

08 JUL 2022

Subject: Announcement of Safran Acquisition

Dear Customers and Partners,

I am excited to announce that Safran has completed its acquisition of the Oroliia group after a negotiation process and a U.S. Government regulatory approval process that began in December 2021. Safran is an international high-tech group headquartered in France, operating in the aviation (propulsion, equipment and interiors), defense and space markets. Safran has a global presence, with 76,800 employees and sales of 15.3 billion euros in 2021 including more than 10,000 employees in the United States. Safran is also the third largest inertial navigation technology manufacturer in the world.

The acquisition represents a unique opportunity for Safran and the Oroliia group to extend their Resilient Positioning, Navigation and Timing (PNT) solutions globally. The Oroliia portfolio complements the Safran navigation product line and Safran intends to accelerate the development of the Oroliia group under our current leadership. The acquisition by Safran marks an investment in the growth of our already successful PNT portfolio.

Oroliia Defense & Security (ODS), a division of the Oroliia group, along with our wholly-owned subsidiaries **Talen-X Inc.** and **Oroliia Government Systems Inc. (OGSI)** will continue to operate Free of Foreign Ownership, Control, or Influence (FOCI). The acquisition represents a change of ownership for the Oroliia group but control of ODS will remain unchanged and in the hands of independent cleared U.S. citizens under the approval of the U.S. Government.

Thank you for the tremendous support you have shown us as a valued ODS customer and partner. We are continuing our journey to bring you ever more Resilient PNT solutions on top of our industry-leading products and technology. I am excited about this next step in our evolution, and we remain committed to ensuring your success and the success of our warfighters.

Sincerely,



Hironori Sasaki
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What businesses are part of Orolia Defense & Security?

Headquartered in Rochester, NY, ODS serves the defense, federal, and commercial markets with innovative Resilient PNT solutions for the ground tactical, airborne, maritime, and security domains. ODS is composed of two businesses: **Orolia Government Systems, Inc. (CAGE 826V3)** focusing on Resilient PNT Technologies and **Talen-X, Inc. (CAGE 7NK54)** focused on PNT Simulation and PNT Interference, Detection and Mitigation technologies.

What is a Proxy Agreement and FOCI?

ODS has been operating as a proxy-regulated company since 2019, Free of Foreign Ownership, Control, or Influence (FOCI). In order to mitigate potential FOCI, Orolia, in concert with the Defense Counterintelligence and Security Agency (DCSA) agreed to a comprehensive series of stipulations and requirements known as a Proxy Agreement (the strongest mechanism for FOCI mitigation). As such, ODS is approved to work on the full spectrum of US Government classified and unclassified projects, and is positioned to support strategic partnerships in the development of key PNT technologies for the defense market.

Companies under Proxy Agreements, such as ODS, are regarded as U.S. owned companies for purposes of facility clearances and access to classified information. In accordance with 32 CFR Part 117.11(d)(2)(iv), “National Industrial Security Program Operating Manual (NISPOM)”, there are no restrictions on such company's eligibility to have access to classified information or to compete for classified contracts.

A Proxy Agreement places the voting rights of the stock or ownership interest into the hands of cleared U.S. citizens who are approved by the Federal Government. Under this arrangement, the foreign owner relinquishes control of the cleared facility and the foreign ownership, control and influence is negated.

Additional information can be requested from the Defense Counterintelligence and Security Agency (www.dcsa.mil).

Why was Orolia sold?

The Orolia group's previous majority shareholder Eurazeo is a private investment firm that acquires companies with the intent to invest in them, grow them, and find suitable ways of earning a return on their investment. Since its investment in Orolia in 2016, Eurazeo has supported the company by bringing the additional human and financial resources required for its growth. The sale provides Eurazeo a well-earned return on the time and capital invested in their 5th year of ownership, a common horizon private equity firms target for exit.

How will this change in ownership impact me?

Since ODS and our wholly-owned subsidiaries Talen-X and OGSi operate as proxy-regulated companies there will be no change in control. ODS leadership will remain as-is and ODS control will remain in the hands of the independent cleared U.S. citizens who were approved by the Federal Government. There will be no changes to your current business development, technical or support teams. It will be business-as-usual for your relationship with us.