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Telit Communications PLC

Automotive division sale completed

London, 27 February 2019 – Telit Communications PLC (“Telit”, “the Group”, AIM: TCM), a global enabler of the Internet of Things (IoT), has completed the sale of Telit Automotive Solutions NV (“Telit Belgium”) to TUS for a total consideration of \$105 million. Telit has received \$67.5 million in cash, including \$1 million on account of the cash and working capital position of the disposed business, and has granted TUS a short-term vendor loan of \$38.5m (“Vendor Loan”).

TUS has acquired Telit Belgium and its wholly owned subsidiaries in France, Germany, Korea and Israel. This business represents less than 20% of Telit’s revenue. The assets and approximately 120 employees, who support the automotive business across global R&D and sales offices, will transfer with the sale.

Under the terms of the Vendor Loan, Telit has been provided with a pledge over all the shares of Telit Belgium. TUS proposes to repay the loan in full upon completion of certain bank financing that is currently in the final stages of being negotiated. TUS is obliged to repay the Vendor Loan within six weeks of the Completion Date (or such later date as Telit may agree in its absolute discretion).

The amounts paid in respect of cash and working capital remain subject to a final adjustment, which will be completed within 45 business days from closing.

The cash proceeds have been used to repay in full the Group's bank debt and strengthen its cash position.

Paolo Dal Pino, Executive Chairman of Telit, commented:

"This transaction is an important milestone in executing our strategy and it frees up considerable internal resources and provides significant cash inflow. The temporary Vendor Loan arrangement has enabled us to immediately complete this transaction."

"We now have the financial flexibility and the resources to accelerate the integration of our hardware products and IoT services and can focus on enhancing value for our customers and shareholders."

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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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