



Baylin Announces Financial Results for the Third Quarter of 2018

Revenue Increase of 40.7% and Adjusted EBITDA Increase of 131% Driven by Recent Acquisitions, Wireless Infrastructure and Embedded Solutions

Investor Conference Call on November 1, 2018 at 8:00 a.m. ET

- Revenue for the third quarter ended September 30, 2018 was \$38.2 million, an increase of 40.7% over the prior year period.
- Gross profit grew to \$16.2 million in the third quarter of 2018, compared to \$8.4 million in the third quarter of 2017.
- Adjusted EBITDA was \$7.1 million in the third quarter of 2018, compared to \$3.1 million in the third quarter of 2017.

TORONTO, CANADA – October 31, 2018 – Baylin Technologies Inc. (TSX: BYL) (the "Company" or "Baylin"), a leading, diversified, global wireless technology management company focused on research, design, development, manufacturing and sales of passive and active radio frequency products and services, today announced its financial results for the three months ended September 30, 2018. All amounts are stated in Canadian dollars unless otherwise indicated.

QUARTERLY HIGHLIGHTS

Key highlights for the three months ended September 30, 2018 include the following:

- Revenue grew to \$38.2 million in the third quarter of 2018, an increase of \$11.0 million or 40.7% over the third quarter of 2017.
- Gross profit was \$16.2 million in the third quarter of 2018, an increase of \$7.7 million over the third quarter of 2017. Gross margin was 42.3% in the third quarter of 2018, an improvement of eleven percentage points compared to the prior year period.
- Adjusted EBITDA⁽¹⁾ was \$7.1 million in the third quarter of 2018 compared to \$3.1 million in the third quarter of 2017. Adjusted EBITDA for the third quarter of 2018 excludes certain non-recurring and one-time expenses of \$2.3 million which were primarily expenses related to the acquisition of Alga Microwave.
- Cash on hand at September 30, 2018 was \$19.1 million, a reduction of \$16.1 million from December 31, 2017. The decrease was primarily due to cash utilized for payment of a portion of the purchase price for Advantech Wireless and Alga Microwave and an increase in non-cash working capital offset by an increase in cash from a term loan and a bought deal public offering of subscription receipts and convertible debentures.
- Revenue in the Embedded Antennas and Wireless Infrastructure Groups have continued to increase further diversifying the Company's revenue base.

(1) Adjusted EBITDA refers to operating income (loss) plus depreciation and amortization plus non-recurring items.

"We are very pleased with the Company's higher gross margins in the third quarter of 2018 due to a higher percentage of revenue from our Wireless Infrastructure products as well as the two acquisitions that we completed this year," stated Randy Dewey, Baylin's President and Chief Executive Officer.

"Since completing the acquisition of Alga Microwave on July 11, 2018, we have been focussed on moving Advantech Wireless' operations into Alga Microwave's facility which we expect will result in cost reductions and improved manufacturing efficiencies," added Mr. Dewey.

SELECTED FINANCIAL INFORMATION

Selected financial information of the Company is summarized below for the periods indicated:

	(in \$000's except per share amounts)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Revenue	38,189	27,140	100,205	67,290
Gross Profit	16,168	8,424	39,778	21,167
Income (loss) before income taxes	(1,104)	911	(4,931)	(3,518)
Income tax expense	695	15	1,183	435
Net income (loss)	(1,799)	896	(6,114)	(3,953)
Basic and diluted income (loss) per share	(\$0.05)	\$0.04	(\$0.16)	(\$0.18)
EBITDA	4,774	2,652	5,255	1,327
Adjusted EBITDA	7,100	3,076	11,435	3,633
Current assets	78,777	44,926	78,777	44,926
Total assets	166,903	64,244	166,903	64,244
Current liabilities	33,328	25,571	33,328	25,571
Non-current liabilities	53,926	1,636	53,926	1,636
Total liabilities	87,254	27,207	87,254	27,207

A copy of the Company's unaudited interim condensed consolidated financial statements for the three months ended September 30, 2018 and corresponding management's discussion and analysis (the "MD&A") are available under the Company's SEDAR profile on www.sedar.com.

OUTLOOK

Management believes that the Company has gained access to technology through the strategic acquisitions of Advantech Wireless and Alga Microwave that will accelerate growth by broadening the Company's product offering and better positioning the Company for development of products for 5G (the fifth generation of cellular mobile communications).

INVESTOR CONFERENCE CALL

Baylin will hold a conference call on November 1, 2018 at 8:00 a.m. (ET) to discuss its financial results for the three months ended September 30, 2018. The call will be hosted by Randy Dewey, President and Chief Executive Officer, and Michael Wolfe, Chief Financial Officer and Daniel Kim, Executive Vice President Corporate Development. All interested parties are invited to participate using the dial-in details provided below.

Date: November 1, 2018
Time: 8:00 a.m. (ET)
Dial-in Number: 888-231-8192 or 647-427-7451
Conference ID#: 6781418

Webcast: <https://event.on24.com/wcc/r/1652775/C5AFC2D65EB9F4963E13BA7B27E2B5C9>

FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release constitute "forward-looking statements" that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of the Company, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimates," "predicts," "potential," "targeted," "plans," "possible" and similar expressions, or statements that events, conditions or results "will," "may," "could" or "should" occur or be achieved. The forward-looking statements in this press release include, but are not limited to, statements regarding the Company's expected product pipeline, plans to expand the Company's business into new markets, the Company's ability to achieve organizational efficiencies, and other statements regarding the Company's plans, objectives and expectations. These statements reflect the Company's current views regarding future events and operating performance and are based on information currently available to the Company as of the date of this press release. These forward-looking statements involve a number of risks, uncertainties and assumptions and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Those assumptions and risks include, but are not limited to, the Company's ability to successfully allocate capital as needed and to develop new products, as well as the fact that the Company's results of operations and business outlook are subject to significant risk, volatility and uncertainty. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to the risk factors discussed in the Company's Annual Information Form dated March 1, 2018 and the Company's prospectus supplement dated July 3, 2018 to a short form base shelf prospectus dated November 16, 2017, all of which are available on the Company's profile at www.sedar.com. All of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they 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 these forward-looking statements.

NON-GAAP MEASURES

This press release includes a number of measures that are not prescribed by Canadian generally accepted accounting principles ("GAAP") and as such may not be comparable to similar measures presented by other companies. We believe these measures are commonly employed to measure performance in our industry and are used by analysts, investors, lenders and interested parties to evaluate financial performance and our ability to incur and service debt to support our business activities. While management of the Company believes that non-GAAP measures are helpful supplemental information, they should not be considered in isolation as an alternative to net income, cash flows generated by operating, investing or financing activities, or other financial statement data presented in accordance with GAAP. See "Non-GAAP Measures" on page 2 of the MD&A for further information.

ABOUT BAYLIN

Baylin Technologies Inc. (TSX: BYL) is a diversified leading global wireless technology management company. Baylin focuses on research, design, development, manufacturing and sales of passive and active radio-frequency products and services. Baylin aspires to meet its customers' needs and anticipate the direction of the market. For further information, please visit www.baylintech.com.

For further information please contact Investor relations: investor.relations@baylintech.com