



# INVESTOR PRESENTATION

MARCH, 2014

**BAYLIN**  
TECHNOLOGIES

A global provider of innovative antenna solutions  
for the mobile, broadband and infrastructure markets

# FORWARD LOOKING STATEMENTS

This presentation contains “forward-looking information”, which may include, but is not limited to, statements with respect to future events or the future financial and operating performance of Baylin Technologies Inc. (“Baylin”) and which reflect management’s expectations regarding Baylin’s growth, results of operations, performance, business prospects and opportunities and industry performance and trends. They reflect management’s current internal projections, expectations or beliefs and are based on certain assumptions and estimates made by management in light of information currently available to management, the experience and perception of historical trends, current conditions, expected future developments including projected growth in the antenna and related industries, and other factors management believes to be appropriate and reasonable in the circumstances, but there can be no assurance that such assumptions and estimates will prove to be correct. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “approximately”, “budget”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

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# INVESTMENT HIGHLIGHTS

- ◆ Significant forecasted growth in mobile devices and data drive demand for sophisticated antennas<sup>1</sup>
- ◆ >35-year track record of success through innovation
- ◆ Strong competitive position with integrated capabilities from design to high-volume manufacturing
- ◆ Partner and key supplier to blue-chip companies
- ◆ Opportunities for further growth and expansion
- ◆ Strong management and technical team

<sup>1</sup>Source: Cisco VNI Global Mobile Data Traffic Forecast Update, 2013-2018



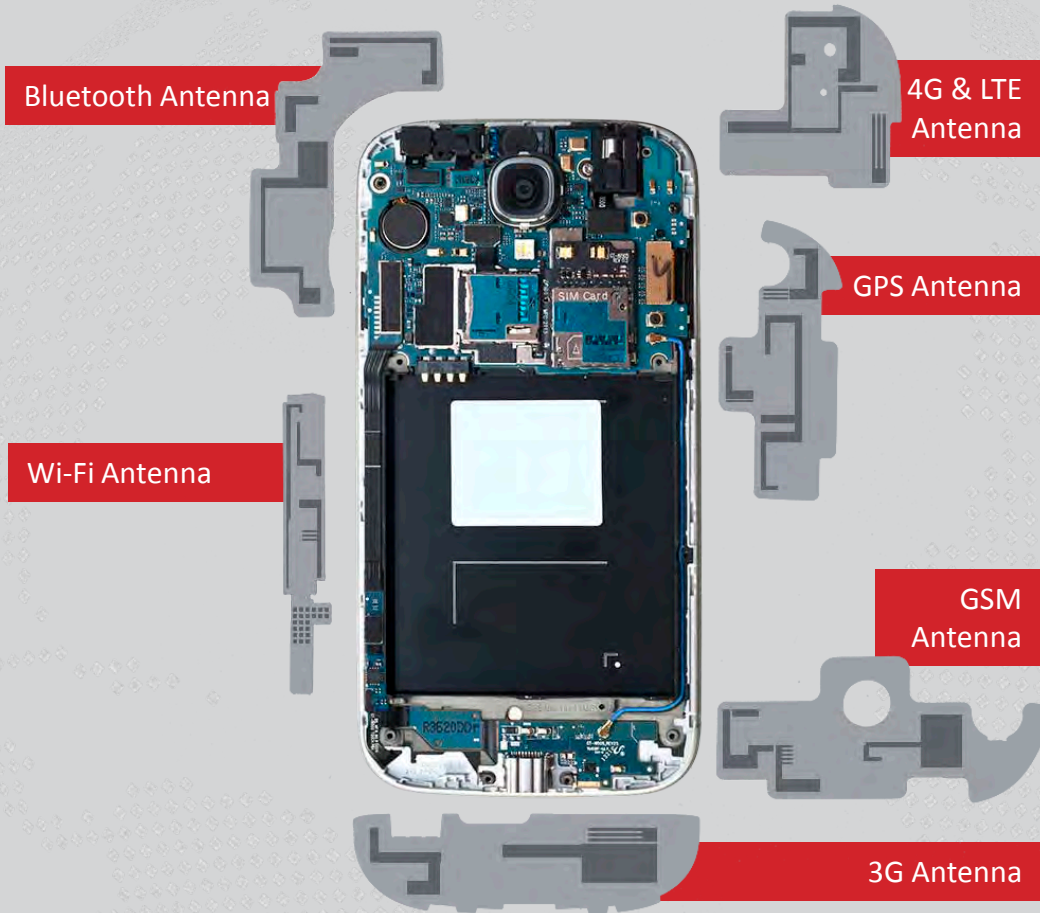
# 61% or 11x

CAGR

**Increase in global mobile data traffic\***

(2013-2018)

**There will be 1.5 billion LTE connections by 2018\***



**CONSUMER DEMAND FOR  
INCREASED PERFORMANCE  
=  
INCREASE IN ANTENNA  
COMPLEXITY**

- ◆ Smaller
- ◆ Greater functionality
- ◆ Reduced interference
- ◆ Increased data capacity

**Antennas are essential. Antennas are sophisticated.**



LEADING R&D AND  
INNOVATION HUB IN ISRAEL

IN-HOUSE MANUFACTURING  
EXCELLENCE IN ASIA

GLOBAL SCALE OF  
OPERATIONS

**BYLIN**  
TECHNOLOGIES  
(DBA GALTRONICS)

A global provider of innovative antenna solutions for the mobile, broadband and wireless infrastructure markets



# >35 YEARS OF INNOVATION



Proven track record of leading innovation

# STRATEGICALLY LOCATED GLOBAL OPERATIONS



- Work side-by-side with customers through product development, design and prototyping
- Minimize lead time to production
- Minimize delivery time of final products



# WORLD CLASS R&D

- ◆ 84 antenna engineers
- ◆ Dedicated research centre in Israel
- ◆ Technological design centres in Tiberias, Seoul, Wuxi and Arizona
- ◆ Extensive patent portfolio and intellectual property rights relating to antenna design and manufacturing
- ◆ Average of 100 new projects every year, with over 40% moved into production
- ◆ Custom designed ~1,500 different antennas (since 1999)
- ◆ Manufactured ~700 million custom engineered antennas (since 1999)

# VERTICAL INTEGRATION FROM PRODUCT DESIGN TO PRODUCTION



ADVANCED  
RESEARCH  
CENTRE

RF DESIGN

RAPID  
PROTOTYPING

TOOL  
FABRICATION

PLASTIC  
INJECTION

PRECISION  
STAMPING

LASER DIRECT  
STRUCTURING

ASSEMBLY &  
INTEGRATION

Innovative design, quick production ramp-up, cost savings,  
short time to market



# GROWTH STRATEGY: EXPANSION IN VIETNAM

- ◆ Estimated 100m antenna capacity and painting and plating production capabilities over time
- ◆ Expected to deepen relationship with key customers
- ◆ Expect better cost control to recapture gross margin from bringing certain production processes in-house
- ◆ Seeking high-tech status approval for favorable tax rate from local government
- ◆ Signed lease agreement and recently began construction
- ◆ Reduced CAPEX expectations in the short term



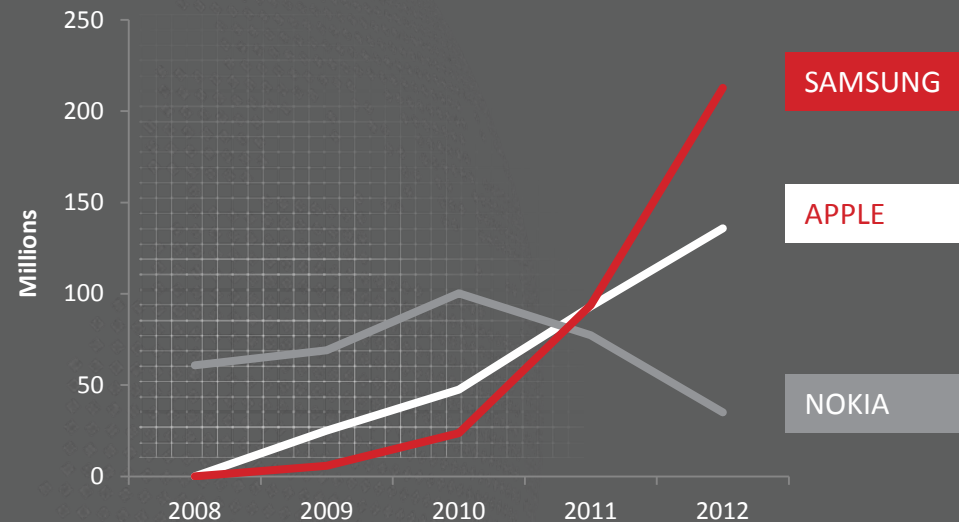
We believe our facility will position us strongly in the rapidly growing smartphone market



# CASE STUDY: SAMSUNG



## 2008–2012 SMARTPHONE SHIPMENTS – TOP OEMs\*



- ◆ 8-year relationship
- ◆ Tier-one antenna supplier
- ◆ Collaboration on hundreds of products since 2006
- ◆ Jointly worked on hundreds of projects per year from 2010 to 2012, achieving an exceptionally high percentage of projects that reached high volume commercial production



# 30%

**U.S. RETAIL, HOME AND SMALL BUSINESS  
NETWORKING MARKET SHARE FOR BELKIN**  
(POST CISCO HOME NETWORKING BUSINESS SALE)\*

- ◆ 8-year relationship
- ◆ Developed first internal antenna for consumer network router
- ◆ Collaboration on ~95% of portfolio of consumer network routers (since 2007)
- ◆ Jointly worked on average of 45 projects per year (2010-2012)
- ◆ ~41% of joint projects moved into commercial production (2010-2012)

# CASE STUDY: SYDNEY CRICKET GROUND STADIUM

## Leveraging strengths in R&D and innovation, manufacturing excellence and a global platform to penetrate the wireless infrastructure market

- ◆ Increased focus on wireless infrastructure sector following strategic review of business in 2010
- ◆ Developed proprietary single-input single-output (“SISO”) and multiple-input multiple-output (“MIMO”) distributed antenna system (“DAS”) antennas
- ◆ Obtained approval from leading global network carriers including AT&T and Verizon in 2012
- ◆ Awarded project for the MIMO DAS deployment at the Sydney Cricket Ground Stadium in 2013
- ◆ MIMO DAS antenna out-performed the other competitors’ antennas



# DEFENSIBLE MARKET POSITION



High barriers to entry

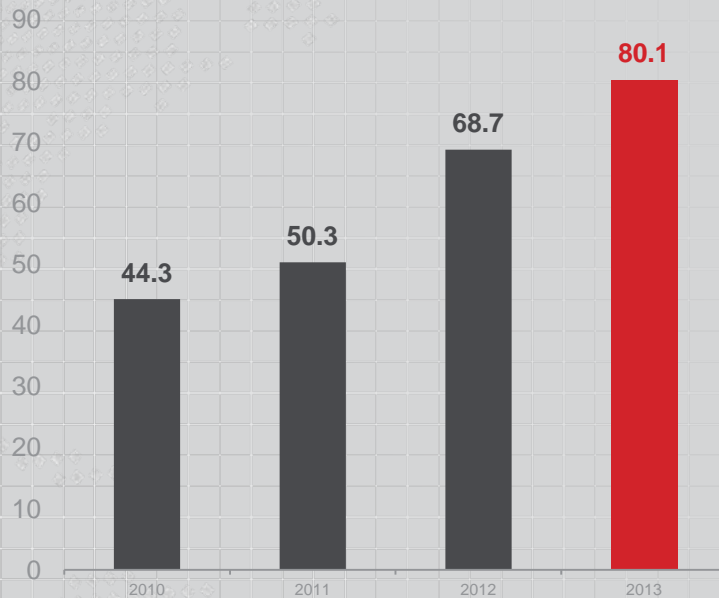


**BAYLIN**  
TECHNOLOGIES

Financials, Management and Growth Strategy

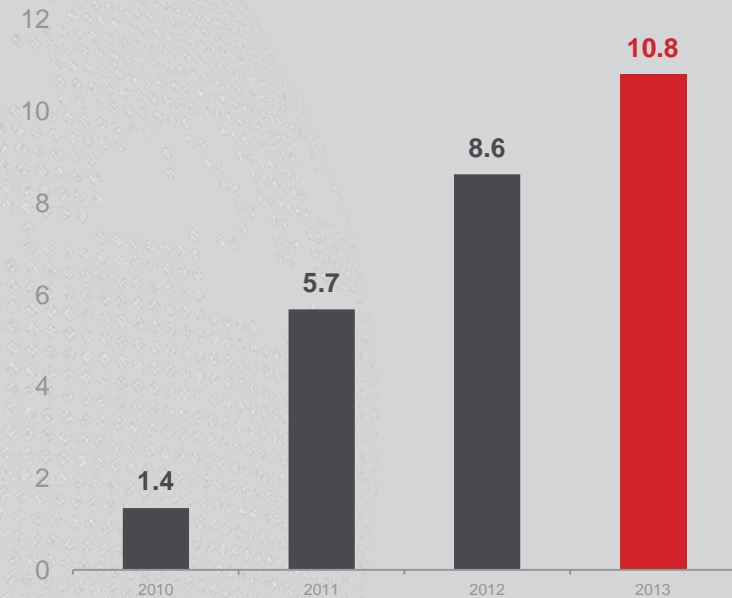
# STRONG REVENUE AND EBITDA GROWTH

REVENUE (US\$, MILLIONS)



ADJUSTED EBITDA FROM CONTINUING OPERATIONS

(US\$, MILLIONS)



**22%**

CAGR (2010–2013)

**17%**

Growth (2012 –2013)

**98%**

CAGR (2010–2013)

**26%**

Growth (2012 –2013)



# SUMMARY OF EIGHT QUARTERS

	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	14,195	15,083	19,062	20,369	17,695	28,158	19,954	14,264
Gross Profit	5,303	4,533	6,299	6,789	5,814	10,493	5,766	3,144
R&D	1,527	1,592	1,683	1,786	1,660	1,865	1,774	2,093 *
Sales & Marketing	618	736	567	723	507	731	682	840
G&A	1,521	1,364	2,324	2,111	1,764	2,119	7,913 **	(139) ***
EBITDA	2,084	1,318	2,229	2,992	2,358	6,243	(3,601)	1,250
Adjusted EBITDA	2,084	1,318	2,229	2,992	2,358	6,243	2,499	(278)

\* Includes shares best compensation of 0.5 M \$ for CTO

\*\* Includes shares best compensation of 6.1 M \$ for CEO

\*\*\* Includes write off of provision for company's founder in the amount of 2 M \$

# SELECTED BALANCE SHEET INFORMATION

## SELECTED UNAUDITED BALANCE SHEET INFORMATION (December 31, 2013)

in US\$ millions

Cash	\$45.1
Other Current Assets	\$16.2
Non-Current Assets	\$23.4
<b>Total Assets</b>	<b>\$84.7</b>
Current Liabilities	\$20
Non-Current Liabilities	\$5.0
<b>Total Liabilities</b>	<b>\$25.0</b>
<b>Total Shareholders' Equity</b>	<b>\$59.7</b>

# GROWTH STRATEGY: ORGANIC

- ◆ Capitalize on strong growth in the mobile sector and increasing demand for devices, connections and data capacity
- ◆ Drive innovation through RF technology expertise and continuing R&D
- ◆ Grow with our current customers and build new relationships
- ◆ Enter into new sales and distribution channels for DAS antennas

## MOBILE

**18.4%**

CAGR (2013 – 2017)  
Global smartphone shipments<sup>1</sup>

## BROADBAND

**50%**

CAGR (2013 – 2018)  
Global mobile LTE connections<sup>2</sup>

## WIRELESS INFRASTRUCTURE

**61%**

CAGR (2013 – 2018)  
Global mobile data traffic<sup>2</sup>

<sup>1</sup>Source: International Data Corporation, Worldwide Mobile Phone Tracker

<sup>2</sup>Source: Cisco VNI Global Mobile Data Traffic Forecast Update, 2013-2018



## ACQUISITION CRITERIA FOR THE ANTENNA MARKET

- ◆ New technologies, products or product categories with strong growth potential
- ◆ New technologies
- ◆ Businesses in new geographies
- ◆ Businesses with new OEM customers

## ACQUISITION RATIONALE

- ◆ Add or build upon existing technology or portfolio of products
- ◆ Expand geographical footprint and distribution network

## ANTENNAS ARE AN ESSENTIAL COMPONENT TO WIRELESS COMMUNICATION

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- ◆ Growth in mobile devices and antennas per device
- ◆ Sharp rise in mobile data traffic
- ◆ Demand for higher data capacity and coverage from network infrastructure
- ◆ Performance complexities

## WE ARE WELL POSITIONED TO BENEFIT

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- ◆ >35 years in the industry
- ◆ Innovation leader
- ◆ Industry-leading customers
- ◆ One-stop shop, from design to high-volume manufacturing and production
- ◆ Strategically located global operations

# STRONG AND EXPERIENCED TEAM

## MANAGEMENT TEAM

### **EPHRAIM ULMER** President & CEO

- ◆ Track record of establishing a world-class, vertically-integrated manufacturing centre in China

### **YUVAL KATZIR** CFO

- ◆ Experience as CFO, corporate controller, and public accountant advising public companies in Israel and the United States

### **BEN BAR** EVP Sales & Marketing, Galtronics

- ◆ Extensive experience and in-depth cultural and business knowledge of international markets in both mid- and high-tech industries

### **MATTI MARTISKAINEN** Chief Technology Officer, RF, Galtronics

- ◆ Diverse experience in the RF cellular antennas industry, with direct contribution to approximately 40 of Galtronics' patents

## BOARD OF DIRECTORS

### **JEFFREY C. ROYER** Chairman

- ◆ Active private investor and board member of several public and private companies as well as General Partner of the Arizona Diamondbacks Baseball Club

### **RANDY L. DEWEY** Vice-Chairman

- ◆ Previous CEO and executive level experience at various international companies. Currently on the board of directors for several private companies

### **STOCKWELL DAY** Independent Director

- ◆ Served at the provincial and federal levels of Canadian government for over 25 years. Currently a strategic advisor to McMillan LLP and Eminata Group

### **DOUGLAS A. JONES** Independent Director

- ◆ Extensive background in the communications industry in North America and Europe, spanning four decades in RF network development, sales and marketing, acquisitions, product development and manufacturing

### **BARRY J. REITER** Independent Director

- ◆ Experienced director and has served on and chaired boards and a variety of board committees, currently on the Executive Committee of Ontario Chapter of Institute of Corporate Directors

### **DON SIMMONDS** Independent Director

- ◆ Founding member of the Lenbrook Group, a private business incubation company perhaps best known for having created Clearnet, one of Canada's leading wireless networks sold to Telus Mobility in 2001, and founding member and CEO of AirIQ Inc.

### **HAROLD M. WOLKIN** Independent Director

- ◆ Accomplished investment banker and financial analyst with over 30 years of experience with BMO Nesbitt Burns, BMO Capital Markets and most recently served as Executive Vice-President and Head of Investment Banking for Dundee Capital Markets



# MARKET DATA

Stock symbol	TSX: BYL
Shares outstanding	18.7 million
Price (March 24, 2014)	\$3.53
52-week low / high	\$3.50 / \$8.35
Market capitalization	\$66.1 million
Fiscal year-end	December 31