

Thales signs a definitive agreement to sell its General Purpose Hardware Security Module business to Entrust Datacard

Thales (Euronext Paris: HO) announces today the signing of a definitive agreement with Entrust Datacard, a leading provider of trusted identity and secure issuance technology solutions, for the divestment of its General Purpose Hardware Security Module (GP HSM) business, which has been operating as a separate stand-alone business within Thales since January 2019 under the brand “nCipher Security”.

This transaction is expected to close during the second quarter of 2019. It addresses commitments made by Thales to several competition authorities to divest this business to a suitable purchaser in order to ensure a strongly competitive market for GP HSM solutions and to finalize the acquisition of Gemalto. The transaction is subject to the successful completion of the acquisition of Gemalto by Thales, the approval of Entrust as a suitable purchaser by the European Commission, US Department of Justice, Australian Competition and Consumer Commission, and New Zealand Commerce Commission, and the satisfaction of customary closing conditions.

This transaction will enable nCipher Security — with more than €100m in revenues in 2018 and over 300 employees — to continue to deliver innovative solutions and services and strengthen its market leadership.

With customers in more than 150 countries, Entrust Datacard has been offering identity-based, enterprise-grade security solutions for 50 years. It has more than 2,200 employees in 34 locations worldwide.

With over €500m in annual revenue, Entrust Datacard has a broad portfolio of complementary solutions to secure and control customers’ critical information and applications. The company is a global leader in Public Key Infrastructure (PKI) solutions and services — the primary use case for GP HSMs in protecting infrastructure private keys such as root and issuing Certification Authorities keys. This makes Entrust Datacard the ideal organization for Thales to divest this business, ensuring its leadership position in the GP HSMs market and providing trust, integrity and control to business-critical applications.

Philippe Keryer, Executive Vice-President, Strategy, Research and Technology at Thales, stated: *“This announcement marks a key step in the ongoing process regarding the acquisition of Gemalto which we expect to close by end March 2019. We are convinced that nCipher Security will strongly leverage the expertise of Entrust Datacard, an organization focused on their competencies in the development of safe and secure access to information, applications and networks as well as its global presence specifically in Europe and in North America.”*

Todd Wilkinson, president and CEO of Entrust Datacard stated: *“This acquisition is an excellent complement to our expertise in both cryptography and hardware and will extend our ability to meet the evolving security needs of our customers globally while allowing us to accelerate our own growth. The Thales General Purpose HSM solution, known as nCipher Security, has a*

strong market position, brings with it exceptional internal talent and offers us the ability to develop even more comprehensive solutions for our clients.”

About Thales

The people we all rely on to make the world go round – they rely on Thales. Our customers come to us with big ambitions: to make life better, to keep us safer. Combining a unique diversity of expertise, talents and cultures, our architects design and deliver extraordinary high technology solutions. Solutions that make tomorrow possible, today. From the bottom of the oceans to the depth of space and cyberspace, we help our customers think smarter and act faster - mastering ever greater complexity and every decisive moment along the way. With 65,000 employees in 56 countries, Thales reported sales of €15.8 billion in 2017.

www.thalesgroup.com

About Entrust Datacard Corporation

Consumers, citizens and employees increasingly expect anywhere-anytime experiences — whether they are making purchases, crossing borders, accessing e-gov services or logging onto corporate networks. Entrust Datacard offers the trusted identity and secure transaction technologies that make those experiences reliable and secure. Solutions range from the physical world of financial cards, passports and ID cards to the digital realm of authentication, certificates and secure communications. With more than 2,200 Entrust Datacard colleagues around the world, and a network of strong global partners, the company serves customers in 150 countries worldwide.

www.entrustdatacard.com

About nCipher Security

Today's fast moving digital environment enhances customer satisfaction, gives competitive advantage and improves operational efficiency. It also multiplies the security risks. nCipher Security, a leader in the general purpose hardware security module (HSM) market, empowers world-leading organizations by delivering trust, integrity and control to their business critical information and applications.

Our cryptographic solutions secure emerging technologies – cloud, IoT, blockchain, digital payments – and help meet new compliance mandates, using the same proven technology that global organizations depend on today to protect against threats to their sensitive data, network communications and enterprise infrastructure. We deliver trust for your business critical applications, ensuring the integrity of your data and putting you in complete control – today, tomorrow, at all times.

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