

Leonardo: approved by the BoD the start of the merger process by way of incorporation of Sistemi Dinamici Independence requirements of the Chairman of the Board of Statutory Auditors verified

Rome, 27 June 2019 – Today, the Board of Directors of Leonardo approved the merger process by way of incorporation plan of Sistemi Dinamici S.p.A. – the engineering company, which is directly and wholly owned, involved in the development, production and sale of remotely piloted aircraft – into Leonardo S.p.a.

The operation is part of the overall “One Company” project, aimed at achieving strategic and corporate optimisation of assets in the core sectors of Aerospace, Defense and Security. It brings about more efficiency and effectiveness in the operations across Leonardo’s industrial activities and is the completion of the integration/interaction process between the two Companies which had already begun in 2016 with the acquisition of full control of Sistemi Dinamici. The business will be included in the Helicopters Division.

Today, the merger plan by way of incorporation has also been approved by the Board of Directors of Sistemi Dinamici.

Subsequently, according to current regulations, this plan will be submitted both to the extraordinary Shareholders’ Meeting of the merged company and to the Board of Directors of Leonardo. The merger operation is designed to achieve the absorption of wholly-owned companies using the benefits of the simplified provisions, and is based on the last financial statements approved by each company (Financial statements as of December 31st 2018) and will be effective for tax and accounting purposes from January 1st, 2020 and will not involve for Leonardo any issue of new shares or assignment of Leonardo shares. Furthermore, the Leonardo’s Bylaws shall not be amended.

The documents relating to the aforementioned operation will be made available to the public according to terms and conditions set forth in the current regulations.

The operation (“of lesser importance”) benefits from the exemption from the application of the “Procedure for Related Parties Transactions” adopted by the Board of Directors of Leonardo, established for transactions entered into with subsidiaries, pursuant to art. 14, paragraph 2 of Consob Regulation No. 17221/2010, as amended and supplemented, and to art. 11.2, letter e) of the above mentioned Procedure.

Leonardo, a global high-technology company, is among the top ten world players in Aerospace, Defence and Security and Italy’s main industrial company. Organized into five business divisions, Leonardo has a significant industrial presence in Italy, the United Kingdom, Poland and the USA, where it also operates through subsidiaries such as Leonardo DRS (defense electronics), and joint ventures and partnerships: ATR, MBDA, Telespazio, Thales Alenia Space and Avio. Leonardo competes in the most important international markets by leveraging its areas of technological and product leadership (Helicopters, Aircraft, Aerostructures, Electronics, Cyber Security and Space). Listed on the Milan Stock Exchange (LDO), in 2018 Leonardo recorded consolidated revenues of €12.2 billion and invested €1.4 billion in Research and Development. The Group has been part of the Dow Jones Sustainability Index since 2010.

Moreover, Leonardo hereby informs that the Board of Statutory Auditors of Leonardo confirmed the existence of the independence requirements, pursuant to law (article 148, paragraph 3, TUF) and to the Corporate Governance Code (articles 3.C.1 and 8.C.1), for Luca Rossi, following its appointment to the office of Regulatory Statutory Auditor and Chairman of the control body by the Shareholders' meeting held on May 16, 2019. Pursuant to the aforementioned Code, the results of the assessment were made known today to the Company's Board of Directors.