



## Comtech Files Definitive Proxy Materials and Mails Letter to Stockholders

November 11, 2021

*Comtech Board strongly recommends stockholders vote "FOR" all of Comtech's highly qualified and experienced director nominees on the **BLUE** proxy card*

*Comtech's Board and management have taken decisive, clear actions that demonstrate sound governance, drive growth, and support stockholder value creation*

MELVILLE, N.Y.--(BUSINESS WIRE)--Nov. 11, 2021-- November 11, 2021-- Comtech Telecommunications Corp. (NASDAQ: CMTL), a leading global provider of next-generation 911 emergency systems and secure wireless communications technologies, today announced that it has filed definitive proxy materials with the Securities and Exchange Commission ("SEC") in connection with its upcoming Fiscal 2021 Annual Meeting of Stockholders.

In conjunction with the definitive proxy filing, Comtech is mailing a letter to stockholders highlighting the meaningful steps the Company has taken, and continues to take, to enhance corporate governance, strengthen financial performance and flexibility, and create significant near- and long-term value for all stockholders.

The full text of the letter follows:

### **PROTECT THE VALUE OF YOUR INVESTMENT BY VOTING THE ENCLOSED BLUE PROXY CARD TODAY FOR COMTECH'S HIGHLY QUALIFIED DIRECTORS**

Dear Fellow Shareholder:

Your Board and management team have taken decisive action over the past several years to create long-term stockholder value and address stockholders' feedback. We have made significant progress in advancing our strategic plan – designing and delivering innovative communication solutions, investing in growth, and strengthening our portfolio by acquiring and integrating complementary technologies and capabilities. Today, we seek your support in voting FOR your Board's highly qualified nominees using the enclosed **BLUE** proxy card.

Our strategic plan has enhanced our position as a secure wireless technology leader and already delivered strong results for stockholders, including:

- **Leading market positions in attractive segments poised to benefit from secular growth.** Since FY 2015, we have been executing a deliberate strategy to balance and enhance our best-in-class satellite communications business with attractive next-generation 911 public safety services capabilities. Our purpose-built organization now boasts industry-leading positions across two large and attractive markets where we provide critical, advanced communication and location solutions to a broad set of blue chip customers. During fiscal year 2021, we were recognized by Frost & Sullivan and Northern Sky Research for both our next-generation 911 solutions and our market leadership position in the growing satellite cellular backhaul market.
- **Significant cross-segment business wins that position Comtech for growth.** These wins include \$200 million in multi-year next-generation 911 contracts and a new, large multi-year satellite technology contract with strong potential to generate hundreds of millions of dollars in incremental revenue over the next several years. Excluding this potential, Comtech has clear visibility to well over \$1 billion of future revenue based on current bookings and backlog.
- **Total shareholder returns<sup>1</sup> in excess of 100% over the past five years and 40% over the past year,** meaningfully outperforming peers<sup>2</sup> and the Nasdaq Telecommunications Index over those periods, despite the impact COVID-19 had on our business.

As you may know, one of our stockholders, Outerbridge Capital Management ("Outerbridge"), has nominated its own director candidates for election to Comtech's Board. After extensive dialogue with Outerbridge, **we have concluded that the Outerbridge campaign is value-destructive, self-serving, and a distraction** for the following reasons:

- Rather than engaging constructively in good faith, Outerbridge has repeatedly lodged a litany of unsubstantiated criticisms and misleading statements to the public.
- Outerbridge has readily admitted that its objective is to bolster its activist reputation and aid fundraising efforts.
- Outerbridge has presented us with a revolving door of director candidates to meet with over the past several months, making it essentially impossible for our Board to conduct its standard, thorough evaluation process.
- Based on available information, it is clear that the Outerbridge nominees lack the skills and experience required to

enhance value for our stockholders.

**Please do not return or otherwise vote any White proxy card you may receive from Outerbridge.**

**Your Board recommends that you promptly vote “FOR” the election of Comtech’s two director nominees – Judy Chambers and Lawrence J. Waldman – on the BLUE Proxy Card.**

#### **COMTECH HAS TAKEN AND CONTINUES TO TAKE DECISIVE ACTIONS TO DELIVER RESULTS FOR ALL STOCKHOLDERS**

Comtech’s Board and management team are taking steps to capitalize on significant growth in the markets we serve and position the Company for future success. These actions include, but are not limited to:

- Executing a successful strategy that has established a market leader in the 911 public safety space and strengthened our ability to offer customers the most robust and advanced wireless communication solutions.
- Building new, state-of-the-art technology centers in Chandler, Arizona and Basingstoke, United Kingdom that will enhance Comtech’s ability to capture value from the increasing demand for satellite ground station infrastructure and next-generation broadband technology, which are expected to contribute to significant growth over the next several years.
- Announcing a leadership transition that culminates a thoughtful and deliberate multi-year succession planning process and elevates Michael Porcelain to Chief Executive Officer. Mr. Porcelain is a seasoned executive who has been a key architect of our strategy, including building our 911 public safety business and strengthening our leading satellite and space communications business. He was previously promoted to Chief Operating Officer in 2018 and President in 2020.
- Securing a \$100 million strategic growth investment from current stockholder White Hat Capital Partners, LP and Magnetar Capital LLC, each highly sophisticated institutions that have a deep understanding of Comtech’s business as well as broad technology expertise.

White Hat has been an investor in our Company, and we have been engaged in regular dialogue with them for more than a year. Their willingness to commit significant capital demonstrates conviction in the long-term prospects of our business. This investment more than doubles our accessible capital to pursue growing market opportunities. The proceeds will be applied to a range of initiatives to further accelerate Comtech’s growth and profitability, including completing the build out of our new technology centers mentioned above and further pursuing a pipeline of capital-intensive next-generation 911 market opportunities.

Outerbridge has wildly mischaracterized the nature of this \$100 million strategic growth investment, and we would like to set the record straight about what it really represents and includes:

- Necessary capacity to invest in incremental growth opportunities that capitalize on the ongoing 911 upgrade cycle and increasing demand for satellite ground station infrastructure and next-generation broadband technology, despite the ongoing impact of COVID-19 and supply chain pressures on our markets.
- Flexibility in terms of optimizing capital allocation, including reducing our \$200 million of existing debt, which will become short-term in October 2022.
- A means of adding to the Board a smart investor and finance professional with 20 years of technology sector expertise and a demonstrated history of pushing for changes to drive shareholder value.
- No voting agreement in place for the 2021 Annual Meeting, enabling White Hat and Magnetar to vote (or not vote) as they choose.
- Provides for holders of common and preferred shares to vote side-by-side as a single class on the election of all directors.

#### **YOUR CURRENT BOARD HAS THE RIGHT SKILLS AND EXPERIENCE TO DRIVE SHAREHOLDER VALUE**

Over the past two years, Comtech has been enacting transformative and thoughtful enhancements to our Board composition and structure.

- Appointed Lisa Lesavoy in 2020 and Judy Chambers in 2021, bolstering our Board’s financial expertise and diversity of perspectives.
- Announced the retirement of three long-standing directors in connection with our 2021 Annual Meeting and the appointment of current Audit Committee Chairman Larry Waldman as Lead Independent Director.
- Submitted a proposal to stockholders to declassify the Board.
- Announced that Mark Quinlan, with 20+ years’ experience in the technology space, will be joining the Board in 2022 in connection with our recent investment from White Hat and Magnetar.

The sum of these activities will result in a more diverse and lower-tenured Board. In fact, as a result of the changes, Larry Waldman’s six year tenure will be the longest of all our independent directors, and only one other independent director has a tenure of more than two years.

<b># of Directors</b>	6	7
<b>Average Age</b>	78 years	64 years
<b>Average Tenure of Independent Directors</b>	10 years	3 years
<b>% Racially / Ethnically Diverse</b>	—%	14%
<b>% Women</b>	—%	29%

*Note: 2022 Board assumes election of Comtech's director nominees at the 2021 Annual Meeting and includes the additions of Mark Quinlan and Michael Porcelain that were previously announced*

Our current directors have a strong mix of skills, experience, diversity, and viewpoints, which they are bringing to bear as they actively work with the management team to implement a highly effective strategy to enhance financial performance, accelerate growth, and drive shareholder value. For more information on our directors' broad mix of skills and experiences, please visit [www.comtechcreates.com/board-of-directors](http://www.comtechcreates.com/board-of-directors).

Comtech's two directors standing for election at this Annual Meeting demonstrate the strong backgrounds and diversity of perspectives on our Board. Judy Chambers is Managing Principal and a member of the Board of Meketa Investment Group. Ms. Chambers brings extensive experience in the investment advisory services industry and corporate finance. Larry Waldman has significant experience providing financial and business advisory services to technology companies, serving on public company boards, and leading public accounting firms. Mr. Waldman serves as the non-executive Chairman of the Board and Chairman of the Audit Committee of CVD Equipment Corporation, a technology company listed on NASDAQ, and as Lead Independent Director and Audit Committee Chairperson of APYX Medical. He is the only Board member that our Board has determined to be an audit committee "financial expert" pursuant to SEC rules.

In contrast, Outerbridge's proposed nominees lack relevant skills and experiences. Electing either of the directors from the Outerbridge slate would not be additive to the Board and would ultimately be detrimental to shareholder value creation.

#### **OUTERBRIDGE'S INTERESTS ARE NOT ALIGNED WITH THE INTERESTS OF COMTECH AND ITS OTHER STOCKHOLDERS**

While your Board and management team have taken decisive action to execute our strategic plan to create stockholder value, **Outerbridge has readily admitted that its objective is to bolster its reputation and aid fundraising efforts.**

During an initial meeting with management, Outerbridge founder Rory Wallace made clear it was important for the reputation of Outerbridge to "put a stake in the ground" with this campaign. And Outerbridge has not been shy about publicizing its objectives. As part of a recent interview Mr. Wallace conducted with *Activist Insight*, he noted that he "hopes to grow assets under management by at least 20%-30% in the very near term." Even the outlet observed, "Such ambitions may be one reason Outerbridge is employing a far harder activist style" at Comtech.

Every action Outerbridge has taken throughout our engagement has been consistent with an objective of building its reputation as an activist shareholder – not improving the Company for the benefit of all of its shareholders. Consider the **track record of bad faith engagement and the revolving door of director candidates that Outerbridge has presented**, which have hindered any attempts at achieving a constructive resolution:

- Outerbridge made no meaningful attempt to engage the Company prior to releasing its initial public letter in June 2021 that demanded the Company explore strategic alternatives.
- In August 2021, Outerbridge proposed two candidates, who they claimed would bring significant industry experience to the Board; the Board agreed to interview and evaluate these candidates.
- In September 2021, while our Board was in the process of conducting a fair and thoughtful evaluation of the two candidates privately proposed weeks earlier, Outerbridge abruptly flipped-flopped and publicly nominated an entirely different slate of three candidates without any advance notice to our Board.
- After initial interviews with Outerbridge's set of three nominees, Outerbridge abruptly terminated the Board's evaluation in response to our standard request to have the proposed candidates meet with additional members of our Board.
- Outerbridge's own proxy statement demonstrates that Mr. Wallace has relentlessly and persistently focused engagements on quickly reaching a contractual agreement guaranteeing representation on the Board.

Further, **we do not believe Outerbridge's actions are supported by any relevant experience in our sector.** In conversations with management and the Board, Outerbridge has exhibited little understanding of Comtech's business and the significant strategic actions the Company has taken to enhance stockholder value while successfully navigating the impact of the pandemic on the business and its end markets. Outerbridge has not presented new ideas to improve Comtech and instead appears to be focused on bolstering its reputation as an activist.

#### **PROTECT THE VALUE OF YOUR INVESTMENT: VOTE THE BLUE PROXY CARD TODAY**

Your Board is committed to acting in the best interests of all Comtech stockholders, and we are on track to deliver higher growth and higher value. We are highly confident in the Company's strategy, and we look forward to driving shareholder value for **all** shareholders.

Whether or not you plan to attend the Annual Meeting, you have an opportunity to protect your investment in Comtech by voting the **BLUE** proxy card today. Your vote is extremely important, no matter how many or how few shares you own.

Thank you for your support,

Board of Directors  
Comtech Telecommunications Corp.

## **YOUR VOTE IS VERY IMPORTANT!**

To ensure your shares are represented, please follow the easy instructions on the enclosed **BLUE** proxy card to vote by telephone, by internet, or by signing, dating and returning the **BLUE** proxy card in the postage-paid envelope provided. If you received this letter by email, you may also vote by pressing the **BLUE** "VOTE NOW" button in the accompanying email. Please simply disregard any **White** proxy card you may receive from Outerbridge.

**If you have any questions or require any assistance with voting your shares, please call Comtech's proxy solicitor, Innisfree M&A Incorporated:**

**Toll-Free: (877) 750-8198 (from the U.S. and Canada)**

**Or +1 (412) 232-3651 (from other locations)**

*Comtech's definitive proxy materials and other materials regarding the Board's recommendation for the Fiscal 2021 Annual Meeting of Stockholders can be found at [www.comtechcreates.com](http://www.comtechcreates.com).*

### **About Comtech**

Comtech Telecommunications Corp. is a leading global provider of next-generation 911 emergency systems and secure wireless communication technologies to commercial and government customers around the world. Headquartered in Melville, New York and with a passion for customer success, Comtech designs, produces and markets advanced and secure wireless solutions. For more information, please visit [www.comtechtel.com](http://www.comtechtel.com).

### **Forward-Looking Statements**

Certain information in this press release contains statements that are forward-looking in nature and involve certain significant risks and uncertainties, including about our business trajectory, future revenue and sales, acquisition strategy, management and governance changes, and growth. Actual results could differ materially from such forward-looking information. Risks and uncertainties that could impact these forward-looking statements include: the possibility that the expected synergies and benefits from recent acquisitions will not be fully realized, or will not be realized within the anticipated time periods; the risk that the acquired businesses will not be integrated with the Company successfully; the possibility of disruption from recent acquisitions, making it more difficult to maintain business and operational relationships or retain key personnel; the risk that the Company will be unsuccessful in implementing a tactical shift in its Government Solutions segment away from bidding on large commodity service contracts and toward pursuing contracts for its niche products with higher margins; the nature and timing of receipt of, and the Company's performance on, new or existing orders that can cause significant fluctuations in net sales and operating results; the timing and funding of government contracts; adjustments to gross profits on long-term contracts; risks associated with international sales; rapid technological change; evolving industry standards; new product announcements and enhancements; changing customer demands and or procurement strategies; changes in prevailing economic and political conditions; changes in the price of oil in global markets; changes in foreign currency exchange rates; risks associated with the Company's legal proceedings, customer claims for indemnification, and other similar matters; risks associated with the Company's obligations under its Credit Facility; risks associated with the Company's large contracts; risks associated with the COVID-19 pandemic and related supply chain disruptions; and other factors described in this and the Company's other filings with the Securities and Exchange Commission. We assume no obligation and do not intend to update these forward-looking statements or to conform these statements to actual results or to changes in our expectations.

### **Additional Information and Where to Find It**

Comtech has filed with the Securities and Exchange Commission ("SEC") and mailed to the Company's stockholders a definitive proxy statement, an

accompanying **BLUE** proxy card and other relevant documents in connection with the Company's Fiscal 2021 Annual Meeting of Stockholders (the "2021 Annual Meeting"). THE COMPANY'S STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT, THE ACCOMPANYING **BLUE** PROXY CARD AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE COMPANY'S 2021 ANNUAL MEETING OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE COMPANY'S 2021 ANNUAL MEETING AND THE PARTIES RELATED THERETO. The Company's stockholders may obtain a free copy of documents filed with the SEC at the SEC's website at <https://www.sec.gov> or the Company's website at [www.comtechcreates.com](http://www.comtechcreates.com).

#### **Participants in the Solicitation**

The Company, its directors, and certain of its executive officers are, and certain other members of management and employees of the Company may be deemed, "participants" in the solicitation of proxies from stockholders in connection with the matters to be considered at the 2021 Annual Meeting. Information regarding the direct and indirect interests, by security holdings or otherwise, in the Company of the persons who are or may be, under the rules of the SEC, considered participants in the solicitation of the stockholders of the Company in connection with the Company's 2021 Annual Meeting are set forth in the Company's definitive proxy statement filed in connection with the Company's 2021 Annual Meeting and other relevant documents filed with the SEC. You can also find information about the Company's executive officers and directors in the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2021, the Company's and such persons' other filings with the SEC.

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<sup>1</sup> Total shareholder returns assume dividends are reinvested at the risk free rate.

<sup>2</sup> Peers consist of Elbit, Gilat, KVH Industries, ST Engineering, and Viasat.

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