

Telit Communications PLC

Update on Italian VAT appeal

London, 19 March 2018 – Telit Communications PLC (“Telit”, “the Group”, AIM: TCM), a global enabler of the Internet of Things (IoT), announces an update on ongoing legal matters with regard to historical VAT assessments in Italy.

In Italy, the merits of a tax assessment and certain associated penalties are addressed separately from each other.

As announced on 12 January 2018, two levels of tax court in Italy have previously found in favour of Telit on the merits of whether VAT assessments for the 2005, 2006 and 2007 tax years should have been made against Telit. This matter remains open before the Italian Supreme Court and Telit does not expect it will be heard before 2022. Telit intends to defend its position that the VAT assessments should be annulled.

Separate from the dispute on the merits of the assessments, the Italian tax authorities issued penalty deeds against Telit in August 2015. Telit has now been informed that the first level tax court in Italy has rejected appeals filed by Telit against these penalty deeds. Telit intends to appeal and to vigorously defend its position and has been advised that its position in this matter remains strong.

The aggregate value of the penalty deeds remains approximately €5 million, as set out in the Group’s annual report for the year ended 31 December 2016.

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