



International Relations

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Leonardo AW139's capabilities further enhanced with new avionics software release and kit certification

(Press Release – 17 luglio 2020)

- ✓ Honeywell Primus Epic Phase 8 software and EGPWS with offshore modes obtain EASA Certification
- ✓ Latest standard delivers increased mission capabilities, enhanced situational awareness and reduce crew workload for safety beyond standards in all weather conditions with the introduction of synthetic vision, enhanced 2D Map, increased Navigation, wireless flight plan data loading and advanced collision avoidance for all commercial and government missions
- ✓ The AW139 is the unmatched leader in its class with continued growth capability and outstanding market success and operational track record.

Rome, 17 July 2020 - Leonardo announced today further enhancements for the AW139 intermediate twin engine market leader with the recently obtained EASA (European Aviation Safety Agency) certifications for the Honeywell Primus Epic integrated avionics Phase 8 software and the EGPWS (Enhanced Ground Proximity Warning System) optional kit with offshore modes. The Phase 8 software release marks the introduction of an advanced Synthetic Vision System (SVS) specifically tailored for helicopter applications, improved 2D maps and wireless data loading delivering even greater all-weather capabilities and mission effectiveness for all commercial and government missions.

This latest standard increases crew situational awareness and reduces workload for operations at night or in marginal weather. The advanced Synthetic Vision System assists with navigation and landing approaches when operating within challenging terrain, oil rigs, and other demanding scenarios, which is accomplished via 3D presentation of the external scenario, including surrounding terrain, obstacles, runways and helipads within the background of the Primary Flight Display. A user-friendly 2D Interactive Navigation (INAV) feature showing the helicopter position and flight plan on a map into the Multi-Functional Display (MFD) delivers unparalleled navigation system alignment and precision with the actual flight path taking into account environmental factors. Phase 8 has also wireless connectivity embedded, providing high speed data access for flight plans transfer and maintenance data gathering from the aircraft. Additionally, Custom Approach functionality provides the capability to design, set and fly an automated approach to any user-defined location, including oil rig helidecks.

The introduction of the new EGPWS version -036, which is also available for Phase 7, perfectly complements the latest software release and enhanced navigation capabilities for safer offshore operations. This more sophisticated HTAWS (Helicopter Terrain Awareness and Warning System) introduces recommendations of CAA CAP 1519 for optimal use in offshore environments, and gives pilots more time margin and earlier notifications for warning of a potential collision. This will prove to be a key enabler for recognizing and responding to unsafe conditions.



Orders for nearly 1200 units in over 70 countries have been placed by more than 280 commercial, para-military, and military customers worldwide and over 1050 helicopters are in service with more than 2.8

million flight hours logged in operations to date. With more than 1000 kits certified to date and continued capability growth, the AW139 remains unmatched in its' category as the world's most important helicopter programme in the last 15 years. The AW139 has a proven track record of outstanding mission accomplishment in the harshest conditions.

INTERNATIONAL INDUSTRY COLLABORATION ON FUTURE COMBAT AIR CAPABILITY TAKES A SIGNIFICANT STEP FORWARD

(Press Release congiunto BAE Systems, Leonardo, SAAB – 22 luglio 2020)

UK, Sweden and Italy have begun trilateral industry discussions to strengthen collaboration between the three nations, as they develop world-leading future combat air capability.

The new trilateral framework sees industry from the three nations bringing together their skills and expertise in the combat air sector to collaborate on the research and development of cutting-edge technologies.

The three national industries comprise leading defence companies from the UK (BAE Systems, Leonardo UK, Rolls Royce and MBDA UK), Italy (Leonardo Italy, Elettronica, Avio Aero and MBDA Italia) and Sweden (Saab and GKN Aerospace Sweden).

Today's announcement builds on bilateral discussions which have taken place between the UK and Swedish and Italian industries and establishes a trilateral industry group. Together, the companies will assess common routes to future combat air capability using their know-how, expertise and technology development activities across current and future combat air systems.

This framework is another step on the path towards a full agreement between these national industries to formalise areas of joint collaboration on future combat air systems development.

These national industries each directly employ tens of thousands of people and support many more highly skilled jobs through their supply chains, underpinning national security and supporting economic prosperity in the UK, Sweden and Italy.

Charles Woodburn, Chief Executive Officer, BAE Systems, said: "International partnering provides the best opportunity to deliver a capable, flexible and upgradeable combat air system. We've made good progress with Saab and Leonardo in identifying shared goals and expertise and through this new framework, we can build on this collaboration to unlock the huge potential across our three nations."

Alessandro Profumo, Chief Executive Officer, Leonardo, said: "All three national industries fully grasp the historic nature of this moment. Tempest will be the cornerstone of a cross-border system of common defence which will extend far beyond combat air. It will secure enormous economic benefits and vast industrial and technological progress for Italy and our partners. Together, we share an understanding that if we get this right now, our respective aerospace and defence industries will thrive for a generation."

Micael Johansson, Chief Executive Officer, Saab, said: "Combat Air is a key component of Sweden's defence policy and it is defined as a national security interest. Saab is therefore taking these important steps to remain at the forefront of System of Systems development and the advanced

technologies within Combat Air. We welcome the leadership by the Swedish and UK government, as shown with their July 2019 MoU, and are pleased to deepen our relationship with Italian industry. Our announcement of an initial £50m Future Combat Air investment and a new FCAS centre in the UK, will contribute to closer working relationships with the other FCAS industrial partners and the UK Ministry of Defence.”

The UK has existing co-operation with Sweden and Italy. All three nations industries and militaries are partners in the joint development and operation of the Meteor beyond visual air-to-air missile that is arming Gripen, Eurofighter Typhoon and F-35. Swedish-made chaff and flare dispensers are used on UK Typhoons and Saab’s Giraffe radar is a key part of the UK’s Sky Sabre ground defence system.

Swedish Gripen E aircraft are equipped with radars designed and built by Leonardo in Edinburgh.

Meanwhile, both the Royal Air Force and the Aeronautica Militare operate the same, potent fleet of Eurofighter Typhoon and F-35 aircraft, part of more than 50 years of close collaboration in combat air.

Notes to Editors

About Avio Aero – a GE Aviation Business Avio Aero is a GE Aviation business that designs, manufactures and maintains propulsion systems for civil and military aviation. It employs more than 5,500 people (4600 in Italy) through its 7 plants in Italy, Poland and Czech Republic.

About BAE Systems – BAE Systems provides some of the world’s most advanced, technology-led defence, aerospace and security solutions and employs a skilled workforce of some 87,800 people in over 40 countries. Working with customers and local partners, BAE Systems develops technology that helps to save lives, protect borders and people, strengthen nations, and keep critical information and infrastructure secure.

About Elettronica, on the cutting edge of EW for almost 70 years, supplies AF and Governments of 30 Countries. Its advanced solutions equip all modern military platforms such Tornado, Eurofighter Typhoon, NH-90, PPA, Horizon and FREMM.

About GKN Aerospace Sweden - GKN Aerospace Sweden is headquarters of the Engines business within GKN Aerospace, a world leading multi-technology aerospace partner & supplier with operations in 14 countries employing approximately 17,000 people. The Swedish branch has a long history of developing technology for engines and of ensuring safety, availability and cost-effectiveness for Sweden's defense, holds the type certificate for the RM12 engine powering JAS 39 Gripen C/D and was recently selected to provide product support also for the RM16 engine in JAS 39 Gripen E.

About Leonardo – Leonardo is a global high-technology company, is among the top ten world players in Aerospace, Defence and Security and Italy’s main industrial company. Organized into five

business divisions, Leonardo has a significant industrial presence in Italy, the United Kingdom, Poland and the USA, where it also operates through subsidiaries such as Leonardo DRS (defense electronics), and joint ventures and partnerships: ATR, MBDA, Telespazio, Thales Alenia Space and Avio.

About MBDA - MBDA is the only European group able to design and produce missiles and missile systems that correspond to the full range of current and future operational needs of the three armed forces (land, sea and air).

About Rolls-Royce Holdings plc – Rolls-Royce pioneers cutting-edge technologies that deliver clean, safe and competitive solutions to meet our planet’s vital power needs. Rolls-Royce has customers in more than 150 countries, comprising more than 400 airlines and leasing customers, 160 armed forces and more than 5,000 power and nuclear customers.

About Saab – Saab serves the global market with world-leading products, services and solutions within military defence and civil security. Saab has operations and employees on all continents around the world. Through innovative, collaborative and pragmatic thinking, Saab develops, adopts and improves new technology to meet customers’ changing needs.

Leonardo: responding robustly to the pandemic also benefitting from military/governmental business. 1H 2020 resilient performance, with Orders at € 6.1 billion. FY 2020 New Guidance and confidence in medium-long term fundamentals.

(Press Release – 30 luglio 2020)

Responding robustly to COVID-19

- ✓ Quick and effective action plans protecting employees, business and supporting customers
- ✓ Business has held up operationally
- ✓ Positive mitigating actions and recovery plans in place

Benefitting from business mix with strong military/governmental weighting, although seeing impact on civil side

- ✓ Military/governmental proving very resilient
- ✓ Strategic relevance in domestic markets
- ✓ Impact on civil segment and JV's
- ✓ Short-term impact on civil deliveries, programme execution and productivity

Resilient 1H 2020 Results in face of unprecedented challenges

- ✓ Strong commercial performance: New Orders at € 6.1 billion
- ✓ Solid Revenues at € 5.9 billion
- ✓ EBITA at € 292 million, reflecting COVID impact
- ✓ FOCF negative € 1.9 billion, in line with expected seasonal trends and partially affected by COVID-19

Robust response to COVID-19 and business resilience gives confidence in New FY 2020 Guidance

(assuming no virus resurgence and no further lockdowns)

- ✓ Order Intake at € 12.5-13 billion
- ✓ Revenues at € 13.2-14 billion
- ✓ EBITA at € 900-950 million
- ✓ The Group has the objective to reach a neutral FOCF
- ✓ Group Net Debt at € 3.3 billion

Proven medium-longer term fundamentals and strengths

- ✓ Significant backlog of € 36 billion
- ✓ Strength of products and technologies
- ✓ Confidence in markets, customers

- ✓ Support of key stakeholders

Rome, 30 July 2020 – Leonardo's Board of Directors, convened today under the Chairmanship of Luciano Carta, examined and unanimously approved the results of the first half 2020.

Alessandro Profumo, Leonardo CEO stated “I want to express my thanks to all our people at Leonardo for the commitment and effort during these trying times. The first half results showed that we have remained resilient in the face of extreme market conditions, with a strong military/governmental domestic commercial performance. We have responded quickly and robustly to COVID-19 crisis and to the new scenario proving that Leonardo has strong foundations to leverage on. We continue to actively manage the situation well with mitigating actions and recovery plans in place. Our robust response and business resilience give us confidence in FY 2020 New Guidance. Despite pandemic challenges, the medium-long term fundamentals of our business remain unchanged and we remain confident in executing our Industrial Plan to create value for all our stakeholders”.

The results recorded in the first half-year of 2020 underline the Group’s resilience in a context without precedent, with a commercial performance that confirms the same levels as in the last year benefitting from orders in the government/military sphere from national clients against certain postponements of the export campaigns and the drop in the civil sector demand.

Revenue volumes are basically in line with those of the half-year 2019, supported by a solid Backlog and the growth of the EFA Kuwait programme and of Leonardo DRS, which have been able to offset the slowdowns caused by the pandemic.

The industrial performance, even if affected during this half-year by the effects of the COVID-19, has begun to highlight the first signs of stabilization also as a result of initiatives implemented to guarantee the full business operations. The profitability is affected also by a lower contribution from the JVs and a mix of activities characterised by programmes under development or in which the Group operates as a prime contractor, with profit margins below the average but which are essential to the current and future positioning of the Group’s products and technologies.

The cash flows, in addition to being affected by the usual interim performance characterised by significant outflows in the first part of the year, were partly affected by some critical issues that arose mainly in the second quarter due to the COVID-19 pandemic, which entailed an increase in working capital with a consequent cash absorption.

Following the solid results recorded in terms of sales and manufacturing at the beginning of the year, the Group’s performance for the first half-year of 2020 began to be affected by the effects of the COVID-19 pandemic from March. In particular, the following effects were reported:

- ✓ A slowdown in production activities following the actions taken to protect the health of workers in line with the Italian Government's recommendations (revision of manufacturing processes and work organisation to ensure social distancing, sanitisation of premises). This slowdown led to a reduction in production hours developed with related lower efficiency, in particular in March and April, with a gradual recovery from May. The half-year saw an average drop of 13% in production hours compared to expectations that, although mitigated by the initial effects of the measures aimed at recovering adequate productivity levels, was more marked at the entities with a greater incidence of manufacturing activities, such as those of the Aerostructures, Helicopters and Aircraft Divisions
- ✓ Less progress in the programmes, especially in the European component of the Defense & Security Electronics division, in the Aircraft division and to a lesser degree in Helicopters, as a result of the aforementioned slowdown, restrictions on the movement of resources and the impossibility of accessing our customers' sites, as well as of an initial lower efficiency due to the reorganisation of some activities in smart working mode
- ✓ The first effects of a decline in demand in the civil market due to the dramatic slowdown in the global transport sector, which is now having an impact on aircraft manufacturers and which consequently affects Aerostructure production volumes, as well as sales forecasts for civil helicopters and ATR aircraft. This factor, together with the impossibility of our customers to carry out the testing and acceptance tests of the machines, led to the postponement of deliveries, particularly with regard to ATR aircraft and civil helicopters, as well as a decrease in the production rates of the Aerostructures Division, particularly on the B787 and ATR programmes
- ✓ Negligible effects at the reporting date on the supply chain, which nevertheless remains deserving of the utmost attention

As already highlighted in the results as at 31 March 2020, The Group reacted promptly to the new scenario by implementing a series of measures primarily aimed at guaranteeing the full protection of the workers' health and safety, while preserving the continuity of its production. From an operational point of view, the initiatives include actions aimed at recovering adequate productivity levels through the gradual increase of the workers' presence in the sites in safe conditions. In parallel, the Group is carrying out a profound review of its cost base and investment level, reducing or delaying all initiatives and expenses not strictly necessary or strategic, saving controllable and labour costs, in order to mitigate the effects of COVID-19 on the results of the year.

The primary changes that marked the Group's performance compared with that of the previous year are described below:

- ✓ **New Orders**, amounted to EUR 6,104 million, remained substantially in line with the first half of 2019. Specifically, the significant increase in the Helicopters sector (48%) was offset by a decline recorded in the Defense & Security Electronics and Aeronautics sectors, which had benefitted from major new orders during the first half of 2019

- ✓ **Backlog**, amounted to EUR 35,920 million, ensures a coverage in terms of equivalent production equal to about 2.5 years
- ✓ **Revenues**, amounted to EUR 5,878 million, remained in line with the first half of 2019 (€ 5,962 bn), showing a decline in the Helicopters sector, mainly due to fewer deliveries attributable to the abovementioned effects of the COVID-19 pandemic, which was offset by higher volumes on the EFA Kuwait programme of Aircraft and at Leonardo DRS
- ✓ **EBITA**, amounted to EUR 292 million, (with a ROS of 5.0%) showed a decrease of € 195 mln compared to the first half of 2019, which was mainly due to the abovementioned effects of the COVID-19 pandemic
- ✓ **EBIT**, amounted to EUR 227 million; showed, compared to the first half of 2019 (€ 462 mln), a reduction of € 235 mln (-50.9%), mainly due to a decrease in EBITA, the recognition of costs incurred to comply with the Government's guidelines on COVID-19, including those for the protection of workers' health and to support the Governmental bodies in managing the emergency, as well as to some external costs incurred because of the difficulty in stopping the performance of some specific services
- ✓ **Net Result before extraordinary transactions**, amounted to EUR 59 million, was affected by a fall in EBITA, as well as by the higher impact of financial costs for the period, associated with exchange rate hedging
- ✓ **Net Result** amounted to € 60 mln included the effects of the space business of Vitrociset, classified among Discontinued Operations
- ✓ **Free Operating Cash Flow (FOCF)**, negative EUR 1,889 million (against a negative value of € 1,050 mln in the first half of 2019). While confirming the usual interim performance characterised by significant outflows in the first part of the year, this trend was partly affected by issues that arose mainly in the second quarter as a result of the COVID-19 pandemic, which entailed a significant increase in working capital with a consequent cash absorption
- ✓ **Group Net Debt**, of EUR 5,074 million, showed an increase compared to 31 December 2019 (€ 2,847 mln), mainly as a result of the negative performance of FOCF, as well as of the impact of the following main events on the net financial position:
 - Acquisition of Kopter Group AG in April with an impact of € 198 mln on the Net financial position)
 - Acquisition of an additional amount of Avio shares in June for € 14 mln
 - Payment of a dividend of € 81 mln in May
 - Increase in new leases for € 54 mln

Guidance 2020

The regular and ordinary performance of the Group's business activities is being impacted by the COVID-19 crisis, in a global context of serious economic recession and high uncertainty. Even in this context, Leonardo confirms its resilience, based on a solid Order Backlog and on the ability to react promptly to this new scenario, and it remains confident in its business fundamentals.

In summary, the effects of COVID-19 are expected to show an impact on 2020 performance - compared to expectations before the outbreak of COVID-19 - as described below:

- ✓ slowdowns of activities aimed at finalising commercial negotiations, mainly due to travel bans, leading to the postponement of the acquisition of some orders, mainly in the export component, with a consequent impact on production volumes and related margins
- ✓ drop in demand in the civil market, which is expected to continue well beyond the end of the year, leading to lower new orders, revenues and margins
- ✓ slowdown on programme execution, following the slowdowns in production activities caused by actions taken to protect the safety of workers, travel bans and the inability to access customer sites, impacting Group revenues and consequently margins
- ✓ reduction of productive hours resulting from lower presence and lower efficiency, (although mitigated by the actions aimed at recovering adequate productivity levels in the second half of the year) leading to a lower absorption of fixed costs with consequent impact on EBITA

These effects are expected to be partially offset by actions promptly implemented by the Group. In addition to the progressive recovery of adequate productivity levels, these actions aim to achieve savings on controllable costs and on labor costs as well as a reduction in net investments. Actions taken are progressing according to plan and are on track to deliver the expected positive effects.

Based on first half results and the review of the projections for the second half, and assuming no covid-19 resurgence and no further lockdowns, Leonardo expects for full year 2020:

- ✓ Orders in the range of 12.5-13.5 billion, this estimate reflects the downsizing of demand in the civil market and some postponements of export campaigns due to the effects of the pandemic, and it confirms the important orders in the military/governmental business, mainly by domestic customers
- ✓ Revenues in the range of 13.2-14 billion, substantially in line with 2019 despite the effects of the decline in the civil market, which has affected deliveries in Helicopters and the production rates in Aerostructures, and lower activities on programmes caused by COVID-19; this also reflects the expectation of an acceleration of activities in the second half of the year and confirms the Group's resilience, leveraging on a solid Order Backlog and the high exposure to the military/governmental business
- ✓ EBITA in the range of 900-950 million, confirms the solidity of the business fundamentals despite this particularly challenging context, affected by the aforementioned impact of COVID-19 on volumes, deliveries and absorption of fixed costs, partially mitigated by savings associated with the reduction of controllable costs and labor costs

- ✓ The Group has the objective to reach a neutral FOCF , thanks to a constant focus, even stronger today, on the achievement of invoicing milestones on programmes together with optimisation of working capital and investment levels; this is expected to offset the lower collections associated with the postponement of cash-ins related to milestones and deliveries, as a result of COVID-19 as well as the lower cash advances associated with delays in export order acquisition

Below the FY 2020 Guidance, assuming no virus resurgence and no further lockdowns:

	FY 2019	Outlook 2020 (**)
Orders (€bn)	14.105	12.5 – 13.5
Revenues (€bn)	13.784	13.2 – 14.0
EBITA (€m)	1,251	900 - 950
FOCF (€m)	241	heading to neutral
Group Net Debt (€bn)	2.847	ca. 3.3 (***)

[Link to the entire Press Release](#)

Leonardo strengthens helicopter support services in South Africa

(Press Release – 21 agosto 2020)

- ✓ Expanding the level of customer service to allow greater mission effectiveness and safety
- ✓ The new service centre demonstrates Leonardo's long-term commitment to the region and its customers, improving support to a fleet of over 120 helicopters mainly operating in the Sub-Saharan African civil market

Rome 21 August 2020 - Leonardo is strengthening the level of support and maintenance services offered to its customer base in South Africa with a new service centre following the recent acquisition of Precision Aviation Services (Pty) Ltd. This is located at Wonderboom Airport – Pretoria and comprises 2275 m² of floor space, 450 m² of workshop and store, and an equivalent amount of office space.

The site had been operating as an Authorized Service Centre for Leonardo's helicopters in the country over the last 25 years and is the first Leonardo Excellent Service Centre in the Continent. 'Excellent' ranking is assigned to selected Service Centres focused on maintaining third party fleets and having the largest scope of service capabilities, all while guaranteeing the continued achievement of Leonardo's customers stringent expectations and considering specific market requirements. The first area of further enhancement implemented by Leonardo compared to previous services will be the spare parts availability which will be further expanded.

The new service centre demonstrates Leonardo's long-term commitment to the region and its customers, improving support to a fleet of more than 120 helicopters mainly operating in Sub-Saharan African civil market. This is in line with the Company's Industrial Plan's focus on stronger customer support services and proximity. The facility includes maintenance hangars, bonded warehouse, workshops and other services and provides maintenance, product support, engineering services while reinforcing spares availability for a range of models also including the AW119 single engine, AW109 light twin series, AW Family including the AW139, AW169 and AW189, with the possibility to extend these capabilities to future products.

Enhanced services will contribute to maximise the helicopter fleet mission effectiveness and safety of operations to the benefit of operators, crews and the served communities. With over 100 helicopter service and maintenance centres worldwide to date, Leonardo plans to establish at least one 'Excellent' centre in all strategic markets. During the Covid-19 pandemic emergency Leonardo has delivered continued support through its global network and leveraged digital technologies for remote maintenance services.

Leonardo: Tokyo Metropolitan Government evaluates the AW609 tiltrotor's unique capabilities to revolutionize connections with Ogasawara island

(Press Release – 2 settembre 2020)

- ✓ World's first commercial tiltrotor under evaluation in Japan will enable complete reach to remote areas with its' unique combination of high speed, long range, and vertical lift capability
- ✓ The AW609 would join a fleet of over 130 helicopters serving for civil, public service and military duties and a solid on-site customer support services network
- ✓ First two production AW609 are under final assembly and a comprehensive training system including a full flight simulator is expected to be ready this year

Rome, 2 September 2020 – The Tokyo Metropolitan Government recently announced the intention to evaluate the AW609 multirole commercial tiltrotor's unique capabilities to deliver unprecedented levels of transport to Ogasawara island in the future. The distinguished characteristics of the world's first commercial tiltrotor, combining turboprop-like performance (speed, range, altitude) and rotorcraft versatility (vertical take-off / landing and hovering) would deliver outstanding services to reach Ogasawara, approximately 1000 km from Tokyo. Missions would be performed in all weather conditions and with limited infrastructural impact thanks to its helicopter-like footprint.

The AW609 excels at providing fast point to point transportation at long ranges, whether it is connecting city centres or providing timely access to remote locations. Thanks to 275 knots speed, a 25,000 ft altitude and 1000 nm maximum range, users will benefit from the AW609's unique ability to fly above adverse weather in the comfort of a pressurized cabin while maintaining rotorcraft vertical take-off and landing / hovering versatility. Modern 'green' technology ensures reduced emissions and noise. The AW609 is ideally suited to meet a range of operational requirements in Japan such as passenger transport, EMS, SAR, surveillance, electronic newsgathering and VVIP transport. With a fleet of over 130 helicopter of various models in Japan today performing a wide variety of civil, public service and military missions, Leonardo has a long-standing in-country presence with a comprehensive support service network that the AW609 will benefit from. The AW609 would support Japan in the introduction of innovative technology ways and solutions to meet connection and public service requirements across the nation, both in normal and in emergency and extreme natural events conditions.

The AW609 will be the first civil certified tiltrotor aircraft and is poised to transform private and business travel, emergency medical service (EMS), search and rescue (SAR), offshore operations and patrol, among other uses. The AW609 carries up to nine passengers, flying safely above inclement weather and in known icing conditions.

The first two production AW609s are currently being assembled in Philadelphia. The AW609 has great interest from around the world, across all missions including EMS, SAR, VIP/Corporate transport, offshore resource development as well as government/public service duties. Customers will be provided with comprehensive support and training packages primarily headquartered at the Company's new Training Academy in Philadelphia. An advanced Flight Training Device and the world's first AW609 Full Flight Simulator will be available for training later this year.

£317m contract to develop next generation radar for the Royal Air Force Typhoon

(Press Release congiunto BAE Systems-Leonardo – 3 settembre 2020)

A £317m contract to develop the next generation of radar for the Royal Air Force's (RAF) Eurofighter Typhoons will sustain hundreds of jobs and develop technologies for the UK's Future Combat Air System.

BAE Systems and Leonardo have been awarded a contract to develop the Active Electronically Scanned Array (AESA) European Common Radar System Mark 2 (ECRS Mk2) to a standard ready to be integrated on to RAF Typhoons.

It will sustain more than 600 highly skilled jobs across the country, including more than 300 at Leonardo's site in Edinburgh, over 100 electronic warfare specialists at the company's site in Luton, and 120 engineers at BAE Systems' site in Lancashire. The ECRS Mk2 is a multi-functional array (MFA) that will give UK Typhoons a world-leading Electronic Warfare capability, in addition to traditional radar functions, including wide band Electronic Attack.

It will equip RAF pilots with the ability to locate, identify and suppress enemy air defences using high-powered jamming. They can engage targets whilst beyond the reach of threats - even when they're looking in another direction - and operate inside the range of opposing air defences, remaining fully protected throughout.

This game-changing capability will replace the mechanically-scanning radar that RAF Typhoons are currently equipped with and will ensure the UK retains the freedom to deliver air power wherever and whenever it is needed. It also enables Typhoon to link up with future data-driven weapons to

combat rapidly evolving air defences, ensuring that UK Typhoons can continue to dominate the battlespace for years to come.

Andrea Thompson, Managing Director Europe & International for BAE Systems' Air sector, said: "This capability will allow Typhoon to take its place in the future battlespace for decades to come, maturing key technologies for future combat air systems and ensuring interoperability.

As well as securing highly-skilled jobs, it will sustain the key skills needed to keep the UK at the forefront of the global Combat Air sector. We look forward to continuing to work alongside the Eurofighter nations and our industry partners to ensure Typhoon delivers the needs of today and answers the challenges of tomorrow."

Mark Hamilton, Senior Vice President Electronic Warfare, Leonardo said: "This contract is great news for the UK, which will get the world's most capable fighter radar, and great news for British engineering. Inventing, developing and building advanced technology here in the UK allows us to understand and meet the specific requirements of our Armed Forces and to secure export orders all around the world, boosting the whole UK economy."

The new radar will be based on Active Electronically Scanned Array (AESA) technology and will provide game-changing capabilities based on a revolutionary MFA.

It has significantly more Transmit-Receive Elements than other radars, making Mk 2 the most capable fighter AESA radar in the world, maintaining the same power and precision of traditional radars but also enabling the simultaneous operation of its wide-band Electronic Warfare functionality.

BAE Systems, the UK's prime contractor for the Typhoon, will integrate the new sensor which will be developed by Leonardo, the UK's defence electronics champion. Both companies are currently working as part of a four-nation development programme alongside Eurofighter consortium partners in Germany, Spain and Italy on a baseline version of the AESA radar. The ECRS Mk2 is a completely new approach designed to meet the operational needs of the RAF and future export customers.

The UK's commitment follows a similar commitment from Germany and Spain to deliver their own national requirements for an AESA radar.

Leonardo delivers counter-drone technology to the Royal Air Force to support the research and development programme SYNERGIA

(Press Release – 3 settembre 2020)

- ✓ The RAF will use the Leonardo Counter-Unmanned Aerial System (C-UAS) equipment as part of its ongoing research programme to develop the ORCUS C-UAS system. This developing system also provides a national standby capability to support emergency services across the UK in crisis situations
- ✓ Due to the serious nature of the threat posed by rogue drones to the UK, the programme is considered of high importance to national security and Leonardo is continuing to deliver equipment and support during the coronavirus pandemic
- ✓ Leonardo is a leader in C-UAS technology and is on contract with UK and Italian Armed Forces. Its modular, scalable systems are readily exportable worldwide

Rome, 3rd September 2020 – Leonardo in the UK has delivered the first of four complete baseline counter-drone systems to the Royal Air Force in support of the next stage of its Counter-Unmanned Aerial System (C-UAS) research and development programme. The ORCUS system is now playing a key role in a wide-ranging testing and evaluation campaign which will improve the Air Force's understanding of how it can employ technology in response to the threat posed by hostile drones.

The RAF will also maintain the ORCUS system as an upgraded national standby capability, to be rapidly deployed anywhere in the country in support of emergency services in the event of a drone-based crisis.

The threat posed by rogue drones is being taken extremely seriously by the Ministry of Defence and therefore the C-UAS study programme, managed by Defence Equipment & Support Future Capability Group, is considered highly important to the security of the nation. Leonardo is working hard to ensure that the programme continues to be delivered, despite the disruption caused by the global coronavirus pandemic.

The modular systems provided by Leonardo for the study will allow the RAF to evaluate a range of capabilities including advanced radar, electro-optic and radio frequency sensors and an electronic attack countermeasure. In due course, further systems will be integrated for testing and evaluation. Throughout, RAF Force Protection operators will be examining the most effective ways to detect, track, identify and defeat rogue drones. In the long-run, the research and development programme will inform the requirements for a core RAF counter-drone capability, intended to protect air bases around the UK.

Elements of Leonardo's C-UAS equipment were previously operated by the RAF Force Protection Force in 2018 and 2019, following drone sightings at Gatwick and Heathrow airports, allowing airport operations to resume.



Leonardo offers its scalable and modular C-UAS systems to military and civil customers internationally. The Company has been contracted for C-UAS equipment for the Italian Army and Air Force and is in discussions with other potential customers worldwide.

Leonardo to be Cortina 2021 Alpine World Ski Championships technology partner

(Press Release – 10 settembre 2020)

- ✓ Leonardo will once again help to ensure the safety and smooth running of a major sporting event, which will see over 600 athletes from 70 countries
- ✓ The company has a successful track record in securing international events, ranging from Italy's Milan Expo 2015 to multiple editions of the Winter Olympic Games and inter-governmental events such as G7 and G8 summits
- ✓ Alessandro Profumo, CEO of Leonardo: "Advanced technology will unite with sporting excellence at this important event. Leonardo's solutions will contribute to the safe delivery of Cortina 2021, ensuring the highest level of protection while also improving the quality of the experience for athletes, fans and the local community. The event will be a global showcase, highlighting Italy's resilience in the face of crisis and stimulating future projects that will see the country increasingly united, confident and focused on the future"

Rome, 10 September 2020 – Leonardo has announced its selection as the Technical Partner of the Cortina 2021 FIS Alpine World Ski Championships, to be held in Cortina d'Ampezzo, Belluno in February 2021. The partnership agreement, signed with Fondazione Cortina 2021, reinforces Leonardo's position as a market leader in the provision of security technology and expertise for major events.

Leonardo, a world leader in security, aerospace and defence, will provide a comprehensive package including video surveillance and advanced video analysis for all Cortina 2021 venues, which will deliver data collection, analysis and classification in real time. Secure and reliable radio communications systems will also be provided, ensuring the effective coordination of security activities and emergency response plans. The project will also include the provision of training, operational support and technical assistance.

"Cortina 2021 and Leonardo share a culture of integrity underpinned by innovation and sustainability. These are the foundations on which we build shared value, while protecting the social, environmental and economic interests of the communities with which we work", said

Alessandro Profumo, Leonardo Chief Executive Officer. "Advanced technology will unite with sporting excellence at this important event. Leonardo's solutions will contribute to the safe delivery of Cortina 2021, ensuring the highest level of protection while also improving the quality of the experience for athletes, fans and the local community. The event will be a global showcase, highlighting Italy's resilience in the face of crisis and stimulating future projects that will see the country increasingly united, confident and focused on the future"

Valerio Giacobbi, CEO of Fondazione Cortina 2021 said "Leonardo is the ideal partner to help us effectively organize this great upcoming event. We chose the company for its ability to dependably



provide protection that meets our very high standards. By working with Leonardo we will be able to achieve an important goal, to deliver a unique event where high-tech security will play a central role.”

Leonardo has previously served as technology partner for a number of other major events, providing security at the 2017 G7 summit in Taormina, the 2015 Milan Expo, the 2009 G8 summit in L’Aquila, and for large-scale sporting occasions including the 2018 and 2014 Commonwealth Games, 2014 Olympic Winter Games in Sochi, 2013 World Cycling Championship and 2006 Olympic Winter Games in Turin.

Leonardo joins Adelaide's Lot Fourteen space precinct in partnership with SmartSat CRC

(Press Release congiunto Leonardo-SmartSat – 17 settembre 2020)

Adelaide, 17 September 2020 – Leonardo commits to the South Australian space ecosystem establishing a foothold for its space service business - through its subsidiary e-GEOS - in partnership with SmartSat CRC. e-GEOS is a joint venture between Telespazio – Leonardo's subsidiary - and the Italian Space Agency.

The news was warmly welcomed by the local community and by the Premier of South Australia Hon. Steven Marshall who recently welcomed Leonardo at Lot Fourteen. "South Australia is the defence and space capital of the Country and it's fantastic to see another incredible international company choosing South Australia to do business" he commented. "The strong interest being shown by major national and international players is a coup for South Australia and is further evidence that Lot Fourteen is a magnet for business and jobs. The addition of Leonardo to Lot Fourteen cements my governments strong commitment to create a once in a generation hub that will generate thousands of jobs for South Australians now and into the future." Hon. Marshall stated.

As a dominant worldwide supplier in the space sector, Leonardo aims to collaborate with the Australian space industry to stimulate local growth and competitiveness in global markets.

"Lot Fourteen is the beating heart of Australia's Space activity. It is where the future of Australia's Space capability is being created. Leonardo and e-GEOS have so much space expertise to bring, technology to transfer and experience to share. We want to see the Australian Space industry grow. How could we not be part of this thrilling venture?" said Michael Lenton, Executive Chairman of Leonardo Australia.

"Leonardo Australia aims to work with SmartSat to harness local expertise and develop competitive business opportunities with their global partners, leading to job creation and industry growth, stated Prof Koronios SmartSat CEO.

"Leonardo can leverage decades on expertise and experience in space programs and plays a crucial role in several important space missions such as the Galileo global navigation system, Copernicus, COSMO-SkyMed, Prisma (Hyperspectral Precursor), ExoMars and Rosetta missions as well as the International Space Station. The Company's presence in Adelaide is a major step for the South Australian ecosystem" stated Richard Price the Chief Executive of Defence SA.

In 2019, Leonardo Australia through the involvement of e-GEOS (a joint venture between Telespazio – Leonardo's subsidiary - and the Italian Space Agency), became a supporting partner of Adelaide-based space Cooperative Research Centre SmartSat CRC. Leonardo Australia's partnership with SmartSat is a key driver in the company's strategy to grow its presence in the space industry within the Oceania region and to develop joint research and commercialisation opportunities. As prominent provider of the European Copernicus program, e-GEOS supports rapid security and

disaster response operations all over the world, including providing Australian fire authorities rapid mapping during recent bushfires.

Leonardo Australia is the regional subsidiary of Leonardo, a global top ten high technology Defence and Space company with annual revenues of 23 bn AU\$.

Mr George Coulloupas of Leonardo Australia (Business Development Manager – Space) is leading Leonardo Australia’s Space Line of Business based at Lot Fourteen. George has extensive Australian-based experience in start-up innovation, space-derived service commercialisation and primary research in next generation satellite systems.

Note to the editors:

ABOUT THE SMARTSAT CRC

The SmartSat Cooperative Research Centre brings together over 100 national and international partners who have invested over \$190 million, along with \$55 million in Federal Government funding under its Cooperative Research Centres Program, in a \$245 million research effort over seven years. Working closely with the Australian Space Agency, SmartSat will make a strong contribution to the Australian Government’s goal of tripling the size of the space sector to \$12 billion and creating up to 20,000 jobs by 2030. Priority industry sectors for SmartSat include telecommunications, agriculture and natural resources, transport and logistics, mining, and defence and national security.

Leonardo: Alessandro Profumo nominated President of the AeroSpace and Defence Industries Association of Europe (ASD)

(Press Release – 21 settembre 2020)

- ✓ ASD represents the largest companies and over 3,000 SMEs and associations from 18 European countries
- ✓ Profumo: “The AD&S sector will be key to many of the priorities identified in the European recovery programme, from digitization, the green deal, cyber security, and competitiveness in Europe as well as a driving force for the education system”

Rome, 21 September 2020 – Leonardo is proud to announce the appointment of Alessandro Profumo to the Presidency of AeroSpace and Defence Industries Association of Europe (ASD). The CEO of Leonardo will lead the organisation for the next two years, representing the largest companies and over 3,000 SMEs and associations from 18 European countries. The appointment was made today at a ‘virtual’ meeting of the Association’s Board. “I am honoured to be given this role, which I take on with pride and a great sense of responsibility for the future. With pride because during this time of emergency, at the peak of Covid-19, the capabilities of our sector have made it possible to transfer patients, doctors, and medical equipment where it was most needed. We were able to guarantee communications, transport, monitoring, including from space, as well as physical and digital security, in Italy and across the world”, said Alessandro Profumo. “The responsibility derives from taking on this role in a phase that poses challenges of a political, economic, social and environmental nature and which calls for a cohesive European system also at an industrial level. It is already clear today – added Profumo – that the AD&S sector will be key to many of the priorities identified in the European recovery programme: digitization, the green deal, cyber security, European as well as providing a driving force for the education system. I will work to ensure that the potential of the AD&S sector is recognised, deployed and supported with effective tools and investments, promoting a continuous and transparent dialogue with European stakeholders”.

Leonardo appointed UN Global Compact LEAD: a leading role within the initiative of sustainability and global cooperation

(Press Release – 21 settembre 2020)

- ✓ Leonardo's commitment to the Ten Principles of the Global Compact and to foster the Sustainable Development Goals (SDGs) of the UN Agenda 2030 is recognized
- ✓ Profumo: "Being Global Compact LEAD increases our sense of responsibility towards people and the Planet. "Companies and institutions need urgently to work together, in a spirit of trust and multilateral cooperation, to find effective answers to global challenges and transformations."
- ✓ The announcement was held during the event Uniting Business Live, on the occasion of the 20th anniversary of the Global Compact within the United Nations General Assembly. Leonardo is the only organisation among the top ten Aerospace, Defence and Security companies in the world to receive the recognition
- ✓ The Statement from Business Leaders for Renewed Global Cooperation has been signed by more than 1,000 Chief Executive Officers, including the CEO of Leonardo, Alessandro Profumo, to strengthen the global cooperation and for companies to realign behind the mission of the United Nations
- ✓ During the event, the CFO Principles on Integrated SDG Investments and Finance, which Leonardo joined to actively contribute to create a new sustainable finance model, were also presented

Rome, 21th September 2020 – Leonardo is part of the Global Compact LEAD, a selected group of global companies recognised as having a leading role within the world's largest corporate sustainability initiative. Being Global Compact LEAD is the recognition of the company commitment to the Ten Principles of the Global Compact relating to human rights, labour, environment and anti-corruption, and towards support of the United Nations Sustainable Development Goals (SDGs).

The recognition took place during the event Uniting Business Live (21-23 September), on the sidelines of the United Nations General Assembly. On the occasion, the Statement from Business Leaders for Renewed Global Cooperation, promoted by the Global Compact, was presented to the UN Secretary-General, António Guterres. More than 1,000 CEOs from more than 100 countries signed the Statement. Among the signatories was the CEO of Leonardo, Alessandro Profumo. He responded to the appeal of the Global Compact after having also participated in a series of interviews, which involved 60 senior executives in the context of the Action Platform dedicated to the Sustainable Development Goal (SDG) 16, focused on issues related to Peace, Justice and Strong Institutions. The Company has participated in the multi-stakeholder collaboration platform since 2019. It is precisely within this framework that the Statement was developed.

"Being Global Compact LEAD increases our sense of responsibility towards people and the Planet", underlines Alessandro Profumo, CEO of Leonardo. "Companies and institutions need urgently to

work together, in a spirit of trust and multilateral cooperation, to find effective answers to global challenges and transformations. Investing in the technologies of the future through continuous innovation is at the centre of our sustainability strategy. By participating in the Global Compact and its collaboration platforms - adds Profumo - we are an active part of a global movement that, on the basis of different experiences but shared principles, is committed to innovating business models, also through new governance and finance approaches, to build a more equitable, inclusive and sustainable world”.

Leonardo is also a member of the CFO Taskforce of the Global Compact, which was established at the end of 2019, which the Company’s CFO, Alessandra Genco, has joined. The network will play a central role in defining a roadmap for sustainable corporate finance. Thanks to the commitment of the Taskforce and the signing of the Principles for Integrated SDG Investments and Finance, Leonardo will contribute to the creation of a sustainable financial model for the prosperity of companies and communities.

Austria to procure AW169M helicopters

(janes.com – 22 settembre 2020)

The Bundesheer, the Austrian Armed Forces, announced on its website on 21 September that it would procure 18 AW169M helicopters in co-operation with Italy. The EUR300 million (USD353.9 million) procurement also includes technology, logistics, training, and infrastructure.



Austria will procure 18 AW169M helicopters in co-operation with Italy. (Bundesheer Fotos)

The Bundesheer said the determining factor in choosing the AW169M was the willingness of Italy to co-operate in all aspects of operating the helicopter. Italy has already ordered 40 of the up to 100 AW169s that it plans to procure, according to the Bundesheer.

Co-operation in operations, training, and logistics would not have been possible with the Bell 429 offered by the United States as its armed forces do not operate the type, the Bundesheer explained. The AW169M will replace Austria's Alouette III helicopters that will be phased out by the end of 2023, which the Bundesheer said would have resulted in a capability gap of several years if it had selected the H145M, which it expected not to be available until 2025 and to be conducting normal flight operations at least a year later. In addition, Germany planned to offer the logistic support of its own industry, complicating cooperation or even making it impossible, according to the Bundesheer.

Austria is expected to begin negotiations with Italy soon, lasting around six months, followed by production lasting around 18 months, with the delivery of the first helicopter in mid-2022, the Bundesheer said.

Twelve operational AW169Ms will be based in Aigen/Ennstal and six training versions in Langenlebarn.

The Bundesheer said its AW169Ms would be equipped with 12.7 mm or 20 mm guns, rockets, "ideally" with laser-guided missiles, and FLIR for both reconnaissance and targeting, all capable of being installed or switched in a few hours and the exact specifications of which would be negotiated with Italy.

Analysis

The Bundesheer said the A169M would have a larger transport capacity and cabin and be able to carry heavier external loads than the Alouette III, which has been in Austrian service for 50 years. It will also be able to use instrument flight rules.

The next helicopter the Bundesheer plans to replace is the OH-58, which it expects to operate until 2030. It is expecting its first new Black Hawk in the autumn of 2022, followed by the two others in 2022, after being delayed due to Covid-19. They will be based in Aigen/Ennstal, together with the AW169Ms.

Israel, Italy to swap training helos for Spike missiles

(janes.com – 23 settembre 2020)

The Israeli Ministry of Defense (MoD) announced on 22 September a reciprocal procurement agreement under which Israel will receive another five Leonardo AW119Kx training helicopters from Italy in exchange for Rafael Spike guided missiles.



The IAF will receive another five AW119Kx training helicopters. (Israeli Air Force)

Signed over a secure video conference link by Major General (res) Amir Eshel, director general of the Israeli Ministry of Defense, and Italian National Armaments Director Nicolò Falsaperla, the agreement completes a process that began in February 2019 and covered the delivery of seven AW119Kxs to the Israeli Air Force (IAF).

"The new aircraft will gradually replace the Sayfan [Bell 206] helicopters, which have been in service since the 1970s," the MoD said in a statement. The agreement also includes two Leonardo simulators for helicopter training at the IAF Flight School.

"The completion of this agreement is essential for the training of IAF helicopter pilots and for the development of Israel's economy," Israeli Minister of Defense Benny Gantz said. The Italian Ministry of Defence will purchase Rafael Spike missiles and launchers, as well simulators for Italian military helicopters from a joint venture established by Leonardo and Elbit Systems, the MoD said.

The Italian Army already uses the Spike Short Range and Spike Long Range variants.

Analysis

“This is a continuation of the 2011 agreement signed between the Israeli and Italian governments, in which the Israeli Ministry of Defense purchased 30 training aircraft in exchange for the purchase of an observation satellite and two airborne early warning [AEW] systems,” the Israeli MoD added.

That agreement was not announced until July 2012 and resulted in the IAF receiving 30 Leonardo M-346 advanced jet trainers and the Italian Air Force receiving two Gulfstream G550s modified into AEW aircraft by Israel Aerospace Industries (IAI). An Optsat-3000 high-resolution Earth-observation satellite made by IAI was launched on behalf of the Italian MoD from the European Space Centre in August 2017.

It was not revealed what the Italians would receive in exchange for the first seven AW119Kx training helicopters.

Leonardo adds new airport ground operations safety technologies to portfolio

(Press Release – 28 settembre 2020)

- ✓ Leonardo's U.S. subsidiary Selex ES Inc. launches AeroBOSS solutions to prevent runway incursions and protect global air travelers
- ✓ AeroBOSS provides a common operating platform enabling command and control of airport operations, maintenance and emergency resources

Rome, 28 September 2020 – Leonardo's U.S. subsidiary, Selex ES Inc., developer of en-route navigation, precision approach and landing, and surveillance systems, recently added airport surface management technologies to their air traffic control solutions.

Marketed under the name AeroBOSS, the technologies offer real-time, collaborative decision-making, flight and ground vehicle tracking, and runway safety systems that allow all surface vehicles to operate safer and more efficiently. AeroBOSS provides an airport-wide common operating platform enabling command and control of airport operations, maintenance, and emergency resources. One of the core AeroBOSS solutions is the AeroBOSS Runway Incursion Warning System (RIWS) that prevents runway accidents by alerting vehicle drivers of hazards before entering the runway area.

There are nearly thirty-one hundred airports in the world with commercial air carrier service, but only a small percentage have runway incursion prevention systems. Selex ES Inc. AeroBOSS technologies, developed for Air Navigation Service Providers and airports is able to improve airport safety efficiently and cost-effectively.

The addition of AeroBOSS solutions to Leonardo's portfolio comes as the result of collaboration with U.S.-based INDMEX. The timing is critical, as the Civil Air Navigation Services Organization and Flight Safety Foundation have expressed concerns regarding the risks of airport runway incursions as air travel begins to return to normal following the sharp declines due to the COVID-19 pandemic.

Selex ES Inc.

Leonardo's U.S. subsidiary, Selex ES Inc., is headquartered in Overland Park, Kansas, USA and is a leading supplier of en route navigation, precision, approach and landing and surveillance systems to military and civil aviation customers globally. This includes Category I through II/III Instrument Landing Systems, doppler and conventional VHF Omni-Direction Range (VOR), high and low-power Distance Measuring Equipment (DME), a TACAN that is built on the FAA's DME of choice, and modeling, designing and assisting with DME/DME initiatives. The company also designs and manufactures next generation surveillance radars and systems such as Multilateration (MLAT), and Automatic Dependent Surveillance - Broadcast (ADS-B). For more information about the company and its exciting technology portfolio, visit LeonardoCompany-us.com.