

Telit Communications PLC

Richard Kilsby appointed Chairman, other board changes and trading update

London, 23 November 2017 – Telit Communications PLC (“Telit”, “the Group”, AIM: TCM), a global enabler of the Internet of Things (IoT), has appointed Richard Kilsby as non executive Chairman with immediate effect and made a number of other board changes. The Group also provides an update on full year trading.

Simon Duffy has been appointed the senior independent non executive director and Chairman of the Audit Committee, with immediate effect.

Yosi Fait, who has been interim Chief Executive since August, has been appointed Chief Executive Officer and Yariv Dafna, currently Chief Operating Officer, joins the Board as Finance Director, both with immediate effect.

Enrico Testa is stepping down as Chairman but will remain on the Board as an executive director. Davidi Gilo, non executive director, will step down from the Board on 31 December 2017. The Board continues to consider other candidates to strengthen it further.

The Board remains committed to delivering a significant rationalisation of the Group’s product lines and a reduction in its cost base, the benefits of which will be achieved in the coming financial year to 31 December 2018 and following years.

The Group now plans to publish a Q3 update in early December which will also set out further information on this cost reduction plan.

Early indications are that pressure on gross profit margins stemming from the transition from 2G and CDMA products (mature technologies with higher gross profit margins) toward LTE products (newer technologies with lower margins at this stage) has been greater than expected. As a result, the Board expects adjusted EBITDA for the year to be materially below previous guidance. Revenues and adjusted EBITDA for the second half will, as usual, be greater than for the first.

Richard Kilsby, Chairman of Telit, commented:

“These board changes mark a new beginning for Telit.

“Simon and I are committed to the Board applying the highest standards of corporate governance and transparency across the Group and ensuring the reporting and controls are appropriate for what is a very complex business. In particular, going forward we will ensure that the business is run in a prudent manner.

“Having reviewed Telit and its business in detail ahead of accepting our respective roles, Simon and I are confident that Yosi and Yariv are the right people to lead the business and drive it forward.

“We are aware of the concerns raised regarding share trading undertaken by Yosi Fait in July 2017. We have absolute confidence in his integrity and believe, having examined the share trading with the assistance of external legal advice, on this basis that it was lawful.

“Telit is very well positioned in the fast growing and exciting space of the Internet of Things. The team have developed a detailed bottom up plan to rationalise the

cost base of the business and capitalise on its leading position in the fast moving end-to-end IoT solutions space.

"I look forward to working with Yosi and the team to implement their strategy to develop the business and maximise shareholder value."

Background to new appointees

Richard Kilsby has held non executive and executive roles in both listed and unlisted companies in industries ranging from financial services to technology. Most recently, he was non executive Chairman of 888 Holdings Plc for 10 years. He has also been a non executive director at Tullet Prebon, Impact Holdings Plc and Collins Stewart plc and has acted as an Independent Monitor for the SEC.

From 1998 to 2002 he was Chief Executive/Vice Chairman of Tradepoint / virt-x and, from 1995 to 1998, executive director at the London Stock Exchange, responsible for secondary market regulation and introducing the order driven market and associated stamp duty changes to London. He was also the Competent Authority for Listing, which was subsequently taken on by the FSA.

Prior to that, he worked in London and New York for Bankers Trust in a number of roles and was the CEO of Charterhouse Bank. He trained with and became a partner at Price Waterhouse, during which time he worked in the UK, Middle East and USA as an auditor and jointly created the Treasury Management consulting practice. He also acted as an Inspector for the Bank of England.

Simon Duffy has also held a number of non executive and executive roles in both listed and unlisted companies across a number of industries. His current directorships include Millicom International Cellular, Wizz Air Holdings Plc and Oger Telecom Ltd.

His previous roles have included: non executive Director of Imperial Brands Plc; Executive Chairman of Tradus Plc; Executive Vice Chairman of Virgin Media Group; CFO of Orange SA; Chief Executive of End2End Holdings AS; Deputy Chairman and Chief Executive WorldOnline International BV; and Deputy Chairman and Group Finance Director at Thorn EMI Plc.

Yosi Fait joined Telit initially as part time Chairman of the Israel operation in 2007 and subsequently as Finance Director in 2011. He also has led the development of the Group's rapidly growing IoT services division.

Prior to joining Telit, Yosi was involved in a range of businesses in executive and owner-operating roles, in property and metal & chemical manufacturing. Before that he was Chief Executive of Alony Industries, a listed manufacturing and agencies company for the construction industry, and CFO & business development for Pelephone Communications Ltd, the first cellular operator in Israel, for three years.

In 1992, he founded a value for money fashion chain in Israel. He left the business in 1999 having successfully led its IPO in 1994. He is a CPA and economist by training.

Yariv Dafna has been Telit's Corporate Development Officer for the last five years and COO for the last two leading, amongst other activities, the Group's M&A activities. Before that he was the Group's CFO for five years. Prior to that, he was for four years Corporate Controller and Finance Manager of Dai Telecom Ltd. He is a CPA, having trained at Deloitte Israel.

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About Telit

[Telit](#) (AIM: TCM), is a global leader in Internet of Things (IoT) enablement. The company offers the industry's broadest portfolio of integrated products and services for end-to-end IoT deployments – including cellular communication modules in all technologies, GNSS, Wi-Fi, short-to-long range wireless modules, IoT connectivity plans and IoT platform services. Through the [IoT Portal](#), Telit makes IoT onboarding easy, reduces risk, time to market, complexity and costs for asset tracking, remote monitoring and control, telematics, industrial automation and others, across many industries and vertical markets worldwide.

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Additional Information

In accordance with the AIM Rules, the following information required to be disclosed in relation to Richard Kilsby, Yariv Dafna and Simon Duffy is set out below. Other than this information, there is no further information required to be disclosed under paragraph (g) of Schedule Two of the AIM Rules.

Full name and age

Richard Philip Kilsby, aged 65

Current beneficial shareholding in the Group

Nil

Current Directorships

FxPro Group Limited

Former Directorships (previous five years)

888 Holdings plc
Efficient Frontiers Limited

Cargo Solutions Limited underwent a company voluntary arrangement in July 2003 whilst Mr. Kilsby was a director, which was fully implemented. Notice of completion of voluntary arrangement was filed with Company's House in January 2005.

Full name and age

Yariv Dafna, aged 43

Current beneficial shareholding in the Group

30,000 Ordinary Shares and holds 321,660 options over Ordinary Shares and 37,000 RSUs

Current Directorships

Dai Telecom Holdings (2000) Ltd
Telit Automotive Solutions NV
Telit Communications Cyprus Ltd
Telit Wireless Services Ltd.
Telit Wireless Solutions Hong Kong Ltd.

Former Directorships (previous five years)

Telit Wireless Solutions SRL
Telit Communications SPA

Full name and age

Simon Patrick Duffy, aged 67

Current beneficial shareholding in the Group

Nil

Current Directorships

3C Telecommunications Pty Ltd.
Millicom International Cellular SA
Modern Times Group AB
Oger Telecom Limited
Sybic Ltd
YouView TV Limited
Wizz Air Holdings Plc

Former Directorships (previous five years)

Avito AB
bwin.party digital entertainment plc
Cell C (Pty) Ltd
Mblox Inc.
Sybic Advisory Ltd
Sybic Capital Ltd
Sybic Entertainment Ltd
Sybic Finance Ltd
Sybic Group Ltd
Sybic Holdings Ltd
Sybic Investments Ltd
Sybic Properties Ltd
Sybic Productions Ltd

No further disclosure is required under AIM Rule 17 and paragraph (g) to Schedule Two of the AIM Rules with respect to Richard Kilsby, Yariv Dafna, and Simon Duffy.

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.