

UTM SYSTEMS & SERVICES S.R.L.

Financial Statements 2024

UTM SYSTEMS & SERVICES S.r.l.

Registered office in Roma, Via Tiburtina KM 12,400

Company Shared Capital fully paid-in Euro 3,651,497

Tax Code & Company Register no. 15025161009

Subject to the Direction and Coordination by Leonardo S.p.A.

Table of Contents

BALANCE SHEET	5
BALANCE SHEET - ASSETS	5
BALANCE SHEET - LIABILITIES	5
INCOME STATEMENT	6
NOTES TO THE FINANCIAL STATEMENTS	7
INTRODUCTION	7
Significant events occurred during the year	7
GENERAL ASPECTS	8
INDUSTRIAL AND FINANCIAL TRANSACTIONS AND APPLICABLE BUSINESS SCENARIO.....	8
Balance sheet and income statement highlights.....	10
DIRECTION AND COORDINATION.....	11
Financial Statements of the Parent Company Leonardo S.p.A.	12
ACCOUNTING POLICIES.....	13
Equity investments and securities (entered within non-current assets)	13
Receivables (including receivables entered within non-current financial assets).....	13
Cash and cash equivalents.....	14
Equity	14
Payables.....	14
Revenues and Costs.....	14
Income taxes.....	15
Commitments, risks and guarantees.....	15
Post balance-sheet events	15
INFORMATION ON THE BALANCE-SHEET ITEMS	16
ASSETS	16
NON-CURRENT ASSETS	16
FINANCIAL ASSETS.....	16
Equity investments	16
List of the equity investments at 31 December 2024.....	16
CURRENT ASSETS	17
RECEIVABLES	17
Receivables from subsidiaries and associates	18
Receivables from parent companies.....	18
Tax receivables.....	18
Deferred tax assets	18
Cash and cash equivalents.....	18
LIABILITIES.....	19
EQUITY.....	19
Share Capital	19
Profits – Losses carried forward	20
Loss for the year.....	20
PAYABLES.....	20
Payables to suppliers (payees)	21
Payables to parent companies	21
Other payables.....	21
INCOME STATEMENT	22

VALUE OF PRODUCTION	22
PRODUCTION COSTS	22
Costs for services	22
Sundry operating costs	23
VALUE ADJUSTMENTS TO FINANCIAL ASSETS	23
INCOME TAX FOR THE YEAR	23
INFORMATION ON ASSETS AND LOANS INTENDED FOR A SPECIFIC BUSINESS	25
OTHER INFORMATION	25
Commitments, guarantees given and contingent liabilities not shown in the balance sheet	
.....	25
Revenue or cost items of exceptional amount or impact	25
Fees of directors, statutory auditors and independent auditors	25
Transactions with related parties.....	26
Agreements not resulting from the Balance-sheet	28
Name and registered office of the entity that prepares the consolidated financial statements	
.....	28
Treasury shares.....	28
INFORMATION UNDER ARTICLE 1 para. 125 OF LAW No.124 OF 4 AUGUST 2017 .	28
Proposal to the Shareholders' Meeting	28

BOARDS AND COMMITTEES AT 31 DECEMBER 2024**BOARD OF DIRECTORS**

Appointed by the Shareholders' meeting of 20.10.2023

Maria Iole Gentile – Chairwoman

Angelo Pansini – Director – Managing Director

Maria Teresa Basile – Director

BOARD OF STATUTORY AUDITORS

(for the three-year period 2022 / 2024)

appointed by the Shareholders' meeting of
21.04.2022

De Magistris Maurizio – Chairman

Tripodi Francesca – Regular Statutory Auditor

De Martino Giulia – Regular Statutory Auditor

**De Filippo Maurizio – Alternate Statutory
Auditor**

Parente Francesca – Alternate Statutory Auditor

INDEPENDENT LEGAL AUDITORS

(for the financial years 2024 -2026)

EY S.p.A.

UTM SYSTEMS & SERVICES S.r.l.
Registered office in Roma, Via Tiburtina KM 12,400
Quota Capital fully paid-in Euro 3,651,497
Register of Enterprises – Rome Office no. 15025161009
Subject to the Direction and Coordination by Leonardo S.p.A.

BALANCE SHEET

Below is the balance sheet at 31 December 2024 in comparison with 31 December 2023.

BALANCE SHEET - ASSETS

		31.12.2024	31.12.2023	Changes
ASSETS:				
III - Financial Fixed Assets, with separate indication, for each item of receivables, of the amounts due within one year:				
1)	Equity investments:			
	b) related companies	3.004.853	3.447.619	(442.766)
	Tot. Financial Fixed Assets	3.004.853	3.447.619	(442.766)
	TOTAL FIXED ASSETS (B)	3.004.853	3.447.619	(442.766)
C) CURRENT ASSETS:				
II - Receivables, with separate indication, for each item, of the amounts due beyond the next financial year:				
3)	From associates	431.273	2.350.289	(1.919.016)
4)	From parent company	43.647	8.662	34.985
4-bis)	Tax receivables from tax office	32.526	32.775	(249)
4-ter)	Deferred tax assets	15.687	11.787	3.900
	Total Receivables (II)	523.133	2.403.514	(1.880.381)
IV - Available funds:				
1)	Cash and cash equivalents	309.648	215.289	94.359
	Total available funds (IV)	309.648	215.289	94.359
	TOTAL CURRENT ASSETS (C)	832.781	2.618.803	(1.786.022)
	TOTAL ASSETS	3.837.634	6.066.422	(2.228.788)

BALANCE SHEET - LIABILITIES

		31.12.2024	31.12.2023	Changes
LIABILITIES				
A) EQUITY				
I	- Share capital	3.651.497	6.620.000	(2.968.503)
VIII	- Profit (losses) carried forward	0	(2.519.289)	2.519.289
IX	- Loss for the year	(515.443)	(449.214)	(66.229)
	Total EQUITY (A)	3.136.054	3.651.497	(515.443)
D) PAYABLES , with separate indication, for each item, of the amounts due within one year:				
7)	Payables to Suppliers within one year	23.353	36.613	(13.260)
	Total payables to suppliers (7)	23.353	36.613	(13.260)
9)	Trade payables to controlled entities	0	0	0
10)	Trade payables to correlated entities	0	0	0
11)	Payables to parent company	514.929	2.324.137	(1.809.208)
11) bis	Payables to entities controlled by the parent company	158.243	0	0
12)	Tax payables	0	0	0
14)	Others payables (statutory auditors) due within the next financial year	5.055	54.176	(49.121)
	Total others payables (14)	5.055	54.176	(49.121)
	TOTAL PAYABLES (D)	701.580	2.414.925	(1.713.345)
	TOTAL LIABILITIES	3.837.634	6.066.422	(2.228.788)

INCOME STATEMENT

Below is the income statement for financial year 2024 in comparison with 31 December 2023.

INCOME STATEMENT		31.12.2024	31.12.2023	Changes
A)	VALUE OF PRODUCTION:			
1)	Revenues from sales and services	632.331	2.217.661	(1.585.330)
	TOTAL VALUE OF PRODUCTION (A)	632.331	2.217.661	(1.585.330)
B)	PRODUCTION COSTS:			
7)	For services	704.957	2.121.690	(1.416.733)
8)	For use of third party assets	0	0	0
14)	Sundry for operating costs	1.752	1.606	146
	TOTAL PRODUCTION COSTS (B)	706.708	2.123.295	(1.416.587)
	BALANCE VALUE OF PRODUCTION COSTS (A-B)	(74.377)	94.366	(168.743)
C)	FINANCIAL INCOME AND EXPENSES:			
16)	Other financial income:			
	- from third party	0	1	(1)
	Total 16 d)	0	1	(1)
	Total other financial income (16)	0	1	(1)
	TOTAL FINANCIAL INCOME AND EXPENSES (C) (15+16+-17+-17bis)	0	1	(1)
D)	VALUE ADJUSTEMENTS TO FINANCIAL ASSETS			
19)	Write-down			
	a) of equity investments	442.766	541.839	(99.073)
	TOTAL VALUE ADJUSTEMENTS (D) (18-19)	(442.766)	(541.839)	99.073
	PROFIT (LOSSES) BEFORE INCOME TAXES (A - B + - C + - D + - E)	(517.143)	(447.471)	(69.672)
22)	Current, deferred and prepaid taxes for the year	1.700	(1.743)	3.443
23)	PROFIT (LOSSES) FOR THE YEAR	(515.443)	(449.214)	(66.229)

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

Dear Shareholders,

We provide hereunder the main lines of action which characterized the work done by the Company during financial year 2024 in its fifth year of operations.

Significant events occurred during the year

The regulatory framework defined by Regulations EU 2021/664, 2021/665 and 2021/666 enabled U-Space in Europe effective from 26 January 2023. However, U-Space, defined as the set of services provided in a digital and automated manner, which will ensure the safe integration of drones with crewed aircraft, is bound to certain airspaces whose limits and requirements are referred to the relevant regulator of each individual European State.

15 December 2023 marked the release of the U-Space Guidelines whose aim was to guarantee an adequate level of safety and security, compliance with privacy and environmental protection. They consist of guidelines to set up U-Space and its operations. Following this and the previous appointment of the ENAV group (assigned to D-Flight) as Common Information Service Provider (“CISP”) for the domestic U-Space, and following the existing contracts with D-Flight (in particular the specialist support contract with Amazon for the deployment of U-Space in Italy for the operator Amazon Prime Air), UTM defined, set and partially carried out all the activities regarding the evolution of the platform in order for D-Flight to obtain the certification as CISP (issued in December) and the USSP (U-Space Service Providers) certification (expected within the first quarter of 2025).

Against this backdrop, in 2024 UTM essentially carried out the following two activities:

- the running and maintenance of the UTM platform which, in parallel with and in continuity from the previous years, were carried out fully in accordance with the “Quality of Service” requirements provided for in the contract (governed by the LoA11 for 2024)
- the study, definition of the requirements and partial execution of a set of amendments/changes for the Common Information Service (CIS) and U-Space Service (USS) platforms, on the basis of what has emerged from the certification process with the regulatory Entity and of the ongoing activities between D-Flight and Amazon, regulated through the LoA12 and LoA13.

The development activities necessary for the completion of the UTM platform were concluded during 2024 whereby the platform became fully compliant with the aforementioned EASA (European Union Aviation Safety Agency) regulations around the U-Space services.

This allowed the deployment of the CIS and USS platforms, which represent the enabling factors for the implementation of the U-Spaces, as they provide all the required services for a safe and efficient management of unmanned operations.

GENERAL ASPECTS

The Financial Statements for the year ended 31 December 2024 and these notes are drafted in accordance with the provisions of Article 2423 et seqq. of the Italian Civil Code regarding statutory financial statements, as reformed by Legislative Decree no. 139/15 implementing Directive 2013/34/EU. Said Decree integrated and amended the Italian Civil Code which includes the general rules for the preparation of financial statements, accounting policies and the contents of the notes to the financial statements.

These Financial Statements are the sixth financial statements of the Company and give the comparative information with the accounts at 31 December 2023.

These Financial Statements were drawn up in a condensed form pursuant to Article 2435-bis of the Italian Civil Code which applies to the case in point. These Financial Statements are therefore composed as follows:

- Balance Sheet;
- Income Statement;
- Notes to the Financial Statements.

It should be noted that entities preparing financial statements in a condensed form are exempted from preparing a Cash Flow Statement and a Report on operations.

These Notes to the Financial Statements serve the purpose of illustrating, analyzing and, in certain cases, supplementing the financial statements data; they include the information required by Article 2427 of the Italian Civil Code which is in line with the regulatory changes introduced by Legislative Decree 139/15 and with the accounting principles issued by the Italian Accounting Profession (*Organismo Italiano di Contabilità*).

These financial statements correspond to the accounting records which were regularly kept and were prepared in units of euros, without decimals; the narratives of the notes to the financial statements were prepared in in thousands of euros (unless otherwise indicated) as permitted by Article 2423, para. 5, of the Italian Civil Code.

The valuation of FS items was performed on a going-concern basis; the principle of prudence and the accruals principle of accounting were followed for these accounts, as was considered the substance over form of the transaction or contract.

INDUSTRIAL AND FINANCIAL TRANSACTIONS AND APPLICABLE BUSINESS SCENARIO

We recall that the Company's business is the development and provision of low-altitude air traffic management services for remote pilot aircraft and for all types of planes which fall under the Unmanned Aerial Vehicles ("UAV") category.

The Company, which at 31 December 2023 was subject to the direction and coordination by Leonardo S.p.A., in 2024 started a procedure for being merged by incorporation into the parent Leonardo S.p.A.; the merger plan was approved by a Board of Directors resolution on 30 July 2024 and afterwards by the Shareholders' Meeting on 26 September 2024.

As per the Shareholders' meeting resolution, the deed of merger was formalized on 12 December 2024; therefore, the Company has been merged into Leonardo SpA effective from 1 January 2025, including for accounting and tax effects.

On 13 June 2024, the Board of Directors of Leonardo SpA resolved to acquire the equity investment held by Telespazio (approx. 33.33%).

On 9 October 2024, Leonardo SpA paid in an amount of €1,200,000 to Telespazio SpA for the latter's 33.33% interest.

Therefore, at 31 December 2024 the company ownership structure is fully held by Leonardo SpA.

UTM Systems & Services was established on 12 December 2018, as a special purpose company among the contractors which were awarded the tender called by ENAV, for the selection of an industrial partner to participate in the capital of a NewCo (D-Flight) whose purpose was *“the development and provision of low-altitude air traffic management services for remote pilot aircraft and for all other types of planes which fall under the Unmanned Aerial Vehicles (“UAV”) category”*.

The contract that the Company entered into with D-Flight concerns the provision of services for the development, maintenance and running of a Traffic Control platform for Unmanned Aerial Vehicles in Italy worth €th. 6,088 for development, of which €th. 4,726 as the share of Leonardo and €th. 1,362 as the share of Telespazio, and €th. 1,447 for the maintenance and operational running of which €th. 297 as the share of Leonardo and €th. 1,150 as the share of Telespazio.

The execution of the contract “Deed free of charge for the offset between work package and contractual variations for phase interchangeability” signed by the Company with D-Flight and with the Industrial Partners in May 2022, makes it possible to exercise the option for Phase 2 of the Programme to obtain access to additional:

- up to a maximum of € 5,014,950.00 for software development and/or hardware purchases
- up to a maximum of € 8,086,594.40 relating to HW and/or SW maintenance.

The contract for the supply of services provides for a progress process based on the Order of Activation Letters (*Lettera Ordine di Attivazione, LoA*) that D-Flight issues each time to UTM S&S. The LoAs provide for the incremental development of functionalities enabling the provision of services to UAS Operators and the fulfilment of administrative obligations linked to the contract for supply in place between ENAC and ENAV starting from which D-Flight was set up.

The development activities started in 2022 were aimed at guaranteeing the evolution of the platform existing functionalities in order to:

- Improve the degree of competitiveness of the product according to the latest instructions from the customer.

- Increase the levels of safety/security and tracking of data from external sources outside the system.
- Improve the rationale behind the service screening and billing in accordance with the business logic shared by the customer.
- Increase the level of automation in the management of the information on the dynamic airspace restrictions provided by ENAC/ENAV.
- Consolidate the level of stability of the platform through performance increasing mechanisms.
- Raise the level of compliance of the platform in line with the certification requirements for D-Flight as USSP.

As in previous years, the running and maintenance service was fully compliant with the “Quality of Service” requirements under the contract.

In November 2024, pursuant to Article 106 para. 1, letter E) of Legislative Decree no. 50/2016 as amended and supplemented, D-Flight and the Company signed an indenture for a no-cost amendment to the Contract for the Supply of Services, whereby software functionalities, including related engineering and technology services, may be developed on the Technology Platform dedicated to Unmanned Aerial Vehicles Traffic & Management services, in order to ensure the provision of the Common Information Service (CIS) through such platform.

D-Flight will continue to request the activities under the Contract – including those serving the supply of the CISs – at its own full and incontestable discretion - by way of appropriate Order and Commencement Letters (LOA) without the counterparty having anything to claim in respect of such orders.

The aforementioned activities, whose aim is to guarantee the supply by D-Flight of the CIS services, like the other activities originally envisaged, will be provided by applying the professional rates under the Contract itself.

Balance sheet and income statement highlights

At 31 December 2024, the Company’s net equity was equal to €th. 3,136 consisting of €th. 3,651 of the Share capital and €th. 515 of the net loss for the year.

Assets, equal to €th 3,838 are mainly made up of the value of the equity investment in the associate D-Flight amounting to €th. 3,005 recorded within non-current assets, total receivables of €th. 509, €th. 431 of which are trade receivables from associates, €th. 44 receivables from parent companies for deferred tax assets equal to €th. 16 and Group VAT credits for €th. 24, receivables from the Tax Office (€th. 3), receivables for direct taxes (€th. 6), and cash and cash equivalents of €th. 310.

Total debt amounted to about €th. 701. This mainly includes €th. 697 related to trade payables, of which €th. 515 consist of payables to the parent company Leonardo SpA and €th. 158 of payables to Telespazio SpA, €th. 5 to payees and €th. 24 to other suppliers.

Financial payables amounted to €th. 18 and related to payables to the parent company in connection with the consolidated tax mechanism. The other current liabilities amounted to about €th. 5 relating to payables to the Directors and Statutory Auditors.

Revenues, equal to €th. 632, related invoices issued to the customer D-Flight for services laid down in the Order of Activation Letters no. 9-WP2, no. 10 (C&M for the entire year 2023), no. 11 (C&M for the entire year 2024), no. 12 (C.I.S. services - Common Information Service WP 1.1) as part of the Contract “Development, implementation and supply of a technology platform and provision of services for the platform running and maintenance”.

The item “Costs for services”, equal to €th. 705, is mainly made up of €th. 585 in relation to costs for activities performed by Leonardo SpA and Telespazio SpA, envisaged in the aforementioned Order of Activation Letters no. 9, 10, 11 and 12 under the contract between the Company and the customer D-Flight.

Costs included €th. 52 relating to the fees and expense refunds to the Company’s corporate bodies, €th. 28 related to the statutory audit by the auditing firm, €th. 20 relating to administrative services provided in accordance with the contract with Leonardo S.p.A. and €th. 20 for other professional services.

Note an amount of €th. 1 of sundry operating expenses related to various charges, bank commissions and expenses.

Value adjustments to financial assets, amounting to €th. 443, include about €th. 329 of goodwill amortisation of the equity investment in D-Flight and about €th. 113 related to the write-down of the equity investment in D-Flight as a result of the adjustment due to the measurement at equity of the investment. In consequence of this adjustment, there was a decrease of €th. 99 compared with 31 December 2023.

The item “Income taxes”, positive for an amount of about €th. 2, included previous years’ IRES tax (corporate income tax) equal to €th. 16, the release of deferred tax assets of about €th. 4 and income of €th. 14 arising from the national tax consolidation scheme in relation to current taxes.

DIRECTION AND COORDINATION

The Company is subject to the direction and coordination by Leonardo S.p.A., of which we report below the key figures of the latest approved financial statements.

The key data of the parent company Leonardo S.p.A. presented in the summary statement (amounts in thousands of euros) in accordance with Article 2497-bis of the Civil Code, have been taken from the parent’s financial statements for the year ended 31 December 2023.

Financial Statements of the Parent Company Leonardo S.p.A.

LEONARDO SPA**STATO PATRIMONIALE****ATTIVO**

ATTIVITA' NON CORRENTI	15.289.717
ATTIVITA' CORRENTI	13.065.205
ATTIVITA' NON CORRENTI POSSEDUTE PER LA VENDITA	0
TOTALE ATTIVO	<u>28.354.922</u>

PASSIVO

PATRIMONIO NETTO:	
- Capitale	2.499.097
- Riserve e risultati a nuovo	5.130.233
- Utile dell'esercizio	783.697
	<u>8.413.027</u>
PASSIVITA' NON CORRENTI	4.483.035
PASSIVITA' CORRENTI	15.418.775
PASSIVITA' DIRETTAMENTE CORRELATE AD ATTIVITA' POSSEDUTE PER LA VENDITA	40.085
TOTALE PASSIVO + NETTO	<u>28.354.922</u>

CONTO ECONOMICO

RICAVI	10.405.419
COSTI	(9.994.189)
PROVENTI E ONERI FINANZIARI	456.677
IMPOSTE SUL REDDITO DELL'ESERCIZIO	(84.210)
(PERDITE) UTILI CONNESSI AD ATTIVITA' CESSATE	
UTILE DELL'ESERCIZIO	<u>783.697</u>

LEONARDO SPA REDIGE IL BILANCIO CONSOLIDATO.

The Company, having no controlling interests, is not bound to prepare any consolidated financial statements in compliance with the provisions of Article 27, para. 1, of Legislative Decree 127/1991 as subsequently amended and supplemented.

ACCOUNTING POLICIES

The policies applied for the valuation of the financial statement items comply with the provisions of Article 2426 of the Italian Civil Code.

These financial statements have been prepared in accordance with the principle of prudence and on an accrual's basis, as well as considering the substance over the form of the transaction or contract. Income and charges pertaining to the year have been considered, even if known after the year-end.

The diverse elements encompassed in individual financial statement items have been measured separately.

The balance sheet assets deemed durable have been entered within non-current assets.

No exceptional situations occurred that required the application of the exceptions referred to in Article 2423, para. 4 of the Italian Civil Code.

The accounting policies adopted in the formation of the financial statements are set out below:

Equity investments and securities (entered within non-current assets)

In consideration of the commitments undertaken also by the Shareholder Leonardo SpA with the investee D-Flight S.p.A., the Company deemed it more coherent with such commitments to present the value of the investment it holds in D-Flight S.p.A. in accordance with the Italian Accounting Standard OIC no. 17, hence recording the value of such investment at equity.

Based on the foregoing, in 2020 the Company changed the accounting policy used to measure the equity investment and adopted the equity method in place of the valuation at cost.

The difference between the acquisition cost of the investment and its value measured at equity was recorded as goodwill to be amortised based on the duration of the abovesaid corporate commitments (12 years).

Receivables (including receivables entered within non-current financial assets)

Receivables represent rights to collect, on a stated or identifiable maturity, fixed or determinable amounts of cash or goods/services of an equivalent amount, from customers or other parties.

Receivables are presented within non-current or current assets depending on their use/origin with respect to the company core business.

For the purposes of presenting amounts due within and after the financial year, the classification is made in relation to their contractual or legal maturity, also taking into account facts and events that could result in a change in the original maturity; the debtor's realistic ability to fulfil the obligation by the deadlines specified in the agreement; and

the time horizon by which the creditor believes it will reasonably be able to collect the receivable.

Receivables are recognised in the financial statements at their presumable realizable value, by way of exception to Article 2426 of the Italian Civil Code (amortised cost) as the Company is an entity which prepares its financial statements in condensed form pursuant to Article 2435-bis of the Italian Civil Code.

Cash and cash equivalents

Cash and cash equivalents are entered at their nominal value as this is considered to represent their realizable value. Cash and cash equivalents in foreign currency are stated in the accounts at the exchange rate ruling on the year-end.

Equity

Transactions between the Company and its owners (acting as shareholders) can give rise to receivables from or payables to the latter. The Company recognises a receivable from the shareholders when they assume an obligation toward the Company or a payable to the shareholders when the Company assumes an obligation toward its shareholders.

Subscribed capital which does not entail a restitution obligation is recognised in the relevant equity item, while shareholders' loans received entailing a restitution obligation are entered within payables.

Payables

Payables are specific and certain liabilities that are obligations to pay fixed or determinable sums of cash or its equivalent to financial backers, suppliers, or other parties. They are classified to the various payable captions based on their nature (or origin) in relation to the Company's ordinary activities regardless of their due date.

Payables deriving from the purchase of goods are recognised when the production process of the goods is completed and when the significant risks, charges and benefits relating to ownership have been transferred. Payables relating to services are recognised once the services have been provided, namely when the service has been performed. Loans and borrowings and payables unrelated to the procurement of goods and services are recognised when the Company has an obligation vis-à-vis the counterparty. Payables for payments on account from customers are recognised when the right to collection arises.

Payables are entered at their nominal value by way of exception to Article 2426 of the Italian Civil Code (amortised cost), as the Company is an entity which prepares its financial statements in condensed form pursuant to Article 2435-bis of the Italian Civil Code.

Revenues and Costs

Revenues and income, costs and charges are stated net of returns, allowances, discounts and premiums, as well as net of directly attributable taxes for the sale of products or services, in compliance with the accruals and prudence principles. Revenues from the sale

of goods or provision of services are recognised when the production process of goods or services has been completed and the exchange has already taken place, i.e., upon the substantial rather than formal transfer of title and, therefore, the transfer of risks and rewards.

Income and revenues, costs and charges relating to transactions in foreign currency are determined at the spot exchange rate on the day the transaction is carried out.

Income taxes

Current taxes are recognised on the basis of the Company's realistic estimation of taxable income in compliance with the ruling local regulations, applying the tax rate in force at the balance-sheet date. As described better below, the Company participates in the tax consolidation scheme of the Leonardo Group; accordingly, receivables from and/or payables to the consolidating company arising from the quantification of the tax benefits assigned and/or paid are accounted for in the balance sheet.

The Company is part of the consolidated tax scheme of the Leonardo Group, whose rules are those referred to in Section II, Heading II of Title II, articles from 117 to 129 of the Consolidated Tax Code on income tax approved by Italian Presidential Decree no. 917 of 22 December 1986. According to applicable regulations, for a group of companies where control exists in compliance with Article 2359 of the Italian Civil Code, the parent can determine one only taxable base for its group of companies, provided that the latter exercise the option to adhere to such scheme.

In accordance with Italian Accounting Principle OIC 25, deferred tax liabilities deriving from income subject to deferred taxation, are recognised within the item "Provision for taxes, including deferred tax" when the liability is likely to arise. Deferred tax assets deriving from future deductible income or from future tax benefits due to tax loss carry forwards, are recognised within a current asset item "Deferred tax assets", only if there is the reasonable certainty to obtain taxable income in the subsequent periods so as to offset them. This condition will be assessed each year based on any new and more reliable events and forecasts.

Commitments, risks and guarantees

Risks connected with unsecured or collateral guarantees given for third-party payables have been entered for a value equal to the amount of the guarantee given. Specific information regarding commitments, risks and guarantees is provided in a relevant section of this document, to which reference is made.

Post balance-sheet events

On 26 September 2024, the Shareholders' Meeting resolved to approve, pursuant to Art. 2502 of the Italian Civil Code, the plan for the merger by incorporation into "LEONARDO - Società per azioni" with registered office in Rome, which was formalised on 12 December 2024.

Following the Shareholder's Meeting, it was decided that the merger will be effective, also for accounting and tax purposes, from 1 January 2025.

There will be no increase in the capital of the merging company nor any allocation of its shares.

The quota capital of the about-to-be merged company will be cancelled with no share swap.

The assets of the about-to-be merged company will be absorbed into the merging company, which will take over all the judicial relationships referred to the company about to be merged.

The Articles of Association of the merging company will not be changed after the merger by incorporation.

INFORMATION ON THE BALANCE-SHEET ITEMS

ASSETS

NON-CURRENT ASSETS

FINANCIAL ASSETS

Equity investments

<i>Euro</i>	<u>31 December 2024</u>	<u>31 December 2023</u>	<u>change</u>
	<u>Equity investments</u>	<u>Equity investments</u>	
<i>Opening balance</i>	3,447,619	3,989,458	(541,839)
Acquisitions/subscriptions and capital increases			
Impairment			
- adjustment of equity investment measured at equity	(113,266)	(212,339)	99,073
- goodwill amortisation	(329,500)	(329,500)	0
Disposals			
Other changes			
<i>Closing balance</i>	3,004,853	3,447,619	(442,766)

List of the equity investments at 31 December 2024

<i>Company name</i>	<i>% ownership</i>	<i>Value of the equity investment</i>	<i>Total Assets</i>	<i>Total Liabilities</i>	<i>Total Equity</i>
Euro thousand					
000/Euro					
<i>Company name</i>	<i>% ownership</i>	<i>Value of the equity investment</i>	<i>Total Assets</i>	<i>Total Liabilities</i>	<i>Total Equity</i>
<u>Subsidiaries and associates</u>					
D-FLIGHT S.p.A.			8,041	5,607	2,434
- of which equity investment	40%	974	3,216	2,243	974
- of which goodwill		2,031			
<i>Total equity investments (net of provisions for write-down)</i>		3,005			

The item “Equity investments” showed a value of €th. 3,005 at 31 December 2024, entirely related to the associate D-Flight S.p.A..

The value reported above is subdivided into the goodwill component and the investment component, as summarised below in thousands of euros:

	<i>31 December 2024</i>	<i>31 December 2023</i>	<i>Change</i>
Investment	974	1,087	(113)
Goodwill	2,031	2,361	(330)
<i>Final balance</i>	3,005	3,448	(443)

The equity investment indicated above was valued, based on the clauses of the shareholders' agreement, with the equity method and not at the acquisition or incorporation cost.

The value of the investment held in D-Flight was determined in accordance with the Italian Accounting Board standard OIC 17, therefore the investment was recognised at equity.

The difference between the acquisition cost of the investment and its value measured at equity was recognised as Goodwill, included in the value of the equity investment, which is amortised based on the abovesaid corporate commitments.

At the end of the reporting period, the book value of the equity investment was subject to impairment test, which confirmed its book value.

The Company carried out an impairment test based on the economic and financial data of the budget-business plan prepared by the directors of D-Flight for the 2025-2028 period and on its terminal value, assuming a nominal long-term growth rate equal to 0%.

Future cash flows were discounted at a weighted average cost of capital (WACC) equal to 7.9%.

As described above, the impairment test confirmed the recoverability of the book value of the investment in D-Flight.

Compared to the value at 31 December 2023, there was a change of €th. 443, which was due to the adjustment deriving from the investment measured at equity for €th. 113, and to the above-mentioned amortisation of goodwill for €th. 330.

CURRENT ASSETS

RECEIVABLES

Receivables amounted to €th. 524 at 31 December 2024, with a decrease equal to about €th. 1,880 compared to the prior year, mainly due to collections from the associate D-Flight.

All receivables are due within the following year and there are no receivables due beyond five years.

Receivables	31 December 2024	31 December 2023	Change
From associates	431	2,350	(1,919)
From parent companies	44	9	35
Tax receivables	33	33	0
Deferred tax assets	16	12	4
Total	524	2,404	(1,880)

The item included trade receivables from the associate D-Flight for €th. 431, receivables from the parent company Leonardo S.p.A. for about €th. 30 related to Group's VAT, tax receivables from the tax office for €th. 33, of which €th. 31 accrued before the inclusion in the Group's VAT, and deferred tax assets for €th. 16, as well as receivables from the tax consolidation scheme for €th. 14.

Receivables from subsidiaries and associates

At 31 December 2024, receivables from the associate D-Flight SpA amounted to €th. 431 and concerned the invoices issued for LOA no. 12 within the contract "Development, implementation and supply of a technological platform and provision of running and maintenance services".

Such item amounted to €th. 2,350 as at 31 December 2023.

Receivables from parent companies

Receivables from the parent company Leonardo S.p.A. amounted to €th. 44 as at 31 December 2024; they were related to the Group's VAT and to the income from the tax consolidation scheme for current taxes.

These increased by about €th. 35 compared to the prior year.

Tax receivables

Tax receivables were equal to €th. 33 at 31 December 2024 and referred for €th. 30 to tax receivables from the tax office for VAT and for €th. 3 to receivables other than those from the tax office.

There were no changes compared to the prior year.

Deferred tax assets

Receivables for deferred tax assets amounted to €th. 16 as at 31 December 2024 and mainly concerned the directors' fees to be deducted when paid.

Deferred tax assets increased by €th. 4 compared to the value as at 31 December 2023.

Cash and cash equivalents

At 31 December 2024, the item "Cash and cash equivalents", equal to €th. 310, was entirely made up of the available funds on the current bank account of the Company.

These showed an increase of approximately €th. 94 compared to the value as at 31 December 2023, mainly due to the collections during 2024 of the invoices from the associate D-Flight which were higher than the payments made to suppliers and payees.

LIABILITIES**EQUITY**

Equity	31 Dec. 2024	31 Dec. 2023	Changes
Share capital	3,651	6,620	(2,969)
Profits (losses) carried forward	0	(2,519)	2,519
Loss for the year	(515)	(449)	(66)
Total	3,136	3,651	(517)

The Company's equity was equal to €th. 3,136 as at 31 December 2024 and included €th. 3,651 related to the quota capital and €th. 515 to the loss for the year.

Equity decreased by approximately €th. 517 compared to the prior year.

On 3 April 2024, the Shareholders' Meeting was called to resolve on the capital reduction, proportionately to the ascertained losses, pursuant to Art. 2482 bis, para. 4, of the Italian Civil Code. Therefore, losses equal to a total of €2,968,503.14 at 31 December 2023 were covered through a capital reduction from €6,620,000.00 to €3,651,496.86 with consequent reduction of the shareholders' interests in proportion of the quotas they held.

Share Capital

At 31 December 2024 the quota capital was equal to €th. 3,651 fully subscribed and paid up.

As described above, on 3 April 2024 the Shareholders' Meeting was called to resolve on a capital reduction, proportionately to the ascertained losses, pursuant to Art. 2482 bis, para. 4, of the Italian Civil Code.

The Company posted total losses for €2,519,288.66 at 31 December 2022 that exceeded one third of the then quota capital equal to € 6,620,000, and which were brought forward. As from the financial statements at 31 December 2023, the Company fell under the case referred to in Article 2482 bis, four paragraph of the Italian Civil Code, having total losses amounting to €2,968,503.14 (of which €2,519,288.66 losses of prior years brought forward) against a quota capital of €6,620,000.00, and an equity of €3,651,496.86.

Therefore, the Shareholders' Meeting approved to cover losses entirely through reducing the quota capital, in proportion to the ascertained losses, from €6,620,000.00 to €3,651,496.86.

On 13 June 2024, the Board of Directors of Leonardo SpA resolved to acquire the equity investment held by Telespazio (approx. 33.33%).

On 9 October 2024, Leonardo SpA paid in an amount of €1,200,000 to Telespazio SpA for the latter's 33.33% interest.

Therefore, at 31 December 2024 the company ownership structure is fully held by Leonardo SpA.

Profits – Losses carried forward

Following the above-mentioned capital reduction occurred in 2024 through the coverage of prior losses, there are no profits/losses carried forward.

Loss for the year

The item, amounting to €th. 515, was made up of net loss for the year.

Below are the changes in Equity occurred in the last two years:

	Quota capital	Profits (losses) carried forward	Profit (Loss) for the year	Total
31/12/2022	6,620,000.00	(1,619,201.02)	(900,087.64)	4,100,711.34
Appropriation of profit/loss of the prior year			900,087.64	
Profit/Loss for the year				
31/12/2023	6,620,000.00	(2,519,288.66)	(449,214.48)	3,651,496.86
Quota capital reduction	(2,968,503.14)	2,519,288.66	449,214.48	
Appropriation of profit/loss of the prior year				
Profit/Loss for the year			(515,443.21)	(515,443.21)
31/12/2024	3,651,496.86	0.00	(515,443.21)	3,136,053.65

Information required by Article 2427, para. 1 number 7-bis of the Italian Civil Code related to the breakdown of the equity items according to their origin, possible use and distributable portion, is shown in the following table (amounts in €/thousand):

AVAILABILITY AND DISTRIBUTABILITY OF EQUITY RESERVESE
EUR-THOUSANDS

Description	Amount	Possibility of use	Available Amount	Summary of uses made in the three previous financial years	
				coverage for loss of the prior year	other reasons
Equity:					
Equity	3.651				
Profits (Losses) carried forward:					
Losses carried forward					
Profit (Loss) for the year	-515				
	<u>-515</u>		<u>0,00</u>	<u>0,00</u>	
Total Equity	<u>3.136</u>		<u>0,00</u>	<u>0,00</u>	

PAYABLES

Payables amounted to €th. 701 at 31 December 2024.

These break down as follows:

Payables	31 December 2024	31 December 2023	changes
Trade payables to parent companies	497	2,200	(1,703)
Trade payables to entities controlled by the parent	158		158
Financial payables to parent companies	18	124	(106)
<i>Total payables to parent companies</i>	<u>673</u>	<u>2,324</u>	<u>(1,651)</u>
Payables to suppliers	23	37	(13)
Tax payables		1	(1)
Other payables (statutory auditors)	5	53	(48)
Total	<u>701</u>	<u>2,415</u>	<u>(1,713)</u>

Payables to suppliers (payees)

Payables to third party suppliers amounted to €th. 23 as at 31 December 2024 and referred to invoices received or to be received from payees (law firms, tax-consulting firms and notary's offices). We highlight a decrease equal to approximately €th. 11 compared to 31 December 2023.

Payables to parent companies

As at 31 December 2024, payables to the parent company Leonardo SpA amounted to €th. 515 and included trade payables for €th. 497 and financial payables for €th. 18.

As at 31 December 2024, payables to Telespazio SpA, the entity controlled by the parent company, amounted to €th. 158 and included trade payables.

Trade payables, equal to €th. 655, were related for about €th. 585 to invoices received and to be received from Leonardo S.p.A. and Telespazio S.p.A. for the performance of the activities described in the LoA7, LoA9 and LoA10. The remaining amount of €th. 70 concerned invoices received or to be received related to directors' fees and administrative services.

Trade payables decreased by approximately €th. 1,545 compared to 2023 as a result of higher payments made during the year to Telespazio and Leonardo for the contracts with D-Flight, and to third party suppliers and payees.

Financial payables amounted to about €th. 18 and were related to the corporate income tax (IRES) balance of the prior years towards the parent company Leonardo SpA.

We note that during 2024, the Company repaid the parent company Leonardo SpA the remaining loan portions for a total of €th. 125.

Other payables

The item amounted to €th. 5 as at 31 December 2024 and referred to payables to statutory auditors and directors of the Company. These decreased by approximately €th. 48 compared to 31 December 2023 as a result of payments made during the year.

INCOME STATEMENT**VALUE OF PRODUCTION**

Value of production	31 December 2024	31 December 2023	Changes
Revenues from sales and services	632	2,218	(1,586)
Total	632	2,218	(1,586)

Revenues amounted to €th. 632 at 31 December 2024 and were entirely related to sales revenues from the associate D-Flight S.p.A. based on the order letters for the development, integration and operations of the UTM platform and the services for the basic management of users (Operation&Maintenance) as part of the Contract sent with reference number 040/CEO of 09 April 2019.

Specifically, revenues referred for €th. 61 to the LoA9 started by the D-Flight order of 8 November 2022, for €th. 140 to the LoA11 started by the D-Flight order of 20 September 2024, for €th. 431 to the LoA12 started by the D-Flight order of 23 December 2024.

Please note a decrease in revenues from sales of €th. 1,586 compared to 31 December 2023.

PRODUCTION COSTS**Costs for services**

This item amounted to €th. 705 and breaks down as follows:

Costs for services	31 December 2024	31 December 2023	Changes
Design services	585	2,001	(1,416)
Fees for statutory auditors and SB	32	31	1
Administrative consultancy	21	21	0
Fees to directors	20	20	0
Fees for statutory audit	28	28	0
Other professional services and sundry costs	12	16	(4)
Notary fees	6	5	1
Total	705	2,122	(1,417)

Costs for services were mainly made up of €th. 585 for costs incurred towards Leonardo S.p.A. and Telespazio S.p.A., limited to the project designs related to the LoA9, 10, 11 and 12.

The item included €th. 32 for the fees of the Company's statutory auditors and the surveillance body, €th. 21 for administrative services performed by Leonardo S.p.A., €th. 20 for directors' fees, €th. 28 for the fees for the statutory audit of the financial statements, and about €th. 19 for other services.

We note a decrease of costs for services equal to about €th. 1,417 compared to 31 December 2023, mainly due to lower costs for the project designs under the LoAs from Leonardo and Telespazio.

Sundry operating costs

This item amounted to €th. 1 as at 31 December 2024 and referred to expenses and bank charges.

There were no changes compared to the year ended 31 December 2023.

VALUE ADJUSTMENTS TO FINANCIAL ASSETS

Value adjustments to financial assets	31 December 2024	31 December 2023	Change
Amortisation of goodwill D-Flight	330	330	0
Write-down of equity invest. in D-Flight	113	212	(99)
	443	542	(99)

This item amounted to €th. 443 at 31 December 2024 and included the goodwill of the associate D-Flight for €th. 330 and the write-down of the equity investment in the associate D-Flight for €th. 113.

We highlight a decrease equal to €th. 99 compared to 31 December 2023 for a lower write-down of the investment in D-Flight as a result of such equity investment measured at equity.

INCOME TAX FOR THE YEAR

The item income tax for the year breaks down as follows:

Taxes for the year	31 December 2024	31 December 2023	Change
Charge from tax consolidation mechanism	0	0	0
IRAP tax	0	6	(6)
(Income) from tax consolidation mechanism	(14)	0	(14)
Other income taxes	0	0	0
Taxes related to prior years	16	0	16
Accruals for tax disputes	0	0	0
Net deferred tax assets/liabilities	(4)	(4)	0
	(2)	2	(4)

Below is the analysis of the difference between the theoretical tax rate and the actual tax rate for the two comparative periods:

Reconciliation of theoretical tax burden - IRAP	31 December 2024		31 December 2023	
Profit (loss) before income taxes	(517)		(447)	
Theoretical tax	(29)		(25)	
Theoretical rate		5.57%		5.57%
Fees to directors which were not paid at 31 December	1		1	
Non-deductible financial items	25		30	
IRAP tax for the year	0		6	
		n/a		n/a

Reconciliation of theoretical tax burden - IRES	31 December 2024		31 December 2023	
Profit (loss) before income taxes	(517)		(447)	
Theoretical tax	(124)		(107)	
Theoretical rate		24%		24%
Fees to directors which were not paid at 31 December	5		5	
Fees to directors related to prior years paid at 31 December	(1)			
Non-deductible financial items	106		130	
Allowance for Corporate Equity			(28)	
Charge (income) from tax consolidation mechanism	(14)		0	
Actual rate		n/a		n/a

As for the 2024 tax period the calculation of the corporate income tax (IRES) and the regional business tax (IRAP) actual tax rate was not applicable.

Deferred taxes at 31 December 2024 originate from the following temporary differences:

	Income statement 2024		
	Income	Charges	Net
Unpaid directors' fees	(5)	1	(4)
Deferred taxes to income statement	(5)	1	(4)
	Balance sheet 2024		
	Receivable	Provision	Net
Other	16	0	16
Offsetting	0	0	0
Deferred taxes offset in the income statement	16	0	16
Deferred taxes offset in equity	0	0	0
Total	16	0	16

Deferred tax assets included, as already described in the item Deferred Tax Assets above, €th. 16 related to deferred tax assets on the directors' fees not paid at the balance-sheet date.

INFORMATION ON ASSETS AND LOANS INTENDED FOR A SPECIFIC BUSINESS

There are no assets or loans intended for a specific business.

OTHER INFORMATION

Commitments, guarantees given and contingent liabilities not shown in the balance sheet

Pursuant to Article 2427, para. 9 of the Italian Civil Code, we highlight below the commitments, guarantees given and contingent liabilities not shown in the balance sheet:

Sureties and collaterals

The Company has no sureties or collaterals that have not been recognised in the financial statements.

Commitments

The Company has not undertaken any commitments that have not been recognised in the financial statements.

Contingent liabilities

The Company undertook no contingent liabilities, which have not been recognised in the financial statements.

Revenue or cost items of exceptional amount or impact

Pursuant to Article 2427, para. 13 of the Italian Civil Code, we point out that there are no revenue or cost items of exceptional amount or impact.

Fees of directors, statutory auditors and independent auditors

Below is the information concerning the fees paid to directors, statutory auditors and the independent auditors, pursuant to Article 2427, para. 16 and 16-bis of the Italian Civil Code.

<i>Position</i>	<i>Year 2024</i>
Directors	20
Board of Statutory Auditors	20
Surveillance Body	10
Total	50

Pursuant to Article 2427, para. 16-bis of the Italian Civil Code, the Company is exempted from showing the total amount of the fees due to the independent auditors, since these are shown in the consolidated financial statements of Leonardo S.p.A.

Furthermore, note that the Company did not grant any advances or loans to directors and statutory auditors.

Transactions with related parties

Below are the relations with related parties impacting on the balance-sheet and income statement as at 31 December 2024 (in €/thousand).

All the transactions carried out with related parties, also intercompany transactions, fall under the Company's ordinary activities and are regulated at arm's length or based on specific regulatory provisions.

The tables below show the balances related to the balance-sheet and income statement.

€/thousandl <i>RECEIVABLES AT 31.12.2024</i>	Trade receivables	Other current receivables	Total
<i>Parent companies</i>			
Leonardo Spa		44	44
<i>Associates</i>			
D-Flight SpA	431		431
	431	44	475
Total			
% against total for the year	90.7%	9.3%	100%

Receivables from related parties amounted to a total of €th. 475 at 31 December 2024, of which €th. 431 from the associate D-Flight. The remaining €th. 44 referred to the parent company Leonardo SpA.

[€/thousand]
PAYABLES AT 31.12.2024

	Current financial payables	Other current payables	Total
<u>Parent companies</u>			
LDO SPA - Oth. Elect, Def&S Div.		5	5
LDO SPA - Aircraft Div.		25	25
LDO SPA - Electronics	17	449	466
LEONARDO CORPORATE		14	14
	17	493	510
<u>Entities under the control of the parents</u>			
TELESPAZIO		158	158
Total	17	651	668
% against total for the year	3%	97%	100%

The total amount of trade payables to related parties at 31 December 2024 was €th. 668, of which €th. 17 related to financial payables to the parent company Leonardo – Electronics, €th. 493 related to trade payables to the parent company Leonardo S.p.A. and €th. 158 relating to trade payables to the company Telespazio under the control of the parent.

[€/thousand]

Year 2024

	Revenues	Costs	Financial expenses
<u>Parent companies</u>			
LDO SPA - Oth. Elect, Def&S Div.		21	
LDO SPA - Electronics		446	
LEONARDO CORPORATE		5	
	0	472	0
<u>Entities under the control of the parents</u>			
TELESPAZIO SPA	0	153	0
<u>Subsidiaries</u>			
	0	0	0
<u>Associates</u>			
D-Flight SPA	632		443
	632	0	443
Total	632	625	443
% against total for the year	100%	88%	100%

Revenues from the associate D-Flight amounted to €th. 632 at 31 December 2024.

At 31 December 2024, we note costs for services rendered to the parent company Leonardo S.p.A. for approximately €th. 472 and to the company Telespazio S.p.A. under the control of the parent for about €th. 153.

Moreover, we highlight financial charges to the associate D-Flight for an amount of about €th. 443, due to the abovesaid amortisation of goodwill for €th. 330 and to the write-down of the same equity investment for approximately €th. 113.

Derivatives

Pursuant to Article 2427-bis, first para., no. 1, of the Italian Civil Code, we point out that the Company did not enter any derivative instruments.

Agreements not resulting from the Balance-sheet

There are no agreements not resulting from the balance-sheet that may significantly affect the financial position and result of operations of the Company, pursuant to Article 2427, para. 22-ter of the Italian Civil Code.

Name and registered office of the entity that prepares the consolidated financial statements

With reference to the information required by Article 2427, para. 22-quinquies and sexies of the Italian Civil Code, we point out that the Company is subject to the control by Leonardo S.p.A. with registered office in Rome, Piazza Monte Grappa, 4.

Treasury shares

Pursuant to Article 2428, para. 2, numbers 3 and 4, of the Italian Civil Code, please note that the Company does not own, nor has it purchased or sold, even indirectly, any treasury shares and/or shares of parent companies during the current year.

INFORMATION UNDER ARTICLE 1 para. 125 OF LAW No.124 OF 4 AUGUST 2017

With reference to Article 1, para. 125 of Law 124/2017, the Company did not receive any grant.

Proposal to the Shareholders' Meeting

Dear Sirs,
the financial statements that we submit for your approval showed a net loss for the year 2024 equal to €515,443 with an Equity amounting to €3,136,054.
The coverage of losses of such period will be absorbed, following the merger by incorporation effective from 1 January 2025, by the merging company Leonardo S.p.A..

Rome, 11 March 2025

For the Board of Directors
The Chairman
Stefano Pontecorvo



Shape the future
with confidence

UTM Systems & Services S.r.l.

Financial statements as at 31 December 2024

Independent auditor's report pursuant to article 14 of
Legislative Decree n. 39, dated 27 January 2010



Shape the future
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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

To the Shareholders of
Leonardo S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UTM Systems & Services S.r.l. (the Company), which comprise the balance sheet as at 31 December 2024, the income statement and for the year then ended, and explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance for the year then ended in accordance with the Italian regulations governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Italian regulations governing financial statements, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

EY S.p.A.
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Capitale Sociale Euro 2.975.000 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998



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that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Rome, 14th March 2025

EY S.p.A.

Signed by: Matteo De Luca, Auditor

This report has been translated into the English language solely for the convenience of international readers.

UTM SYSTEMS & SERVICES S.R.L.
Single-member company subject to the Direction and Coordination by
LEONARDO S.p.a.

* * *

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024

Dear Shareholders,

This report has been drawn up by the Board of Statutory Auditors pursuant to article 2429 – para. two – of the Italian Civil Code.

By way of introduction it should be noted that, as part of the project for the corporate strategic rationalization of the Leonardo Group’s assets - on account of economic and organizational reasons and, more specifically, with the aim of rationalizing and streamlining the corporate chain as part of the Programme for the supply of UTM (Unmanned Aircraft System Traffic Management) services to ENAV – the company UTM Systems & Services S.r.l. (hereinafter also “UTM” or the “Company”) was merged by incorporation into the parent company Leonardo Spa (hereinafter also “Leonardo”) effective from 1 January 2025, also for accounting and tax purposes.

Therefore, this report is issued by the Monitoring Body of Leonardo who expresses its opinion, within the sphere of its competence, reporting on the supervisory activities performed by the Board of Statutory Auditors of UTM (hereinafter also the “Board of Statutory Auditors of the merged company”) during financial year 2024, as resulting from the report signed on 2 December 2024 and subsequently supplemented by the report of 30 December 2024.

During the year ended 31 December 2024, the Board of Statutory Auditors of the merged company reported that it had performed the supervisory tasks in the manners and terms laid down in the applicable legislation.

In particular, the Board of Statutory Auditors of the merged company:

- a. supervised the compliance with the provisions of law and the memorandum of association, and with the principles of correct management;
- b. held 7 meetings and participated in the 3 meetings of the Board of Directors and in the 2 meetings of the Shareholders’ meeting, which were conducted in accordance with the articles of association, the regulatory and legislative rules governing the related functioning; in relation to such meetings, the Board of Statutory Auditors of the merged company did not detect any breach of law or of the articles of association, nor did it detect any manifestly imprudent, reckless transactions or in a potential conflict of

- interest or such to compromise the integrity of the company's assets;
- c. reported that it was also assigned duties as Supervisory Body pursuant to Legislative Decree 231/2001 and that the checks performed did not highlight any facts or data to bring to the attention of the Shareholders.

To this regard, the Board underlined that no facts emerged from all the other activities entailing the Board's action in this sphere that needed to be drawn to the attention of the Shareholders. It also reported that the Company had started the activities for the update of the Organizational, Management and Control Model in the last months of 2023 that were then suspended on account of the new corporate plans, which anticipated the merger by incorporation of UTM into Leonardo;

- d. gained an understanding of and supervised the adequacy and functioning of the company's organizational structure and administrative and accounting system and actual functioning, as well as the reliability of that system to give a fair view of the company's operations, by obtaining the necessary information from the top executives, from the audit firm in charge of the statutory audit of accounts and based on the examination of the corporate documents.

With regard to this, the Board of Statutory Auditors of the merged company deemed it proper to underline that, considering the Company's peculiar situation devoid of own resources, the assessment of the substantial adequacy of the Company's organizational structure and of its ability to guarantee the compliance with the principles of correct management and fulfil the related operating requirements has been made by the same Board taking into account that the Company's internal organization relies on the structures of the parent company Leonardo S.p.a., based on specific agreements (service agreements) signed with the owners and with the other Leonardo Group companies. Such service agreements regulate various subjects according to a general rule which, except for specific cases, provides for the recharge of actual costs plus an extra-charge in line with the practice adopted by the Leonardo Group and the market.

Likewise, for the purpose of supervising the adequacy and functioning of the internal control system, the Company made use, for all its direct and indirect management activities, of the organizational structure of the Shareholders, in particular of that of the parent company Leonardo S.p.a., which effectively guaranteed the reliability of the system made available to the subsidiary.

With regard to the Business Crisis and Insolvency Code, the Board of Statutory Auditors of the merged company found that the Company had an organizational, administrative and accounting structure adequate for the nature and size of the entity, capable of promptly detecting a corporate crisis, if any, and allowing the governing body to take any suitable actions to guarantee the ability of the Company to continue as a going-concern. In respect of this, in the last years the Board of Statutory Auditors of the

merged company acknowledged the contents of the support letter issued in favour of the Company by the two Shareholders representing the ownership structure at the time. Such support made it possible to satisfy the going-concern assumption, in consideration of the Company's belonging to the Leonardo Group and of the Shareholders' manifested willingness to cope with the Company's losses and financial requirements;

- e. also obtained information from the Directors on the overall performance of operations and business outlook, as well as on the most important transactions based on their size and characteristics, carried out by the Company and, therefore, the Board of Statutory Auditors of the merged company could ensure that the transactions undertaken complied with the law and the articles of association and were not manifestly imprudent, reckless, in potential conflict of interest or contrary to the Board resolutions or such to compromise the integrity of the company assets;
- f. ascertained that any atypical and/or unusual transactions, including intercompany and related-party transactions, had not been carried out. The Board of Statutory Auditors of the merged company did not become aware, during its supervisory activities, of any facts or irregularities which can raise doubts as to the suitability of the transactions with related parties and conformity to the Company's interest. The Company is subject to the management and coordination by Leonardo S.p.a., of which circumstance disclosure is provided in the financial statements;
- g. regularly met with those in charge of EY S.p.A., the auditing firm responsible for the statutory audit of the accounts of UTM, examined the audit plan for 2024, of which the Board verified the adequacy and implementation, while promptly exchanging significant data and information needed for the fulfillment of the respective duties. During these meetings no censurable facts or behaviours emerged that are worth being reported by the Auditing Firm;
- h. reported that UTM, considering its organizational structure and business-related risks, was never subject to any audits;
- i. reported that it did not receive any complaints from the Shareholders pursuant to article 2408 of the Italian Civil Code;
- j. pointed out that, since UTM has no employees and that the entity carries out its activities through service agreements, it was kept abreast by the Legal Function of Leonardo of the effective adoption and application of all the Parent Company's Directives by the holders of the service agreements;
- k. reported that during the year it did not deliver any opinion pursuant to the law, except for the proposal for the assignment of the new engagement to the audit firm occurred on 3 April 2024 for the three-year period 2024-2026;
- l. examined the procedure relating to the merger by incorporation of the Company into Leonardo S.p.a. effective from 1 January 2025 and took cognizance (i) of the resolution

of the Board of Directors of UTM passed at the meeting of 30 July 2024, with the approval of the merger by incorporation plan, (ii) of the resolutions passed by the extraordinary Shareholders' meeting of UTM on 26 September 2024 and (iii) of what was stated in the merger deed drafted on 12 December 2024.

On the basis of the information received, the Board of Statutory Auditors of the merged company found that all formal requirements arising from the aforementioned extraordinary transaction were fulfilled in the times and manners provided for by the law and that it can reasonably state that the transaction complies with the law and the Articles of Association, is consistent with the corporate purpose and is not manifestly imprudent, reckless or such to compromise the integrity of the Company's assets.

The Board of Statutory Auditors of the merged company attested that no transactions emerged in which the directors held an interest on their own or on behalf of third parties.

The Board of Statutory Auditors of the merged company also attested that during its supervisory activity and on completion of the checks it performed, no omissions, censurable facts or significant irregularities emerged such as to be mentioned in the above report.

Finally, the Board of Statutory Auditors of the merged company reported that no significant corporate operations occurred during 2024 which are worth being mentioned.

The Board of Statutory Auditors of Leonardo S.p.a. confirmed that the merger by incorporation of UTM S.r.l. by the merging company Leonardo S.p.a. became effective from 1 January 2025.

Concerning the performance of operations, the Board of Statutory Auditors of the merged company deemed it appropriate to underline how the Profit&Loss results substantially depend on the performance of the investee D-Flight and, accordingly, on the equity-accounted investment held in this entity.

Specifically, it is underlined that UTM:

- recognised goodwill as the difference between the acquisition cost of the investment and its actual value;
- started goodwill amortisation over a twelve-year period, which corresponds to the duration of the Company's commitments;
- regularly verifies that the value of the investment remains unaltered, in which case the Company proceeds to write it down. This occurred, for instance, for the 2023 financial statements, when it became necessary to re-adjust the value of the investment to the investee's equity.

Taking into account all the foregoing, the cumulated effects of what described above led to confirming the reduction of more than one-third of the capital recorded in 2022. The Board of Directors therefore proposed – pursuant to article 2482 bis, para. 4, of the Italian Civil Code – to reduce the capital in proportion to the ascertained losses; such reduction was resolved by the Shareholders' meeting on 3 April 2024.

The Board of Statutory Auditors of the merged company also pointed out that the provisional data for 2024 highlighted the regular performance of operations, while it is not known if the future plans of D-Flight and consequent impact on the orders that D-Flight will issue to UTM in future years will allow the value of the investment to remain unchanged. The Board of Statutory Auditors of the merged company also reported that the recently acquired information seems to highlight that no critical issues or problems exist that could lead the Company to consider other write-downs necessary.

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We examined the draft financial statements for the year ended 31 December 2024 approved by the Board of Directors of Leonardo S.p.a. at the meeting of 11 March 2025 and delivered to the Statutory Auditors together with the accounting statements and supporting documentation.

The draft financial statements for the year ended 31 December 2024 of UTM were prepared in accordance with the provisions set down in Articles 2423 et seqq. of the Italian Civil Code regarding financial statements, as amended by Italian Legislative Decree 139/2015 implementing Directive 2013/34/EU.

The draft financial statements for the year ended 31 December 2024, which were composed of the balance sheet, statement of cash flows, closed with a net loss of €515,443.

Regarding the profit/loss for 2024, the Board of Directors provided in the Explanatory Notes the origination of the result.

Since we are not tasked with the analytical examination of the content of the financial statements, we supervised their overall lay-out, general compliance with the law as regards their basis of formation and structure and on the related process of preparation and presentation of financial disclosures to the Shareholders' meeting; in that regard we have nothing in particular to report.

To the best of our knowledge and as reported by the Board of Statutory Auditors of the merged company, the Directors did not depart from the provisions of law governing the preparation of financial statements pursuant to article 2423, para. five, of the Italian Civil Code.

The independent auditors EY S.p.A., in charge of the statutory audit of accounts, are responsible for expressing an opinion on the annual financial statements in accordance with article 14 of Legislative Decree no. 39 of 27 January 2010.

We acknowledge that the Independent Auditor's report issued on 14 March 2025 is an unqualified opinion on the financial statements for the year ended 31 December 2024, where they certify that the financial statements give a true and fair view of the financial position of the Company, its results of operations and cash flows for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

Additionally, supported by the Board of Statutory Auditors of the merged company, we verified that the financial statements corresponded to the events and information of which we became aware in consequence of the duties we accomplished, and we have no remarks to provide. Pursuant to article 2497-bis, para. 4, of the Italian Civil Code, the financial statements also include the statement highlighting the key figures of the latest approved financial statements related to FY 2023 of Leonardo S.p.a. on account of the latter's direction and coordination. Considering the foregoing and within the sphere of our competence, based on the activities performed also by the Board of Statutory Auditors of the merged company who informed us of the activities conducted in 2024, we have identified no impediments as to the proposed approval of the draft financial statements for the year ended 31 December 2024 as prepared by the Directors.

14 March 2025

for THE BOARD OF STATUTORY AUDITORS
THE CHAIRMAN

Luca Rossi