a Material Adverse Effect or result in an adverse material change to the Corporation and the subsidiaries, on a consolidated basis, and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading or result in an adverse material change to the Corporation and the subsidiaries, on a consolidated basis. To the knowledge of the Corporation, no examination of any tax return of the Corporation or any of the subsidiaries is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by the Corporation or the subsidiaries. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to the Corporation or any of the subsidiaries.
- (q) *Auditors.* The auditors of the Corporation who audited the consolidated financial statements of the Corporation as at and for the years ended December 31, 2024 and 2023 and who provided their audit report thereon are independent public accountants as required under applicable Securities Laws and, to the knowledge of the Corporation after due investigation and review, there has never been a reportable event (within the meaning of National Instrument 51-102 *Continuous Disclosure Obligations*) between the Corporation and such auditors or, to the knowledge of the Corporation, any other former auditors of the Corporation.
- (r) *Accounting Controls.* The Corporation and each of the Material Subsidiaries has established and maintains, and will maintain, a system of internal accounting controls sufficient to provide reasonable assurance: (a) that transactions are executed in accordance with management's general or specific authorizations; (b) that transactions are recorded as necessary to permit preparation of financial statements in conformity with International Financial Reporting Standards and to maintain asset accountability; (c) that access to assets is permitted only in accordance with management's general or specific authorization; (d) that the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; (e) that material information relating to the Corporation and each of the Material Subsidiaries is made known to management and those within the entity responsible for the preparation of the financial statements during the period in which the financial statements have been prepared and that such material information is disclosed to the public within the time periods required by Applicable Laws; (f) that

all significant deficiencies and material weaknesses in the design or operation of such internal controls that could adversely affect the Corporation's ability to disclose to the public information required to be disclosed by it in accordance with Applicable Law and all fraud that involves management or employees that have a significant role in the Corporation's or the Material Subsidiaries' internal controls have been disclosed to the Audit Committee of the Corporation; (g) regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards; (h) that it has evaluated the effectiveness of the Corporation's disclosure controls and procedures as of the end of the period covered by the Financial Statements for the period ended December 31, 2024 and disclosed in the annual management's discussion and analysis management's conclusions about the effectiveness of the disclosure controls and procedures as of December 31, 2024; and (i) that the Corporation has disclosed in the annual management's discussion and analysis of the Corporation's most recent Financial Statements any material change in the Corporations' internal control over financial reporting that occurred during the Corporation's applicable interim period that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

- (s) *No Off-Balance Sheet Arrangements.* There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or liabilities of the Corporation or any subsidiary which are required to be disclosed and are not disclosed or reflected in the Financial Statements.
- (t) *No Restriction on Payment of Dividends.* Other than pursuant to the terms of the Series A Preferred Shares and the Series B Preferred Shares and in connection with the Credit Agreement and other Debt Instruments, there is not, in the constating documents of the Corporation or in any Material Agreement to which the Corporation is a party, any restriction upon or impediment to, the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation to the holders of the Common Shares.
- (u) *No Restriction on Conduct of Business.* Neither the Corporation, nor any Material Subsidiary, is a party to or bound by or affected by any commitment, agreement or document (other than the Credit Agreement and other Debt Instruments), containing any covenant which expressly limits the freedom of the Corporation or any of the Material Subsidiaries to compete in any line of business, transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of the Corporation or the Material Subsidiaries, taken as a whole.
- (v) *Absence of Proceedings.* Other than as described in the Corporation's Information Record, there is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency, governmental instrumentality or body, domestic or foreign, now pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation or any of the Material Subsidiaries which, if determined adversely, would have a Material Adverse Effect or would reasonably be expected to have a Material Adverse Effect on: (a) the Corporation

and the Material Subsidiaries, taken as a whole; (b) the consummation of the transactions contemplated in this Agreement; or (c) the performance by the Corporation of its obligations hereunder.

- (w) *Absence of Judgments.* There are no judgments against the Corporation or any of the subsidiaries which are unsatisfied, nor are there any consent decrees or injunctions to which the Corporation or any subsidiary is subject.
- (x) *Title to Assets.* Subject to subsection (y) "Ownership of Intellectual Property" immediately below, the Corporation or the Material Subsidiaries are the legal and beneficial owner of, and have good and marketable title to or leasehold interest in, all of the property rights described in the Corporation's Information Record, free and clear of all Liens, other than those described in the Corporation's Information Record, and no other property rights are necessary for the conduct of the business of the Corporation or the subsidiaries as currently conducted, the Corporation knows of no claim or basis for any claim that might or could have a Material Adverse Effect on the right of the Corporation or the Material Subsidiaries to use, transfer or otherwise exploit such property rights, other than those described in the Corporation's Information Record, and neither the Corporation nor the Material Subsidiaries have any obligation to pay any material commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof, except as described in the Corporation's Information Record.
- (y) *Ownership of Intellectual Property.* Except as would not, individually or in the aggregate, have a Material Adverse Effect on the ability of the Corporation or the Material Subsidiaries to carry on business as currently conducted:
 - (i) the intellectual property for which the Corporation has been granted a license or keeps as a trade secret, the Corporation is the exclusive owner of, and has good title to the intellectual property used by the Corporation in the conduct of its business;
 - (ii) the Corporation has not transferred exclusive ownership of any intellectual property owned by the Corporation to any third party. The Corporation has not permitted the Corporation's rights in such intellectual property to lapse or enter the public domain in such a manner to cause a Material Adverse Effect;
 - (iii) other than as disclosed to the Agent, the Corporation has no knowledge of any pending or threatened litigation, proceeding, claim, demand, arbitration, mediation, dispute resolution, suit, action, investigation or judicial review in which the intellectual property of the Corporation is alleged to be invalid, unenforceable or not properly in the name of the Corporation or the Material Subsidiaries, as the case may be;
 - (iv) to its knowledge, the Corporation has not infringed and is not infringing the intellectual property rights of others. Other than as disclosed to the Agent, the Corporation is not aware of any pending or threatened litigation, proceeding, claim, demand, arbitration, mediation, dispute resolution, suit, action, investigation or judicial review which alleges that the intellectual

property used in the conduct of the Corporation's business would or does infringe the intellectual property rights of a third party;

- (v) the Corporation is not obligated or under any liability whatsoever to make any payments by way of royalties or license fees to any owner or licensor of, or other claimant to, any patent, trademark, service mark, trade name, copyright, technology or other intangible asset, with respect to the use thereof (other than for commercially available off-the-shelf products);
 - (vi) to the knowledge of the Corporation, no Person or entity is infringing or misappropriating any intellectual property rights of the Corporation. Other than as disclosed to the Agent, the Corporation has not provided notice to any third party (i) that the operation of the business of the third party or any act, product or service of the third party infringes or misappropriates the intellectual property rights of the Corporation or constitutes unfair competition or unfair trade practices under the legal requirements of any jurisdiction, or (ii) challenging the ownership, validity, enforceability or registrability of any third party intellectual property; and
 - (vii) the Corporation has taken, and continues to take, commercially reasonable precautions and to make commercially reasonable efforts to protect the Corporation's proprietary information and trade secrets from disclosure to, or use by, unauthorized Persons, as well as from theft, tampering, sabotage and transmission.
- (z) *Title to Real Property.* Neither the Corporation nor any of the subsidiaries owns any real property, except for interests in real property in the nature of leasehold interests. All of the leases, subleases and agreements in real property material to the business of the Corporation and the subsidiaries, on a consolidated basis, are in full force and effect, and neither the Corporation nor any of the subsidiaries has received any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Corporation or subsidiaries under any of the leases, subleases or agreements mentioned above, or affecting or questioning the rights of the Corporation or the subsidiaries to the continued possession of the property under any such lease, sublease or agreement.
- (aa) *Compliance with Laws, Licenses and Permits.* The Corporation and each of the Material Subsidiaries have conducted and are conducting the business thereof in compliance in all material respects with all Applicable Laws of each jurisdiction in which it carries on business and possess such permits, certificates, licenses, approvals, consents and other Authorizations (collectively, "**Governmental Licenses**") issued by the appropriate federal, provincial, state, local or foreign regulatory agencies or bodies necessary to own, lease, stake or maintain its property interests and to conduct the business now operated by them, except where the failure to comply, possess such permits, certificates, licenses, approvals, consents or Authorizations would not reasonably be expected to have a Material Adverse Effect. All of the Governmental Licenses are valid and in full force and effect. Neither the Corporation nor any of the Material Subsidiaries have received any notice of

proceedings relating to the revocation or modification of any such Governmental Licenses.

- (bb) *Environmental Laws.* The Corporation and each of the subsidiaries: (i) is in compliance with any and all applicable environmental laws and regulations relating to the protection of human health and safety, conservation, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (“**Environmental Laws**”), except for such failures to comply as would not have a Material Adverse Effect; (ii) has received all material permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its business as currently conducted; and (iii) is in compliance with all terms and conditions of any such permit, license or approval in all material respects. To the knowledge of the Corporation, there have been no past, and there are no pending or threatened claims, complaints, notices or requests for information received by the Corporation with respect to any alleged violation of any Environmental Law and, to the knowledge of the Corporation, no conditions exist at, on or under any property now or previously owned, operated or leased by the Corporation or any of the subsidiaries which, with the passage of time, or the giving of notice or both, would give rise to liability under any Environmental Law that, individually or in the aggregate, has or may reasonably be expected to have a Material Adverse Effect.
- (cc) *No Environmental Audits.* There are no environmental audits, evaluations, assessments, studies or tests relating to the Corporation or any of the subsidiaries, except for ongoing assessments conducted by or on behalf of the Corporation or the subsidiaries in the ordinary course.
- (dd) *No Change to Applicable Laws.* To the knowledge of the Corporation, the Corporation is not aware of any pending or contemplated change to any Applicable Law or regulation that would have, or would reasonably be expected to have, a Material Adverse Effect on the business or legal environment in which the Corporation or any of the Material Subsidiaries operates.
- (ee) *Employment Laws.* The Corporation and each Material Subsidiary is in compliance with all laws respecting employment and employment practices, terms and conditions of employment, occupational health and safety, pay equity and wages, except for such failures to comply as would not have a Material Adverse Effect. There is not currently any or, to the knowledge of the Corporation, any reasonably foreseeable labour disruption or conflict involving the Corporation or any of the Material Subsidiaries.
- (ff) *Employee Plans.* Each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Corporation for the benefit of any current or former director, officer, employee or consultant of the Corporation (the “**Employee Plans**”) has been maintained in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans.

- (gg) *Union.* No union has been accredited or otherwise designated to represent any employees of the Corporation or any of the Material Subsidiaries and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation or any of the Material Subsidiaries and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect and none is currently being negotiated by the Corporation or any of the Material Subsidiaries.
- (hh) *Employee Indebtedness.* Other than as set out in the Corporation's Information Record, the Corporation does not have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada)) with the Corporation.
- (ii) *Executive Compensation.* The directors and officers of the Corporation and their compensation arrangements with the Corporation, whether as directors, officers or employees of the Corporation, are as disclosed in the Corporation's Information Record.
- (jj) *Directors and Officers.* To the knowledge of the Corporation, other than as disclosed in the Corporation's Information Record, none of the directors or officers of the Corporation are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange.
- (kk) *Insurance.* To the extent commercially reasonable and reasonably available, the Corporation and each of the Material Subsidiaries maintains insurance against loss of, or damage to, their fixed assets on a replacement cost basis in accordance with industry standards, and all of the policies in respect of such insurance coverage are in good standing in all respects and not in default except in each case as could not reasonably be expected to have a Material Adverse Effect.
- (ll) *Validly Issued Subscription Receipts.* The Subscription Receipts have been duly and validly authorized for issuance and sale and when issued and delivered by the Corporation pursuant to this Agreement and the Subscription Receipt Agreement, against payment of the consideration set forth herein, will be validly issued.
- (mm) *Validly Authorized Underlying Shares.* The Underlying Shares have been duly and validly authorized and reserved for issuance and when issued and delivered by the Corporation pursuant to the terms of the Subscription Receipt Agreement, the Underlying Shares will be validly issued as fully paid and non-assessable Common Shares.
- (nn) *Validly Issued Broker Warrants.* The Broker Warrants have been duly and validly authorized for issuance and when issued and delivered by the Corporation pursuant to this Agreement and the Broker Warrant Certificate, the Broker Warrants will be validly issued.

- (oo) *Validly authorized Broker Warrant Shares.* The Broker Warrant Shares have been duly authorized and reserved for issuance and, upon exercise of the Broker Warrants in accordance with the terms and conditions of the Broker Warrant Certificate, the Broker Warrant Shares will be validly issued as fully paid and non-assessable Common Shares.
- (pp) *Transfer Agent and Registrar.* The Transfer Agent has been duly appointed as transfer agent in respect of the Common Shares.
- (qq) *Subscription Receipt Agent.* The Subscription Receipt Agent has been duly appointed as the subscription receipt agent in respect of the Subscription Receipts.
- (rr) *No Brokerage or Finder's Fee.* Other than the Agent and as set out in this Agreement, there are no Persons acting or purporting to act at the request of, or on behalf of, the Corporation that are entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement.
- (ss) *Entitlement to Proceeds.* Upon satisfaction of the Escrow Release Conditions, other than the Corporation, the Agent and the Subscription Receipt Agent, in accordance with the Subscription Receipt Agreement, there is no person that is entitled to demand the proceeds of the Offering, and other than the Corporation, the Agent and the Subscription Receipt Agent, in accordance with the terms of this Agreement.
- (tt) *No Voting Control Agreement.* The Corporation is not a party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any of the securities of the Corporation or the Material Subsidiaries.
- (uu) *No Debt Instrument.* Neither the Corporation nor any of the subsidiaries is a party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument, in each case, other than in the ordinary course of business or as disclosed in the Corporation's Information Record.
- (vv) *No Liabilities.* The Corporation does not have any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Corporation's Information Record or any of the documents and information which has been disclosed to the Agent by or on behalf of the Corporation or referred to or disclosed herein, other than liabilities, obligations, or indebtedness or commitments (i) incurred in the normal course of business; or (ii) which are not material to the Corporation or the subsidiaries, individually or taken as a whole.
- (ww) *Minute Books.* The records of the Corporation that the Corporation has made available to the Agent and its counsel, Goodmans LLP, in connection with their due diligence investigation of the Corporation for the period requested to the date of examination thereof, contain copies of all proceedings (or certified copies thereof) of the shareholders, the board of directors and all committees of the board of directors of the Corporation for such period. There have been no other meetings, resolutions or proceedings of the shareholders, board of directors or any committees of the board of directors of the Corporation during such period not reflected in such records other than informal meetings of such committees for which minutes were

not kept and other than (i) resolutions of the directors approving the Offering, (ii) meetings held on November 26 and 28, 2025 at which the Acquisition was approved and (iii) a meeting held on December 10, 2025 at which the Corporation's 2026 budget was approved.

- (xx) *Leased Premises.* With respect to each of the Leased Premises, the Corporation or one of the Material Subsidiaries occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation or a Material Subsidiary occupies the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement, and the completion of the transactions described herein by the Corporation, will not afford any of the parties to such leases or any other person the right to terminate such lease or result in any additional or more onerous obligations under such leases.
- (yy) *No Shareholder Rights Plan.* The Corporation does not have a shareholder rights or similar plan.
- (zz) *No Proceedings for Dissolution of Corporation or any Material Subsidiary.* No proceedings have been taken, instituted or, to the knowledge of the Corporation, are pending for the dissolution or liquidation of the Corporation or any of the Material Subsidiaries.
- (aaa) *Use of Proceeds.* The Corporation intends to apply the net proceeds of the Offering, in combination with debt and cash of the Corporation, to fund the cash consideration portion of the Acquisition, to repay in full the Corporation's revolving credit facility and to pay the expenses of the Acquisition and concurrent debt financing.
- (bbb) *Money Laundering Laws.* The operations of the Corporation are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental authority (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court of governmental authority or any arbitrator non-governmental authority involving the Corporation with respect to the Money Laundering Laws is, to the knowledge of the Corporation, pending or threatened.
- (ccc) *Unlawful Payment.* Neither the Corporation nor any of the subsidiaries nor, to the knowledge of the Corporation, any employee or agent of the Corporation or any of the subsidiaries, has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, United States or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by Applicable Laws.
- (ddd) *Purchases and Sales.* Other than as disclosed in the Corporation's Information Record, neither the Corporation nor any subsidiary has approved, entered into any agreement in respect of, or has any knowledge of:

- (i) the purchase of any material property or any interest therein, or the sale, transfer or other disposition of any material property or any interest therein currently owned, directly or indirectly, by the Corporation or any subsidiary whether by asset sale, transfer of shares, or otherwise;
 - (ii) the change of control (by sale or transfer of voting or equity securities or sale of all or substantially all of the assets of the Corporation or any subsidiary or otherwise) of the Corporation or any subsidiary; or
 - (iii) a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares.
- (eee) *Sanctions.* Neither the Corporation nor any subsidiary or investee company has been, nor to the knowledge of the Corporation, has any director, officer, agent, employee, or Person acting on behalf of the Corporation or any subsidiary or investee company been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department (“**OFAC**”); and the Corporation will not directly or indirectly use any proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to the Corporation or to any subsidiary, joint venture partner or other person or entity, to finance any investments in, or make any payments to, any country or Person targeted by any of the sanctions of the United States administered by OFAC.
- (fff) *Investor Presentation.* As at the date hereof, the Investor Presentation does not contain a misrepresentation, and it did not contain a misrepresentation at any time during which it was provided to prospective Purchasers in connection with the Offering. The Corporation is not in possession of any undisclosed material fact about Kaelus or its subsidiaries which would be required to be disclosed in the Investor Presentation to avoid a misrepresentation.
- (ggg) *Forward-Looking Information.* With respect to forward-looking information contained in the Corporation’s Information Record and the Investor Presentation, at the date of such documents:
 - (i) the Corporation had a reasonable basis for the forward-looking information;
 - (ii) the forward-looking information was based on reasonable assumptions at the date of such forward-looking information; and
 - (iii) all material forward-looking information is identified as such, and all such documents caution users of forward-looking information that actual results may vary from the forward-looking information and identify material risk factors that could cause actual results to differ materially from the forward-looking information, and, where applicable, accurately state the material factors or assumptions used to develop forward-looking information.
- (hhh) *Business Relationships.* All agreements with third parties in connection with the Business are being performed by the Corporation and the Material Subsidiaries, and,

to the knowledge of the Corporation, by all other third parties thereto, in compliance with their terms except where the failure to perform in accordance with their terms would not have a Material Adverse Effect. There exists no actual or pending, or to the knowledge of the Corporation, any threatened termination, cancellation or limitation of, or any material adverse modification or material change in, the business relationship of the Corporation or the Material Subsidiaries, with any strategic partner, supplier, wholesaler, retailer, manufacturer, service provider or customer, or any group thereof whose business with or whose purchases from or inventories, components or services provided to the Business of the Corporation or the Material Subsidiaries are individually or in the aggregate material to the assets, business, properties, operations or financial condition of the Corporation (on a consolidated basis).

- (iii) *Privacy Protection.* The Corporation and the Material Subsidiaries have complied, in all material respects, with all applicable privacy and consumer protection legislation and none of them have collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Corporation and the Material Subsidiaries have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse. The Corporation and its Material Subsidiaries that operate a website or e-commerce platform have security measures and safeguards in place, consistent with generally accepted industry practice, to protect all personal information it may collect from users of its website, customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of such parties.

The Acquisition

- (jjj) *Definitive Agreement.* The Corporation has provided to the Agent a true and complete copy of the Definitive Agreement, including all schedules and exhibits thereto.
- (kkk) *No Breach of the Definitive Agreement.* To the knowledge of the Corporation, there has been no (i) actual or alleged breach or default by any party of any provisions of the Definitive Agreement (other than any non-material technical breach or default, if any) and no event, condition, or occurrence exists which after the notice or lapse of time (or both) would constitute a breach or default by any party to the Definitive Agreement; or (ii) dispute, termination, cancellation, amendment or renegotiation of the Definitive Agreement and, to the knowledge of the Corporation, no state of facts giving rise to any of the foregoing exists.
- (III) *Acquisition Due Diligence.* No matter has arisen in the course of the due diligence review conducted by the Corporation in respect of the Acquisition or Kaelus which to the knowledge of Corporation (i) could reasonably be expected to have a significant adverse effect on the business, affairs, operations, capital, assets, properties, or liabilities (absolute, accrued, contingent or otherwise) or condition (financial or otherwise) on Kaelus and its subsidiaries (on a consolidated basis), or

(ii) constitutes a reasonable basis or reason for the Corporation not to complete the Acquisition. The Corporation has made available to the Agent copies of all third-party diligence reports about the business and affairs of Kaelus and its subsidiaries and obtained through the Corporation's due diligence process.

(mmm) *Completion of the Transaction.* To the knowledge of the Corporation, no event has occurred, or condition exists, which will prevent either (i) the Escrow Release Conditions from being satisfied prior to the Escrow Release Deadline or (ii) the Acquisition from being completed in all material respects in accordance with the terms of the Definitive Agreement without material amendment or waiver adverse to the Corporation. Upon (and assuming) completion of the Acquisition, the Corporation shall, directly or indirectly, have good and marketable title to the outstanding shares of Kaelus, free and clear of all Liens (except for post-transfer purchase rights in the articles of association of Kaelus).

(nnn) *Representations and Warranties of Kaelus.* To the knowledge of the Corporation, all representations and warranties of Sellers (as defined in the Definitive Agreement) contained in the Definitive Agreement are true and correct in all material respects, except in respect of any representations and warranties that are to be true and correct as of a specified date, in which case they will be true and correct as of that date only, and any representations and warranties that are subject to a materiality qualification, in which case they are true, accurate and complete in all respects.

(ooo) *Representations and Warranties of the Corporation.* All representations and warranties of the Corporation contained in the Definitive Agreement are true and correct in all material respects, except in respect of any representations and warranties that are to be true and correct as of a specified date, in which case they will be true and correct as of that date only, and any representations and warranties that are subject to a materiality qualification, in which case they are true, accurate and complete in all respects.

(ppp) *No Write-offs.* The Corporation is not currently considering any material write-offs or write-downs with respect to any of Kaelus' assets following completion of the Acquisition.

5. **Representations and Warranties of the Agent.** The Agent represents and warrants to the Corporation, and acknowledges that the Corporation is relying upon each of such representations and warranties in entering into the transactions contemplated hereby, that:

(a) *Compliance with Securities Laws.* In respect of the offer and sale of the Subscription Receipts, the Agent has conducted its activities in connection with the Offering in compliance with all Securities Laws and the provisions of this Agreement.

(b) *Duly Registered.* The Agent is duly registered pursuant to the provisions of the Securities Laws in those jurisdictions in which it is required to be so registered in order to perform the services contemplated by this Agreement, or if or where not so registered or licensed, the Agent will act only through selling group members who are so registered or licensed.

- (c) *General Solicitation or Advertising.* The Agent and its affiliates and representatives have not engaged in or authorized, and will not engage in or authorize, any form of general solicitation or general advertising in connection with the offer and sale of the Subscription Receipts, including but not limited to, by causing the sale of the Subscription Receipts to be advertised in any newspaper, magazine, printed public media or similar medium of general and regular paid circulation or broadcast over radio, television or telecommunications, including electronic display, and have not conducted, and will not conduct, any seminar or meeting in connection with the offer and sale of the Subscription Receipts whose attendees have been invited by general solicitation or general advertising.
 - (d) *No Prospectus or Registration Requirement.* The Agent has not and will not solicit offers to purchase or sell the Subscription Receipts so as to require the filing of a prospectus, registration statement or offering memorandum with respect thereto (other than the confidential filing of the Investor Presentation with the OSC).
 - (e) *Accredited Investor Status.* The Agent is an “accredited investor” as such term is defined under NI 45-106.
6. **Closing Deliveries.** The issuance and sale of the Subscription Receipts shall be completed electronically at the Closing Time or in such other manner or at such other place as the Agent and the Corporation may agree upon in writing. At the Closing Time, the Corporation shall duly and validly deliver to the Agent: (a) the Subscription Receipts, by way of electronic deposit and/or in certificated form as directed by the Agent, against payment by the Agent to the Subscription Receipt Agent of the Subscription Proceeds, in lawful money of Canada, by electronic money transfer; (b) payment of 50% of the Commission; and (c) payment of the Agent’s Expenses incurred up to the Closing Date referred to in Sections 7 and 11 hereof.
7. **Expenses.** Whether or not the Offering is completed, the Corporation will be responsible for all documented expenses of or incidental to the sale of the Subscription Receipts, including without limitation: (i) all expenses of or incidental to the creation, issue, sale or distribution of the Subscription Receipts; (ii) fees and disbursements of accountants and auditors, technical consultants, translators and other applicable experts; (iii) all costs and expenses related to roadshows and marketing activities, printing, filing, distribution, Stock Exchange approval and other regulatory compliance; (iv) all costs incurred in connection with the preparation of documentation relating to the Offering; and (v) all reasonable costs incurred by the Agent, including the reasonable fees and disbursements and applicable taxes thereon of the Agent’s legal counsel, up to the maximum amount set forth in the Engagement Letter, exclusive of disbursements and applicable taxes thereon, and all reasonable and documented “out-of-pocket” expenses of the Agent (collectively, the “**Agent’s Expenses**”). All Agent’s Expenses incurred up to the Closing Date shall be netted out of the gross proceeds of the Offering otherwise payable by the Agent to the Subscription Receipt Agent on the Closing Date and otherwise will be paid by the Corporation upon receiving one or more invoices therefor from the Agent. Any Agent’s Expenses incurred by the Agent, or on its behalf, following the Closing Date and up to the Escrow Release Date shall be paid to the Agent from the Escrowed Funds as part of the Agent’s Payment on the Escrow Release Date in accordance with the Subscription Receipt Agreement.

8. **Survival of Representations and Warranties.** All representations, warranties, covenants and agreements of the Corporation herein contained or contained in any documents submitted pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Agent or the Purchasers with respect thereto, shall continue in full force and effect for the benefit of the Agent and the Purchasers for a period of two years following the Closing Date. The representations, warranties, covenants and agreements of the Agent herein contained shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Corporation with respect thereto, shall continue in full force and effect for the benefit of the Corporation for a period of two years following the Closing Date. Notwithstanding the foregoing, the provisions contained in this Agreement in any way related to the indemnification of the Agent by the Corporation or the contribution obligations of the Corporation, including without limitation Section 9, shall survive and continue in full force and effect indefinitely without limitation other than pursuant to any limitation requirements of applicable law.

9. **Indemnity and Contribution.**

- (a) The Corporation hereby agrees to indemnify and hold the Agent and/or any of its affiliates and each of the directors, officers, employees, consultants and shareholders of the Agent and its affiliates (hereinafter referred to as the “**Personnel**”) harmless from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of their counsel and applicable taxes thereon that may be incurred in advising with respect to and/or defending any claim that may be made against the Agent, to which the Agent and/or their Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities, or actions arise out of or are based, directly or indirectly, upon:
- (i) the performance of professional services rendered to the Corporation by the Agent and its Personnel hereunder or otherwise in connection with the matters referred to in this Agreement, the Offering or the Acquisition;
 - (ii) any inaccuracy of, or any breach of or default under, any representation or warranty of the Corporation made in the Transaction Documents or the failure of the Company to comply with any of its covenants or other obligations in any of the Transaction Documents or to satisfy any conditions contained in the Transaction Documents required to be satisfied by the Corporation;
 - (iii) any misrepresentation contained in the Investor Presentation; and
 - (iv) the non-compliance or alleged non-compliance by the Corporation with any Securities Laws or other regulatory requirements;

provided, however, that this indemnity shall cease to apply if and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made determines that:

- (A) the Agent or its Personnel have been grossly negligent, committed any fraudulent act or engaged in willful misconduct in the course of such performance; and
- (B) the expenses, losses, claims, damages or liabilities as to which indemnification is claimed were caused directly by the gross negligence, fraud or willful misconduct referred to in paragraph (A) above.

The Corporation hereby waives any right it may have of first requiring the Agent and/or any Personnel to proceed against or enforce any other right, power, remedy, security or claim payment from any other person before claiming under this indemnity.

If for any reason (other than the occurrence of any of the events itemized in paragraphs (A) and (B) above), the foregoing indemnification is unavailable to the Agent and/or any Personnel or insufficient to hold them harmless, then the Corporation shall contribute to the amount paid or payable by the Agent and/or any Personnel as a result of such expense, loss, claim, damage, or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Agent on the other hand, but also the relative fault of the Corporation and the Agent, as well as any relevant equitable considerations; provided that the Corporation shall, in any event, contribute to the amount paid or payable by the Agent and/or any Personnel as a result of such expense, loss, claim, damage or liability, any excess of such amount over the amount of the fees received by the Agent pursuant to this Agreement; and provided further that in no event shall the aggregate contribution of the Agent and the Personnel (together with any amounts paid pursuant to the indemnity above) exceed the amount of Commission actually received by the Agent pursuant to this Agreement.

- (b) The Corporation agrees that in case (i) any legal proceeding shall be brought against the Corporation and/or the Agent or any Personnel by any Governmental Entity; or (ii) any other entity having regulatory authority, either domestic or foreign, shall investigate the Corporation and/or the Agent, and any Personnel shall be required to testify in connection therewith or shall be required to respond to the procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Corporation by the Agent, the Agent shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agent for time spent by its Personnel in connection therewith on a per diem basis based on normal consulting fees) and reasonable out-of-pocket expenses incurred by its Personnel in connection therewith shall be paid by the Corporation as they occur.
- (c) Promptly after receipt of notice of the commencement of any legal proceeding against the Agent or any of its Personnel or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Corporation, the Agent will notify the Corporation in writing of the commencement thereof and

the Corporation shall be entitled (but not required) to assume the investigation and defense thereof on behalf of the Agent and/or any Personnel, as applicable, within 14 days of receiving such notice; provided that such investigation and defence shall be at the Corporation's expense and shall be conducted through counsel reasonably acceptable to the Agent or the applicable Personnel affected. Failure by the Agent to notify the Corporation shall not relieve the Corporation of any liability which the Corporation may have to the Agent unless (and only to the extent that) such failure to give notice as herein required results in a forfeiture by the Corporation or material impairment of its substantive rights or defences. Throughout the course thereof, the Agent will provide copies of all relevant documentation to the Corporation, will keep the Corporation advised of the progress thereof and will discuss with the Corporation all significant actions proposed. If the investigation and defense of any legal proceeding is assumed by the Corporation in accordance with this Section 9(c), the Corporation shall, throughout the course thereof, provide copies of all relevant documentation to the Agent, keep the Agent advised of the progress thereof and discuss with the Agent all significant actions proposed. Upon the Corporation notifying the Agent in writing of its election to assume the defence and retaining counsel, except in the circumstances described in Section 9(d), the Corporation shall not be liable to the Agent for any legal expenses subsequently incurred by them in connection with such defence.

- (d) Notwithstanding the foregoing paragraph, the Agent or the Personnel affected shall have the right to employ separate counsel in any such action and participate in the defence thereof, but the fees and expenses of such counsel will be at the expense of the Agent or the Personnel affected unless: (i) the employment of such counsel has been authorized by the Corporation; or (ii) the Corporation has not assumed the defence of the action, suit, proceeding, claim or investigation within 14 days after receiving notice thereof; (iii) the named parties to any such action, suit, proceeding, claim or investigation include both the Corporation and the Agent or any Personnel and the Agent or the affected Personnel have been advised by counsel that there may be a conflict of interest between the Corporation and the Agent or the affected Personnel, as the case may be; or (iv) there are one or more legal defences available to the Agent or the affected Personnel which are different from or in addition to those available to the Corporation; provided that in any such case the Corporation shall only be required to pay for one such additional counsel for all indemnified parties.
- (e) No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the prior written consent of the Corporation and the Agent, such consent not to be unreasonably withheld or delayed.
- (f) All amounts payable by the Corporation pursuant to this Section 9 shall be paid promptly upon demand. The rights and remedies of the Agent and any Personnel pursuant to this Section 9 are in addition to, and not in substitution for, any other rights that such Persons may have at law or in equity.
- (g) The indemnity and contribution obligations of the Corporation shall be in addition to any liability which the Corporation may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Agent and shall be binding upon

and inure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation, the Agent and any of the Personnel of the Agent. The Corporation constitutes the Agent as trustee for the other indemnified parties as contemplated herein of the covenants of the Corporation under this Section 9 and the Agent hereby agrees to accept such trust and to hold and enforce such covenants on behalf of such Persons. This Section 9 shall survive the completion of professional services rendered under this Agreement and/or the termination of this Agreement.

10. **Advertisements.** The Corporation acknowledges that the Agent shall have the right, subject always to Sections 1(a) and (b) hereof, at their own expense, to place such advertisement or advertisements relating to the Offering contemplated herein as the Agent may consider desirable or appropriate and as may be permitted by Applicable Law, including Securities Laws. The Corporation and the Agent each agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and registration requirements of Securities Laws in any of the Selling Jurisdictions in Canada not being available.
11. **Agent's Commission.** In consideration of the services to be rendered by the Agent in connection with the Offering, the Corporation shall pay the Agent a cash commission equal to the sum of (i) 6.5% of the gross proceeds of the Offering received by the Corporation from Purchasers not on the President's List; and (ii) 2.0% of the gross proceeds of the Offering received by the Corporation from Purchasers on the President's List (collectively, the "**Commission**"). 50% of the Commission is payable at the Closing Time and 50% of the Commission is payable upon satisfaction of the Escrow Release Conditions, such amount to be released to the Agent (or as directed by the Agent) from the Escrowed Funds as part of the Agent's Payment on the Escrow Release Date in accordance with the Subscription Receipt Agreement. If the Escrow Release Conditions are satisfied at or before the Escrow Release Deadline, on the Escrow Release Date, the Corporation shall also issue to the Agent that number of broker warrants ("**Broker Warrants**") equal to the sum of (i) 6.5% of the aggregate number of Subscription Receipts sold pursuant to the Offering, other than any Subscription Receipts issued to Purchasers on the President's List; and (ii) 2.0% of the aggregate number of Subscription Receipts sold pursuant to the Offering to Purchasers on the President's List. Each Broker Warrant will entitle the holder thereof to acquire one Common Share (a "**Broker Warrant Share**") at a price of \$0.25 per Broker Warrant Share for a period of 24 months following the Closing Date. The obligation of the Corporation to pay the Commission and to issue the Broker Warrants shall arise at the Closing Time; provided, however, that: (i) 50% of the Commission is payable at the Closing Time and 50% of the Commission is payable upon satisfaction of the Escrow Release Conditions; and (ii) the Broker Warrants shall be issued and the Broker Warrant Certificate shall be delivered to the Agent on the Escrow Release Date. The parties acknowledge that the Commission payable and Broker Warrants issuable to the Agent hereunder shall constitute satisfaction of the fees payable in connection with a Transaction Financing under the Advisory Agreement. For the avoidance of doubt, such satisfaction applies solely to the Transaction Financing fees payable pursuant to the Advisory Agreement and does not limit, reduce, waive or satisfy any other rights or obligations of the parties under the Advisory Agreement, all of which remain in full force and effect and are in addition to the rights and obligations under this Agreement.

12. **Notices.** Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a “**notice**”) shall be in writing addressed as follows:

- (a) If to the Corporation, to:

Baylin Technologies Inc.
503-4711 Yonge Street
North York, ON M2N 6K8

Attention: Cliff Gary
Email: [Redacted – personal information]

with a copy to (which will not constitute delivery):

Torys LLP
79 Wellington St. W.
33rd Floor
Box 270, TD South Tower
Toronto, ON M5K 1N2

Attention: Rima Ramchandani and Adam Ibrahim
Email: rramchandani@torys.com and aibrahim@torys.com

- (b) If to the Agent, to:

Paradigm Capital Inc.
95 Wellington Street West
Suite 2101, PO Box 55
Toronto, ON M5J 2N7

Attention: Jason Matheson
Email: [Redacted – personal information]

with a copy to (which will not constitute delivery):

Goodmans LLP
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attention: Brad Ross and Jake Hogan
Email: bross@goodmans.ca and jhogan@goodmans.ca

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by electronic transmission to the addressee and (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by electronic transmission shall be deemed to be

given and received on the first Business Day following the day on which it is confirmed to have been sent.

13. **Disclosure.** References to “disclosed to the Agent”, means disclosure made or provided to the Agent or the Agent’s counsel during the management due diligence session that took place on December 17, 2025.
14. **Time of the Essence.** Time shall, in all respects, be of the essence hereof.
15. **Canadian Dollars.** All references herein to dollar amounts are to lawful money of Canada unless otherwise indicated.
16. **Headings.** The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.
17. **Singular and Plural, etc.** Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.
18. **No Fiduciary Relationship.** The Corporation acknowledges and agrees that: (a) the Agent has acted at arm’s length to the Corporation, have not assumed and will not assume a fiduciary responsibility in favour of the Corporation with respect to the Offering or the process leading thereto and do not have any duty or obligation to the Corporation with respect to the Offering except the obligations expressly set forth in this Agreement; (b) the Agent and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Corporation; and (c) the Agent has not provided any legal, accounting, regulatory or tax advice with respect to the Offering and the Corporation has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate. The Corporation waives to the full extent permitted by Applicable Law any claims it may have against the Agent arising from an alleged breach of fiduciary duty in connection with the Offering.
19. **Entire Agreement.** Other than the Advisory Agreement, this Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior communications, negotiations, representations, understandings and agreements between the parties with respect to the Offering, whether verbal or written, including, without limitation, the Engagement Letter. For clarity and notwithstanding anything to the contrary herein, the Advisory Agreement shall remain in full force and effect and is not amended, waived, replaced, novated or otherwise modified by the execution, delivery or performance of this Agreement, except to the extent expressly set forth in this Agreement in relation to a Transaction Financing or a written instrument executed by the Corporation and the Agent that specifically references the Advisory Agreement and states the provision being amended. The parties acknowledge and agree that nothing in this Agreement constitutes a release or waiver of any rights, entitlements, claims, fees, reimbursements, indemnities, contributions or protections in favour of the Agent under the Advisory Agreement except in relation to a Transaction Financing. In the event of any conflict or inconsistency between the terms of this Agreement and the Advisory Agreement: (a) the Advisory Agreement shall govern and control with respect to (i) the provision of services in connection with a Transaction (as defined in the Advisory Agreement), (ii) compensation and fees payable in connection with a Transaction

(excluding any fees payable in connection with a Transaction Financing), (iii) expense reimbursement, (iii) indemnity, contribution and exculpation in connection with services provided pursuant to the Advisory Agreement (other than in connection with a Transaction Financing), and (iv) confidentiality obligations in connection with a Transaction; and (b) this Agreement shall govern and control with respect to (i) the provision of services in connection with the Offering, (ii) compensation and fees payable in connection with the Offering, (iii) expense reimbursement in connection with the Offering, (iii) indemnity, contribution and exculpation in connection with the Offering, and (iv) confidentiality obligations in connection with the Offering. This Agreement may be amended or modified in any respect by written instrument only.

20. **Severability.** The invalidity, illegality or unenforceability of any particular provision of this Agreement shall not affect or limit the validity, legality or enforceability of the remaining provisions of this Agreement.
21. **Governing Law.** This Agreement shall be governed by and be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
22. **Successors and Assigns.** The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation, the Agent and the Purchasers and their respective executors, heirs, successors and permitted assigns; provided that, except as provided herein or in the Subscription Agreements, this Agreement shall not be assignable by any party without the written consent of the others.
23. **Further Assurances.** Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.
24. **Effective Date.** This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.
25. **Counterparts and Facsimile.** This Agreement may be executed in any number of counterparts and delivered in original, facsimile or PDF form, each of which when so executed and delivered shall be deemed to constitute an original and all of which taken together shall form one and the same agreement.

[Remainder of Page Intentionally Left Blank]

If the Corporation is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Agent.

PARADIGM CAPITAL INC.

Per: “Barry Richards”
Name: Barry Richards
Title: Managing Director, Investment
Banking

The foregoing is hereby accepted and agreed to by the undersigned as of the date first written above.

BAYLIN TECHNOLOGIES INC.

Per: "Philip Mohtadi"

Name: Philip Mohtadi

Title: Corporate Secretary

**SCHEDULE “A”
SUBSIDIARIES AND INVESTEE COMPANIES**

This is Schedule “A” to the agency agreement dated December 18, 2025 between Baylin Technologies Inc. and Paradigm Capital Inc.

Name of Subsidiary	Jurisdiction	Ownership Information
Galtronics USA, Inc.	Delaware, USA	100% Direct
Galtronics Corporation Ltd.	Delaware, USA	100% Indirect (Inactive)
Galtronics Electronics (Wuxi) Co., Ltd.	China	100% Direct
Galtronics Canada Inc.	Ontario, Canada	100% Direct (Inactive)
Advantech Wireless Technologies Inc.	Canada	100% Direct
Advantech Wireless Technologies (USA) Inc.	Delaware, USA	100% Indirect

Name of Investee Company	Jurisdiction	Ownership Information
Galtronics Canada Ltd.	Ontario, Canada	19% Direct