

Thales enters into exclusive negotiations to acquire RUAG International's Simulation & Training business

- Entry into exclusive negotiations on the acquisition of RUAG International's Simulation & Training business.
- This acquisition project aims to reinforce Thales' relationship with the Swiss Army as well as complement Thales's industrial presence in the Land Simulation & Training market, and strengthen Thales' footprint in Europe and the UAE
- Combined Thales Training & Simulation business (Thales T&S) and RUAG International's Simulation & Training businesses (RUAG S&T) will provide the market with advanced training and simulation solutions combining world-class live and synthetic expertise as one of the main European players in this segment.
- By integrating RUAG International's Simulation & Training business, as part of the Group's digital strategy, Thales will accelerate its move towards more environmentally efficient and digital training solutions for armed forces, in line with [Thales's ESG commitments](#).

Thales (Euronext Paris: HO) and RUAG International announce today that they are entering into exclusive negotiations on the acquisition of RUAG International's Simulation & Training Business (RUAG S&T).

Thales's Training & Simulation business (Thales T&S) designs and delivers training capabilities for armed forces, civil and government helicopter operators worldwide. Thales T&S also acts as an industrial partner for the co-development of large-scale systems of systems for defence programmes. With 1,000 employees, the business has industrial sites in France, the United Kingdom, Germany and Australia as well as joint ventures and training sites in the USA, Middle East and Europe.

RUAG International's Simulation & Training business (RUAG S&T), develops sophisticated training technologies for Land Forces. It has a strong track record in training services and benefits from a solid market reputation, long-term contracts and decades of investment in products and technologies. RUAG S&T is engaged in significant contracts including with ARMASUISSE and other key customers. It employs more than 500 people in four countries and is expected to generate sales of 100 million Swiss francs in 2021 (86 million euros).

RUAG S&T's footprint is highly complementary to Thales T&S's, with operations in Switzerland, France, Germany and the UAE and therefore will strengthen Thales' international presence in these markets. Together RUAG International and Thales aim to build long-term success through the complementarity of Thales's synthetic training background with RUAG International's live training background. The combination of these two activities will accelerate the deployment of the next generation of hybrid solutions to encompass the three key dimensions of live, virtual and constructive training. The new entity will also boost Thales' capacity to accompany the digitization of land forces' training.

Already benefiting from a first experience of a major programme, jointly developed within the framework of CERBERE – the French Army's landmark training programme – the new structure will provide customers across the world with a portfolio of high-performance products. It also aims

to offer extended services to support force readiness and development of new operational concepts, securing the continuity of the training services operated for ARMASUISSE to ensure the operational preparedness of the Swiss Army.

Employee representative bodies of both Thales and RUAG International will be consulted as part of the project.

The closing of the transaction is expected in 2022 upon completion of regulatory clearances process.

"We are delighted to welcome the RUAG Simulation & Training staff. . Together with Thales teams they will bring further expertise in the training and simulation field for land forces.

The training and simulation market is growing and increasingly digital. Greater use of simulation from concept definition to operations increases effectiveness and helps live training to address cost and environmental challenges. With this project, Thales strengthens the digitization and European footprint of its Training & Simulation activity to support its customers' ambitions in an ever more complex world." **Yannick Assouad, Executive Vice President Avionics, Thales**

"We are delighted to have found a leading industry partner in this field in Thales. With its experience and global presence, it brings with it the very best prerequisites to continue and expand the business activities in the Simulation & Training area and leverage the existing skills of our highly specialised training experts." **André Wall, CEO RUAG International**

About Thales

Thales (Euronext Paris: HO) is a global leader in advanced technologies, investing in digital and "deep tech" innovations – connectivity, big data, artificial intelligence, cybersecurity and quantum computing – to build a confident future crucial for the development of our societies. The Group provides its customers – businesses, organisations and governments – in the defense, aeronautics, space, transport, and digital identity and security domains with solutions, services and products that help them fulfil their critical role, consideration for the individual being the driving force behind all decisions.

Thales has 81,000 employees in 68 countries. In 2020 the Group generated sales of €17 billion.

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