

Baylin Completes First Tranche of Private Placement - Raises \$10 Million

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TORONTO, Sept. 1, 2021 /CNW/ - Baylin Technologies Inc. (TSX: BYL) (the "**Company**" or "**Baylin**") announces that it has completed the first tranche of its previously announced private placement offering (the "**Offering**") of a minimum of 11,765,000 common shares of the Company ("**Common Shares**") up to a maximum of 17,648,000 Common Shares at a price of \$0.85 per Common Share. Pursuant to an agreement dated August 11, 2021 with 2385796 Ontario Inc. (the "**Insider**"), the Company's largest shareholder, whereby the Insider agreed to purchase such number of Common Shares with a purchase price equal to the lesser of (i) \$10 million; and (ii) the difference between \$10 million and the aggregate gross proceeds paid by all other investors (if any) in the Offering, the Insider has purchased all 11,765,000 Common Shares comprising the first tranche of the Offering, resulting in total aggregate gross proceeds to the Company of \$10,000,250.

The Company is relying on the "financial hardship" exemption available to it under the rules of the Toronto Stock Exchange ("**TSX**") to permit the Insider to purchase the Common Shares sold under the first tranche of the Offering. As a result of reliance on this exemption, the TSX, in accordance with its standard practices, is reviewing the eligibility of the Company for continued listing of its securities on the TSX and has placed the Company under remedial delisting review. The Company has until early December 2021 to satisfy the requirements for continued listing, which it is confident it will be able to meet. The Common Shares comprising the first tranche of the Offering are being listed on the TSX.

The net proceeds from the Offering will be used for general working capital purposes and for the repayment of outstanding debt.

Paradigm Capital Inc., as lead agent and bookrunner, and Raymond James Ltd. (collectively, the "**Agents**") received a cash commission of \$200,005 for their services in connection with the first tranche of the Offering. The Agents intend to continue to market the Offering.

Insider Holdings

Prior to the closing of the first tranche of the Offering, the Insider held 26,653,122 Common Shares, representing approximately 42.7% of the 62,447,014 Common Shares then outstanding (on an undiluted basis). An associate (as such term is defined in the *Securities Act* (Ontario)) of Jeffrey C. Royer, Chairman of the Board of Directors of the Company, held 2,748,450 Common Shares. Mr. Royer exercises exclusive control over the Common Shares held by the associate and, by virtue of an agreement with the associate, over the Common Shares held by the Insider. Together, the Insider and the associate (the "**Insider Group**") held 29,401,572 Common Shares prior to the closing of the first tranche of the Offering, representing approximately 47.1% of the Common Shares then outstanding (on an undiluted basis).

As a result of the 11,765,000 Common Shares purchased by the Insider under the first tranche of the Offering, the Insider Group now holds 41,166,572 Common Shares, representing approximately 55.5% of the issued and outstanding Common Shares (on an undiluted basis).

US Securities Laws Disclaimer

The Common Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws, and may not be offered or sold in the United States without registration under the U.S. Securities Act and all applicable state securities laws or compliance with the requirements of an applicable exemption therefrom. This press release does not constitute an offer to sell or the solicitation of an offer to buy Common Shares in the United States, nor may there be any sale of these Common Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Baylin

Baylin is a leading, diversified, global technology company. Baylin focuses on research, design, development, manufacturing, and sales of passive and active radio-frequency and terrestrial microwave products and services. We strive to meet our customers' needs and anticipate the direction of the market.

Forward-looking Information Cautionary Statement

This press release contains forward-looking statements and forward-looking information, including statements related to the Company being able to satisfy continued listing requirements of the TSX, and the timing and completion of any further tranches of the Offering, which is subject to a number of conditions, including that no material adverse change will occur in the Company's operations or the market for its services prior to completion of any further tranches of the Offering, and completion of satisfactory due diligence by the Agents. The intended use of the net proceeds of the Offering by the Company might change if the board of directors of the Company determines that it would be in the best interests of the Company to deploy the proceeds for some other purpose. The words "will", "expect", "may" and similar expressions are intended to be among the statements that identify forward-looking statements. The forward-looking statements are founded on the basis of expectations and assumptions made by Baylin.

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CNW 09:01e 01-SEP-21