

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION

THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE, EVEN IF THE PRECONDITIONS NOTED BELOW ARE SATISFIED OR WAIVED

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

18 March 2021

DBAY Advisors Limited ("DBAY")

Statement regarding Telit Communications PLC ("Telit" or the "Company")

DBAY, the largest shareholder in Telit with a shareholding of 34,970,165 shares, representing 26.02% of the current issued share capital of the Company, notes the recent media speculation and announcement by Telit. DBAY confirms that it is in discussions with the Company regarding a possible offer for the issued and to be issued share capital of Telit (the "Possible Offer").

Following DBAY's announcement on 15 December 2020 that it had no intention of making an offer for Telit, DBAY made a single confidential approach to Telit on 10 February 2021 to be released from its restrictions under Rule 2.8 of the Code. The Telit Board did not indicate at what price it would be prepared to recommend the Possible Offer, but allowed DBAY to undertake confirmatory due diligence.

DBAY can confirm the highest price that it has paid for Telit shares in the three months prior to the commencement of the offer period was 206 pence per share and, in accordance with Rule 6 of the Code, any Possible Offer from DBAY will need to be at or above this price.

DBAY is also considering offering a partial non-voting preference share alternative to allow shareholders to roll-over some of their investment and retain an interest in the Company's future should they choose to do so.

Whilst commercial discussions with the Board of Telit are ongoing and there can be no certainty that any firm offer will be made, DBAY believes, based on its due diligence to date, that any Possible Offer at 206 pence per Telit share, which equates to a premium of approximately 54% relative to Telit's closing price on 26 October 2020 (the day before DBAY made its first proposal to Telit), represents a fair and reasonable price and gives Telit shareholders the opportunity to sell their shareholding for cash. Alternatively, shareholders may participate in any future upside by electing for the non-voting preference share alternative. DBAY is supportive of Telit's management team and employees, and DBAY continues to believe that without the distractions of a public listing, they can focus on realising the Company's potential.

Any announcement by DBAY of a firm intention to make an offer for Telit under Rule 2.7 of the Code is subject to certain customary pre-conditions (which, in accordance with Rule 2.5(c)(i) of the Code may be waived in whole or in part by DBAY):

- 1) satisfactory completion of due diligence on Telit, including appropriate access to senior management;
- 2) the directors of Telit providing a unanimous and unqualified recommendation and the provision of irrevocable undertakings on terms satisfactory to DBAY in favour of the transaction from the directors of Telit (and their connected persons) who are also shareholders; and
- 3) DBAY finalising committed debt financing for the Possible Offer.

For the purposes of Rule 2.5(a) of the Code, DBAY reserves the right to:

- (i) introduce other forms of consideration and/or to vary the form and/or mix of the consideration described in this announcement; and
- (ii) make an offer on less favourable terms than 206 pence per Telit share:
 - a. with the recommendation or consent of the Board of Telit;
 - b. if Telit announces, declares or pays any dividend or any other distribution to shareholders, in which case DBAY will have the right to make an equivalent reduction in its offer terms;
 - c. if a third party announces a firm intention to make an offer for Telit on less favourable terms than the Possible Offer; or
 - d. following the announcement by Telit of a whitewash transaction pursuant to the Code.

However, an offer by DBAY on less favourable terms than 206 pence per Telit share would also require a dispensation from Rule 6 of the Code.

Takeover Code Note

On 15 December 2020, DBAY confirmed that it had no intention of making an offer for Telit and, as a result of that announcement, was bound by the restrictions imposed by Rule 2.8 of the Code (the “**Restrictions**”) for a period of six months, which ends on 16 June 2021 (the “**Restricted Period**”). In accordance with Note 2 on Rule 2.8, the Restrictions were capable of being set aside at any point in the Restricted Period in certain circumstances, including with the consent of the Board of Telit.

As set out in Telit’s announcement on 18 March 2021, Telit released DBAY from the Restrictions on the basis set out in this paragraph. In accordance with Paragraph 3 of Practice Statement 28, published by the Panel Executive and entitled “Rules 2.8 and 35.1 - Entering Into Talks During a Restricted Period”, until such time as the Restricted Period has expired, there is no requirement to specify a deadline by which DBAY must either announce a firm intention to make an offer in accordance with Rule 2.7 of the Code or to announce that it does not intend to make such an offer. This is because DBAY remains subject to the Restrictions until the end of the Restricted Period and, as a result, Telit is able to terminate the discussions with DBAY at any time, at which point the Restrictions would be re-imposed on DBAY for the remainder of the Restricted Period and Telit would announce the same. However, if, at the expiry of the Restricted Period, discussions between the parties are still ongoing and DBAY has not announced (i) its firm intention to make an offer in accordance with Rule 2.7 of the Code or (ii) that it does not intend to make such an offer, then the Board of Telit, in accordance with the Code, will announce the date and time by which it must do so, which will be 5.00 pm on the 28th day following the end of the Restricted Period, being 14 July 2021.

A further statement will be made as appropriate.

The person responsible for arranging the release of this announcement on behalf of DBAY is Mike Haxby (COO, DBAY Advisors Limited)

Enquiries:

Investec Bank plc (Financial Advisor to DBAY)

+44 (0) 207 597 5970

Gary Clarence
William Godfrey

Notice related to financial advisor

Investec Bank plc, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority, is acting for DBAY and no one else in connection with the above and will not be responsible to anyone other than DBAY for providing the protections offered to clients of Investec nor for giving advice in relation to the subject matter of this announcement or any other matters referred to in this announcement.

Publication on website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at www.dbayadvisors.com, by no later than 12 noon (London time) on 19 March 2021.

The content of the website referred to above is not incorporated into and does not form part of this announcement.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of

whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.