



LEONARDO – SOCIETÀ PER AZIONI

(incorporated as a società per azioni under the laws of the Republic of Italy)

EUR 4,000,000,000 Euro Medium Term Note Programme

This supplement (the “**Supplement**”) to the base prospectus dated 12 May 2020 (the “**Base Prospectus**”) constitutes a supplement to a base prospectus for the purposes of Article 23 of Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”) and is prepared in connection with the EUR 4,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) of Leonardo – Società per azioni (the “**Issuer**” or “**Leonardo**”).

This Supplement has been prepared to: (i) update the disclosure of Leonardo’s credit rating in the cover page of the Base Prospectus; (ii) update the disclosure in the section of the Base Prospectus headed “*Risk Factors*”; (iii) incorporate by reference the press release headed “*Leonardo’s Shareholders’ Meeting approves 2019 Financial Statements, the distribution of a €0.14 dividend p.s. and the Remuneration Report, appoints the new Board of Directors and Luciano Carta Chairman*”, published by Leonardo on 20 May 2020; (iv) update the paragraph headed “*Corporate Governance*” of the section headed “*Leonardo and the Leonardo Group*” of the Base Prospectus; (v) disclose certain recent developments in the Leonardo Group business; and (vi) update the disclosure in the section of the Base Prospectus headed “*Taxation*”.

This Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) as competent authority under the Prospectus Regulation and the relevant implementing measures in Luxembourg to approve this Supplement. The CSSF only approves this Supplement as meeting the requirements imposed under Luxembourg and EU law pursuant to the Prospectus Regulation.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus. The Base Prospectus is qualified in its entirety by any change made in this Supplement. With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented, as the case may be, in the manner described below.

Terms defined in the Base Prospectus, unless the context otherwise requires, have the same meaning when used in this Supplement, and references in the Base Prospectus, unless the context otherwise requires, to “this Base Prospectus” and/or analogous expressions are references to the Base Prospectus as supplemented by this Supplement. To the extent that there is any inconsistency between (a) any statement in, or attached to, or incorporated by reference in, this Supplement and (b) any other statement in, or attached to, or incorporated by reference in, the Base Prospectus, the statements in (a) above shall prevail.

Leonardo accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of Leonardo (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Save as disclosed in this Supplement, there have been no other significant new factors and there are no material mistakes or inaccuracies relating to information included in the Base Prospectus which are capable

of affecting the assessment of Notes issued under the Programme since the publication of the Base Prospectus.

The language of this Supplement is English. Certain legislative references and technical terms may have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Copies of this Supplement (which, for the avoidance of doubt, also includes the information incorporated by reference hereto) will be available (free of charge) (i) during normal business hours at the registered offices of Leonardo and the Specified Office of the Fiscal Agent and of the Paying Agent for the time being in Luxembourg and (ii) on the website of the Luxembourg Stock Exchange at <http://www.bourse.lu>.

Unless specifically incorporated by reference into the Base Prospectus, information on any websites referred to herein do not form part of this Supplement and/or the Base Prospectus.

The date of this Supplement is 29 June 2020.

ALTERNATIVE PERFORMANCE MEASURES

The document incorporated by reference in this Supplement contains certain alternative performance measures (“**APMs**”) which are different from the IFRS financial indicators obtained directly from the audited consolidated financial statements of the Issuer for the years ended 31 December 2018 and 2019.

On 3 December 2015, CONSOB (“*Commissione Nazionale per le Società e la Borsa*”) issued Communication No. 92543/15, which gives effect to the guidelines issued on 5 October 2015 by the European Securities and Markets Authority (ESMA) concerning the presentation of APMs disclosed in regulated information and prospectuses published as from 3 July 2016. These guidelines, which update the previous CESR (“Committee of European Securities Regulators”) Recommendation (CESR/05-178b), are aimed at promoting the usefulness and transparency of APMs in order to improve their comparability, reliability and comprehensibility.

For further information on such APMs, see the paragraph headed “*Alternative Performance Measures*” on page 4 of the Base Prospectus.

COVER PAGE

Third paragraph of the cover page of the Base Prospectus shall be amended by the deletion in the third line of such paragraph of the expression ““BBB-” with a “stable” outlook from Fitch Italia Società per il rating S.p.A. (**Fitch**)” and its replacement by the expression ““BBB-” with a “negative” outlook from Fitch Italia Società per il rating S.p.A. (**Fitch**)”.

RISK FACTORS

The information set out below supplements the section of the Base Prospectus headed “*Risk Factors*” on pages 14 to 32 of the Base Prospectus.

- The risk factor headed “*Risk related to the current pandemic – Effects of spreading of COVID-19 pandemic*” on pages 14 and 15 of the Base Prospectus is deleted and replaced in its entirety by the following:

“RISK RELATED TO THE COVID-19 PANDEMIC

Effects of spreading of COVID-19 pandemic

The spread of the COVID-19 pandemic has caused and is still causing a deterioration in the wider macroeconomic situation and, after a solid beginning of the year at a commercial and industrial level, the first quarter 2020 results of the Group were affected (starting from March 2020). In the context of the overall global economic recession and high uncertainty, due to the inability to assess the full impact of the pandemic, on 7 May 2020 the Board of Directors of the Issuer considered prudent to suspend the 2020 guidance that had been previously disclosed in March. For further information in this respect, see also the paragraph headed “*Recent Developments – Approval of the quarterly results at 31 March 2020, COVID-19 impacts and information on 2020 guidance*” of the section “*Leonardo and the Leonardo Group*” of the Base Prospectus, the interim results of Leonardo as at 31 March 2020, incorporated by reference into the Base Prospectus, and the press release headed “*Leonardo’s Shareholders’ Meeting approves 2019 Financial Statements, the distribution of a € 0.14 dividend p.s. and the Remuneration Report, appoints the new Board of Directors and Luciano Carta Chairman*”, published by Leonardo on 20 May 2020, incorporated by reference hereto.

The COVID-19 emergency is having an impact on the regular and ordinary performance of the Group’s business activities, mainly in the civil areas of business. A persisting, resurgent or recurrent global emergency (future waves of the COVID-19 pandemic cannot be excluded) and/or increase in the severity of the macroeconomic situation may lead to a further reduction in the Group’s business and operational activity and/or a potential deterioration of its economic and financial risk profile due to, *inter alia*, the measures issued by domestic, foreign and/or supranational authorities, a decrease in demand for commercial fixed-wing and rotary-wing aircraft, a potential reduction of public spending in the industrial sectors in which the Leonardo Group operates (as a consequence of, *inter alia*, the need to support health sectors, the financial condition of citizens and small-medium sized enterprises, and the fight against the pandemic), a postponement/inability to sign new contracts, an increasing domestic-centric source strategy entered into by some of Leonardo’s foreign customers, the unavailability of staff, the need to implement specific labour safety requirements, the travelling limitations for the commercial and operational teams, difficulties encountered by both public and private customers in meeting obligations under existing contracts, an intermittent or disrupted supply chain, or the instability of the financial markets. In this context, the Issuer’s consolidated semi-annual results are expected to be negatively impacted by the global COVID-19 pandemic.

The Issuer expects that, upon approval of its semi-annual consolidated financial statements, envisaged to occur on 30 July 2020, the Board of Directors will be in a position to assess the impact of the COVID-19 pandemic on the business, operations and interim results of the Leonardo Group and provide an update of the 2020 outlook that on the basis of the information currently available is not yet quantifiable. However, it cannot be excluded that such outlook may substantially vary from the guidance disclosed in March.

Additionally, Leonardo is unable to predict whether the foregoing may have an impact on its credit ratings or its securities (in this respect, see also the paragraph headed “*Risks related to the financial*

indebtedness of the Group – The Group’s credit rating and financial market conditions may affect its ability to obtain funding” of the section “Risk Factors” of the Base Prospectus).”.

INFORMATION INCORPORATED BY REFERENCE

The information set out below supplements the section of the Base Prospectus headed “*Information Incorporated by Reference*” on pages 33 and 34 of the Base Prospectus.

The following document which has previously been published and has been filed with the CSSF is incorporated by reference into, and form part of, this Supplement and the Base Prospectus:

- the press release headed “*Leonardo’s Shareholders’ Meeting approves 2019 Financial Statements, the distribution of a € 0.14 dividend p.s. and the Remuneration Report, appoints the new Board of Directors and Luciano Carta Chairman*”, published by Leonardo on 20 May 2020 (available on <http://dl.bourse.lu/dlp/10499397d1c92149b193b84898c5769bbb>): entire document.

Copy of the documents referred to above as containing information incorporated by reference in this Supplement will be available (free of charge) (i) during normal business hours at the registered offices of Leonardo, (ii) on the website of the Luxembourg Stock Exchange at <https://www.bourse.lu> and (iii) on the website of Leonardo (www.leonardocompany.com).

LEONARDO AND THE LEONARDO GROUP

The information and changes set out below update the section of the Base Prospectus headed “*Leonardo and the Leonardo Group*” on pages from 82 to 101 of the Base Prospectus.

- The paragraph headed “*Corporate Governance – Board of Directors*” on pages from 95 to 97 of the Base Prospectus shall be deemed to be replaced and superseded as follows:

“**Board of Directors**”

The current Board of Directors consists of 12 members. The shareholders' meeting of Leonardo held on 20 May 2020 appointed 12 members of the current Board of Directors for the three-year period 2020-2022. The three-year mandate of the current Board of Directors will expire upon the shareholders’ meeting convened to approve the financial statements of Leonardo for the financial year ending on 31 December 2022.

The following table sets forth the name, position within Leonardo’s Board of Directors and positions as director or statutory auditor held by Directors outside Leonardo, in other companies listed on regulated markets (including foreign markets), or in finance, banking, insurance or other major companies.

| Name | Position | Main positions held by Directors outside Leonardo |
|---------------------------------------|--------------------------|--|
| Luciano Carta ⁽¹⁾ | Chairman ^(*) | - |
| Alessandro Profumo ⁽¹⁾ | Chief Executive Officer | - |
| Carmine America ⁽¹⁾ | Director ^(**) | - |
| Pierfrancesco Barletta ⁽¹⁾ | Director ^(**) | Member of the Board of Directors of SEA - Società per Azioni Esercizi Aeroportuali Member of the Board of Directors of Istituto per il Credito Sportivo |
| Elena Comparato ⁽¹⁾ | Director | Member of the Board of Directors of SACE S.p.A. |
| Paola Giannetakis ⁽¹⁾ | Director ^(**) | - |
| Federica Guidi ⁽¹⁾ | Director ^(**) | - |
| Maurizio Pinnarò ⁽¹⁾ | Director ^(**) | Member of the Board of Directors of Investire SGR S.p.A. |
| Dario Frigerio ⁽²⁾ | Director ^(**) | Member of the Board of Directors of Atlantia S.p.A. Member of the Board of Directors of DeA Capital S.p.A. Member of the Board of Directors of Quaestio Holding S.A. |
| Marina Rubini ⁽²⁾ | Director ^(**) | Member of the Board of Directors of Reti Telematiche Italiane S.p.A. |

| Name | Position | Main positions held by Directors outside Leonardo |
|--|--------------------------|---|
| Patrizia Michela Giangualano ⁽²⁾ | Director ^(**) | Member of the Board of Directors of BNL S.p.A. Member of the Board of Directors of ASTM S.p.A. Member of the Board of Directors of Arnoldo Mondadori Editore S.p.A. Member of the Board of Directors of SEA - Società per Azioni Esercizi Aeroportuali |
| Ferruccio Resta ⁽²⁾ | Director ^(**) | Member of the Board of Directors of Allianz S.p.A. |

(1) Director appointed from the list submitted by the shareholder Italian Ministry of the Economy and Finance, which owns approximately 30.204% of the share capital of the Issuer, which, at the vote, has obtained the voting majority (approximately 57.074% of the share capital represented at the Shareholders' Meeting).

(2) Director appointed from the list submitted by a group of savings management companies and institutional investors, holding altogether approximately 1.350% of the share capital of the Issuer, which, at the vote, has obtained the voting minority (approximately 42.594% of the share capital represented at the Shareholders' Meeting).

^(*) Denotes Director who meets the requirements of independence and qualifies as independent Director in accordance with the relevant provisions of the CLFI.

^(**) Denotes Directors who meet the requirements of independence and qualify as independent Directors in accordance with the guidelines provided for by the Corporate Governance Code and the relevant provisions of the CLFI.

The Chairman of the Board of Directors of Leonardo, Mr. Luciano Carta, has been granted, in line with his predecessor: (i) the powers relating to the Issuer's legal representation pursuant to law and to the By-laws and signatory powers; (ii) some powers concerning "Institutional Relationships" (to be exercised in coordination with the Chief Executive Officer), "Group Safety" and "Group Internal Audit"; and (iii) the task of supervising the implementation of corporate governance rules regarding the integrity of corporate behaviours and the fight of corruption.

Mr. Alessandro Profumo has been confirmed as Chief Executive Officer of Leonardo and, in line with the previous mandate, has been granted any and all the related powers and authority for the unitary management of Leonardo and the Group, with the exception of (i) specific attributions that the Board of Directors, in addition to those that cannot be delegated pursuant to law and the By-laws, has reserved to its competence and (ii) the acts and the operation exceeding the limits provided in the powers conferred to the Chief Executive Officer.

The business address of each member of the Board of Directors is Leonardo's registered office at Piazza Monte Grappa 4, 00195 Rome, Italy."

- The paragraph headed "*Corporate Governance – Lead Independent Director*" on page 97 of the Base Prospectus shall be deemed to be replaced and superseded as follows:

"Lead Independent Director

Following the renewal of the Board of Directors by the Shareholders' Meeting held on 20 May 2020, on 25 June 2020 the Board of Directors appointed the Director Dario Frigerio as Lead Independent

Director with the task of coordinating the requests and contributions from non-executive Directors and in particular from the independent Directors.”.

- The paragraph headed “*Corporate Governance – Committees*” on page 97 of the Base Prospectus shall be deemed to be replaced and superseded as follows:

“Committees

Following the renewal of the Board of Directors by the Shareholders’ Meeting held on 20 May 2020, on 25 June 2020 the Board of Directors of Leonardo has established the following internal Committees, also envisaged by the Corporate Governance Code, with advisory and consulting functions to support the activities of the administrative body in the areas of their respective competence:

- (i) the **Control and Risks Committee** (which also performs duties as a Committee for Related Parties Transactions), which is composed of 5 non-executive and all independent Directors as follows: Dario Frigerio (Chairman), Pierfrancesco Barletta (Independent), Paola Giannetakis (Independent), Maurizio Pinnarò (Independent) and Marina Rubini (Independent). The composition of such committee is consistent with the recommendations of the current Corporate Governance Code and the new Corporate Governance Code about the presence of at least one member with adequate knowledge and experience in accounting and financial or risk management matters;
- (ii) the **Remuneration Committee**, which is composed of 5 non-executive and majority independent Directors as follows: Michela Patrizia Giangualano (Chairman), Elena Comparato, Federica Guidi (Independent), Ferruccio Resta (Independent) and Marina Rubini (Independent). The composition of such committee is consistent with the recommendations of the current Corporate Governance Code and the new Corporate Governance Code about the presence of at least one member with adequate knowledge and experience in financial matters or remuneration policies;
- (iii) the **Nomination and Governance Committee**, which is composed of 6 non-executive and majority independent Directors as follows: Maurizio Pinnarò (Chairman), Carmine America (Independent), Pierfrancesco Barletta (Independent), Elena Comparato, Dario Frigerio (Independent) and Federica Guidi (Independent);
- (iv) the **Sustainability and Innovation Committee**, which is composed of 4 non-executive and all independent Directors as follows: Ferruccio Resta (Chairman), Carmine America (Independent), Michela Patrizia Giangualano (Independent) and Paola Giannetakis (Independent).

The composition of the internal Committees is consistent with the recommendations of the current Corporate Governance Code and the indications of the new Corporate Governance Code (which will be effective from 2021).

The Board of Directors has also approved the rules of the internal Committees, which lay down the procedures for the relevant functioning according to the duties assigned to them, and has aligned the regulations of the Board of Directors accordingly.”.

- The paragraph headed “*Corporate Governance – Senior Management*” on pages 97 and 98 of the Base Prospectus shall be amended by the deletion in the first line of the chart of the name of “Giovanni De Gennaro” and its replacement by the name of “Luciano Carta”.

- The paragraph headed “*Corporate Governance – Shareholders*” on page 99 of the Base Prospectus shall be deemed to be replaced and superseded as follows:

“Shareholders

According to communications provided pursuant to Article 120 of the CLFI, as at the date of this Base Prospectus, the shareholders which own a significant shareholding of the Leonardo voting capital are the following:

| Declarer | Direct shareholder | Type of possession | Percentage of voting capital ⁽¹⁾ |
|---|---|---------------------------|--|
| Italian Ministry of Economy and Finance | Italian Ministry of Economy and Finance | Owner | 30.204% approximately |
| Norges Bank | Norges Bank | Owner | 1.792% approximately |
| Banca d’Italia | Banca d’Italia | Owner | 1.013% approximately |
| BlackRock, Inc. | BlackRock (Singapore) Limited | Owner | 0.002% approximately |
| | BlackRock Advisors (UK) Limited | Owner | 0.489% approximately |
| | BlackRock Advisors, LLC | Owner | 1.320% approximately |
| | BlackRock Asset Management Canada Limited | Owner | 0.039% approximately |
| | BlackRock Asset Management Deutschland AG | Owner | 0.093% approximately |
| | BlackRock Asset Management North Asia Limited | Owner | 0.002% approximately |
| | BlackRock Financial Management, Inc. | Owner | 0.004% approximately |
| | BlackRock Fund Advisors | Owner | 0.777% approximately |
| | BlackRock Institutional Trust Company, National Association | Owner | 1.125% approximately |
| | BlackRock International Limited | Owner | 0.001% approximately |
| | BlackRock Investment Management (Australia) Limited | Owner | 0.046% approximately |
| | BlackRock Investment Management (UK) Limited | Owner | 0.193% approximately |
| | BlackRock Investment Management, LLC | Owner | 0.969% approximately |
| | BlackRock Japan Co., Ltd. | Owner | 0.048% approximately |

⁽¹⁾ Pursuant to Consob Resolution No. 21326 of 9 April 2020, as amended, any shareholding higher than 1% of the voting capital shall be communicated to Consob pursuant to Article 120 of the CLFI.”

- At the end of the paragraph headed “*Corporate Governance – External Auditors*” on page 99 of the Base Prospectus the following paragraphs shall be added:

“The shareholders’ meeting of Leonardo held on 20 May 2020 resolved – upon reasoned proposal by the Board of Statutory Auditors – to appoint Ernst & Young S.p.A. as independent external auditors in respect of Leonardo’s financial statements for the financial years from 2021 to 2029 (included).

Ernst & Young S.p.A. (“EY”) has its office at via Po No. 32, 00198, Rome, Italy. EY is an accounting firm registered under No. 00434000584 in the Register of independent auditors held by the Ministry of Economy and Finance and is also a member of ASSIREVI (*Associazione Nazionale Revisori Contabili*), the Italian association of auditing firms. EY’s appointment will expire upon the shareholders’ meeting convened to approve the 2029 annual financial statements of Leonardo.”.

- After the paragraph headed “*Recent developments*” on pages 100 and 101 of the Base Prospectus the following paragraphs shall be added:

“Further recent developments

Fitch rating action

On 19 May 2020, Fitch Ratings affirmed Leonardo’s Long-Term IDR and senior unsecured rating at “BBB-“ and revised the Outlook on Leonardo’s Long-Term Issuer Default Rating (IDR) to Negative from Stable. In its press release headed “*Fitch Revises Leonardo Outlook to Negative; Affirms ‘BBB-’ Rating*”, Fitch stated, *inter alia*, that the Negative Outlook reflects Fitch’s view that Leonardo’s cash flows over the coming 12-24 months are likely to come under material pressure as a consequence of the COVID-19 pandemic. This could result in key credit ratios such as funds from operations (FFO) and free cash flow (FCF) margins, as well as leverage, being outside Fitch downgrade sensitivities beyond the short term.

Leonardo ordinary shareholders’ meeting

On 20 May 2020, the shareholders’ meeting of Leonardo resolved, *inter alia*, upon: (i) the approval of the annual financial statements of Sistemi Dinamici S.p.A. as at and for the year ended on 31 December 2019 (in consideration of the merger by way of incorporation into Leonardo effective as from 1 January 2020); (ii) the approval of the separate annual financial statements of the Issuer as at and for the year ended on 31 December 2019 and the approval of the proposal to distribute a dividend on the profit for the year 2019 equal to €0.14, before tax, if any, for each ordinary share outstanding at the coupon date, excluding the treasury shares held on that date; (iii) the approval of the proposal submitted by the Shareholder Ministry of Economy and Finance to set the number of the Directors at twelve; (iv) the approval of the proposal submitted by the Shareholder Ministry of Economy and Finance to set the term of the office of the Board of Directors to three financial years; (v) the appointment of the new Board of Directors for the period 2020-2022 (see also “*Board of Directors*” on pages 8 and 9 of this Supplement); (vi) the approval of the proposal submitted by Shareholder Ministry of Economy and Finance to appoint Mr. Luciano Carta as Chairman of the Board of Directors; (vii) the approval of the proposal submitted by the Shareholder Ministry of Economy and Finance to set the remuneration of the Directors as follows: Euro 90,000 before-tax per year to the Chairman and Euro 80,000 before-tax per year to each of the other Directors; (viii) the approval, by binding resolution, of the first section of the “Report on the policy regarding remuneration and fees paid”; (ix) the approval, by non-binding resolution, of the second section of the “Report on the policy regarding remuneration and fees paid”; (x) the approval of the reasoned proposal of the Board of Statutory Auditors to appoint Ernst & Young S.p.A. as independent auditor of the Issuer for the 2021-2029 nine-years period (included) (see also “*External Auditors*” on pages 11 and 12 of this Supplement).

For further information, see the press release headed “*Leonardo’s Shareholders’ Meeting approves 2019 Financial Statements, the distribution of a € 0.14 dividend p.s. and the Remuneration Report, appoints the new Board of Directors and Luciano Carta Chairman*”, published by Leonardo on 20 May 2020, incorporated by reference into this Supplement.

2019 Sustainability and Innovation Report

On 20 May 2020 the Board of Directors of Leonardo presented the 2019 Sustainability and Innovation Report to the shareholders' meeting held on 20 May 2020. The document represents the consolidated non-financial statement of Leonardo for the year ended 31 December 2019 in compliance with Legislative Decree No. 254/2016 and has been drawn up according to the “*GRI Sustainability Reporting Standards*” by Global Reporting Initiative and takes into account the SASB standards (*Sustainability Accounting Standards Board*), the International Integrated Reporting Council (IIRC) framework and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The 2019 Sustainability and Innovation Report describes how Leonardo creates value and positive impacts in the long term from an economic, environmental and social perspective, the relevant topics for the company and its stakeholders (“material topics”) and the contribution to the achievement of the UN Sustainable Development Goals (SDGs).

The Board of Directors confirms Mr. Alessandro Profumo as Chief Executive Officer

On 20 May 2020 the Board of Directors of Leonardo, appointed by the shareholders' meeting on the same day, confirmed Mr. Alessandro Profumo as Chief Executive Officer of Leonardo. In such context the Board of Directors has ascertained that certain Directors meet the requirements of independence and qualify as independent Directors in accordance with the guidelines provided for by the Corporate Governance Code and the relevant provisions of the CLFI, with the exception of (i) the Chairman Mr. Luciano Carta who qualifies as non independent only with reference to the aforementioned Corporate Governance Code, by virtue of his role as a major exponent of the Issuer, and (ii) the Director Ms. Elena Comparato who qualifies as non independent with reference both to the Corporate Governance Code and to the CLFI by virtue of her employment relationship with the Ministry of the Economy and Finance. For further information, see “*Board of Directors*” on pages 8 and 9 of this Supplement.

On the same day the Board of Directors appointed the Officer in charge of the company's financial reporting pursuant to Article 154-*bis* of the CLFI and the By-laws confirming Ms. Alessandra Genco, Chief Financial Officer, to this position.

Agreement with UK Maritime and Coastguard Agency

The aviation services company 2Excel, which supplies customized Beechcraft King Air aircraft to the UK Maritime and Coastguard Agency (the “MCA”), has signed an agreement with Leonardo to upgrade the aircraft with advanced new Osprey 30 E-scan radars. The MCA currently operates Leonardo's Seaspray 7300E E-scan radar used in search and rescue (SAR) and border protection missions.

Leonardo AW159 Wildcat helicopter conducts first successful firings of Thales ‘Martlet’ Lightweight Multirole Missile

On 26 May 2020 Leonardo announced the first successful firings of the Thales ‘Martlet’ Lightweight Multirole Missile (LMM) from Leonardo's AW159 Wildcat helicopter. The firings were conducted as part of the UK MoD's Future Anti-Surface Guided Weapon (FASGW) programme and demonstrated the integration of the Martlet onto the AW159 platform. This represents a major milestone for the programme and will enable this high-end capability to enter service with the Royal Navy later this year. The firing trials were conducted from 27 April to 21 May 2020 notwithstanding the then Covid-19 situation.

Leonardo awarded a contract for FAA's distance measuring equipment system

In the end of May 2020, Leonardo's U.S. subsidiary, Selex ES Inc., developer of surveillance, en route navigation, and precision approach and landing systems, has been awarded a contract by the Federal Aviation Administration (the "FAA") to continue to build the USA's Distance Measuring Equipment (DME). The contract has a one-year base period and two one-year option periods. It is envisaged that Selex ES will provide more than 200 DMEs to the National Airspace ("NAS"). Work will be performed in Overland Park, Kansas. The scope of the contract includes program management, systems engineering, design and development, system test and evaluation, training, production, Interim Contractor Depot Logistics Support (ICDLS), and site implementation. The DME system will help the FAA increase operational availability and performance of the NAS, supporting common and consistent interface requirements, and providing a modern system that complies with current FAA security standards.

Leonardo signs a framework agreement for the maintenance of defence systems in-service with the Danish Navy

In the beginning of June 2020 Leonardo signed a twenty-year framework agreement with the Danish Defence Acquisition and Logistics Organisation (DALO) which provides for logistics support and the possible future upgrade of the seventeen 76/62 Super Rapid Gun Mounts which are in-service on the Danish Navy's Iver Huitfeldt Class Frigates, Thetis Class Inspection Ships and Knud Rasmussen Class Inspection Ships. The agreement is worth up to a total value of Euro 70 million and can be extended in line with the needs of DALO and future budgets. The 76/62 Super Rapid (SR) Gun Mount is a lightweight, rapid-fire naval gun which delivers performance and flexibility in all air defence and anti-surface roles, particularly in an anti-missile role. The 76/62 SR is suitable for installation on ships of any type and class, including small naval units. The scope of the agreement between Leonardo and DALO ranges from basic support supplies, such as spare parts, tools and technical logistics services, up to gun upgrades and the provision of brand new 76/62 SR guns in their most up-to-date configurations.

New contract in the airport logistics sector with Frankfurt Airport

In June 2020, Leonardo signed a contract to provide a baggage handling system (BHS) at the Frankfurt Airport, the busiest hub in Germany and ranked fourth in Europe with about 70 million travelers passing through the airport in 2019. Leonardo will take on overall management of the project to create a new baggage sorting system at Terminal 3's under-construction Pier G, providing an end-to-end service from the design to the integration of the system. The new baggage handling solution, which will incorporate safety and sorting functions, will be implemented in two phases: in 2021 the BHS will be delivered and installed as a stand-alone system; in a second phase the system will be expanded and integrated with the airport's wider baggage handling system.

Leonardo further consolidates its positioning in the Space Sector, increasing its stake in Avio

On 15 June 2020 Leonardo announced the completion of the transactions aimed at purchasing 988,475 Avio shares. Following the completion of the transactions, Leonardo has increased its equity stake in Avio by 3.75%, reaching 29.63% of the share capital. The transactions, carried out in the market, were concluded on 29 May 2020 for a total price of approximately Euro 14 million.

Leonardo lands success in the French EMS market with its AW109 Trekker

On 16 June 2020 Leonardo announced that the AW109 Trekker light twin engine helicopter has been chosen as the new helicopter to support Emergency Medical Service (EMS) operations from Rouen Hospital in Normandie, France. One aircraft, with a specially customised EMS interior, is expected to

be delivered by the end of 2020 from Leonardo's Vergiate final assembly line in Italy, and the rotorcraft will be operated by S.A.F. Hélicoptères. The SAF Hélicoptères' AW109 Trekker-based offer was selected following a thorough and rigorous tender process outperforming competing types. The contract award marks the entrance of this Leonardo light twin helicopter model into the French civil helicopter market.

Agreement between Leonardo and Intermarine for a strategic alliance in the naval sector

In June 2020 Leonardo and Intermarine – an Italian shipyard that designs and manufactures military and civilian ships, as well as naval systems and components – signed a strategic research and development agreement on new technologies which focuses on the creation of new generation products and commercial collaboration aimed at pursuing business opportunities in the military and para-military naval market. The joint work in different specialist areas aims to strengthen the integration of the new generation and renewal programmes of the fleets of hunting vessels, fast patrol boats and hydrographic vessels. The alliance also confirms the ten-year industrial relationship between the two companies as well as the shared intention of consolidating, at a national and international level, the role of the “country system” (*Sistema Paese*) in the defence naval industry.

Agreement for the development, supply and integration of 115 Eurofighter ESCAN Radars

In June 2020, as far as the Eurofighter is concerned, a contract has been awarded for the development, supply and integration of 115 Eurofighter ESCAN Radars for the German and Spanish Eurofighter fleet. It marks the so far largest order for the world's most modern electronically scanned array radar, Captor-E. The contract signature followed the approval by both governments in recent weeks. The contract foresees the delivery and integration of 110 Captor-E radars for Germany and an initial batch of 5 radars for Spain to be delivered by 2023. The new sensor will equip Tranche 2 and Tranche 3 Eurofighters as well as new aircraft. Eurofighter Captor-E is the world's most advanced electronically scanned array radar for fighter aircraft. The design of the front fuselage airframe allows Eurofighter to deliver the largest electronically scanned array for increased detection and tracking ranges, advanced Air-to-Surface capability and enhanced electronic protection measures. The large antenna surface also allows a wider field of regard than any other platform pushing the aircraft's performance and guaranteeing its role as a valuable asset within the Future Combat Aircraft System environment. The signed contract will also give an additional push to the export tenders Eurofighter is currently bidding for.

Leonardo's first digital event spotlights the evolution of cyber risks

On 23 June 2020, Leonardo has announced the successful conclusion of the first entirely digital event run by Leonardo, in collaboration with A.I.P.S.A (the Italian Association of Business Security Professionals). The event was held to highlight the “Evolution of cyber risks and their impact upon the lives of Italian companies and citizens”. Two topics were central to the debate: the importance of culture and training to cyber security and the urgency of secure digital transformation, the latter being particularly relevant due to the acceleration of digitalization during the Covid-19 pandemic emergency. An additional point of discussion focused on crisis management, the ability of a company to respond promptly and efficiently manage a crisis in order to preserve its entire value chain.

Appointment of the Lead Independent Director, establishment of the internal committees and appointment of the Supervisory Body (“Organismo di Vigilanza”)

On 25 June 2020, the Board of Directors of the Issuer resolved, *inter alia*, upon (a) the appointment of a member of the Board of Directors as Lead Independent Director, (b) the establishment of the Board of Directors' internal committees (for further information see “*Lead Independent Director*” and “*Committees*” on pages 9 and 10 of this Supplement) and (c) the appointment, according to Italian

Legislative Decree No. 231/2001 (“*Disciplina della responsabilità amministrativa delle persone giuridiche, delle società e delle associazioni anche prive di personalità giuridica*”), as amended from time to time, of the Supervisory Body (“*Organismo di Vigilanza*”) which is composed – in addition to the Leonardo Group General Counsel Andrea Parrella and the Chief Audit Executive Marco Di Capua (internal members pursuant to the by-laws) – by the following external members: Raffaele Squitieri (Chairman), Giorgio Beni, Chiara Mancini and Claudia Tedeschi.

Establishment of a General Management structure

On 25 June 2020, the Board of Directors has resolved upon the establishment of a General Management structure (*Direzione Generale*) reporting directly to the Chief Executive Officer. With this reorganization, Leonardo aims to simultaneously respond to the new market environment characterized by the impacts of the COVID-19 pandemic and leverage the opportunities offered by the dual use of technologies generated by this emergency. With this organizational structure, Leonardo intends to accelerate the implementation of the strategic plan’s next phase thus enhancing its flexibility and agility to be even more competitive in facing future challenges. In order to reach these objectives, the General Management will be led by Lucio Valerio Cioffi (General Manager), currently head of the Aircraft Division, who will have the responsibility to manage and coordinate the activities of the following organizational structures: (i) Aircraft Division assigned to Marco Zoff; (ii) Aerostructure Division assigned to Giancarlo Schisano; (iii) Chief Procurement & Supply Chain Officer whose assignment will be defined in due course; (iv) Chief Commercial Officer (CCO) assigned to Pasquale Di Bartolomeo; (v) Customer Support, Services & Training (previously under the responsibility of the CCO) whose assignment will be defined in due course; (vi) Unmanned Systems assigned to Laurent Sissmann; and (vii) Production Optimisation & Program Management assigned to Fabio Barsotti.

The subsidiary Leonardo Global Solutions S.p.A. will report to the new General Management structure. Furthermore, reporting directly to the General Manager, a new organizational structure denominated New Business Development & Country Support has been established with the objective of developing and managing the strategic plan’s new initiatives, bringing together the different company initiatives under a unitary and transversal vision.

The new General Management structure will be effective starting from 1st September 2020.

In addition, starting from 1st September 2020 Lorenzo Mariani will take the responsibility of Managing Director of MBDA Italia and Executive Group Director Sales & Business Development of MBDA.

Agreement for the delivery of vehicle installation kits (I-Kits)

In the end of June 2020, Leonardo DRS, Inc. has received a competitively awarded contract worth up to \$206 million to deliver vehicle installation kits (I-Kits) for the next generation Mounted Family of Computer Systems II (MFoCS II). The indefinite delivery/indefinite quantity (IDIQ) contract was issued on behalf of the U.S. Army Project Manager Mission Command and PEO Command Control Communications – Tactical.

Semi-annual consolidated financial statements of Leonardo as at 30 June 2020 and updated 2020 outlook

On 30 July 2020 the Board of Directors will be convened to approve the semi-annual consolidated financial statements of Leonardo as at 30 June 2020.

It is expected that, upon approval of the semi-annual consolidated financial statements, the Board of Directors will be in the position to assess the impact of the COVID-19 pandemic on the business,

operations and results of the Leonardo Group and provide an update on the 2020 outlook as the 2020 guidance has been prudently suspended on 7 May 2020. In this respect see also “*Risk related to the COVID-19 pandemic – Effects of spreading of COVID-19 pandemic*” on pages 5 and 6 of this Supplement.

TAXATION

The information set out below supplements the section of the Base Prospectus headed “*Taxation*” on pages from 105 to 112 of the Base Prospectus.

- The third paragraph of the sub-section headed “*Italian Resident Noteholders*” on pages 105 to 107 of the Base Prospectus is deleted and replaced in its entirety by the following:

“Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509/1994 and Legislative Decree No. 103/1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law 11 December 2016, No. 232 (the “**Finance Act 2017**”), as amended from time to time.”

- The eight paragraph of the sub-section headed “*Italian Resident Noteholders*” on pages 105 to 107 of the Base Prospectus is deleted and replaced in its entirety by the following:

“Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree 5 December 2005, No. 252) (the “**Pension Funds**”) and the Notes, together with the relevant Coupons, are timely deposited with an Intermediary, Interest payments relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an *ad hoc* 20 per cent substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20% substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, as amended from time to time.”

- The sixth paragraph of the sub-section headed “*Capital Gains*” on pages from 108 to 110 of the Base Prospectus is deleted and replaced in its entirety by the following:

“As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (*Risparmio Amministrato* regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (or permanent establishments in Italy of foreign intermediaries) and (ii) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. The *Risparmio Amministrato* regime lasts for the entire fiscal year and unless revoked prior to the end of such year will be deemed valid also for the subsequent one. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised at revocation of its mandate), net of any incurred capital loss of the same nature, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *Risparmio Amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains of the same nature subsequently realised, within the same securities management relationship, in the same tax year or in the following tax years up to the fourth. Under the *Risparmio Amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.”

- The eight paragraph of the sub-section headed “*Capital Gains*” on pages from 108 to 110 of the Base Prospectus is deleted and replaced in its entirety by the following:

“Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, as amended from time to time.”.

- The tenth paragraph of the sub-section headed “*Capital Gains*” on pages from 108 to 110 of the Base Prospectus is deleted and replaced in its entirety by the following:

“Any capital gains on Notes held by a Noteholder who is a Pension Fund will be included in the result of the relevant portfolio accrued at the end of the tax period to be subject to an ad hoc 20 per cent substitute tax. Subject to certain limitations and requirements (including minimum holding period requirement), capital gains on the Notes may be excluded from the taxable base of the 20 per cent substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, as amended from time to time.”.

- The first paragraph of the sub-section headed “*Stamp tax*” on page 111 of the Base Prospectus is deleted and replaced in its entirety by the following:

“Presidential Decree 26 October 1972, No. 642, as subsequently amended and supplemented, provides for a proportional stamp tax on periodical reporting communications sent by banks and financial intermediaries regarding, with certain exceptions (e.g. investments in pension funds), all financial instruments deposited in Italy. The stamp tax is collected by banks and other financial intermediaries. By operation of law, the reporting communication is deemed as sent to the investor at least once a year. The stamp tax applies at a rate of 0.2 per cent and it cannot exceed €14,000 for taxpayers different from individuals. In particular, it is applied, on a yearly basis, on the market value of the financial instruments, or, lacking such value, on the nominal or reimbursement value of such instruments. At any rate, where no specific exemption applies, a minimum stamp tax of €34.20 is due on a yearly basis for individuals and Euro 100.00 for taxpayers other than individuals.”.

- The sub-section headed “*Wealth tax on securities deposited abroad*” on page 111 of the Base Prospectus is deleted and replaced in its entirety by the following:

“If the Notes are held abroad by individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of ITC) resident in Italy for tax purposes (not deposited in Italy and not managed by certain Italian intermediaries), another “stamp duty” (IVAFE), introduced by Article 19 of Law Decree 6 December 2011, No. 201, as amended and supplemented, applies at the yearly-based rate of 0.2 per cent. For taxpayers different from individuals, IVAFE cannot exceed Euro 14,000 per year. This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to deduct from the tax a tax credit equal to any wealth taxes paid in the State where the financial assets are held (up to the amount of the Italian wealth tax due).”.

- The last paragraph of the sub-section headed “*Italian inheritance and gift tax*” on page 112 of the Base Prospectus is deleted and replaced in its entirety by the following:

“The *mortis causa* transfer of financial instruments included in a long-term savings account (*piano di risparmio a lungo termine*) – that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, as amended from time to time – is exempt from inheritance tax”.