

RESULTS AT 30 SEPTEMBER 2021

Disclaimer

This Interim Reporting at 30 September 2021 has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.



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GROUP RESULTS AND FINANCIAL POSITION

The results recorded in the first nine months of 2021 put on a sound footing the recovery in growth and an increase in profitability reported in the financial statements at 31 December 2020, showing a gradual and continuous improvement in the Group's industrial performance during 2021. The volume of new orders continued to achieve excellent levels, confirming the good competitive positioning of the Group's products and solutions, with Revenue growing in all the main business areas.

The civil sector reflects the difficulties that have been reported in recent months in a scenario that is still hit by some effects of the pandemic. In particular, the Aerostructures Division is coping with a continuing fall in production volumes and the consequent failure of the industrial assets to operate at full capacity, which led to a further decline in results.

The cash flows, although affected by the usual interim performance characterised by significant outflows in the first part of the year, are clearly improving

Key performance indicators ("KPI")

The KPIs for the period and the main changes that marked the Group's performance are described below. An in-depth analysis can be found in the specific section covering the trends in each business segment.

	September 2020	September 2021	Change	2020
New orders	8,510	9,266	8.9%	13,754
Order backlog	34,980	35,235	0.7%	35,516
Revenue	9,025	9,564	6.0%	13,410
EBITDA	866	921	6.4%	1,458
EBITA	497	607	22.1%	938
<i>ROS</i>	5.5%	6.3%	0.8 p.p.	7.0%
EBIT	395	445	12.7%	517
<i>EBIT Margin</i>	4.4%	4.7%	0.3 p.p.	3.9%
Net Result before extraordinary transactions	135	229	69.6%	241
Net result	137	229	67.2%	243
Group Net Debt	5,884	4,690	(20.3%)	3,318
FOCF	(2,596)	(1,387)	46.6%	40
ROI	7.0%	8.5%	1.5 p.p.	11.3%
Workforce	49,973	50,139	0.3%	49,882

Please refer to Annex 2 on "Non-GAAP performance indicators" for definitions.

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	30 September 2020				
	New orders	Order backlog at 31 Dec. 2020	Revenue	EBITA	ROS
Helicopters	3,154	12,377	2,642	219	8.3%
Defense Electronics & Security	4,499	13,449	4,418	317	7.2%
Aeronautics	1,172	10,696	2,285	95	4.2%
<i>of which Aircrafts</i>	772	9,512	1,704	204	12.0%
<i>of which Aerostructures</i>	449	1,184	630	(47)	(7.5%)
<i>of which GIE ATR</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	(62)	<i>n.a.</i>
Space	-	-	-	(1)	<i>n.a.</i>
Other activities	89	87	297	(133)	(44.8%)
Eliminations	(404)	(1,093)	(617)	-	<i>n.a.</i>
Total	8,510	35,516	9,025	497	5.5%

	30 September 2021				
	New orders	Order backlog	Revenue	EBITA	ROS
Helicopters	2,391	11,945	2,719	223	8.2%
Defense Electronics & Security	5,457	14,342	4,737	425	9.0%
Aeronautics	1,908	10,128	2,492	91	3.7%
<i>of which Aircrafts</i>	1,643	9,053	2,121	241	11.4%
<i>of which Aerostructures</i>	299	1,075	405	(125)	(30.9%)
<i>of which GIE ATR</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	(25)	<i>n.a.</i>
Space	-	-	-	37	<i>n.a.</i>
Other activities	98	80	285	(169)	(59.3%)
Eliminations	(588)	(1,260)	(669)	-	<i>n.a.</i>
Total	9,266	35,235	9,564	607	6.3%

	Change %				
	New orders	Order backlog	Revenue	EBITA	ROS
Helicopters	(24.2%)	(3.5%)	2.9%	1.8%	(0.1) p.p.
Defense Electronics & Security	21.3%	6.6%	7.2%	34.1%	1.8 p.p.
Aeronautics	62.8%	(5.3%)	9.1%	(4.2%)	(0.5) p.p.
<i>of which Aircrafts</i>	112.8%	(4.8%)	24.5%	18.1%	(0.6) p.p.
<i>of which Aerostructures</i>	(33.4%)	(9.2%)	(35.7%)	(166.0%)	(23.4) p.p.
<i>of which GIE ATR</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	59.7%	<i>n.a.</i>
Space	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	3,800.0%	<i>n.a.</i>
Other activities	10.1%	(8.0%)	(4.0%)	(27.1%)	(14.5) p.p.
Eliminations	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Total	8.9%	(0.8%)	6.0%	22.1%	0.8 p.p.

Commercial performance

New orders came to €bil. 9.3, sharply increasing compared to the first nine months of 2020.

The Defence Electronics and Security sector in the European component and the Aircraft division of the Aeronautics sector recorded an excellent performance in terms of sales. The Helicopters business segment showed a reduction, which was affected during the period under comparison by the acquisition of the IMOS order, while in the Aeronautics sector the decline in the civil component continues.

The order backlog ensures a coverage in terms of equivalent production equal to about 2.5 years. The book to bill ratio (the ratio of New Orders for the period to Revenue) is slightly lower than 1.

Business performance.

The growth trend in **Revenue** (€bil. 9.6) continued during the first nine months of 2021, driven by the performance of the Defense Electronics and Security, the *Aircraft* component of Aeronautics and - to a lesser extent - the Helicopters sectors. The aforementioned growth trend was only partially offset by the expected reduction in volumes in the Aerostructures segment, which continued to be adversely affected by a decline in production rates on the B787 and ATR programmes.

EBITA, equal to €mil. 607 (ROS of 6.3%), recorded a significant total growth rate (22%) with a considerable increase in all business segments, except for Aerostructures, which was due to higher volumes of revenue and the improvement in profitability and which was also contributed to by a higher share provided by all the strategic Joint Ventures, with particular reference to the manufacturing sector of the Space Alliance and the GIE ATR, thanks to a gradual resumption of deliveries.

EBIT, equal to €mil. 445 showed, compared to the first nine months of 2020 (€mil. 395), a significant increase (13%) while continuing to record – albeit to a lesser extent – charges linked to the compliance with the Government’s instructions in the matter of COVID-19, including to protect the health of its workers. EBIT included the effects of the recognition of restructuring costs associated with the agreements announced in relation to the early retirement of the workforce in the *Aerostructures* division on a voluntary basis (approximately €mil. 90).

The **Net result before extraordinary transactions** (€mil. 229), equal to the **Net Result**, benefitted from the EBIT performance, as well as from lower financial costs which, in the period under comparison, were strongly affected by the component related to the hedging activity to counter foreign exchange risk and by the charges associated with outstanding bond issues, which showed a decrease during the period under consideration as a result of a reduction in bond exposure. The Net Result was also influenced by the tax benefits deriving from the adoption of the tax concessions provided for by Article 110 of Law Decree 104/2020 on the realignment between the tax and statutory values of goodwill.

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Reclassified income statement

(€ millions)	For the 9 months ended 30 September		Change	% Change
	2020	2021		
Revenue	9,025	9,564	539	6.0%
Purchases and personnel expenses	(8,135)	(8,619)		
Other net operating income/(expenses)	14	(66)		
Equity-accounted strategic JVs	(38)	42		
Amortisation, depreciation and write-offs	(369)	(314)		
EBITA	497	607	110	22.1%
ROS	5.5%	6.3%	0.8 p.p.	
Non-recurring income/(expenses)	(60)	(45)		
Restructuring costs	(21)	(101)		
Amortisation of intangible assets acquired as part of business combinations	(21)	(16)		
EBIT	395	445	50	12.7%
EBIT Margin	4.4%	4.7%	0.3 p.p.	
Net financial income/(expenses)	(207)	(132)		
Income taxes	(53)	(84)		
Net Result before extraordinary transactions	135	229	94	69.6%
Net result related to discontinued operations and extraordinary transactions	2	-		
Net result attributable to:	137	229	92	67.2%
- owners of the parent	136	228		
- non-controlling interests	1	1		

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Financial performance

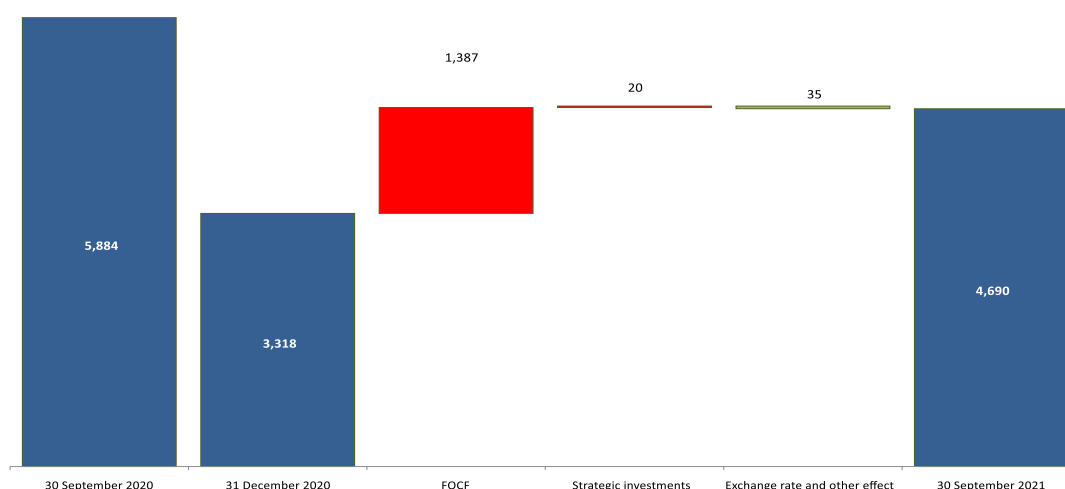
FOCF in the first nine months of 2021 was negative for €mil. 1,387, improving significantly compared to the figure of 30 September 2020 (negative for €mil. 2,596). This result, although confirming the usual interim trend that is characterised by significant cash absorptions in the first part of the year, reflects the expected positive trend towards improvement.

Reclassified cash flow statement

(€ millions)	For the 9 months ended 30 September		Change	% Change
	2020	2021		
Cash flows used in operating activities	(2,444)	(1,022)		
Dividends received	53	26		
Cash flows from ordinary investing activities	(205)	(391)		
Free Operating Cash Flow (FOCF)	(2,596)	(1,387)	1,209	46.6%
Strategic investments	(200)	(20)		
Change in other investing activities	1	3		
Net change in loans and borrowings	1,335	(364)		
Dividends paid	(81)	-		
Net increase (decrease) in cash and cash equivalents	(1,541)	(1,768)		
Cash and cash equivalents at 1 January	1,962	2,213		
Exchange rate differences and other changes	(16)	22		
Cash and cash equivalents at 30 September	405	467		

The **Group Net Debt**, equal to €mil. 4,690, showed an increase compared to 31 December 2020 (€mil. 3,318), mainly as a result of the abovementioned FOCF performance.

Changes in Group Net Debt



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Reclassified statement of financial position

	30 September 2020	31 December 2020	30 September 2021
(€ millions)			
Non-current assets	12,109	11,883	12,507
Non-current liabilities	(2,146)	(1,996)	(2,186)
Capital assets	9,963	9,887	10,321
Inventories	2,868	1,164	2,147
Trade receivables	2,992	3,033	3,128
Trade payables	(3,179)	(3,619)	(3,002)
Working capital	2,681	578	2,273
Provisions for short-term risks and charges	(1,180)	(1,318)	(1,176)
Other net current assets (liabilities)	(560)	(598)	(827)
Net working capital	941	(1,338)	270
Net invested capital	10,904	8,549	10,591
Equity attributable to the Owners of the Parent	5,068	5,267	5,891
Equity attributable to non-controlling interests	11	11	10
Equity	5,079	5,278	5,901
Group Net Debt	5,884	3,318	4,690
Net (assets)/liabilities held for sale	(59)	(47)	-

KEY PERFORMANCE INDICATORS BY SECTOR

		30 September 2020	30 September 2021	Change	Change %
1. Helicopters	New orders	3,154	2,391	(763)	(24.2%)
	Order backlog at 31 Dec. 2020	12,377	11,945	(432)	(3.5%)
	Revenue	2,642	2,719	77	2.9%
	EBITA	219	223	4	1.8%
	ROS	8.3%	8.2%		(0.1) p.p.
2. Defense Electronics & Security	New orders	4,499	5,457	958	21.3%
	Order backlog at 31 Dec. 2020	13,449	14,342	893	6.6%
	Revenue	4,418	4,737	319	7.2%
	EBITA	317	425	108	34.1%
	ROS	7.2%	9.0%		1.8 p.p.
3. Aeronautics	New orders	1,172	1,908	736	62.8%
	Order backlog at 31 Dec. 2020	10,696	10,128	(568)	(5.3%)
	Revenue	2,285	2,492	207	9.1%
	EBITA	95	91	(4)	(4.2%)
	ROS	4.2%	3.7%		(0.5) p.p.
4. Space	EBITA	(1)	37	38	3800.0%

1. Helicopters

The performance in the first nine months of 2021 confirmed the growth trend in Revenue and EBITA, compared to the first nine months of 2020, despite the civil sector continued to be affected by a market that was still characterised by the pandemic. The volume of orders was lower as a result of the acquisition of the IMOS (Integrated Merlin Operational Support) contract for the UK Ministry of Defence in 2020.

New orders. They showed a decrease due to the acquisition of the IMOS contract in 2020, as well as to a postponement of some planned acquisitions to the last quarter of 2021. Among the new orders gained in the period note:

- the second contract for the supply of 36 TH-73A (AW119) helicopters for the US Navy;
- the second addendum to the contract for the completion of the development activities and the supply of no. 4 production helicopters relating to the NEES (New Exploration and Escort Helicopter - *Nuovo Elicottero da Esplorazione e Scorta*) programme for the Italian Army;
- the contracts concerning the supply of no. 9 AW139 helicopters for the Saudi Royal Court and no. 8 AW139 helicopters for the Italian Finance Police.

Revenue. They showed a slight increase due to higher revenues on the AW189/AW 149 lines, as well as to the ramp-up of operations on the military and governmental programmes such as NH90 for Qatar and TH-73A per for the US Navy.

EBITA. The increase was substantially in line with growth in revenues.

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2. Defense Electronics & Security

The nine months of 2021 were characterised by an excellent business performance, with revenue and profits on the rise in all the areas of operation both in Europe and at Leonardo DRS, thus confirming the upward trend in profitability recorded since the beginning of the year.

Key Performance Indicators for the sector

30 September 2020	New orders	Revenue	EBITA	ROS
DES Europe	2,246	2,731	216	7.9%
Leonardo DRS	2,262	1,719	101	5.9%
Eliminations	(9)	(32)	-	<i>n.a.</i>
Total	4,499	4,418	317	7.2%
30 September 2021	New orders	Revenue	EBITA	ROS
DES Europe	3,861	3,023	281	9.3%
Leonardo DRS	1,603	1,720	144	8.4%
Eliminations	(7)	(6)	-	<i>n.a.</i>
Total	5,457	4,737	425	9.0%
Change %	New orders	Revenue	EBITA	ROS
DES Europe	71.9%	10.7%	30.1%	1.4 p.p.
Leonardo DRS	(29.1%)	0.1%	42.6%	2.5 p.p.
Eliminations	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Total	21.3%	7.2%	34.1%	1.8 p.p.

Average €/USD exchange rate: 1.1967 (first nine months of 2021) and 1.1241 (first nine months of 2020)

New Orders. They showed a significant increase compared to the same period of 2020. Among the major orders that characterised the excellent business performance of Electronics in Europe note the contract for the supply of equipment for two U212 Near Future Submarines (NFS), which will join the Italian Navy's fleet as from 2027 and, within the broadest programme Quadriga, the contract for the supply of radars of air protection systems that will equip 38 Typhoon aircraft intended to replace the Tranche 1 aircraft, which are currently used by the German Ministry of Defence. Furthermore, note, in the area of Cyber security, the contract for the Phase 4 of the SICOTE (*Sistema di Controllo del Territorio*, Territory Control System) programme focused on innovative solutions designed to support the institutional operations of the Carabinieri Corps Command and of the Defence General Staff. In the Automation segment, we must note the order to upgrade the logistics operations of baggage handling systems, which will be equipped with security technology approved by the European Civil Aviation Conference (ECAC) for 10 Spanish airports.

As regards DRS note the additional orders for the production of hardware modular systems named Mounted Family of Computer Systems (MFoCS) to be installed on land combat vehicles for manoeuvrability and logistics support for the US Army and the IM-SHORAD (Initial-Manoeuvre-Short Range Air Defense) contract for the initial supply of a Mission Equipment Package, which is to be integrated into heavy striker-type vehicles and will enable the neutralization of low-altitude aerial threats, including remotely piloted vehicles (drones).

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Revenue. These showed an increase both in the European component of the business, which last year was affected by the application of the measures to contain COVID-19 infection, and at Leonardo DRS, excluding a negative impact of the USD/Euro exchange rate.

EBITA. It showed an increase as a result of higher volumes and an improved profitability compared to the value posted in the first nine months of 2020, which had been adversely affected by the first effects of the measures put in place to contain the COVID-19 infection, with particular regard to the European component. Leonardo DRS, whose result considerably increased despite the negative effect of the USD/Euro exchange rate, confirms the upward trend in profitability, due to starting production operations under some development programmes.

Leonardo DRS data in USD

	New orders	Revenue	EBITA	ROS
DRS (\$mil.) September 2020	2,543	1,932	114	5.9%
DRS (\$mil.) September 2021	1,919	2,059	173	8.4%

3. Aeronautics

The first nine months of 2021 confirmed a good performance of the Aircraft Division and a performance in the civil aviation sector that was still impacted by the effects of the pandemic on civil air traffic, with production volumes showing a significant decline in the Aerostructures Division and still low delivery levels, although sharply recovering compared to 2020, on the part of the GIE-ATR consortium.

From a production point of view:

- For military programmes of the *Aircraft* Division there was the delivery of 32 wings to Lockheed Martin for the F-35 programme (27 wings delivered in September 2020);
- For the *Aerostructures* Division 32 deliveries were made for fuselage sections and 16 stabilisers for the B787 programme (90 fuselages and 58 stabilisers delivered in 2020), and 10 fuselages for the ATR programme (19 in the first nine months of the last year).

Key Performance Indicators for the sector

30 September 2020	New orders	Revenue	EBITA	ROS
Aircrafts	772	1,704	204	12.0%
Aerostructures	449	630	(47)	(7.5%)
GIE ATR	n.a.	n.a.	(62)	n.a.
Eliminations	(49)	(49)	-	n.a.
Total	1,172	2,285	95	4.2%
30 September 2021	New orders	Revenue	EBITA	ROS
Aircrafts	1,643	2,121	241	11.4%
Aerostructures	299	405	(125)	(30.9%)
GIE ATR	n.a.	n.a.	(25)	n.a.
Eliminations	(34)	(34)	-	n.a.
Total	1,908	2,492	91	3.7%
Change %	New orders	Revenue	EBITA	ROS
Aircrafts	112.8%	24.5%	18.1%	(0.6) p.p.
Aerostructures	(33.4%)	(35.7%)	(166.0%)	(23.4) p.p.
GIE ATR	n.a.	n.a.	59.7%	n.a.
Eliminations	n.a.	n.a.	n.a.	n.a.
Total	62.8%	9.1%	(4.2%)	(0.5) p.p.

New Orders: they showed an increase as a result of important acquisitions of the Aircraft Division which more than offset the expected decline in the civil component and in particular:

- the *Aircraft* Division recorded orders that were higher than in the same period of 2020 thanks to the finalisation of a major contract for the export of M-346 aircraft;
- the *Aerostructures* Division did not receive new orders from the GIE/ATR consortium, nor from Boeing with reference to the B787 programme, despite continuing to record orders in line with the comparative period with reference to the Airbus (A220 and A321) programmes.

Revenue. These were on the rise as a result of higher volumes in the Aircraft Division, which more than offset the decline in the Aerostructures Division. Note in particular:

- higher production volumes achieved in the *Aircraft* Division on the business line of M-346 trainers and the Kuwait programme;
- a decline in the *Aerostructures* Division, which was affected by a reduction in the production rates of the B787 and ATR programmes.

EBITA. The sector's figures are substantially in line with the previous period as a result of an improvement in the *Aircraft* division and under the GIE/ATR programme, which offset the expected decline in the *Aerostructures* Division. Specifically:

- it benefitted from the effect of higher volumes in the *Aircraft* Division;
- the expected reduction in business volumes and the consequent failure to run production sites at their full capacity led to a sharp decline in results compared to the first nine months of 2020 in the *Aerostructures* Division;

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- the GIE-ATR consortium recorded results higher than those reported in the first nine months of 2020 thanks to the actions taken to reduce costs and the increase in deliveries (16 deliveries in 2021 compared to only one delivery in 2020).

4. Space

The first nine months of 2021 showed an increase in the result compared to the same period of the previous year as a result of higher production volumes and improved profitability in the manufacturing segment, the performance of which in the comparative period had been hit by the effects of the COVID-19 emergency.

The segment of satellite services confirmed a good performance as in the previous year and recorded operating results that were substantially in line with the comparative period.

To the abovementioned industrial performance must be added the significant economic benefit that was recorded by the Italian component of the manufacturing business segment deriving from the effects of the realignment between the tax and statutory value of goodwill, in compliance with the tax concessions provided for by the Decree “Urgent measures to support and revive the economy”.

GUIDANCE 2021

In consideration of the results achieved in the first nine months of 2021 and of the expectations for the quarters to follow, and on the basis of an expected improvement in the global health situation with consequent gradual normalization of operating and market conditions, we confirm 2021 Guidance disclosed in March 2021, summarized below

	<i>FY 2020</i>	<i>FY 2021 Guidance</i>
New Orders (€bil.)	13.8	ca. 14
Revenues (€bil.)	13.4	13.8 – 14.3
EBITA (€mIn.)	938	1,075 – 1,125
FOCF (€mIn.)	40	ca. 100
Group Net Debt (€bil.)	3.3	ca. 3.2

Assuming forex exchange rate €/USD at 1.18 and €/GBP at 0.90.

MAIN TRANSACTIONS OF THE FIRST 9 MONTHS OF 2021 AND SIGNIFICANT EVENTS OCCURRED AFTER THE PERIOD-END

Industrial transactions:

- **Acquisition of GEM Elettronica.** On 27 January 2021 Leonardo signed a contract with GEM Investment S.r.l. and two minority quotaholders in order to acquire 30% of GEM Elettronica S.r.l. ("GEM") for a consideration of €mil. 5. The company operates in the field of short- and medium-range sensors, navigation radar and coastal surveillance, which are a business that is highly complementary to the Group's products. Under a call / put option scheme, Leonardo will also be entitled to become the majority shareholder (from 65% to 100%) within 3 to 6 years. The closing of the transaction took place on 14 April 2021;
- **Acquisition of DPI S.r.l.** In February, Leonardo acquired a quota of 63% in DPI, a company specialising in the design, production and sale of personal and environmental protective equipment, through its subsidiary Larimart. As a result of this transaction, Leonardo's operations have been strengthened in the sector of technologies for personal protection and key infrastructure, thus reinforcing its footprint in the development of products and solutions for the security, emergency and defence markets. In April 2021, Larimart acquired an additional quota of 15% and paid a total amount of €mil. 6;
- **Cooperation agreement with CAE.** On 29 March 2021 Leonardo and CAE established a company named "Leonardo CAE Advanced Jet Training", in order to provide support services to the operations of the International Flight Training School (IFTS), ranging from technical and logistics support to M-346 aircraft and Ground-Based Training Systems to the operation of IFTS infrastructures;
- **Acquisition of Hensoldt AG.** On 24 April 2021 Leonardo entered into an agreement with Square Lux Holding II S.à r.l., a company controlled by funds advised by Kohlberg Kravis & Roberts & Co. L.P., to purchase a 25.1% stake in HENSOLDT AG. The company is the leading German player in the field of sensor solutions for defence and security applications, as confirmed by the recent important contracts acquired (e.g. EFA, Pegasus), and it already had a consolidated collaboration relationship with Leonardo in significant programmes such as EFA, MALE, IFF. The completion of the transaction is subject to the usual approvals by the relevant authorities and is expected in the last quarter of 2021. It will entail an outlay of about €mil. 606 or €23 per share;
- **Acquisition of Alea.** On 8 June 2021 Leonardo signed a preliminary agreement for the acquisition of 70% of the share capital of Alea, a company specializing in mission critical communication software for multimedia solutions compliant with international standards on LTE/5G broadband networks. Leonardo, thanks to this transaction, strengthens its offering portfolio in professional communications, in order to guarantee new features and advanced performances in support of emergency management, public safety, companies, critical infrastructures and transports. The closing of the transaction took place on 3 August 2021. The total outlay was €mil. 3;
- **Acquisition of Ascendant Engineering Solutions.** On 5 August 2021 Leonardo DRS announced that it had acquired Ascendant Engineering Solutions (AES), a leading

company in the design, development and production of high-performance multi-sensor gimbal systems for the growing market of the UAS groups 1, 2 and 3 of the US military services. This acquisition will allow Leonardo DRS to integrate its cutting-edge electro-optical and infrared components and systems with advanced AES gimbal systems in order to offer solutions capable of addressing the rapidly growing market for lightweight military platforms, including small-sized unmanned aerial systems (UAS);

- **Merger by incorporation of Vitrociset.** On 30 September 2021 the Board of Directors of Leonardo approved the merger of Vitrociset S.p.A. by incorporation into the Company. Once the statutory time limits have expired, the related deed of merger will be signed, which will take effect – including for accounting and tax purposes – as from 1 January 2022. The merger represents the completion of the integration process between the two companies, which was started with the acquisition of the entire capital of Vitrociset in 2019.

It should be noted that on 24 March 2021 Leonardo US Holding, Inc. postponed the initial public offering (“IPO”) of a minority shareholding of Leonardo DRS, since, notwithstanding investor interest within the price range during the course of the roadshow, adverse market conditions did not allow an adequate valuation of the company. DRS remains a core part of Leonardo’s business portfolio and the IPO will potentially be revisited when market conditions are more favourable and a successful IPO at an appropriate valuation for this strategic business can be achieved.

Financial transactions. No new transaction was carried out on the financial markets during the first nine months of 2021. However, in January 2021 Leonardo proceeded with:

- The use of an amount of € mil. 200 of the loan taken out with the European Investment Bank (EIB) in December 2020, aimed at supporting certain investment projects envisaged in the Group’s Industrial Plan;
- The early cancellation, requested at the end of December 2020, concerning the remaining amount of about €mil. 250 of the Term Loan taken out in May 2020 with a pool of international banks due to the COVID-19 emergency;
- The repayment of the remaining amount (€mil. 739) of the bond issue launched for an initial amount of €mil. 950 in January 2015, which had reached its natural expiry.

Moreover, in June the EMTN (Euro Medium Term Note) programme was renewed for further 12 months, which regulates possible bond issues on the European market for a maximum nominal value of €bil. 4. At the date of this report, the Programme is used for a total of €bil. 2.2.

At 30 September 2021 Leonardo relied, to meet the financing needs for ordinary Group activities, on credit facilities for a total of about €mil. 3,795, which were made up as follows: two Revolving Credit Facilities - the first of which was entered into in 2018 for an amount of €mil. 1,800 and the second one entered into in May 2020 for an amount of €mil. 1,250, both unused at the reporting date – and additional unconfirmed short-term cash lines of credit for around €mil. 745 (used for €mil. 220 at 30 September 2021). Furthermore, revocable short-term credit lines in dollars were

RESULTS AT 30 SEPTEMBER 2021

available to subsidiary Leonardo US Holding which were guaranteed by Leonardo S.p.a., for a total value of €mil. 242 (entirely unused at 30 September 2021). Finally, Leonardo had unconfirmed unsecured lines of credit for a total of €mil. 10,508, of which an amount of €mil. 3,845 available at 30 September 2021.

Outstanding bond issues are given a medium/long-term financial credit rating by the international rating agencies: Moody's Investors Service (Moody's), Standard & Poor's and Fitch. At the date of presentation of this report, Leonardo's credit ratings, compared to those preceding the last change, were as follows:

Agency	Last update	Previous		Updated	
		Credit Rating	Outlook	Credit Rating	Outlook
Moody's	October 2018	Ba1	positive	Ba1	stable
Standard&Poor's	April 2020	BB+	positive	BB+	stable
Fitch	May 2020	BBB-	stable	BBB-	negative

After the end of the third quarter, in October 2021, Leonardo entered into an ESG-linked Revolving Credit Facility agreement with a pool of international and domestic banks for €bil. 2.4, which was structured into a €bil. 1.8 tranche with a five-year term and a €mil. 600 tranche with a three-year term. The new line of credit replaces the two existing Revolving Credit Facilities – amounting to €mil. 1,800 and €mil. 1,250 -, which were cancelled at the same time, reducing the overall cost of the funding available for the Group's financial requirements and extending the term to 2026. The ESG-linked Revolving Credit Facility is subject to the same financial covenants as already applied under the other contracts signed by Leonardo.

In line with Leonardo's sustainability strategy, the new line of credit is linked for the first time to specific ESG indicators, including the reduction in CO2 emissions through eco-efficient industrial processes and the promotion of female employment with degrees in STEM disciplines. These ESG indicators also contribute to the achievement of the Sustainable Development Goals (SDGs), which cover approximately 50% of the Group's investments. The achievement of targets relating to ESG indicators will trigger a margin adjustment mechanism applied to the line of credit.

RESULTS FOR THE THIRD QUARTER

Reclassified income statement

(€ millions)	For the Three months ended 30 September	
	2020	2021
Revenue	3,147	3,219
Purchases and personnel expenses	(2,798)	(2,870)
Other net operating income/(expenses)	(12)	(48)
Equity-accounted strategic JVs	(14)	13
Amortisation, depreciation and write-offs	(118)	(107)
EBITA	205	207
	6.5%	6.4%
Non-recurring income/(expenses)	(15)	(10)
Restructuring costs	(15)	(94)
Amortisation of intangible assets acquired as part of business combinations	(7)	(5)
EBIT	168	98
	5.3%	3.0%
Net financial income/(expenses)	(68)	(44)
Income taxes	(24)	(2)
Net Result before extraordinary transactions	76	52
Net result related to discontinued operations and extraordinary transactions	1	-
Net result	77	52

RESULTS AT 30 SEPTEMBER 2021

Below is a breakdown of the indicators by sector for the third quarter:

Third quarter 2020	New orders	Revenue	EBITA	ROS
Helicopters	628	949	80	8.4%
Defense Electronics & Security	1,641	1,521	151	9.9%
Aeronautics	194	772	19	2.5%
Space	-	-	9	<i>n.a.</i>
Other activities	24	102	(54)	(52.9%)
<i>Eliminations</i>	<i>(81)</i>	<i>(197)</i>	-	<i>n.a.</i>
Total	2,406	3,147	205	6.5%
Third quarter 2021	New orders	Revenue	EBITA	ROS
Helicopters	382	829	75	9.0%
Defense Electronics & Security	1,839	1,537	128	8.3%
Aeronautics	568	981	44	4.5%
Space	-	-	14	<i>n.a.</i>
Other activities	15	90	(54)	(60.0%)
<i>Eliminations</i>	<i>(220)</i>	<i>(218)</i>	-	<i>n.a.</i>
Total	2,584	3,219	207	6.4%
Change %	New orders	Revenue	EBITA	ROS
Helicopters	(39.2%)	(12.6%)	(6.3%)	0.6 p.p.
Defense Electronics & Security	12.1%	1.1%	(15.2%)	(1.6) p.p.
Aeronautics	192.8%	27.1%	131.6%	2.0 p.p.
Space	<i>n.a.</i>	<i>n.a.</i>	55.6%	<i>n.a.</i>
Other activities	(37.5%)	(11.8%)	<i>n.y.</i>	(7.1) p.p.
<i>Eliminations</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Total	7.4%	2.3%	1.0%	(0.1) p.p.

EXPLANATORY NOTES

This interim reporting that has been approved today by the Board of Directors, was made available to the public at the registered office, with Borsa Italiana S.p.A., on the Company website (www.leonardocompany.com, in the section Investors/Results and Reports), as well as on the website of the authorised storage mechanism NIS-Storage (www.emarketstorage.com).

The accounting policies, measurement criteria and consolidation methods used for this interim reporting at 30 September 2021, which should be read in conjunction with the Consolidated Financial Statements at 31 December 2020, are unchanged from those of the Consolidated Financial Statements at 31 December 2020 (except for those specifically applicable to interim financial reports) and the interim reporting at 30 September 2020.

This interim reporting, approved by the Board of Directors on 4 November 2021, was not subject to any statutory review.

FINANCIAL INCOME AND EXPENSES

	For the 9 months ended 30 September	
	2020	2021
Interest	(128)	(104)
Commissions	(17)	(13)
Fair value gains (losses) through profit or loss	10	6
Premiums (paid) received on forwards	(45)	(11)
Exchange rate differences	(5)	2
Other financial income and expenses	(23)	(20)
Share of profits/(losses) of equity-accounted investees	1	8
	(207)	(132)

The performance of net financial expenses in the first nine months of 2021 was only slightly impacted by the fair value component and premiums paid on forwards, which had instead adversely affected the comparative period in a significant manner. Specifically, the decrease in premiums paid was linked to the significant squeezing of the differential between rate curves (Euro vs. USD) which are the basis for the value of forward premiums.

Furthermore, interest was affected by a reduction in the existing bond exposure.

LOANS AND BORROWINGS

The Group Net Debt breaks down as follows:

(€ millions)	30 September 2020	of which current	31 December 2020	of which current	30 September 2021	of which current
Bonds	3,199	803	3,220	835	2,451	603
Bank debt	1,932	1,079	896	48	1,270	269
Cash and cash equivalents	(405)	(405)	(2,213)	(2,213)	(467)	(467)
Net bank debt and bonds	4,726		1,903		3,254	
Current loans and receivables from related parties	(147)	(147)	(149)	(149)	(65)	(65)
Other current loans and receivables	(36)	(36)	(18)	(18)	(18)	(18)
Current loans and receivables and securities	(183)		(167)		(83)	
Hedging derivatives in respect of debt items	(3)	(3)	(6)	(6)	10	10
Related party lease liabilities	31	3	30	3	30	4
Other related party loans and borrowings	696	596	881	781	834	734
Lease liabilities	507	65	525	72	532	78
Other loans and borrowings	110	50	152	85	113	47
Group Net Debt	5,884		3,318		4,690	

The reconciliation with the net financial position required by Consob Communication no. DEM/6064293 of 28 July 2006, updated in accordance with the ESMA guidelines 32-382-1138 of 4 March 2021 as implemented in the CONSOB warning notice no. 5/21 of 29 April 2021, is provided in Annex 2.

The decrease in bonds compared to 31 December 2020 was attributable to the repayment of the issue of a remaining nominal amount of €mil. 739 (against an initial nominal amount of €mil. 950), which had reached its natural expiry in January 2021.

The increase in bank payables was due to the drawdown, in January 2021, of the €mil. 200 loan raised with the European Investment Bank (EIB) in December 2020, aimed at supporting certain investment projects envisaged in the Group's Industrial Plan.

Some credit lines and debt positions of the Group imply the compliance with financial covenants, linked to two Financial ratios: the ratio of Group Net Debt excluding payables to the joint ventures MBDA and Thales Alenia Space and lease liabilities to EBITDA (deteriorated by the amount of amortisation of rights of use) must not be higher than 3.75 and the ratio of EBITDA (deteriorated by the amount of amortisation of rights of use) to Net interest must not be less than 3.25. These covenants are tested annually based on consolidated year-end data and the probability of default is not regarded as significant by the management. As reported in the Integrated Annual Report as at 31 December 2020, the tests on the data of the 2020 financial statements highlighted values largely within the ratios described above.

CONTINGENT LIABILITIES

In the Notes to the consolidated financial statements as of 31 December 2020, reference is made, in relation to risks, to criminal proceedings involving, for various reasons, Group companies. With respect to the information provided in such financial statements, to which reference should be made for a fuller description, as well as to the developments described in the financial report at 30 June 2021, the additional updates occurred in the third quarter of 2021 are highlighted below, with reference to the criminal proceedings that are currently underway against a number of Group's companies or Leonardo itself as well as certain former directors and executives, concerning acts committed during the performance of their duties at Group's companies or at Leonardo itself.

- On 22 May 2019 the Supreme Court rejected the appeals submitted against the judgment whereby on 8 January 2018 the Milan Court of Appeal had acquitted the former Chairman and Chief Executive Officer of Leonardo and the former Chief Executive Officer of AgustaWestland SpA of the charges for the crimes under Articles 110, 112, paragraph 1, 318, 321 and 322-bis, paragraph 2(2) of the Italian Criminal Code and Article 2 of Legislative Decree 74/2000, within the proceedings brought in relation to the supply of twelve AW 101 VIP/VVIP helicopters to the Indian Government.

In respect of these companies, it is recalled that on 25 July 2014, pursuant to Article 58 of Legislative Decree 231/2001, the Public Prosecutor dismissed the proceedings against Leonardo, holding groundless, following the conclusion of investigations, the Company's involvement from both a factual and legal point of view. The Prosecutor also acknowledged that since 2003 the Company has adopted, actually implemented and regularly updated an Organisational, Management and Control Model that is conceptually suitable to prevent offences like the one in question and is also focused on compliance processes as to guarantee adequate standards of fairness and ethical conduct. In addition, on 28 August 2014 the Judge for Preliminary Investigations (GIP, *Giudice delle Indagini Preliminari*) of the Court of Busto Arsizio – in granting the motions put forth by the companies – imposed administrative penalties pursuant to Article 63 of Legislative Decree 231/2001 and Article 444 and ff. of the Italian Code of Criminal Procedure, amounting to €80,000 for AgustaWestland SpA and €300,000 for AgustaWestland Ltd, and ordered the confiscation of the equivalent of €mil. 7.5. In this regard, on 20 April 2021 the Court of Appeal of Brescia, following the requests by AgustaWestland SpA and AgustaWestland Ltd for the review of the abovementioned rulings, revoked the rulings challenged and acquitted the aforesaid companies; since the time limits set for any possible appeal to the Supreme Court have expired, the judgment is now final.

As regards the investigations started by the Indian Judicial Authority (CBI) in February 2013 for the same facts referred to above, on 2 February 2018 a notice was served on AgustaWestland International Ltd., whereby the latter was invited to appear at the hearing to be held on 30 May 2018 before the Patiala House Court in New Delhi within the criminal proceedings brought therein against the aforesaid company and other entities and persons, including Leonardo Spa.

On 13 April 2018 the Milan Public Prosecutor's Office served the abovementioned notice of invitation to appear at the hearing on 30 May 2018 on Leonardo Spa. The Company submitted an application for enforcement review before the Judge for Preliminary Investigations (GIP) of the Court of Milan, which was rejected on 22 May 2018, as well as an appeal before the Lazio Regional Administrative Court. The Company also took the same legal actions with respect to the service of the notice of invitation to appear in court at the hearing on 10 September 2018. By a judgment dated 3 July 2019, the Lazio Regional Administrative Court rejected the appeals submitted by Leonardo Spa.; the Company then filed an appeal against the abovementioned measures. By a judgment dated 7 May 2020 the Council of State granted the appeals submitted by Leonardo.

Leonardo Spa has brought the same lawsuits before the administrative Court and before the Judge for Preliminary Investigations of the Court of Milan, including with reference to the services of notice of invitation to appear at the hearings set on 18 September 2019 and 18 December 2019. By judgment handed down on 24 September 2021, the Lazio Regional Administrative Court rejected the appeals that had been submitted; times for a possible appeal to the Council of State are pending.

On the contrary AgustaWestland International Ltd appeared at the hearings set within the proceedings brought by the Central Bureau of Investigation; the proceedings are continuing before the Patiala House Court of New Delhi.

On 28 August 2019 the Public Prosecutor's Office of Milan served on Leonardo Spa a notice of invitation to appear at the hearing of 18 September 2019 within further proceedings brought by the Indian Judicial Authority (Directorate of Enforcement) in relation to the supply of 12 AW 101 VIP/VVIP helicopters to the Indian Government. The Company submitted an application for enforcement review before the Judge for Preliminary Investigations (GIP) of the Court of Milan, as well as an appeal with the Lazio Regional Administrative Court, even in relation to this notice. By the ruling handed down on 24 September 2021 referred to above, the Lazio Regional Administrative Court rejected the appeal that had been submitted; times for a possible appeal to the Council of State are pending.

Finally, it should be noted that on 11 February 2020 a notice was served on AgustaWestland International Ltd whereby it was invited to appear in court within the proceedings brought by the Indian Judicial Authority (Directorate of Enforcement).

Based upon the information gathered and the results of the analysis carried out so far, the Directors of Leonardo did not allocate any specific provisions in relation to these cases. Any negative developments - which cannot be foreseen, nor determined to date - arising from any internal investigations or judicial investigations being conducted, will be subject to consistent assessment for the purposes of provisions (if any).

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RESULTS AT 30 SEPTEMBER 2021

With regard to the provisions for civil, tax and administrative disputes, it is underlined that the Leonardo Group companies' operations regard industries and markets where many disputes, both as petitioner and plaintiff, are settled only after a considerable period of time, especially in cases where the customer is a government entity. Pursuant to the IFRSs, provisions have only been set aside for risks that are deemed probable and for which the amount can be determined. No specific provisions have been set aside for certain disputes in which the Group is defendant as these disputes are reasonably expected to be settled, based on current knowledge, satisfactorily and without significantly impacting the Group. Compared to what was already described during the preparation of the financial report at 30 June 2021, to which reference should be made, note the following updates:

- the proceedings brought by Firema under extraordinary management before the Court of Naples against the directors and statutory and independent auditors of Firema Trasporti (R.G. 32257/13), within which Leonardo and AnsaldoBreda have been summoned as parties concerned, have been postponed to the hearing scheduled on 23 November 2021, in order to discuss whether they must be joined to proceedings R.G. no. 16312/15 brought, before the Court of Naples, by GMR against Leonardo and AnsaldoBreda, due to an abusive exercise of management and coordination activities;
- the proceedings brought by Pio Deiana before the Court of Appeals of Rome, which had been interrupted due to his death, were resumed by one of the heirs, Silvia Deiana, and the next hearing has been scheduled on 12 October 2021.

* * * * *

Moreover, given their complexity, their cutting-edge technological content and the nature of customers, the Group's long-term contracts are sometimes affected by disputes with customers in relation to the compliance of works with customer specifications and product performances. The Group adjusts the estimated contract costs for foreseeable issues, also taking into account the possible developments in the relevant disputes. With regard to contracts in progress affected by uncertainties and issues under discussion with customers, it should be noted that, with respect to the information already provided in the financial report at 30 June 2021, to which reference should be made, on 29 July 2021 GSIC filed, within the arbitration proceedings brought by the L&P JV against the GSIC JV, its own memorial of defense and counterclaim whereby it specified the amount of its counterclaim, equal to QARmil. 755 (approximately €mil. 180 at the exchange rate prevailing on 30 September 2021).

For the Board of Directors

The Chairman

Luciano Carta

ANNEX 1: SCOPE OF CONSOLIDATION

Below are the changes in the scope of consolidation at 30 September 2021 in comparison with 30 September 2020:

Company	Event	Month
<u>Companies which entered the scope of consolidation:</u>		
Leonardo Helicopters Usa Inc.	newly established	November 2020
Leonardo For Aviation Services (SPC)	newly established	January 2021
Dispositivi Protezione Individuale D.P.I. Srl	newly acquired	February 2021
G.E.M. Elettronica Srl	newly acquired	April 2021
Alea Srl	newly acquired	August 2021
<u>Companies which left the scope of consolidation:</u>		
Westland Support Services Ltd	deconsolidated	October 2020
Eurofighter Aircraft Management GmbH (in liq.)	deconsolidated	October 2020
Selex Es India Private Limited (in liq.)	deconsolidated	November 2020
Drs Technical Services GmbH & Co. KG	deconsolidated	January 2021
Win Bluewater Services Private Ltd (in liq.)	deconsolidated	February 2021
Leonardo International Ltd (*)	deconsolidated	March 2021
Selex Es Ltd	deconsolidated	March 2021
Vega Consulting Services Ltd	deconsolidated	March 2021
<u>Companies involved in merger transactions:</u>		
Merged company	Merging company	Month
Kopter Design AG	Kopter Group AG	January 2021
<u>Companies which changed their name:</u>		
Old name	New name	Month
Telespazio Vega Deutschland GmbH	Telespazio Germany GmbH	January 2021
Telespazio Vega UK Ltd	Telespazio UK Ltd	January 2021
Telespazio Vega UK SL	Telespazio UK SL	January 2021
Precision Aviation Services PTY Ltd	Leonardo South Africa (PTY) Ltd	February 2021
Selex Es Saudi Arabia Ltd	Leonardo Saudi Ltd	February 2021
Leonardo MW Ltd	Leonardo UK Ltd	March 2021
Cardprize Two Ltd	Leonardo MW Ltd	March 2021
Leonardo Advanced Jet Training Srl	Leonardo Cae Advanced Jet Training Srl	April 2021
Vitrociset Belgium Sprl	Telespazio Belgium Srl	June 2021
Vitrociset France Sarl	Telespazio French Guiana Sarl	June 2021
Fata Logistic Systems Spa	Leonardo Logistics Spa	September 2021

(*): companies valued at cost

ANNEX 2: “NON-GAAP” PERFORMANCE INDICATORS

Leonardo Management assesses the Group’s performance and that of its business segments based on a number of indicators that are not envisaged by the IFRSs. Specifically, EBITA is used as the primary indicator of profitability, since it allows us to analyse the Group’s marginality by eliminating the impact of the volatility associated with non-recurring, extraordinary items or items unrelated to ordinary operations.

As required by Consob Communication no. 0092543 of 3 December 2015, implementing the ESMA guidelines 2015/1415 regarding alternative performance indicators, below is a description of the components of each of these indicators:

- **New orders:** this includes sales contracts signed with customers in the period, which provide for the counterparties’ obligation to comply therewith.
- **Order backlog:** this figure is the sum of the order backlog for the preceding period and new orders, less revenues during the reference period.
- **EBITDA:** this is given by EBITA, as defined below, before amortisation and depreciation (excluding amortisation of intangible assets arising from business combinations) and impairment losses (net of those relating to goodwill or classified among “non-recurring costs”).
- **EBITA:** it is arrived at by eliminating from EBIT, as defined below, the following items:
 - any impairment in goodwill;
 - amortisation and impairment, if any, of the portion of the purchase price allocated to intangible assets as part of business combinations, as required by IFRS 3;
 - restructuring costs that are a part of defined and significant plans. This item includes personnel costs as well as any and all other costs deriving from the reorganisation (e.g. impairment of assets, costs for the closure of sites, relocation costs, etc.);
 - other non-recurring costs or income, i.e. connected to particularly significant and extraordinary events that are not related to the ordinary performance of the business. This item includes costs incurred in M&A transactions, as well as costs connected with businesses and/or products and systems held for disposal, and the recognition of losses on contracts that have become onerous as a result of events that are not connected with operations.

EBITA is then used to calculate return on sales (ROS) and return on investment (ROI).

A reconciliation of Income before tax and financial expense, EBIT and EBITA is shown below:

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<i>(€ millions)</i>	For the 9 months ended 30 September	
	2020	2021
Income before tax and financial expenses	433	403
Equity-accounted strategic JVs	(38)	42
EBIT	395	445
Amortisation of intangible assets acquired as part of business combinations	21	16
Restructuring costs	21	101
Non-recurring (income) expense	60	45
EBITA	497	607

Non-recurring charges for the period relate to costs incurred to comply with the Government's instructions in the matter of COVID-19 in order to provide support to the Governmental authorities in managing the emergency.

- **Return on Sales (ROS):** this is calculated as the ratio of EBITA to revenue.
- **EBIT:** this is obtained by adding to EBIT (defined as earnings before "financial income and expense", "share of profits (losses) of equity-accounted investees", "income taxes" and "result from discontinued operations") the Group's share of profit in the results of its strategic Joint Ventures (ATR, MBDA, Thales Alenia Space and Telespazio), reported in the "share of profits (losses) of equity-accounted investees".
- **Net result before extraordinary transactions:** this is the Net Result before the result from discontinued operations and the effects of the extraordinary transactions (acquisitions and disposals).
- **Group Net Debt:** this includes cash, financial receivables and current securities, net of (current and non-current) loans and borrowings and of the fair value of derivatives covering financial debt items, as well as the main non-current receivables. The reconciliation with the net financial position required by Consob Communication no. DEM/6064293 of 28 July 2006, updated in accordance with the ESMA guidelines 32-382-1138 of 4 March 2021 as implemented in the CONSOB warning notice no. 5/21 of 29 April 2021, is reported below.

	31 December 2020	30 September 2021
A - Cash	(2,213)	(467)
C - Other current financial assets	(167)	(83)
D - Liquidity	(2,380)	(550)
E - Current financial debt (*)	989	1,132
F - Current portion of non-current financial debt	835	603
G - Current financial debt	1,824	1,735
H - Net current financial debt (funds)	(556)	1,185
I - Non-current financial debt (*)	3,880	3,495
J - Debt instruments (**)	(6)	10
L - Non-current financial debt	3,874	3,505
M - Total financial debt	3,318	4,690

RESULTS AT 30 SEPTEMBER 2021

() Includes lease liabilities for €mil. 562, of which a current portion of €mil. 82 (€mil. 555 at 31 December 2020, of which a current portion of €mil. 75)*

*(**) Include the fair value of derivatives on exchange rates hedging debt items*

This table represents the preliminary representation of the Group, based on the current guidelines and interpretations that are available. Therefore, the table reported above may be subject to changes in the light of additional clarifications of interpretation on the part of regulators.

- **Free Operating Cash-Flow (FOCF):** this is the sum of the cash flows generated by (used in) operating activities (excluding the changes in the Group Net Debt), the cash flows generated by (used in) ordinary investing activities (investment and divestment of intangible assets, property, plant and equipment, and equity investments, net of cash flows from the purchase or sale of equity investments that, due to their nature or significance, are considered “strategic investments”) and dividends. The calculation of FOCF is presented in the reclassified statement of cash flows shown in the section “Group results and financial position”.
- **Return on Investments (ROI):** this is calculated as the ratio of EBITA to the average net capital invested in the two comparative periods.
- **Workforce:** the number of employees recorded in the register on the last day of the period.

**DECLARATION OF THE OFFICER IN CHARGE OF FINANCIAL
REPORTING PURSUANT TO ART. 154-BIS, PARAGRAPH 2 OF
LEGISLATIVE DECREE NO. 58/98 AS AMENDED**

In accordance with the provisions of article 154-bis, paragraph 2 of Legislative Decree no. 58/1998 and subsequent amendments and integrations, the undersigned Alessandra Genco, the Officer in charge of Financial Reporting of Leonardo Società per azioni certifies that this interim reporting at 30 September 2021 corresponds to the related accounting records, books and supporting documentation.

Rome, 4 November 2021

Officer in charge of Financial
Reporting

(Alessandra Genco)