



Baylin Announces Strong Q2 2025 Financial Results

- **Net income of \$1.0 million, an increase of \$1.1 million over Q2 2024 and \$3.0 million over Q1 2025.**
- **Gross profit of \$10.4 million, an increase of \$1.2 million or 12.6% over Q2 2024 and \$2.4 million or 30.0% over Q1 2025.**
- **Gross margin of 46.3%, an increase of 10.5% over Q2 2024 and 9.2% over Q1 2025.**
- **Adjusted EBITDA⁽²⁾ of \$3.4 million, an increase of 50.9% over Q2 2024 and 404% over Q1 2025.**

Investor Conference Call on August 7, 2025 at 10:00 a.m. ET

TORONTO, CANADA – August 6, 2025 – Baylin Technologies Inc. (TSX: BYL) (OTCQB: BYLTF) (the “Company” or “Baylin”), a diversified global wireless technology company focused on the research, design, development, manufacture, and sale of passive and active radio frequency and satellite communications products, and supporting services, today announced its financial results for the three and six months ended June 30, 2025. All amounts are stated in Canadian dollars unless otherwise indicated.

“In Q2 we managed through seemingly ever-changing tariffs, geopolitical shifts, and in some cases, changes in customer purchasing behaviors. To deliver such strong operating results in what has to be described as a difficult environment is a testament to the resiliency of our employees,” said Leighton Carroll, CEO of Baylin Technologies. “Over these past few years, we have focused on getting smarter, leaner, and getting both the culture and strategy right. This has allowed us to mitigate the impact of tariffs while continuing to grow.”

“From a macro perspective, we see the markets coming out of a historically low spending cycle and improving in 2026. Moreover, we are in the process of launching multiple new products which we see supporting further growth and margin attainment in the coming year. In addition to organic growth, we have been spending time evaluating M&A opportunities as a means to drive further growth, but we will only consider a transaction if it is beneficial for shareholders. As Baylin moves forward, we will continue to run disciplined and lean operations focused on our customers’ needs, lean into growth and keep building our business. I am excited about the future for our employees, our customers, and our investors.”

SECOND QUARTER SUMMARY

- Revenue of \$22.5 million in the second quarter of 2025, an increase of \$0.5 million or 1.9% compared to the second quarter of 2024, mainly due to sales volume increase in the Wireless Infrastructure business line. This also represents an increase of \$3.6 million or 19.0% compared to the first quarter of 2025 with volume increases from the Embedded Antenna and Satcom business lines.
- Gross profit of \$10.4 million in the second quarter of 2025, an increase of \$1.2 million or 12.6% compared to the second quarter of 2024, primarily attributable to the Wireless Infrastructure business line which generated stronger revenue and favourable product mix. This also represents an increase of \$2.4 million or 30.0% compared to the first quarter of 2025.
- Gross margin of 46.3% in the second quarter of 2025 compared to 41.9% in the second quarter of 2024 and compared to 42.4% in the first quarter of 2025. Compared to the same prior year period, the higher gross margin in the second quarter of 2025 was primarily due to improved product mix generated by stronger sales of multibeam, small cell and other innovative antennas from the Wireless Infrastructure business line.
- Adjusted EBITDA of \$3.4 million in the second quarter of 2025, an increase of \$1.1 million or 50.9% compared to the second quarter of 2024, mainly due to the increase in gross profit as discussed above. This also represents an increase of \$2.7 million or 404% compared to the first quarter of 2025.

- Net income of \$1.0 million in the second quarter of 2025 compared to a net loss of \$0.1 million in the second quarter of 2024. The net income in the second quarter of 2025 was mainly the net result of an operating income of \$1.8 million offset by interest and other finance expenses. This also represents an increase of \$3.0 million compared to a net loss of \$2.0 million in the first quarter of 2025. On a per share basis, a net income of \$0.01 per share in the second quarter of 2025 compared to \$nil per share in the second quarter of 2024.
- Net debt⁽³⁾ \$12.9 million at June 30, 2025, a decrease of \$1.3 million from December 31, 2024, primarily as a result of \$2.9 million cash generated by operating activities in the first half of 2025.
- Backlog⁽⁴⁾ of \$22.9 million at June 30, 2025 compared to \$30.2 million at December 31, 2024. The decrease in backlog was mainly due to a slowdown in new order intake in the Satcom and Embedded Antenna business lines during the second quarter of 2025. Backlog was \$21.6 million at July 31, 2025.

SELECTED FINANCIAL INFORMATION

The table below discloses selected financial information for the periods indicated.

(in \$000's except per share amounts)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	Change	Change	2025	2024	Change	Change
	\$	\$	\$	%	\$	\$	\$	%
Profit and Loss								
Revenue	22,456	22,035	421	1.9%	41,322	42,088	(766)	(1.8%)
Gross profit	10,405	9,238	1,167	12.6%	18,408	16,960	1,448	8.5%
Gross margin	46.3%	41.9%	4.4 pp	10.5%	44.5%	40.3%	4.2 pp	10.4%
Net income (loss) from continuing operations	1,000	(132)	1,132	N/A	(1,042)	(2,104)	1,062	(50.5%)
Net loss from discontinued operations	-	(1,457)	1,457	(100.0%)	-	(2,243)	2,243	(100.0%)
Net income (loss)	1,000	(1,589)	2,589	N/A	(1,042)	(4,347)	3,305	(76.0%)
Basic and diluted net income (loss) per share from continuing operations	\$0.01	(\$0.00)	\$0.01	N/A	(\$0.01)	(\$0.02)	\$0.01	(50.0%)
Basic and diluted net loss per share from discontinued operations	-	(\$0.01)	\$0.01	(100.0%)	-	(\$0.01)	\$0.01	(100.0%)
Basic and diluted net income (loss) per share	\$0.01	(\$0.01)	\$0.02	N/A	(\$0.01)	(\$0.03)	\$0.02	(66.7%)
EBITDA from continuing operations	2,336	1,514	822	54.3%	1,811	843	968	> 100.0%
EBITDA from discontinued operations	-	(580)	580	(100.0%)	-	(299)	299	(100.0%)
EBITDA⁽¹⁾	2,336	934	1,402	> 100.0%	1,811	544	1,267	> 100.0%
Adjusted EBITDA from continuing operations	3,429	2,273	1,156	50.9%	4,109	2,733	1,376	50.3%
Adjusted EBITDA from discontinued operations	-	(580)	580	(100.0%)	-	(623)	623	(100.0%)
Adjusted EBITDA⁽²⁾	3,429	1,693	1,736	> 100.0%	4,109	2,110	1,999	94.7%
	As at	As at	Change	Change	As at	As at	Change	Change
	June 30, 2025	June 30, 2024			June 30, 2025	December 31, 2024		
	\$	\$	\$	%	\$	\$	\$	%
Balance Sheet and Other								
Current assets - Continuing operations	33,356	37,044	(3,688)	(10.0%)	33,356	37,292	(3,936)	(10.6%)
Current assets - Assets held for sale	-	8,581	(8,581)	(100.0%)	-	-	-	N/A
Total current assets	33,356	45,625	(12,269)	(26.9%)	33,356	37,292	(3,936)	(10.6%)
Total assets	44,824	60,993	(16,169)	(26.5%)	44,824	49,166	(4,342)	(8.8%)
Current liabilities - Continuing operations	39,628	41,296	(1,668)	(4.0%)	39,628	44,375	(4,747)	(10.7%)
Current liabilities - Liabilities related to assets held for sale	-	10,547	(10,547)	(100.0%)	-	-	-	N/A
Total current liabilities	39,628	51,843	(12,215)	(23.6%)	39,628	44,375	(4,747)	(10.7%)
Total liabilities	53,456	64,728	(11,272)	(17.4%)	53,456	57,689	(4,233)	(7.3%)
Net debt⁽³⁾ from continuing operations	12,924	16,641	(3,717)	(22.3%)	12,924	14,271	(1,347)	(9.4%)
Backlog⁽⁴⁾ from continuing operations	22,900	32,603	(9,703)	(29.8%)	22,900	30,195	(7,295)	(24.2%)

Notes:

- (1) See “Non-IFRS Measures”. “EBITDA” refers to net income (loss) plus interest and other finance (income) expense, tax expense (recovery), depreciation, and amortization.
- (2) See “Non-IFRS Measures”. “Adjusted EBITDA” refers to EBITDA adjusted for the impact of certain items, including asset impairment charges, expenses related to mergers and acquisitions, gain or loss on the sale of a business, including related expenses, costs of reorganization of a business, legal costs arising from significant non-operating activities, severance and executive recruitment costs, and share-based compensation.
- (3) See “Non-IFRS Measures”. “Net debt” refers to total bank indebtedness less cash and cash equivalents.
- (4) See “Non-IFRS Measures”. “Backlog” refers to the value of unfulfilled purchase orders placed by customers.

A copy of the Company’s unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2025 and corresponding management’s discussion and analysis (the “MD&A”) are available under the Company’s profile on SEDAR+ at www.sedarplus.ca.

RECENT DEVELOPMENTS

Credit Facilities

The Company and its principal lender entered into an Amended and Restated Credit Agreement which extends the Company’s \$15 million revolving credit facility to January 31, 2026.

Share Consolidation

The Company’s previously announced consolidation of its common shares on the basis of 40 pre-consolidation common shares for one post-consolidation common share received shareholder approval at the Company’s Annual and Special Meeting on May 8, 2025. The Company has decided to defer the implementation of the consolidation for the time being. The consolidation remains subject to approval of the Toronto Stock Exchange.

OUTLOOK

Corporate

The Company reported net income of \$1.0 million in the second quarter of 2025, representing an increase of \$1.1 million compared to the second quarter of 2024 and \$3.0 million compared to the first quarter of 2025. Additionally, the Company has achieved six consecutive quarters of positive Adjusted EBITDA and has consistently improved gross margins since the first quarter of 2024, other than the fourth quarter of 2024, which was primarily due to soft performance by Satcom business line. These improvements in our business reflect what we have been working on over the past few years: clear market driven strategies, containing costs, and prioritizing R&D and product mix, focusing on both revenue growth and higher gross margins. At the same time, the macroeconomic environment remains a concern, with the high levels of uncertainty concerning the impacts of US tariffs and retaliatory tariffs from countries subject to US tariffs, changes in customer purchasing behaviour driven by uncertainty over tariffs, as well as the overall level of inflation and interest rates. In addition to their effect on inflation, tariffs could also affect foreign exchange rates and disrupt supply chains on which the Company relies in producing its products. Based on our current assessment of business unit performance, we expect the second half of 2025 will be softer than the first half, with continuing strength of the Wireless Infrastructure business line being offset by softness in the Embedded Antenna and Satcom business lines.

Wireless Infrastructure Business Line

The Wireless Infrastructure business line delivered a very strong second quarter of 2025, again exceeding plan and building on its strong first quarter financial performance. There were substantial increases in revenue, gross profit and Adjusted EBITDA compared to the second quarter of 2024. We expect demand for its multibeam and innovative small cell antennas, as well as stadium deployments, will continue to be strong, albeit with seasonally affected lower sales in the second half of 2025 compared to the first six months. We are continuing to leverage the competitive advantages that our multibeam antennas provide in order to open up new global opportunities and drive further sales volumes with wireless carriers and third-party operators who operate wireless mobile networks for their customers. Wireless Infrastructure is in the process of commercializing a new derivative of its patented multibeam antenna and has several carriers asking for a trial later in 2025. Based on our current assessment, we expect Wireless Infrastructure revenue for 2025 will exceed 2024, resulting in a full-year financial performance comparable to or better than 2024, which was a very strong year.

Embedded Antenna Business Line

The Embedded Antenna business line experienced higher revenue in the second quarter of 2025 compared to the first quarter of 2025, but slightly lower than the second quarter of 2024 due largely to changes in customer demand as a result of market fluctuations and global economic uncertainty. Embedded Antenna still managed to improve gross margins and control operational costs resulting in improved Adjusted EBITDA compared to the second quarter of 2024 and the first quarter of 2025. We expect Embedded Antenna will perform at reasonable levels in the second half of 2025, with revenue in the second half lower than the first half and full-year revenue lower than 2024. While the backlog remains strong, order flow through due to potential customer delays and uncertainty surrounding the effect of tariffs may impact the business in the second half of 2025. The number of active bids for new projects remains at a strong level.

Satcom Business Line

The Satcom business line had an extremely strong second quarter of 2025, which included shipments of a large solid-state power amplifier program for a US Department of Defense application that had been delayed from the first quarter of 2025. However, it is currently experiencing lower order intake volumes and a reduced backlog. This is partly cyclical in nature and also due to delays in customer programs. We expect additional orders from the US DoD for Satcom's power amplifiers, but the timing of those orders will likely be the fourth quarter of 2025 or the first quarter of 2026, with further orders coming over this multi-year upgrade program.

In contrast, the number and dollar value of active bids is at record levels. While orders of our new Genesis and Summit III model amplifiers can be produced quickly, orders for several legacy products which have yet to be retired will take longer to produce. Overall, we anticipate Satcom will have lower revenue in 2025 compared to 2024. As a result, we expect to take further steps to better align Satcom's cost structure to reflect its production volume and order flow.

Satcom is generally not subject to US tariffs. See "Tariffs" below.

Tariffs

The Company continues to deal with uncertainty over the timing, volatility, level and duration of and changes in US tariffs. Nevertheless, we continue to take proactive steps to mitigate the effect of the tariffs across all our business lines.

Wireless Infrastructure's products are manufactured in our facility in China or third-party facilities in Vietnam and are then purchased by Galtronics USA for delivery to customers in various jurisdictions, including the United States. Products shipped to the US have an effective tariff rate of approximately 30.5%. However, the actual gross margin impact of tariffs on this business line has been mitigated to a much lower level due to a number of measures taken by the Company. This has allowed Wireless Infrastructure to be compliant with the current tariff regime while maintaining a strong margin position.

Embedded Antenna is currently not directly affected by US tariffs on China. This has been our experience with the previous US tariffs levied on imports from China starting in 2018. Although Embedded Antenna's products are manufactured in our facility in China, they are shipped from there to contract manufacturers elsewhere in Asia for embedding in the final products of those contract manufacturers. There remains a risk that tariffs on other Asian countries could impact future order volumes for the Embedded Antenna's products, as well as result in requests for price concessions. Additionally, if end customers' demand declines due to the inflationary impact of tariffs, Embedded Antenna's revenue could be adversely affected.

In the case of Satcom, most of its products are produced in Canada, of which a significant proportion - between 40% and 50% annually - is delivered to customers in the United States. Although we believe Satcom's products are compliant with Canada's free trade agreement with the United States and Mexico and therefore are not subject to the tariff otherwise applicable on Canadian goods, we are assessing other measures to mitigate the effect of the Canada tariff, particularly if this exemption is removed in the future. This may include a change in the structure and operation of Satcom's business so that its products will remain competitive in the US market. Despite Satcom's products being compliant with the free trade agreement, the uncertainty surrounding the effect of the Canada tariff and other tariffs generally could result in delays or cancellations of existing orders and reduced new orders for Satcom's products, impacting Satcom's backlog and its revenue attainment.

There can be no assurance (i) as to the timing, volatility, level and duration of and changes in US tariffs or the temporary or permanent nature of them or (ii) that our efforts to mitigate the effect of the tariffs will be sufficient or adequate to counteract (in whole or in part) the potential negative financial or other impacts the tariffs may have on our business, and those impacts may be material.

INVESTOR CONFERENCE CALL

Baylin will hold a conference call on Thursday, August 7, 2025 at 10:00 a.m. (ET) to discuss its financial results for the three and six months ended June 30, 2025. The conference call will be hosted by Leighton Carroll, Chief Executive Officer, and Cliff Gary, Chief Financial Officer. All interested parties are invited to participate using the dial-in details provided below.

Date: August 7, 2025

Time: 10:00 a.m. (ET)

Dial-in Number: (+1) 800-836-8184 or (+1) 289-819-1350

Conference ID#: 19173

Rapid Connect: To instantly join the conference call by phone, please use the following URL to easily register and be connected into the conference call automatically: <https://emportal.ink/3y3YcQL>

Webcast: This call is also on webcast and can be accessed at: <https://app.webinar.net/Menk4qorwL2>

FORWARD-LOOKING INFORMATION AND STATEMENTS

This press release includes forward-looking information and forward-looking statements (together, “forward-looking statements”) within the meaning of applicable securities laws. Forward-looking statements are not statements of historical fact. Rather, forward-looking statements are disclosure regarding conditions, developments, events or financial performance that we expect or anticipate may or will occur in the future including, among other things, information or statements concerning our objectives and strategies to achieve those objectives, statements with respect to management’s beliefs, estimates, intentions and plans, and statements concerning anticipated future circumstances, events, expectations, operations, performance or results. Forward-looking statements can be identified generally by the use of forward-looking terminology, such as “anticipate”, “believe”, “could”, “should”, “would”, “estimate”, “expect”, “forecast”, “indicate”, “intend”, “likely”, “may”, “outlook”, “plan”, “potential”, “project”, “seek”, “target”, “trend” or “will” or the negative or other variations of these words or other comparable words or phrases and is intended to identify forward-looking statements, although not all forward-looking statements contain these words.

The forward-looking statements in this press release include statements concerning the outlook for our business generally and each of our business lines in particular, including our expectation for future financial performance, the effect of the macroeconomic environment, higher interest rates, timing of and potential impacts from US tariffs and retaliatory tariffs from countries subject to US tariffs, and other disruptions to our business and financial performance. Forward-looking statements are based on certain assumptions and estimates made by us in light of the experience and perception of historical trends, current conditions, expected future developments, including projected growth in the sales of passive and active radio frequency and satellite communications products, and supporting services, and other factors we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such assumptions and estimates will prove to be correct.

Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including the risk factors discussed in the Company's most recent Annual Information Form, which is available under the Company's profile on SEDAR+ at www.sedarplus.ca. All the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors in this press release. There can be no assurance that the actual results or developments will be realized or, even if substantially realized, will have the expected consequences to, or effects on, the Company. Unless required by applicable securities law, the Company does not intend and does not assume any obligation to update any forward-looking statements.

NON-IFRS MEASURES

This press release includes a number of measures that are not recognized under International Financial Reporting Standards ("IFRS"), do not have any standardized meaning under IFRS and as such may not be comparable to similar measures presented by other companies. Management believes that these measures provide useful information to analysts, investors and other interested parties regarding the Company's financial condition and results of operation as they provide additional key metrics of the Company's performance. While management believes that non-IFRS measures provide useful supplemental information, they are not intended to represent, and should not be considered as alternatives to, net income (loss), cash flows generated by operating, investing or financing activities, or other financial statement data presented in accordance with IFRS. For further information, see "Non-IFRS Measures" on page 3 of the MD&A.

ABOUT BAYLIN

Baylin Technologies Inc. is a diversified global wireless technology company focused on the research, design, development, manufacture, and sale of passive and active radio frequency and satellite communications products, and the provision of supporting services.

For further information, please visit www.baylintech.com.