

TELIT COMMUNICATIONS PLC

Telit acquires Silicon Valley based GainSpan, leader in ultra-low-power Wi-Fi

London, 1 February 2017 – Telit Communications PLC (AIM: TCM, "Telit", the "Group"), a global enabler of the Internet of Things (IoT), has agreed to acquire GainSpan Corporation ("GainSpan") for \$8 million in cash (subject to certain working capital adjustments).

GainSpan designs, develops, manufactures and commercialises ultra-low power Wi-Fi systems-on-chip and modules for battery and line-powered devices. It also owns the intellectual property in network stacks, system and application software it has developed.

The acquisition augments Telit's existing portfolio of IoT products and services and positions the Group to deliver on its "Sensor to Cloud" vision.

It is widely projected that the overall IoT market will continue on a rapid growth trajectory, with a steady expansion of cellular-based IoT solutions. However, much more rapid and significant growth is expected to come from short range based solutions, predominantly Wi-Fi.

The acquisition of GainSpan positions Telit to capitalise on new short range opportunities and the ubiquity of Wi-Fi by increasing sales to its existing customer base and capturing customers in many new segments.

Telit's expanded short range capabilities, combined with its leading cellular and location modules, connectivity and platform services, deliver unmatched end-to-end IoT solutions. These range from telematics and security to building management, healthcare, smart home and cities, and many other emerging IoT markets and segments around the world.

GainSpan's 96 employees, mostly R&D and support, will be integrated into Telit's short-range business unit. 60 are located in the R&D Centre in Bangalore, India with the rest in its San Jose, California headquarters.

GainSpan is expected to have a negative impact on the adjusted EBITDA by some \$4 million in the current financial year. However, after fully integrating the business, Telit expects this important asset to make a positive contribution in 2018 and to make both a material financial and operational contribution in the longer term.

Oozi Cats, Telit Chief Executive, commented:

"By adding ultra-low power Wi-Fi technology to our existing product portfolio, we will expand into new markets and segments, and bring further benefits to our existing customers."

"This acquisition significantly expands our Wi-Fi competence and expertise and further strengthens and differentiates Telit as a top enabler of end-to-end IoT solutions."

"With this acquisition, we now have ten R&D centres around the world and a total work force of over 1,000 people. Importantly, GainSpan's R&D centre is in Bangalore - a key centre of R&D expertise, where we plan to expand our capabilities."

Enquiries:

Telit Communications PLC
Oozi Cats, CEO

Tel: +442032893831

Yosi Fait, Finance Director & President

Canaccord Genuity Limited (Nominated Adviser and Joint Broker)

Tel: +44 20 7523 8000

Simon Bridges/Martin Davison

Berenberg (Joint Broker)

Tel: +44 20 3465 2722

Chris Bowman/Ben Wright

Instinctif Partners

Tel: +44 20 7457 2020

Adrian Duffield/Chantal Woolcock

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, 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.