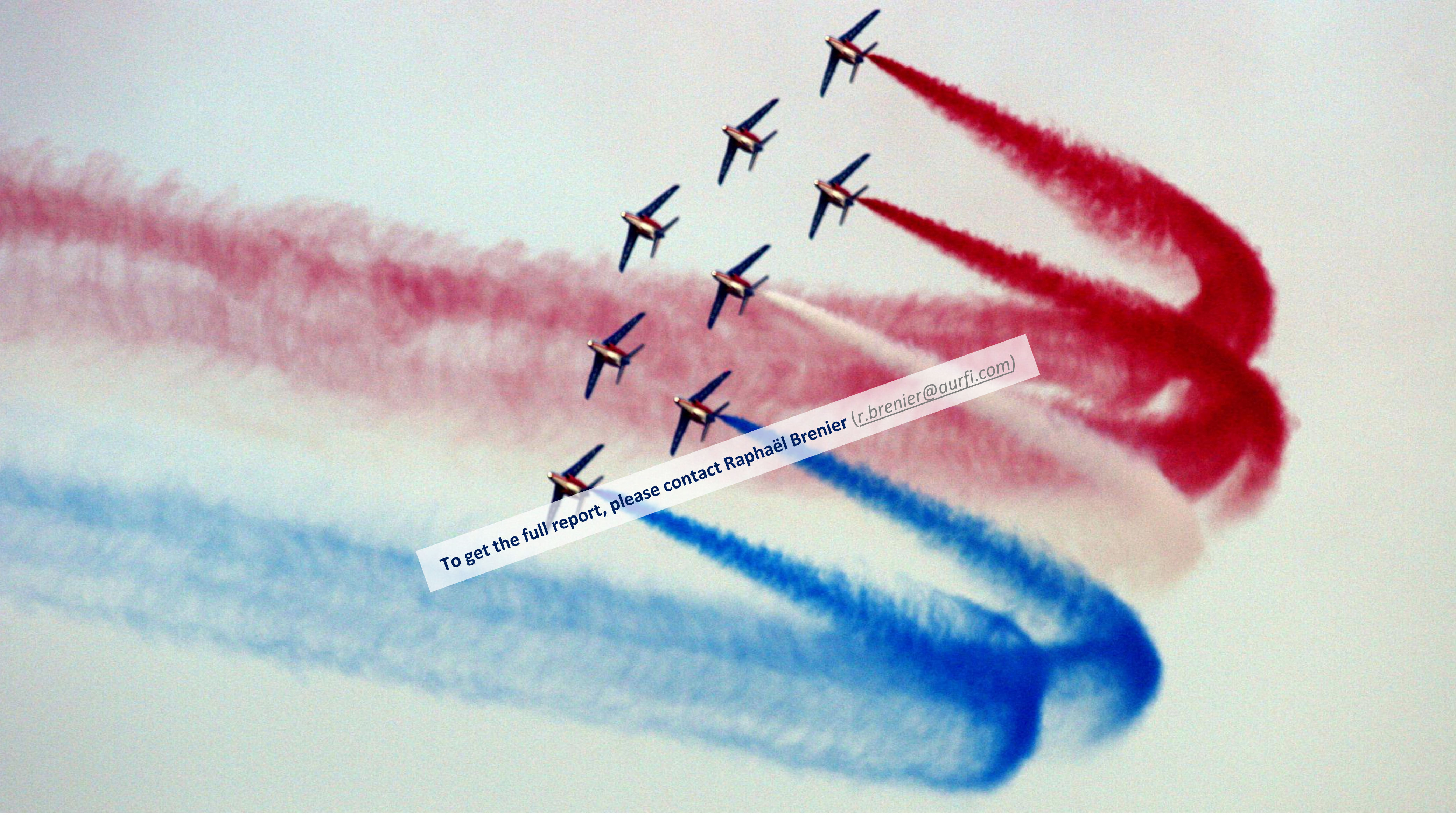


To get the full report, please contact Raphaël Brenier (r.brenier@aurfi.com)

Aerospace & Defense

Market Intelligence

Q3 2025

AURIGNAC FINANCE

Member of Mergers Alliance

- Delivered every quarter to hundreds of seasoned professionals, offering dozens of appealing focuses every year, a constant follow-up of M&A operations (industrial, financial and fund-raising), an update of the indicators of major aerospace and defense players, our report aims at providing a market intelligence on the recent events of aerospace and defense market
- This market report is a testimony to the daily work carried out by a dedicated team of 5 people. Focusing on Aerospace and Defense markets, our team with our international partners from Mergers Alliance are closely interacting on a very regular basis with investors and corporates at a global level. These interactions and our deep involvement within these sectors allow us to better understand the global trends of the industry and to provide high-end quality advisory services to our clients who are benefitting from this knowledge

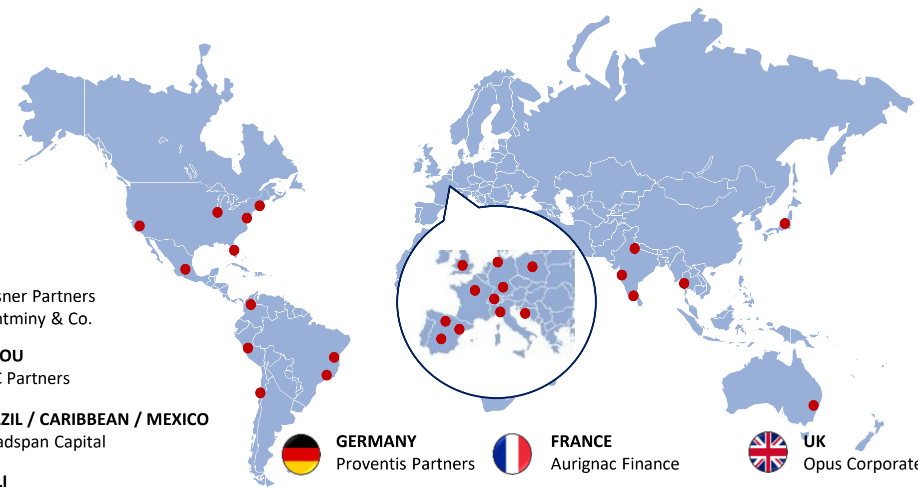
Global coverage

18
MEMBERS

+$3BN
OF TRANSACTION ADVISED IN 2024

+100
OPERATIONS IN 2024

$40-60
AVERAGE ENTERPRISE VALUE



USA
Dresner Partners
Montminy & Co.

PÉROU
EFIC Partners

BRAZIL / CARIBBEAN / MEXICO
Broadspan Capital

CHILI
Servicios Financieros Altis

JAPAN
Tokyo Kyodo A.O.

COREE DU SUD
Stewart & Co.

THAILAND
Kronos Advisory

INDIA
Singhi Advisors

AUSTRALIA
Greenstone Partners

GERMANY
Proventis Partners

FRANCE
Aurignac Finance

UK
Opus Corporate Finance

SPAIN
Norgestion

ITALY
Ethica Corporate Finance

SWITZERLAND
Proventis Partners

POLAND
Ipopema

CROATIA
InterCapital

BÉNÉLUX
Oxeye Monthis

Mergers Alliance

This quarter at a glance

- **This report highlights the fact that A&D is a global industry which implies a lot of cross-border transactions and industrial partnerships. Due to national security concerns, FDI in A&D are subject to screening and often require approvals from the government. This report contains in-depth analysis of these different topics, notably with a review of recent partnerships between defense actors in Europe and with USA and analysis of the FDI screening statistics in several European countries and in the USA**
- **In this report, we also highlight two our partners in Mergers Alliance and their expertise in Defense through a business case on a recent transaction advised by MA Germany and a snapshot of a comprehensive report on the Indian Defense Industry produced by MA India**

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Summary

Extract Q3-2025

Date	Sector	Target	Buyer	Seller	Description
July 2025	*Aerospace*	SPACEMANIC	ONE3D, QPAG	esa	ONE3D Group and QPAG have acquired SpaceManic, a Slovak nanosatellite integrator specializing in the design and production of nanosatellites, on-board computers, power units, and related components By combining ONE3D's manufacturing expertise, QPAG's precision engineering, and SpaceManic's satellite know-how, the transaction aims to build a stronger reference player in the European space sector
July 2025	*Aerospace & defense*	sttm	Blackwood Engineering	*Management*	Blackwood Group has acquired STTM, a French precision mechanics company based in Changé (53) with 27 employees and €3.3m revenue Serving nuclear, medical, and defense industries, STTM will bring product and service complementarities to Blackwood alongside its subsidiaries Acimm and Méca Atlantique
July 2025	*Defense*	NORTHCOM	Aars	*Management*	Aars, the Moller family's investment company, has acquired a majority stake (c. 70 %) in Northcom Solutions, a leading Nordic provider of mission-critical communication systems, generating €65m in revenue This transaction aims to support Northcom's next phase of growth and strenghthen its position as a reference player in the Northern European communication sector
July 2025	*Aerospace*	West Wales Airport	TEKEVER	*Management*	TEKEVER has acquired West Wales Airport, which provides access to 2,500 square miles of reserved airspace to establish a national center for testing drones and autonomous technologies for the UK and NATO The acquisition, part of the OVERMATCH program, aims to accelerate defense innovation while boosting the Welsh regional economy
July 2025	*Defense*	ADIT	bpifrance, MACSF, IMPALA, Florac, Amundi, KLESIA, ui, ISALT, parquest, Sagard, WCP	Sagard, Amundi, parquest, bpifrance	ADIT, a French leader in strategic intelligence, compliance and international operational support, has completed its fifth LBO. The company generated €480m in revenue and €64m in EBITDA in 2024, implying a valuation multiple of around 12.8x EBITDA and an enterprise value of approximately €820m The deal, supported by an estimated €375m unitranche facility, is expected to close in autumn and will help finance ADIT's future growth

Q3 2025 selected EU VC transactions completed in Aerospace & Defense market

Date	Target	Country	Amount (M)	Currency	Business	Investors	Business description / deal rational
July 2025	ENS Dynamics	Switzerland	n.d.	CHF		Sunfish Partners	ENS Dynamics develops an autonomous navigation platform for aerial systems, using AI for tracking, following, and interception, with integration and deployment options for aerospace, robotics, and security
July 2025	NAD Nordic Air Defence	Sweden	2.5	€		Inflection	Nordic Air Defence develops cost-efficient and scalable drone defence systems, including its Kreuger 100 interceptor platform, to strengthen European autonomy in airspace security
July 2025	Dronamics Delivering Today	United Kingdom	30	€		European Innovation Council	Dronamics develops long-range cargo drones to transport heavy loads on commercial and logistics routes. Its technology aims to reduce shipping costs and make air freight accessible to remote or hard-to-reach areas
July 2025	Donut Lab	Finland	25	€		First Fellow Partners Venture Capital Investor - Overview	Donut Lab provides core components for building electric vehicles, designed to make manufacturing faster, lighter, and more efficient. Its modular EV ecosystem is compatible with applications across land, sea, and air
July 2025	YPlasma Actuators Tech	Spain	2.5	$		Faber ventures, HAX, SOSV	YPlasma is developing fanless plasma-based cooling technology to offer an alternative to fans in servers. This innovation would save valuable space in the aerospace industry, which is why they were incubated at INTA
July 2025	Tencore	Ukraine	3.7	$		MITS	Tencore develops autonomous ground robots for defense missions such as transport and reconnaissance. The company aims to produce 2,000 units of its TerMIT platform by the end of 2025
July 2025	delivrone	France	4	€		bpifrance, GO Capital, One Green, Caisse d'Epargne, NEO	Delivrone is developing a medical transport solution using drones to quickly deliver medicines and medical devices between healthcare facilities. They have attracted 15 facilities, between which they provide regular transport services
July 2025	QuadSAT	Denmark	5	€		Join. Capital, EIFO, North Venture, Seraphim	Quadsat uses drones to test and calibrate satellite antennas directly in the field. The company, which operates in the space and defense sectors, has raised $20 million to develop and deploy its technology
July 2025	Suncubes	Italy	1.1	€		Xconnect, Plug and Play, Elis energia, Roboit	Suncubes develops a laser-based wireless power system that delivers energy and data over long distances. Its technology enables continuous operation of drones and devices in remote or mobile environments without physical infrastructure
July 2025	Avemoy	Austria	n.d.	n.d.		CVF, Lakeside, Lakeside Science & Technology Park	Avemoy develops software that gives standard drones advanced autonomy, enabling GPS-free navigation. Its technology is applied in agriculture and greenhouses to capture data and generate actionable insights
July 2025	Spaceflux	United Kingdom	5.4	£		Blackfin Capital Partners, Seraphim, Foresight, UK Innovation & Science Seed Fund	Spaceflux is developing a global network of optical sensors for space surveillance. Its technology enables continuous tracking of objects in orbit day and night, and the company supplies the UK Ministry of Defense and the UK Space Agency

Sources: Press, Cfnews, Epsilon, Pitchbook

In-depth #1 – Non-exhaustive panorama of international partnerships between major defense players signed in 2025

	ISR & Communications	Radars, EW & AEW	UAVs & CCS	Missiles & ammunition	Aircrafts & helicopters	Naval	Terrestrial vehicles
European (EU & non-EU) defense partnerships	NOKIA & KONGSBERG Co-development of tactical 4G/5G communications THALES & KONGSBERG 50/50 JV on tactical communications in Norway	HENSOLDT & AIRBUS DEFENCE & SPACE Cooperation on ECRS Mk1 AESA radar for Eurofighter HENSOLDT & SAAB Cooperation on aircraft protection / EW technologies HENSOLDT & indra Cooperation on ECRS Mk1 AESA radar for Eurofighter		BAE SYSTEMS & PGZ Establish a 155mm ammunition factory in Poland SAFRAN & PGZ Exploring local cooperation on HAMMER A2G munition Hanwha & WB GROUP Cooperation on guided missile manufacturing	SAFRAN & Avio & MTU Team up on European Next Generation Helicopter Engine AIRBUS HELICOPTERS & PGZ Manufacturing for submarines & other vessels	NAVAL GROUP & PGZ Manufacturing for submarines & other vessels FINCANTIERI & PGZ Cooperation on naval platform design & build	RHEINMETALL & LEONARDO 50/50 JV for land combat vehicles for the Italian army RHEINMETALL & indra Strenghten industrial cooperation and support Ukraine EXCALIBUR ARMY & KNDS Cooperation on Leaopard 2A8 support and modernization
Europe - USA defense partnerships	RTX & KONGSBERG Collaboration on the GhostEye medium-range air & missile defense radar	GENERAL ATOMICS AERONAUTICAL & SAAB Cooperation on an AEW for MQ-9B UAVs	NORTHROP GRUMMAN & ROMARM NATIONAL COMPANY Co-production of G/ATOR ground-based radars in Romania RHEINMETALL & ANDURIL Co development of missiles and UAVs	LOCKHEED MARTIN & RHEINMETALL Establishing a rocket & missile excellence center in Europe	NORTHROP GRUMMAN & PGZ Introduction of E-2D Advanced Hawkeye aircraft in Polish forces	babcock & PGZ Srategic cooperation on naval & aerial defense	

Mergers Alliance

Military training and simulation technology

e.sigma

is sold to the Group

DIEHL Defence

Proventis Partners advised the seller

M&A deal team

Dr. Axel Deich
Partner

Christopher Craemer
Associate

Transaction background

- e.sigma systems GmbH is a leading specialist for state-of-the-art training and simulation technologies for military deployment scenarios. The e.sigma solutions include customized simulation systems for a wide variety of platforms and command and control systems, as well as application specific training centers
  - The e.TACCS software system is a tactical command and control platform for all branches of the armed forces with an open and modular system architecture that can be run both, on-premise and on cloud platforms
  - The product portfolio also includes among other products the “KOFA - Advanced Voice Processing System”, an AI-supported communication system software that offers internet-free and secure application features in both the military and civilian markets
- Diehl Defence is a leading system house for air defense systems. In addition to systems for ground-based air defense, the product portfolio includes guided missiles for all branches of the armed forces, ammunition for army, air force and navy as well as protection systems. In addition, Diehl Defence develops and produces key components such as infrared modules, fuses and special batteries. Diehl Defence currently employs around 4,500 people generating annual sales of over €2.0bn
- For e.sigma the acquisition offers the opportunity to realize the next stage of growth in cooperation with a strong, family-run partner and leading system house in the field of air defense. For Diehl Defence e.sigma offers, among other things, the strategic contribution of state-of-the-art training capabilities for its air defense systems
- e.sigma will continue to operate independently, with its own management and its entire portfolio on the market

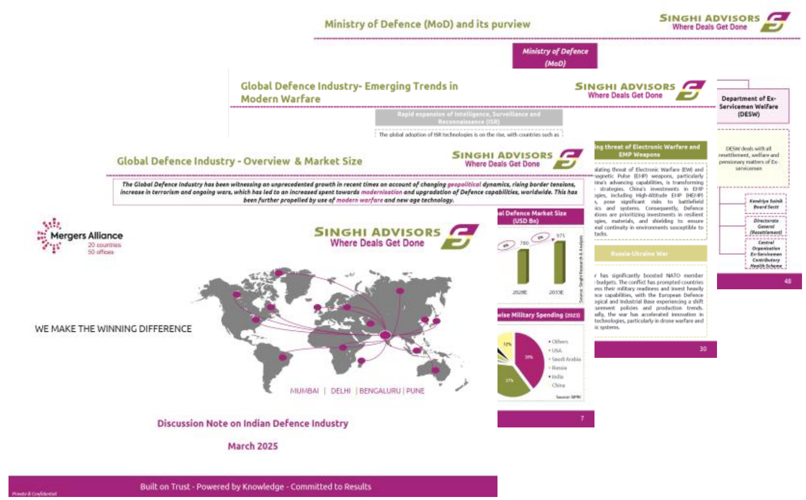
Role and approach

- Proventis advised e.sigma systems and supported the managing shareholder as the exclusive M&A advised and successfully conducted a structured bidding process
- The process included, among other aspects, targeted strategic buyer reviews, emphasizing on e.sigma’s differentiated positioning for providing state-of-the-art training and simulation technologies for military deployment scenarios

Mergers Alliance

Team involved in the report

- Singhi Advisors, our Indian partners at Mergers Alliance, has produced earlier this year a report on the Indian defense Industry
- This 120-page document provides an overview of the global defense industry, a comprehensive description of the Indian defense industry and an analysis of the M&A trends on the market
- The document highlights that the Indian defense market is experiencing strong growth, driven by allocated budgets, the development of international partnerships, and the continuous modernization of local industrial capabilities
- In the 3 next slides, we provide a snapshot of this report
- We will be happy to connect you with the team at Singhi Advisors if you would like to learn more about this report or discuss any M&A project in India



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Mergers Alliance Defence selected deals

JKE – Composite and allied engineering products for Defence products
Acquisition – reinforced plastics

LEAPEDGE TECHNOLOGIES – Electo-Optic Infrared and Electronic Warfare systems for military applications
Capital Raise – OIF

e.sigma – Training and simulation technologies for military deployment scenarios
Company sale – DIEHL Defence

THIOT INGENIERIE – Materials engineering and shock physics
Company sale – EURENCO

CODECHAMP / Sensys – High-performance angular position sensors for Defense and Spatial market
Company sale / LBO – WCP

Source: Singhi Advisors – Mergers Alliance

In this In-depth, we present the available data regarding the screening of foreign investment in France, Germany, the United Kingdom, and the United States

- In 2024, 392 foreign investment applications were submitted to the Directorate General of the Treasury, compared to 309 in 2023, representing an increase of 27%, in various forms:
  - Investment authorization requests submitted by foreign investors
  - Preliminary requests concerning the activities of a French company submitted by foreign investors
  - Notifications of exceeding the 10% voting rights threshold in a listed company by a non-European investor
- Out of all applications submitted under IEF control, 182 were approved, with 54% subject to conditions aimed at safeguarding national interests. This marks an increase compared to 2023, when only 44% of approved investments were subject to conditions
- In 2024, the origin of the investors was as follows:
  - 65% of potential investors were non-European, mainly from the United States, the United Kingdom, and Switzerland
  - 35% of potential investors were European, mainly from Luxembourg, Germany, and the Netherlands
- In 2024, decisions mostly concerned financial investors (44%), followed by individuals (28%) and industrial investors (27%)
- Over the past three years, 6 foreign investments were rejected under the IEF control framework due to the impossibility of ensuring the protection of national interests. In addition, some applications were voluntarily withdrawn by investors, either before any decision was made or in anticipation of constraints imposed by France

2024 Key figures of investment controls in France

392
files submitted

182
Transactions eligible for IEF/FDI control

54%
Approval with conditions

Breakdown of authorizations by sector

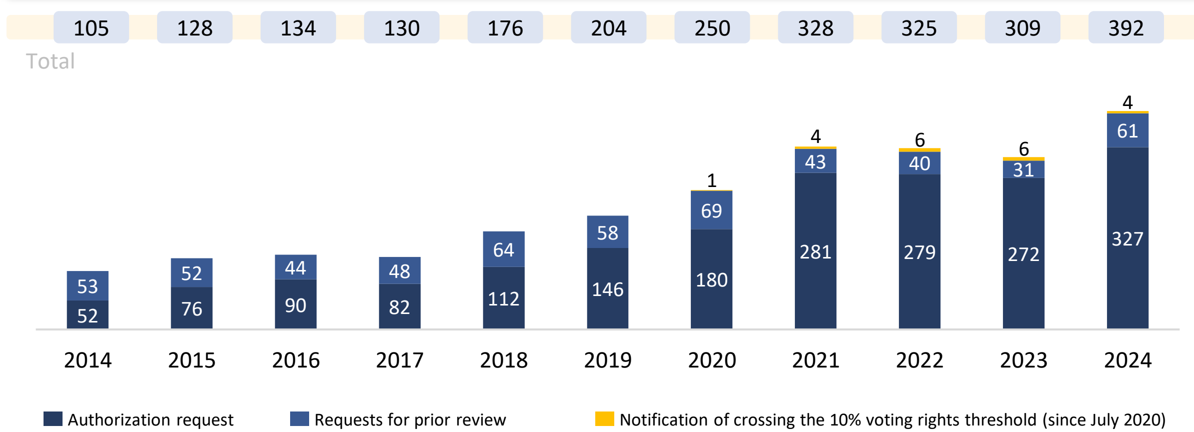
26%
Inherently sensitive activities

37%
Infrastructures, good or essential services

21%
R&D activities

22%
Mixed activities

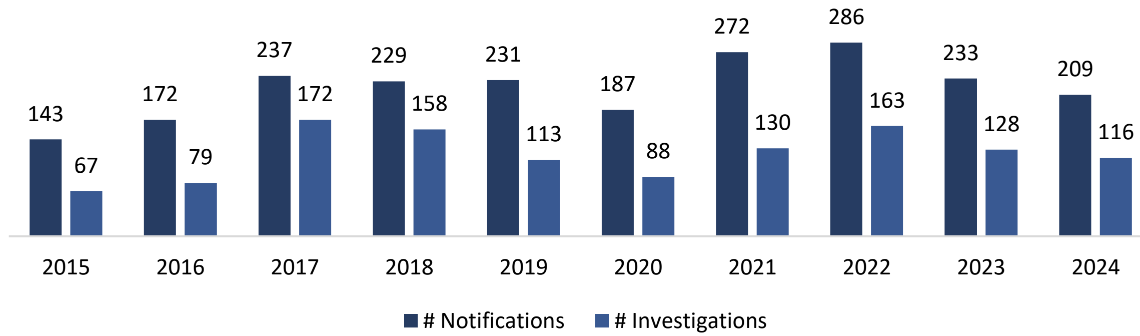
Number of files subject to IEF control over the period 2014 – 2024



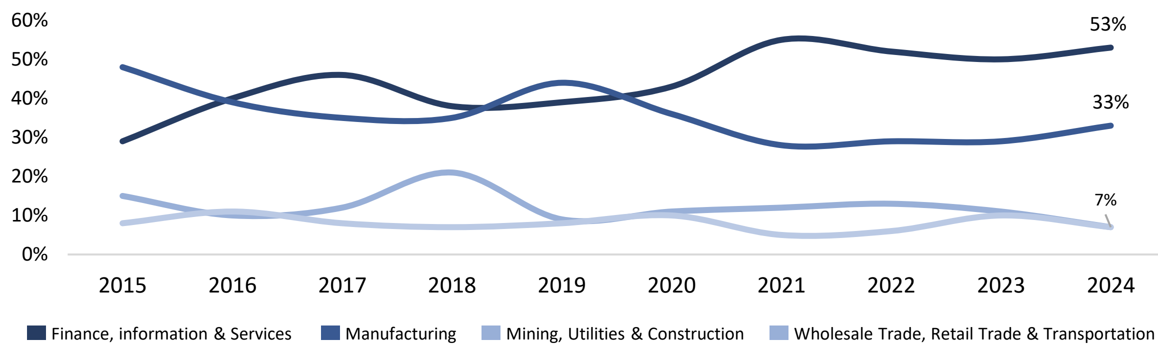
In-depth #5 – Control of foreign investments in USA – 2024

- The Committee on Foreign Investment in the United States (CFIUS) published its 2024 Annual Report to Congress, reviewing its activities during 2024. This report reflects CFIUS's ongoing efforts to safeguard U.S. national security while maintaining an open investment environment
- In 2024, CFIUS reviewed 325 cases, a 5% decrease compared to the 342 cases handled in 2023. Among these cases, 116 (55%) underwent a thorough review to assess the risks to U.S. national security
    - Out of the 116 cases reviewed, 49 were withdrawn after the investigation began, and 2 had to be examined by the President
- The sectors most affected by reviews and investigations:
    - Critical technologies: artificial intelligence, semiconductors, aerospace
    - Defense and national security: companies providing military equipment or critical services
    - Telecommunications and cybersecurity: companies handling sensitive or nationally critical data
    - Critical infrastructure: transactions involving military bases or strategic facilities
- In 2024, the majority of foreign investments reviewed by CFIUS came from Japan (16 cases), Canada (11 cases), France (9 cases), the United Kingdom (9 cases), and Germany (8 cases)
- In 2024, the Biden administration increased the maximum CFIUS penalty for false statements from $250k to $5m, as part of broader measures to strengthen the committee’s investigative and enforcement powers to protect U.S. national security
- CFIUS has also strengthened the monitoring of critical facilities and infrastructure to better protect U.S. national security
    - Real estate transactions located near military bases or sensitive facilities are now subject to stricter scrutiny – CFIUS mentions c. 400 critical sites
- CFIUS imposed a total of 5 civil penalties in the context of M&A transactions, totaling approximately $70m, including $60m on T-Mobile US for failing to report the breach of sensitive data during its acquisition of Sprint Corp. in 2020

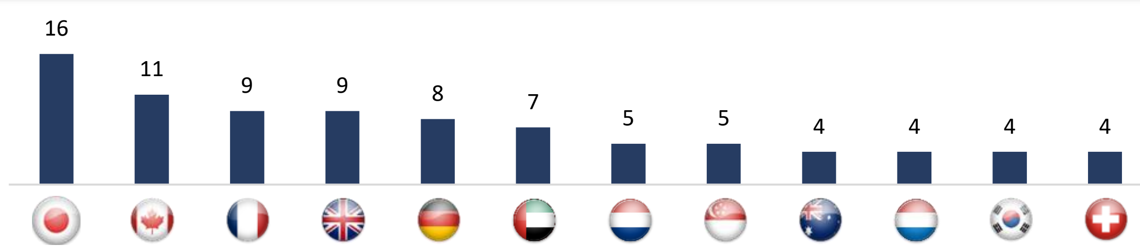
Covered transactions - Number of notifications and investigations since 2015



Covered notifications by sector since 2015



Investigations : Main declarations by foreign acquirer in 2024 (total of 116)



Source: Committee on foreign investment in the United States (CFIUS)

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