



## Comtech Telecommunications Corp. Announces Strategic Acquisition of UHP Networks Inc. for \$40.0 Million

November 21, 2019

MELVILLE, N.Y.--(BUSINESS WIRE)--Nov. 21, 2019-- November 21, 2019-- Comtech Telecommunications Corp. ("Comtech") (Nasdaq: CMTL) announced today that it has entered into an agreement to acquire UHP Networks Inc. ("UHP"), a leading provider of innovative and disruptive satellite ground station technology solutions, for a purchase price of approximately \$40.0 million. Founded in 2005, UHP is based in Canada and has developed revolutionary technology that is transforming the Very Small Aperture Terminal ("VSAT") market.

Fred Kornberg, President and Chief Executive Officer of Comtech, said, "With end-markets for high-speed satellite-based networks significantly growing, Comtech's acquisition of UHP is a significant step in enhancing our solution offerings for the satellite ground station market. After months of extensive testing, we believe that UHP's innovative implementation techniques for time division multiple access ("TDMA") technology are best-in-class. UHP's disruptive technologies were developed starting with a blank sheet of paper, are unencumbered by legacy methods and provide the highest TDMA efficiency at the lowest cost available. We are delighted to acquire UHP and expect the use of their incredible technology to expand globally for many years ahead."

Vagan Shakhgildian, President of UHP, said, "I believe this strategic combination with Comtech is compelling. I expect our customers will significantly benefit from greater resources and capabilities than UHP could provide on a stand-alone basis. We intend to maintain a sharp focus on all scheduled and committed rollouts to our customers and supporting all existing products, services, and agreements to our customers including value-added resellers, distributors, original equipment manufacturers and other strategic partners. All of UHP employees and myself look forward to working with the Comtech management team to deliver world-class products to our existing customers and new customers around the world."

Key Strategic Benefits for Comtech Include:

- Expands Comtech's product line in the satellite ground station market, which has a growing need for reliable, high capacity satellite equipment, particularly in the private and high-performance enterprise VSAT market.
- Allows Comtech to integrate a revolutionary TDMA technology into Comtech EF Data Corp.'s industry leading HEIGHTS™ platform (which includes our HEIGHTS Dynamic Network Access ("H-DNA") dynamic Single Carrier per Channel ("dSCPC") technology).
- Brings new relationships with top tier U.S. mobile network operators, Fortune 500 global companies and international government agencies.

About UHP's Innovative and Disruptive Satellite Ground Station Technology

- UHP offers several satellite routers which can process up to 450Mbps of aggregate traffic with over 190,000 IP packets per second and have remarkably low TDMA overhead. UHP's implementation of TDMA technology can result in a 20% efficiency advantage over other TDMA implementations at a much lower cost.
- UHP's routers are truly universal and can switch on-the-fly between modes using multiple configuration profiles that are built into the device. As such, it enables mobile network operators to expand cell phone service to rural areas with full and highly efficient coverage. UHP's universal routers can provide for a self-healing architecture, known as Smart Redundancy™, which we believe is an industry first.
- UHP has recently announced a next-generation, fully backward compatible, wideband platform that has 3x greater capability than its existing systems and which will allow High Throughput Satellite ("HTS") satellite operators to combine different services and applications in just one carrier.

The purchase agreement for UHP includes the acquisition of a sister company and all of their intellectual property. All employees of UHP are expected to join and remain with the company and Mr. Vagan Shakhgildian will serve as President of UHP and have additional responsibilities to facilitate further growth of Comtech's HEIGHTS solutions. The purchase agreement provides for an earn-out up to an additional \$10.0 million if certain agreed upon sales milestones are reached over a twelve-month period after close. The impact of the UHP acquisition with respect to Comtech's fiscal 2020 financial guidance will be dependent on the timing of the closing of the transaction which is expected to occur late in the second half of fiscal 2020. The transaction is subject to customary closing conditions.

Comtech will provide financial and other information about the UHP transaction during its regularly scheduled conference call to review the results of its fiscal quarter ended October 31, 2019, the exact date and time of which will be announced in advance.

Morgan Lewis & Bockius LLP, Proskauer Rose LLP and Torys LLP are serving as legal counsel to Comtech. KPMG M&A Advisory is serving as financial advisor to UHP. Dentons is serving as legal counsel to UHP.

### About Comtech

Comtech Telecommunications Corp. designs, develops, produces and markets innovative products, systems and services for advanced

communications solutions. The Company sells products to a diverse customer base in the global commercial and government communications markets. For more information, visit [www.comtechtel.com](http://www.comtechtel.com).

#### **About Comtech EF Data Corp.**

Comtech EF Data Corp. is a leading supplier of communications equipment with a focus on satellite bandwidth efficiency and link optimization. The high-performance satellite communications ground equipment is deployed globally to support mission-critical and demanding applications for government, mobile backhaul, premium enterprise and mobility. The solutions are facilitating fixed and mobile networks in over 100 countries. For more information, visit [www.comtechefdata.com](http://www.comtechefdata.com).

#### **About UHP Networks Inc.**

UHP Networks Inc., which is headquartered in Canada, is engaged in the development, manufacturing and marketing of satellite networking equipment. Its core products include universal satellite routers and an advanced Network Management System. UHP-powered solutions have been deployed in hundreds of networks and thousands of remote terminals have been installed in over 50 countries by Tier 1 telecom service providers, broadcasters, government agencies and top-tier Mobile Network Operators. For more information, visit [www.UHP.net](http://www.UHP.net).

#### **Forward-Looking Statements**

Certain information in this press release contains statements that are forward-looking in nature and involve certain significant risks and uncertainties. Actual results could differ materially from such forward-looking information. The Securities and Exchange Commission ("SEC") filings of Comtech Telecommunications Corp. identify many such risks and uncertainties. The forward-looking information in this press release could be affected by many factors including, without limitation: risks associated with the ability to consummate the transaction and the timing of the closing of the transaction; the ability to successfully integrate operations and employees; the ability to realize anticipated benefits and synergies of the transaction; the potential impact of the announcement of the transaction or consummation of the transaction on relationships, including with employees, customers and competitors; the ability to retain key personnel; the ability to achieve performance targets; changes in financial markets, interest rates and foreign currency exchange rates; and those additional risks and factors discussed in reports filed with the SEC by Comtech Telecommunications Corp. from time to time, including those discussed under the heading "Risk Factors" in its most recently filed Annual Report on Form 10-K. Comtech undertakes no obligation to update the information contained herein except as required by law.

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#### **Media:**

Michael D. Porcelain  
Senior Vice President and Chief Operating Officer  
Comtech Telecommunications Corp.  
631-962-7000  
[info@comtechtel.com](mailto:info@comtechtel.com)